



CITY AND BOROUGH OF SITKA

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

Meeting Agenda City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC

Tuesday, March 25, 2014

6:00 PM

Assembly Chambers

Worksession 5:00 - 5:50 PM

CAFR Presentation - Michelle Drew

1. [14-054](#) City and Borough of Sitka Audit - Update

Attachments: [Memo - FY13 audit WS doc](#)
[City and Borough of Sitka SAS 114 13 - Audit wrap-up WS doc](#)
[City and Borough of Sitka Single Audit 13 WS doc](#)
[CAFR 2013 City and Borough of Sitka 13 WS doc](#)

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

2. [14-059](#) Reminders and Calendars

Attachments: [Reminders and Calendars](#)

V. CEREMONIAL MATTERS

3. [14-051](#) Proclamations: 1) AmeriCorps Day, and 2) St. Baldrick's Foundation + shaving of heads

Attachments: [Proclamations](#)

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

1) Representative Kreiss-Tomkins telephonically

4. [14-060](#) Representative Jonathan Kreiss-Tomkins correspondence

Attachments: [Kreiss-Tomkins News](#)

VII. PERSONS TO BE HEARD

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

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 [14-049](#) Approve the minutes of the February 25, & March 11, 2014 Assembly meetings

Attachments: [Minutes Feb. 25 & Motion](#)
[Minutes March 11](#)

- B [14-052](#) Appointment: 1) Appoint Hans vonRekowski to a term on the Sitka Community Hospital Board

Attachments: [SCH Appointment vonRekowski](#)

- C [14-053](#) Approve the following liquor license renewals: 1) Bayview Restaurant, 2) Loyal Order of the Moose #1350, 3) Pilot House, 4) Little Tokyo, 5) Talon Lodge, 6) Asian Palace, 6) Homeport Eatery, and 7) Larkspur Cafe

Attachments: [Liquor License Renewals](#)

- D [14-057](#) Approve the Health Needs and Human Services Commission moving forward with the development of a Community Health Needs Assessment and Enumeration of Services PULLED

Attachments: [Health Needs & Human Services Commission](#)

- E [RES 14-03](#) Supporting Permanent Funding of the Alaska Farm to School and the Nutritional Alaska Foods for Schools Programs by the Alaska State Legislature

Attachments: [RES 2014-03 Nutritional & Farm Foods](#)

First and Final Reading

- F [14-055](#) Approve Amendment No.3 to the Granite Creek Lease of lot #4 between CBS and Tisher Construction in accordance to the existing lease

Attachments: [Tisher Lease Motion](#)
 [Granite Creek Tisher](#)
 [Material Sale and Lease Tisher](#)

- G [14-058](#) Approve a transfer of up to \$150,000 from the Commercial Passenger Excise Tax Funds to the Sea Walk Capital Project to install a safety railing along the board walk

Attachments: [CPET Funds Transfer Sea Walk](#)

X. **UNFINISHED BUSINESS:**

- H [ORD 14-02](#) Amending Sitka General Code at Chapter 9.20 entitled "Smoking in Public Places and Places of Employment" to modify Section 9.20.035 regarding prohibition of children in places where smoking is permitted

Attachments: [ORD 2014-02 Second Reading](#)

- I [ORD 14-05](#) Amending SGC at Chapter 15.05 entitled "Water System" at Subsection 15.05.625 entitled "Water and Wastewater Rates - Sawmill Cove Industrial Park" to further define water volumes and address tote/container water sales for bulk water

Attachments: [ORD 2014-05 Water & Wastewater Rates](#)

XI. **NEW BUSINESS:**

New Business First Reading

- J [ORD 14-07](#) Amending SGC Title 13 entitled "Port and Harbors" by Repealing and Reenacting certain sections to substantially update the laws governing the conduct and use of Sitka Municipal Harbor Facilities by adopting clear requirements for vessel maintenance and care and procedures for impounding nuisance vessels

Attachments: [ORD 2014-07 Title 13](#)

- K [ORD 14-08](#) Revising Chapter 4.09 of the SGC, at Subsection 4.09.110 entitled "Residence Construction Tax Refund" to extend the time period for applying for the refund to two years after the issuance of the building permit, and, to clarify that only one refund per building permit will be issued

Attachments: [ORD 2014-08 Residence Const](#)

Additional New Business Items

- L [14-056](#) Re-Appointment/Appointments: 1) Jennifer Robinson; 2) Mary Stephenson; and 3) Judith Johnstone to terms on the Tourism Commission

Attachments: [Tourism Appointments](#)

XII. PERSONS TO BE HEARD:

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

XIII. EXECUTIVE SESSION

None anticipated

XIV. ADJOURNMENT

*Colleen Ingman, MMC
Municipal Clerk
Publish: 3-21-14*




Legislation Details

File #: 14-054 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 3/18/2014 **In control:** City and Borough Assembly
On agenda: 3/25/2014 **Final action:**
Title: City and Borough of Sitka Audit - Update
Sponsors:
Indexes:
Code sections:
Attachments: [Memo - FY13 audit WS doc](#)
[City and Borough of Sitka SAS 114 13 - Audit wrap-up WS doc](#)
[City and Borough of Sitka Single Audit 13 WS doc](#)
[CAFR 2013 City and Borough of Sitka 13 WS doc](#)

Date	Ver.	Action By	Action	Result
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Memo

To: Mayor McConnell and Assembly Members
From: Mike Middleton
CC: Mark Gorman, Jay Sweeney  18 MAR 14
Date: 3/18/2014
Re: FY 2013 Audit

Mayor and Assembly Members,

The audit for fiscal year 2013 is being presented at the 3/25/14 Assembly meeting. The audit is an Unqualified Opinion – meaning in the auditors' opinion the financial statements accurately present the financial position of the City and Borough in all material respects (page B-2 of CAFR).

The auditors did have some items come up that are required to be reported. The audit has one Significant Deficiency and two Material Weaknesses. These are specific accounting terms and are defined for you in the Audit Wrap-up from BDO (page 6).

A Significant Deficiency is automatically required if the auditor finds a material entry that was not done. Management then does the entry, but it is a required reporting event. The audit had one Significant Deficiency.

A Material Weakness is either a repeated Significant Deficiency from the prior year or a larger potential misstatement. The audit has two Material Weaknesses, one for reconciliations which is a repeat from last year and another for the recording of the bonding – since this was a large entry, it rated a Material Weakness.

We believe the audit is good overall, and it is not unusual to have the conditions above reported. At the same time, we are striving to improve the performance of the Finance team on the processes. While we are never satisfied to have audit findings, we maintain that they are associated with growth and improvement of the department as a whole. Improvement does not come without pain. Key elements of change and improvement which are associated with the weaknesses and which we continue to strive to improve are the following:

- Change in management philosophy – management is working to change the way the department approaches the function. This involves a learning curve for staff
- Delegating and pushing accounting tasks down – this is training and empowering the staff to work independently and at a higher level. While this is increasing staff skill levels, items will be missed as part of the learning curve.
- Transparency of data – the data we are providing to the auditors has been easier to access than in prior audits through the use of technology.
- Increase in Grant reporting complexities – this is constantly growing area. Each year it grows.
- New Government Accounting rules (standards) – this takes more time and changes the accustomed patterns and processes.
- During the audit this year, the department was working on implementing the new Enterprise Resource Planning (ERP) software. This provided a distraction which contributed to the items noted by the auditors.

Management is working to address these items.

AUDIT WRAP-UP

Year Ended June 30, 2013



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., the Assembly) and, if appropriate, management of the Municipality and is not intended and should not be used by anyone other than these specified parties.

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Tel: 907-278-8827
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

February 10, 2014

Honorable Mayor and Members of the Assembly
City and Borough of Sitka

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. Our audit engagement letter dated July 18, 2013 outlined our plan for the audit of the financial statements of the City and Borough of Sitka (the Municipality) as of and for the year ended June 30, 2013. That document included a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Municipality's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Municipality. Feel free to contact us to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

Discussion Outline

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Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended June 30, 2013. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our Audit Engagement Letter.
- We have issued an unmodified opinion on the financial statements and released our report on February 10, 2014.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of Municipality personnel throughout the course of our work.

Independence Communication

Our engagement letter to you dated July 18, 2013 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the with respect to independence as agreed to by the Municipality. Please refer to that letter for further information.

Results of Our Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES, AND SIGNIFICANT UNUSUAL TRANSACTIONS

The following summarizes the more significant required communications related to our audit concerning the Municipality's accounting practices, policies, estimates, and significant unusual transactions:

The Municipality's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- The Municipality adopted the following new GASB pronouncements in 2013:
 - GASB Statement 63, *Financial Reporting of Deferred outflows of Resources, Deferred Inflows of Resources, and Net Position* - This statement required a reformatting of the Statement of Net Assets to the Statement of Net Position, established new reporting categories: deferred outflows and deferred inflows, and provides for the reporting of net position, rather than net assets.
 - GASB Statement 65, *Items Previously Reported as Assets and Liabilities* - This statement is a companion to GASB Statement 63 and clarified which items should be reported as deferred outflows and deferred inflows.
- There were no other changes in significant accounting policies and practices during 2013.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Overall, the Municipality has very few significant accounting estimates. The most significant estimates are disclosed below:

Significant accounting estimates include:

Collectability of outstanding A/R - Many of the Municipality's accounts receivable are from granting agencies; these are considered by management to be 100% collectible. Customer accounts receivables (water, sewer, harbor, electric) are reviewed by management periodically to determine a reasonable amount of allowance, based on known factors, past history, and age of the outstanding amount.

Estimated Useful Life of Capital Assets (Depreciation) - The Municipality maintains numerous capital assets including machinery, equipment, buildings and infrastructure. Assets are categorized by type and assigned estimate useful lives that vary from 3 years to 50 years, depending on asset type.

Landfill Closure Liability - Accounting rules prescribe that the Municipality accrue the ultimate cost of closure and monitoring as the landfill is being filled. The Municipality has estimated that closure and post-closure costs will approximate \$461,757. This amount has been reported on the statement of net position.

- Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2013.
- We did not identify any significant or unusual transactions, or any transactions for which there was a lack of authoritative guidance.

Results of Our Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were numerous audit adjusting entries. Significant audit adjusting entries were made to the following accounts:

- Construction in Progress
- Grants receivable
- Fund balance
- Interfund transfers and billings
- Investment in central treasury
- Long term debt
- Interest expense
- Interfund advances

There were also several reclassification journal entries. Reclassification entries have no effect on fund balance.

There were no uncorrected misstatements related to accounts and/or disclosures that we presented to management.

All journal entries recorded and proposed were provided to management in the representation letter.

OTHER COMMUNICATIONS

The following items represent required audit communications:

1. Qualitative aspects of significant accounting policies and practices
 - We concur with the Municipality's interpretation and application of generally accepted accounting principles and practices derived from the standards set by the Governmental Accounting Standards Board (GASB).
2. Our conclusions regarding significant accounting estimates
 - The nature of the Municipality's operations reduces the need for numerous significant estimates within the accounting records. See comment about estimates above. We believe the Municipality's estimates are reasonable in the circumstances. The Municipality may wish to consider obtaining an independent estimate with respect to the landfill closure.
3. Financial statement disclosures
 - To our knowledge all necessary disclosures have been included in the footnotes to the financial statements.
4. New accounting pronouncements
 - As noted on the previous page, in 2013 the Municipality adopted GASB Statement 63 and GASB Statement 65. We concur with the Municipality's decision to adopt this statement.
5. Alternative accounting treatments
 - We did not identify any accounting treatments that did not comply with generally accepted accounting principles and standards set by GASB.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Municipality's internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted one significant deficiency and two material weaknesses. These items are reported in the Single Audit Reports (a separately bound document) and are not repeated herein.

Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the Municipality:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Municipality's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Municipality's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit. Management gave us their complete cooperation. However, the audit was not completed in a timely period. The delay was caused, in part, to the books and records not being fully closed with the report drafted in accordance with GAAP at the time of audit fieldwork. In addition, some delay in audit procedures occurred as a result of unclear information (ADEC loans) as well as some delay on our end due to resource limitations outside of the original timeline.
Representations requested from management	Please refer to the attached management representation letter.

BDO Board Reflections and Ac'sense Programs

The **BDO Board Reflections** resource center is developed with Board members in mind. Understanding the roles, responsibilities, and risks associated with each committee, BDO routinely provides guidance to Directors as they navigate through ever changing challenges in today's corporate climate. BDO's proprietary studies, publications, practice aids, and educational programs help fuel conversations among those charged with corporate governance - who are making the tough decisions. BDO's thought-provoking resources are tailored to help keep Board members ahead of the trends while meeting compliance obligations. For a comprehensive listing of such resources, visit <http://www.bdo.com/board>.

In line with the board resource center is **Ac'senseSM**, BDO's program designed to assist both those charged with governance (including Audit Committees and Boards of Directors) as well as financial executives. Though not specifically designed for governments, this program is applicable to both private companies and public sector organizations in keeping up to date on the latest corporate governance and financial reporting developments.

The program is multi-faceted and consists of complimentary CPE-worthy webinars and self-study courses covering both broad and specific topics of interest, publications, and links to various BDO and external resources. Visit <http://www.bdo.com/acsense/>.

AC'SENSESM WEBINARS

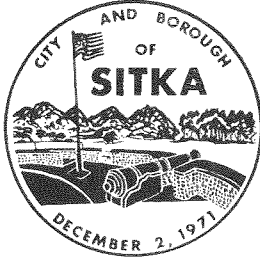
Our webinar programs are presented by our firm technical experts and comprise both short-form and longer-form webinars on a variety of "hot" topics of interest, such as "Compensation Risk," "Fair Value Matters," "Business Combinations," "Applying New Revenue Recognition Rules," "Ethics and the Corporate Board," and many others. In addition, we host several series including our "Quarterly Technical Updates" and "International Financial Reporting Standards" on financial accounting and reporting matters as well as "Focus on Fraud."

Our webinars are complimentary and are generally applicable for Audit Committees, Board members, management, finance and compliance professionals of both public and private companies. Though not specifically targeted to government operations, this program offers valuable information that transcends industries. In addition, most webinars and archives are worthy of Continuing Professional Education (CPE) credit. Please visit our website <http://www.bdo.com/acsense/> for further information on upcoming and archived webinars.

EFFECTIVE AUDIT COMMITTEES IN THE EVER CHANGING MARKETPLACE

The focus of BDO's governance initiatives is to provide those charged with governance with essential, relevant information through clear and concise executive summary-type communications. In this spirit, we have created the [*Effective Audit Committees in the Ever Changing Marketplace*](#) publication as a practical guide to forming and running an effective Audit Committee. Within this publication, we provide answers to certain frequently asked questions (FAQs) centering on the WHYs, WHOs, WHATs, WHENs, and HOWs of Audit Committees. More specifically, these FAQs summarize the common functions and responsibilities of Audit Committees and seek to provide insights and perspective as to how to optimize Audit Committee effectiveness. Our vision has been shaped by our own experiences with our clients and interpretations of the specific recommendations, guidelines and rules of the SEC; the stock exchanges; the Public Company Accounting Oversight Board (PCAOB); the American Institute of Certified Public Accountants (AICPA); and the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, sponsored by the New York Stock Exchange and the National Association of Securities Dealers.

Throughout this publication, we focus on some of the more challenging aspects facing Audit Committees. To that end, in addition to our commentary, we have included links and references to other relevant BDO practice aids and tools as well as certain valuable external resources. The guide and practices aids are available at <http://www.bdo.com/acsense/effective.aspx>.



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

February 10, 2014

BDO USA, LLP
3601 C Street, Suite 600
Anchorage, AK 99503

Ladies and gentlemen:

We are providing this letter in connection with your audits of the financial statements of City and Borough of Sitka, Alaska, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2013 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in financial position, and, where applicable, cash flows of City and Borough of Sitka in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 18, 2013, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We have included all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (3) The financial statements include all assets and liabilities under the entity's control.

- (4) We have made available to you all:
 - (a) Financial records, and related data and all audit or relevant monitoring reports, if any, received from funding sources, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) Minutes of the meetings of Borough Assembly and committees that were held from July 1, 2013 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements, schedule of expenditures of federal awards, or schedule of state financial assistance. All financial statement misstatements, including those adjustments proposed by the City after we received the final trial balance, relating to accounts and disclosures identified and discussed with us in the course of the audit as listed in Attachment A - "Schedule of Audit Adjustments" have been corrected. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying supporting evidence from our files and confirm our responsibility for the decision to correct them.
- (7) In regards to the assistance with drafting the government-wide (full accrual) statements, services performed by you, we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.
- (8) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have no knowledge of any:
 - (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or other professionals.
- (9) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives, and whether related recommendations have been implemented.
- (10) We have a process to track the status of audit findings and recommendations.

- (11) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives, and whether related recommendations have been implemented.
- (12) We have provided views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- (13) We have provided views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- (14) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position balances.
- (15) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
 - (a) The identity of related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (c) All derivative instruments and any embedded derivative instruments that require bifurcation.
 - (d) Guarantees, whether written or oral, under which the City and Borough of Sitka is contingently liable.
 - (e) Significant estimates and material concentrations known to management that are required to be disclosed. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances.
 - (f) The effects of all known actual or possible litigation, claims, assessments, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed.
 - (g) Commitments, such as:
 - Major fixed asset purchase agreements;
 - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
 - Deferred compensation, bonuses, pensions plans, or severance pay; or

- Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;
- (h) For environmental clean-up obligations.
- (i) For closure and post-closure care costs associated with operation of the City and Borough of Sitka's solid waste landfill.
- (j) Participation in a public entity risk pool.
- (16) There are no:
- (a) Violations or possible violations of budget ordinances, laws, and regulations (including those pertaining to adopting, approving, and amending budgets), and provisions of contracts and grant agreements (including the failure to file reports required by regulatory bodies (e.g., EPA, OCC, FDIC, DOL, Medicare, U.S. Customs Service, HIPAA, IRS, Dept. of Commerce, state and municipal authorities) when the effects of failing to file could be material to the financial statements) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.
 - (c) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- (17) Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (18) The City and Borough of Sitka has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (19) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance.
- (20) No discussions have taken place with your firm's personnel regarding employment with the City and Borough of Sitka.
- (21) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.

- (22) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- (23) The financial statements include all component units, and properly disclose all other related organizations.
- (24) The financial statements properly classify all funds and activities.
- (25) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- (26) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (27) Revenues are appropriately classified in the statement of activities within program revenues or general revenues.
- (28) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- (29) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- (30) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- (31) We have appropriately disclosed the City and Borough of Sitka's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- (32) With respect to federal and state award programs:
 - (a) We are responsible for understanding and complying with, and have complied with, the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA) and the Schedule of State Financial Assistance (SSFA).
 - (b) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and included in the SEFA and SSFA expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- (c) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and the schedule of state financial assistance in accordance with the requirements of OMB Circular A-133 §310.b and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and we believe the SEFA and SSFA, including their form and content, are fairly presented in accordance with the Circular and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The methods of measurement and presentation of the SEFA and SSFA have not changed from those used in the prior period.
- (d) If the SEFA and SSFA are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date we issue the SEFA and SSFA and the auditor's reports thereon.
- (e) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements considered to have a direct and material effect on each federal and state program.
- (f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides a reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies (including material weaknesses) in internal control over compliance as reported in the schedule of findings and questioned costs.
- (g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relating to each major federal and state program.
- (h) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- (i) We have complied, in all material respects, with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Circular A-133 "Compliance Supplement" and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal and state awards, including the results of other audits or program reviews.

- (j) We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- (k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal and external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- (l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- (m) We have disclosed to you our interpretations of compliance requirements that have varying interpretations, if any.
- (n) We have made available to you all documentation related to compliance with the direct and material requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- (o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- (p) There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- (q) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards and the schedule of state financial assistance.
- (r) The copies of federal and state program financial reports provided you are true copies of the reports submitted or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- (s) We have charged costs to federal and state awards in accordance with applicable cost principles.
- (t) We are responsible for, and will accurately prepare and certify the auditee section of the Data Collection Form as required by OMB Circular A-133.
- (u) We are also responsible for preparing and implementing a corrective action plan for each audit finding.

- (v) We are responsible for, and have accurately prepared, the summary schedule of prior audit findings required to be included by OMB Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- (w) We are also responsible for preparing and implementing a corrective action plan for each audit finding.
- (x) We are responsible for, and have accurately prepared, the summary schedule of prior audit findings required to be included by OMB Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- (33) We have adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and we have elected to adopt the provisions of GASB Statement number 65, Items Previously Reported as Assets and Liabilities. These provisions have been retrospectively applied to all periods presented in the financial statements.
- (34) We acknowledge our responsibility for the presentation of the required supplementary information, and the required supplementary information is measured and presented in accordance with prescribed guidelines. The methods of measurement or presentation have changed from those used in the prior period due to the implementation of GASB No. 63 and GASB No. 65.
- (35) We acknowledge our responsibility for the presentation of the Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules in accordance with accounting principles generally accepted in the United States of America, and we believe this supplementary information, including its form and content, is fairly presented in accordance with the accounting principles generally accepted in the United States of America. The methods of measurement and presentation for the combining and individual fund financial statements and schedules have changed from those used in the prior period due to the implementation of GASB No. 63 and GASB No. 65.
- (36) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
 - If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
 - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site

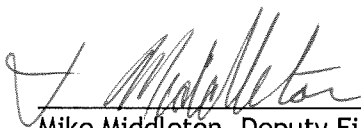
that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.

- We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
- Our web site, which contains the electronic financial statements, will advise the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Very truly yours,


Jay Sweeney III, Finance Director


Mike Middleton, Deputy Finance Director

Number	Name	Account No	Debit	Credit
1	Construction in Progress	700.000.000.1590.000 700		-3,767,011
1	Construction in Progress	700.000.000.1590.000 700		-1,591,839
1	Undesignated/Re. Earnings	700.000.000.2920.000 700	3,767,011	
1	Capitalize Contract/Servi	700.600.670.7150.000 700	1,591,839	
1	Construction in Progress	703.000.000.1590.000 703		-19,451
1	Construction in Progress	703.000.000.1590.000 703	19,451	
1	Undesignated/Re. Earnings	703.000.000.2920.000 703	19,451	
1	Capitalize Contract/Servi	703.600.670.7150.000 703		-19,451
1	Construction in Progress	704.000.000.1590.000 704		-174,122
1	Construction in Progress	704.000.000.1590.000 704	174,122	
1	Undesignated/Re. Earnings	704.000.000.2920.000 704	174,122	
1	Capitalize Contract/Servi	704.600.670.7150.000 704		-174,122
1	Construction in Progress	705.000.000.1590.000 705		-3,493,392
1	Construction in Progress	705.000.000.1590.000 705	3,493,392	
1	Undesignated/Re. Earnings	705.000.000.2920.000 705	3,493,392	
1	Capitalize Contract/Servi	705.600.670.7150.000 705		-3,493,392
1	Construction in Progress	706.000.000.1590.000 706		-8,239,933
1	Construction in Progress	706.000.000.1590.000 706		-1,164,572
1	Undesignated/Re. Earnings	706.000.000.2920.000 706	8,239,933	
1	Capitalize Contract/Servi	706.600.670.7150.000 706	1,164,572	
1	Construction in Progress	707.000.000.1590.000 707		-199,615
1	Construction in Progress	707.000.000.1590.000 707		-1,705,755
1	Undesignated/Re. Earnings	707.000.000.2920.000 707	199,615	
1	Capitalization Cost	707.600.670.7150.000 707	1,705,755	

Proposed entry to remove CWIP from
Governmental funds

2	Amount Provided Sp Assess	610.000.000.1830.100 610		-361,015
2	Capital Lease E911 System	610.000.000.2500.210 610	361,015	

To remove advance from fund 610.
The advance belongs in the general fund.

3	Undesignated/Re. Earnings	200.000.000.2920.000 200		
3	Bond Payable Proceeds	200.300.390.3905.000 200		
3	Bond Premium Proceeds	200.300.390.3911.000 200		

To remove bond proceeds from
Electric Fund - this entry was deleted and replaced by PBC15

7	Accounts Receivable - State	707.000.000.1050.060 707	109,757	
7	Grant Revenue	707.300.310.3101.005 707		-109,757

Record Grant AR for pacific high
school grant

8	PERS Relief	100.300.310.3101.017 100		-78,972
8	PERS	100.500.001.5120.004 100	4,968	
8	PERS	100.500.002.5120.004 100	1,961	
8	PERS	100.500.003.5120.004 100	1,961	
8	PERS	100.500.004.5120.004 100	10,983	
8	PERS	100.500.005.5120.004 100	1,569	
8	PERS	100.500.006.5120.004 100	1,700	
8	PERS	100.520.021.5120.004 100	24,973	

Number	Name	Account No	Debit	Credit
8	PERS	100.520.022.5120.004 100	7,845	
8	PERS	100.520.023.5120.004 100	915	
8	PERS	100.530.031.5120.004 100	3,399	
8	PERS	100.530.032.5120.004 100	4,707	
8	PERS	100.530.033.5120.004 100	3,792	
8	PERS	100.530.034.5120.004 100	1,961	
8	PERS	100.530.035.5120.004 100	1,569	
8	PERS	100.540.041.5120.004 100	4,184	
8	PERS	100.540.043.5120.004 100	2,484	
8	PERS Relief	200.300.310.3101.017 200		-28,765
8	PERS	200.600.601.5120.004 200	3,269	
8	PERS	200.600.602.5120.004 200	915	
8	PERS	200.600.603.5120.004 200	13,859	
8	PERS	200.600.605.5120.004 200	7,453	
8	PERS	200.600.606.5120.004 200	2,484	
8	PERS	200.600.635.5120.004 200	784	
8	PERS Relief	210.300.310.3101.017 210		-2,484
8	PERS	210.600.605.5120.004 210	1,830	
8	PERS	210.600.610.5120.004 210	654	
8	PERS Relief	220.300.310.3101.017 220		-7,453
8	PERS	220.600.601.5120.004 220	915	
8	PERS	220.600.607.5120.004 220	2,092	
8	PERS	220.600.610.5120.004 220	4,445	
8	PERS Relief	230.300.310.3101.017 230		-1,177
8	PERS	230.600.622.5120.004 230	1,177	
8	PERS Relief	240.300.310.3101.017 240		-5,491
8	PERS	240.600.601.5120.004 240	915	
8	PERS	240.600.630.5120.004 240	4,576	
8	PERS Relief	300.300.310.3101.017 300		-2,615
8	PERS	300.600.630.5120.004 300	2,615	
8	PERS Relief	310.300.310.3101.017 310		-1,438
8	PERS	310.600.630.5120.004 310	1,438	
8	PERS Relief	320.300.310.3101.017 320		-2,353
8	PERS	320.600.601.5120.004 320	2,353	

To update PERS on behalf payments
with FY13 amounts which were paid in FY14.

10	Cost of Issuance 2013 Series I	240.000.000.1810.021 240		-33,597
10	Amortization of Issuance Costs	240.600.640.6101.000 240	33,597	

To expense issuance costs in
Harbor Fund

11	2010 Bond Issuance Costs	200.000.000.1810.014 200		-339,771
11	Defeased bond issue cost	200.000.000.1810.015 200		-750,533
11	Amortize def bnd iss cost	200.000.000.1810.092 200	88,298	
11	Undesignated/Re. Earnings	200.000.000.2920.000 200	1,002,006	

To restate beginning net position
for write off of 2012 bond issue costs.

Number	Name	Account No	Debit	Credit
12	Cost of Debt Issuance	200.000.000.1810.021 200		-254,111
12	Premium/Discount Bonds	200.600.690.7750.000 200	254,111	
	To adjust cost of issuance.			
13	Undesignated/Re. Earnings	171.000.000.2920.000 171		-79,123
13	Other Expenses	171.500.601.5290.000 171	79,123	
13	Undesignated/Re. Earnings	270.000.000.2920.000 270		-149,396
13	Other Expenses	270.600.630.5290.000 270	149,396	
	To make equity roll in the funds			
15	D4 Air Quality Permit	200.000.000.1810.060 200		-76,025
15	Amortization - FERC lic	200.600.640.6101.100 200	76,025	
	amortize air quality permit			
16	Bond Premium 2013 Series I	200.000.000.2500.019 200		-42,491
16	Premium on 2010 Bonds	200.000.000.2500.090 200	77,663	
16	Deferred Loss on Bonds	200.000.000.2500.095 200		-135,973
16	Amortization	200.600.640.6101.000 200	178,464	
16	Interest Expense	200.600.650.5295.000 200	100,801	
16	Interest Expense	200.600.650.5295.000 200		-178,464
	Correct bond premium and ammortization in Electric fund and move bond amortization AJE (PBC 18) to interest			
17	Accrued Salaries/Wages	100.000.000.2050.001 100		-120,384
17	Regular Salaries/Wages	100.500.001.5110.001 100	10,000	
17	Regular Salaries/Wages	100.500.004.5110.001 100	20,000	
17	Regular Salaries/Wages	100.520.021.5110.001 100	30,000	
17	Regular Salaries/Wages	100.530.032.5110.001 100	10,000	
17	Regular Salaries/Wages	100.540.041.5110.001 100	10,274	
17	Fixed Assets-Police	100.550.670.7106.021 100		-361,015
17	Interfund Transfers	100.550.680.7200.000 100	401,125	
17	Other Expenses	171.500.601.5290.000 171		-79,123
17	Interfund Transfers	171.500.601.7200.000 171	480,248	
17	Interfund Transfers	171.500.601.7200.000 171		-401,125
17	Advances Payable	270.000.000.2300.000 270	480,248	
17	Deferred Revenue	270.000.000.2700.000 270	149,396	
17	Other Expenses	270.600.630.5290.000 270		-149,396
17	Interfund Transfers	270.600.680.7200.000 270		-480,248
	Correct PBC#20 and other entries, opening balance equity due to improper recording of advances, transfers (This entry is a correcting er several prior adjustment and is recorded in the net).			
18	Investment-Central Trea.	210.000.000.1030.100 210		-183,401
18	Construction in Progress	210.000.000.1590.000 210		-183,401
18	Investment-Central Trea.	220.000.000.1030.100 220	697,747	
18	Construction in Progress	220.000.000.1590.000 220		-697,747
18	Investment-Central Trea.	720.000.000.1030.100 720	183,401	
18	Loan Proceeds	720.300.310.3101.020 720	54,460	
18	Loan proceeds	720.300.315.3151.020 720	128,941	
18	Investment-Central Trea.	730.000.000.1030.100 730		-697,747

Number	Name	Account No	Debit	Credit
18	Loan Proceeds	730.300.310.3101.020 730	139,585	
18	Loan proceeds	730.300.315.3151.020 730	558,162	
<p>To correct CWIP balance for amounts posted to force equity to balance. This entry reverses several prior AJEs (pr post audit). This entry is based on the approximately amount of ADEC loans payable landed in revenue; however they are this is the UNSUBSIDZED portion. Therefore sho be in revenue.</p>				
19	BMS Pool Equipment	600.000.000.1540.021 600		-361,604
19	BMS Pool Equipment	600.000.000.1640.021 600	360,850	
19	F.A. from Other Funds	600.000.000.2810.005 600	754	
PBC 1	Accts Rec.-Sales Tax	100.000.000.1050.080 100	539,100	
PBC 1	2nd Qtr Calendar Yr Sales	100.300.302.3021.002 100		-539,100
<p>PBC Entry to correct Sales Tax Receivable</p>				
PBC 4	Interfund Billing CPET	100.300.370.3701.194 100	100,685	
PBC 4	General Interfnd Billing	100.300.370.3701.700 100	34,835	
PBC 4	General Interfnd Billing	100.300.370.3701.705 100	2,535	
PBC 4	Transfer In Comm Pass Tax	100.300.390.3950.194 100		-100,685
PBC 4	Transfer In Cap Proj Fund	100.300.390.3950.700 100		-34,835
PBC 4	Transfer In	100.300.390.3950.705 100		-2,535
PBC 4	WaterCapInterfnd Billing	210.300.370.3701.720 210	35,000	
PBC 4	Transfer In	210.300.390.3950.720 210		-35,000
PBC 4	Interfund Billing CPET	240.300.370.3701.194 240	27,163	
PBC 4	Transfer In Comm Pass Tax	240.300.390.3950.194 240		-27,163
PBC 4	SE Econ Dev Fund Interfun	300.300.370.3701.171 300	238,000	
PBC 4	Transfer In	300.300.390.3950.171 300		-238,000
PBC 4	General Fnd Interfnd Bill	310.300.370.3701.100 310	106	
PBC 4	WWater Interfund Bill	310.300.370.3701.220 310	953	
PBC 4	Transfer In	310.300.390.3950.100 310		-106
PBC 4	Transfer In	310.300.390.3950.220 310		-953
PBC 4	Interfund Billing CPET	320.300.370.3701.194 320	2,472	
PBC 4	Transfer In	320.300.390.3950.194 320		-2,472
PBC 4	General Fnd Interfnd Bill	700.300.370.3701.100 700	763,672	
PBC 4	Interfund Billing CPET	700.300.370.3701.194 700	1,000,000	
PBC 4	Maint Fund Interfund Bill	700.300.370.3701.320 700	78,000	
PBC 4	Transfer In General Fund	700.300.390.3950.100 700		-763,672
PBC 4	Transfer In	700.300.390.3950.194 700		-1,000,000
PBC 4	Transfer In	700.300.390.3950.320 700		-78,000
PBC 4	General Fnd Interfnd Bill	707.300.370.3701.100 707	935,045	
PBC 4	Transfer In	707.300.390.3950.100 707		-935,045
PBC 4	General Fnd Interfnd Bill	708.300.370.3701.100 708	822,776	
PBC 4	Transfer In	708.300.390.3950.100 708		-822,776
<p>To move transfers out of interfund billings</p>				

Number	Name	Account No	Debit	Credit
PBC 5	Other Expenses	173.500.601.5290.000 173		-18,034
PBC 5	Transfers Out	173.500.601.7200.000 173	18,034	
To fix transfers				
PBC 6	ElectricInterfnd Billing	200.300.370.3701.710 200	66,570	
PBC 6	Interfund Transfers	200.600.680.7200.000 200		-1,869,749
PBC 6	WaterCapInterfnd Billing	210.300.370.3701.720 210	492,036	
PBC 6	Interfund Transfers	210.600.680.7200.000 210		-581,165
PBC 6	WWaterCapInterfnd Billing	220.300.370.3701.730 220	87,842	
PBC 6	Interfund Transfers	220.600.680.7200.000 220		-150,000
PBC 6	HarborCapInterfnd Billing	240.300.370.3701.750 240	32,569	
PBC 6	Interfund Transfers	240.600.680.7200.000 240		-180,000
PBC 6	Interfund Transfers	250.600.680.7200.000 250		-1,148
PBC 6	Interfund Transfers	270.600.680.7200.000 270		-226,532
PBC 6	Interfund Transfers	703.600.680.7200.000 703		-420,575
PBC 6	Interfund Transfer	704.300.370.3701.703 704	420,575	
PBC 6	Electric Interfund Bill	710.300.370.3701.200 710	1,869,749	
PBC 6	Transfer In Revenue Bond	710.300.390.3950.711 710	18,807,332	
PBC 6	Transfer In Revenue Bondd	710.300.390.3950.712 710	2,233,524	
PBC 6	Interfund Transfers	710.600.680.7200.000 710		-66,570
PBC 6	Interfund Transfers	711.600.680.7200.000 711		-18,807,332
PBC 6	Interfund Transfers	712.600.680.7200.000 712		-2,233,524
PBC 6	Water Interfund Bill	720.300.370.3701.210 720	581,165	
PBC 6	Interfund Transfers Out	720.600.680.7200.000 720		-492,036
PBC 6	Water Interfund Bill	730.300.370.3701.210 730	150,000	
PBC 6	Interfund Transfers	730.600.680.7200.000 730		-87,842
PBC 6	Harbor Interfund Bill	750.300.370.3701.240 750	180,000	
PBC 6	Transfer In Revenue Bondd	750.300.390.3950.751 750	480,198	
PBC 6	Interfund Transfers	750.600.680.7200.000 750		-32,569
PBC 6	Interfund Transfers	751.600.680.7200.000 751		-480,198
PBC 6	Air Term Interfund Bill	760.300.370.3701.250 760	1,148	
PBC 6	SMC Interfund Bill	780.300.370.3701.270 780	225,000	
PBC 6	SE Econ Dev Fund Interfun	781.300.370.3701.171 781	1,532	
To eliminate transfers in/out between combined funds.				
PBC 8	Compensated Absences Pay.	200.000.000.2060.000 200		-631
PBC 8	Annual Leave	200.600.601.5120.001 200	631	
PBC 8	Compensated Absences Pay.	210.000.000.2060.000 210	213	
PBC 8	Annual Leave	210.600.601.5120.001 210		-213
PBC 8	Compensated Absences Pay.	220.000.000.2060.000 220	1,730	
PBC 8	Annual Leave	220.600.601.5120.001 220		-1,730
PBC 8	Compensated Absences Pay.	230.000.000.2060.000 230	1,484	
PBC 8	Annual Leave	230.600.601.5120.001 230		-1,484
PBC 8	Compensated Absences Pay.	240.000.000.2060.000 240	4,434	
PBC 8	Annual Leave	240.600.601.5120.001 240		-4,434
PBC 8	Compensated Absences Pay.	270.000.000.2060.000 270	18	
PBC 8	Annual Leave	270.600.630.5120.001 270		-18
PBC 8	Compensated Absences Pay.	300.000.000.2060.000 300	3,060	
PBC 8	Annual Leave	300.600.630.5120.001 300		-3,060
PBC 8	Compensated Absences Pay.	310.000.000.2060.000 310	58	

Number	Name	Account No	Debit	Credit
PBC 8	Annual Leave	310.600.601.5120.001 310		-58
PBC 8	Compensated Absences Pay.	320.000.000.2060.000 320	430	
PBC 8	Annual Leave	320.600.601.5120.001 320		-430
PBC 8	Amount Needed Comp Absenc	610.000.000.1830.020 610		-95,494
PBC 8	Compensated Absences Pay.	610.000.000.2060.000 610	95,494	
To adjust compensated absences to schedule.				
PBC 9	Cash - Deposit in transit	100.000.000.1020.005 100	90,657	
PBC 9	Clearing Acct Harbors	100.000.000.2010.008 100		-90,657
To record deposit in transit				
PBC10	Advances to other funds	100.000.000.1060.040 100		-361,015
PBC10	Fixed Assets-Police	100.550.670.7106.021 100	361,015	
PBC10	Amount Provided Sp Assess	610.000.000.1830.100 610		-361,015
PBC10	Capital Lease E911 System	610.000.000.2500.210 610	361,015	
To show new advance in general fund				
PBC11	Contracted/Purchased Serv	100.530.034.5212.000 100		-3,900
PBC11	Interfund Transfers	100.550.680.7200.000 100	3,900	
PBC11	Contracted/Purchased Serv	194.600.630.5212.000 194		-116,576
PBC11	Interfund Transfers Out	194.600.680.7200.000 194	116,576	
PBC11	Miscellaneous	700.300.380.3807.000 700	3,900	
PBC11	Miscellaneous	700.300.380.3807.000 700	116,576	
PBC11	Transfer In General Fund	700.300.390.3950.100 700		-3,900
PBC11	Transfer In	700.300.390.3950.194 700		-116,576
PBC12	Acc. Amort. FERC License	200.000.000.1810.095 200		-19,827
PBC12	Amortization - FERC lic	200.600.640.6101.100 200	19,827	
PBC13	Acc. Amortization - 1992	270.000.000.1810.090 270	45,876	
PBC13	Amortization	270.600.640.6101.000 270		-45,876
PBC14	Construction in Progress	200.000.000.1590.000 200	1,227,364	
PBC14	Contra Interest expense - Amount capitalized	200.600.650.5295.100 200		-1,227,364
To capitalize interest				
PBC15	2013 Debt Serv Reserve Fd	200.000.000.1800.060 200		-3,092,729
PBC15	Cost of Debt Issuance	200.000.000.1810.021 200		-126,439
PBC15	Bonds Payable 2013 Series I	200.000.000.2500.017 200	35,530,000	
PBC15	Bond Premium 2013 Series I	200.000.000.2500.019 200	4,759,040	
PBC15	Undesignated/Re. Earnings	200.000.000.2920.000 200		-77,358,913
PBC15	Bond Payable Proceeds	200.300.390.3905.000 200	35,530,000	
PBC15	Bond Premium Proceeds	200.300.390.3911.000 200	4,759,040	

Number	Name	Account No	Debit	Credit
PBC16	2013 Debt Serv Reserve Fd	240.000.000.1800.060 240		-312,150
PBC16	Cost of Issuance 2013 Series I	240.000.000.1810.021 240		-11,526
PBC16	Bonds Payable 2013 Series I	240.000.000.2500.017 240	3,955,000	
PBC16	Bond Premium 2013 Series I	240.000.000.2500.019 240	638,427	
PBC16	Undesignated/Re. Earnings	240.000.000.2920.000 240		-8,863,179
PBC16	Debt Issuance	240.300.390.3905.000 240	3,955,000	
PBC16	Bond Premium Proceeds	240.300.390.3911.000 240	638,427	

To correct entry for Harbor fund
bond issuance

PBC17	Money Market - FNBA Trust	100.000.000.1020.011 100		-4,269,752
PBC17	Money Market - FNBA Trust	100.000.000.1020.011 100		-37,069,873
PBC17	Investment-Central Trea.	100.000.000.1030.100 100	4,269,752	
PBC17	Investment-Central Trea.	100.000.000.1030.100 100	37,069,873	
PBC17	Investment-Central Trea.	712.000.000.1030.100 712		-37,069,873
PBC17	Transfer In Electric	712.300.390.3950.200 712	37,069,873	
PBC17	Investment-Central Trea.	751.000.000.1030.100 751		-4,269,752
PBC17	Transfer In Harbor	751.300.390.3950.240 751	4,269,752	

PBC18	Investment-Central Trea.	200.000.000.1030.100 200	37,069,873	
PBC18	Fiscal A.C. Capital Res.	200.000.000.1800.040 200	3,092,429	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200	66,736	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200	65,599	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200	126,739	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200		-4,963
PBC18	Bonds Payable 2013 Series I	200.000.000.2500.017 200		-35,530,000
PBC18	Bond Premium 2013 Series I	200.000.000.2500.019 200		-4,759,040
PBC18	Bond Premium 2013 Series I	200.000.000.2500.019 200	178,464	
PBC18	Amortization	200.600.640.6101.000 200	4,963	
PBC18	Amortization	200.600.640.6101.000 200		-178,464
PBC18	Bond related travel	200.600.690.7740.000 200		-66,736
PBC18	Bond related travel	200.600.690.7740.000 200		-65,599

To correct bond entry

PBC19	Investment-Central Trea.	240.000.000.1030.100 240	4,269,752	
PBC19	2013 Debt Serv Reserve Fd	240.000.000.1800.060 240	312,150	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	7,429	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	16,401	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	11,526	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240		-1,758
PBC19	Bonds Payable 2013 Series I	240.000.000.2500.017 240		-3,955,000
PBC19	Bond Premium 2013 Series I	240.000.000.2500.019 240		-638,427
PBC19	Bond Premium 2013 Series I	240.000.000.2500.019 240	23,941	
PBC19	Amortization of Issuance Costs	240.600.640.6101.000 240	1,758	
PBC19	Amortization of Issuance Costs	240.600.640.6101.000 240		-23,941
PBC19	Cost of Issuance	240.600.690.7740.000 240		-7,429
PBC19	Cost of Issuance	240.600.690.7740.000 240		-16,401

To correct bond entry

Number	Name	Account No	Debit	Credit
PBC20	Accrued Salaries/Wages	100.000.000.2050.001 100	120,384	
PBC20	Undesignated/Re. Earnings	100.000.000.2920.000 100		-120,384
PBC20	Construction in Progress	210.000.000.1590.000 210	183,401	
PBC20	Undesignated/Re. Earnings	210.000.000.2920.000 210		-183,401
PBC20	Construction in Progress	220.000.000.1590.000 220	697,747	
PBC20	Undesignated/Re. Earnings	220.000.000.2920.000 220		-697,747
PBC20	Advances Payable	270.000.000.2300.000 270		-480,248
PBC20	Deferred Revenue	270.000.000.2700.000 270		-149,396
PBC20	Undesignated/Re. Earnings	270.000.000.2920.000 270		-45,876
PBC20	Undesignated/Re. Earnings	270.000.000.2920.000 270	480,248	
PBC20	Undesignated/Re. Earnings	270.000.000.2920.000 270	149,396	
PBC20	Amortization	270.600.640.6101.000 270	45,876	

To record py entries not posted.

PBC21	Accrued Postclosure Costs	230.000.000.2600.000 230	99,999	
PBC21	Accrued Postclosure Costs	230.000.000.2600.000 230		-61,760
PBC21	Contracted/Purchased Serv	230.600.621.5212.000 230		-99,999
PBC21	Contracted/Purchased Serv	230.600.621.5212.000 230	61,760	

Postclosure catchup

PBC22	Compensated Absences Pay.	270.000.000.2060.000 270	18	
PBC22	Other Expenses	270.600.630.5290.000 270		-18

NOt recorded - client should delete or reverse this entry

PBC24	Accts Rec. - State	240.000.000.1050.060 240		-72,044
PBC24	Raw Fish Tax	240.300.310.3101.004 240	72,044	

To adjust raw Fish Tax revenue to actual

PBC25	Revenue Sharing	100.300.310.3101.003 100	261,521	
PBC25	Other Expenses	100.550.660.5290.000 100		-261,521

To reclassify funds received from School District

RJE 1	Checking Account- General	100.000.000.1020.001 100		
RJE 1	Clearing Acct Harbors	100.000.000.2010.008 100		

Reclass clearing account deposit in transit into cash

RJE 4	Revenue Sharing	100.300.310.3101.003 100	261,521	
RJE 4	Other Expenses	100.550.660.5290.000 100		-261,521

Entry proposed by BDO to move payment by SD out of revenue sharing

PBC 2 & 3	2013 Debt Serv Reserve Fd	200.000.000.1800.060 200	3,092,729	
PBC 2 & 3	Cost of Debt Issuance	200.000.000.1810.021 200	126,439	
PBC 2 & 3	Bonds Payable 2013 Series I	200.000.000.2500.017 200		-35,530,000
PBC 2 & 3	Bond Premium 2013 Series I	200.000.000.2500.019 200		-4,759,040
PBC 2 & 3	Undesignated/Re. Earnings	200.000.000.2920.000 200	37,069,873	

Number	Name	Account No	Debit	Credit
PBC 2 & 3	Undesignated/Re. Earnings	200.000.000.2920.000 200	40,289,040	
PBC 2 & 3	Bond Payable Proceeds	200.300.390.3905.000 200		-35,530,000
PBC 2 & 3	Bond Premium Proceeds	200.300.390.3911.000 200		-4,759,040
PBC 2 & 3	2013 Debt Serv Reserve Fd	240.000.000.1800.060 240	312,150	
PBC 2 & 3	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	11,526	
PBC 2 & 3	Bonds Payable 2013 Series I	240.000.000.2500.017 240		-3,955,000
PBC 2 & 3	Bond Premium 2013 Series I	240.000.000.2500.019 240		-638,427
PBC 2 & 3	Undesignated/Re. Earnings	240.000.000.2920.000 240	4,269,752	
PBC 2 & 3	Undesignated/Re. Earnings	240.000.000.2920.000 240	4,593,427	
PBC 2 & 3	Debt Issuance	240.300.390.3905.000 240		-3,955,000
PBC 2 & 3	Bond Premium Proceeds	240.300.390.3911.000 240		-638,427

PBC entry to correct Electric and Harbor bonds



City and Borough of Sitka, Alaska

Federal and State Single Audit Reports
Year Ended June 30, 2013

City and Borough of Sitka, Alaska

Federal and State Single Audit Reports
Year Ended June 30, 2013

City and Borough of Sitka, Alaska

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Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Borough Assembly
City and Borough of Sitka, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Sitka, Alaska, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City and Borough of Sitka's basic financial statements and have issued our report thereon dated February 10, 2014. Our report includes a reference to other auditors who audited the financial statements of Sitka Community Hospital, as described in our report on City and Borough of Sitka's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City and Borough of Sitka's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City and Borough of Sitka's internal control. Accordingly, we do not express an opinion on the effectiveness of City and Borough of Sitka's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City and Borough of Sitka's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City and Borough of Sitka's Response to Findings

City and Borough of Sitka's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City and Borough of Sitka's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
February 10, 2014



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Honorable Mayor and Borough Assembly
City and Borough of Sitka, Alaska

Report on Compliance for Each Major Federal Program

We have audited City and Borough of Sitka's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City and Borough of Sitka's major federal programs for the year ended June 30, 2013. City and Borough of Sitka's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

City and Borough of Sitka's basic financial statements include the operations of its component unit, the Sitka School District which received \$2,553,758 of federal awards which is not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2013. Our audit, described below, did not include the operations of Sitka School District because it was subjected to a separate audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City and Borough of Sitka's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City and Borough of Sitka's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City and Borough of Sitka's compliance.

Opinion on Each Major Federal Program

In our opinion, City and Borough of Sitka complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City and Borough of Sitka is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City and Borough of Sitka's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City and Borough of Sitka's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Sitka as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City and Borough of Sitka's basic financial statements. We issued our report thereon dated February 10, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
February 10, 2014



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and Borough Assembly
City and Borough of Sitka, Alaska

Report on Compliance for Each Major State Program

We have audited City and Borough of Sitka's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City and Borough of Sitka's major state programs for the year ended June 30, 2013. City and Borough of Sitka's major state programs are identified in the accompanying Schedule of State Financial Assistance.

City and Borough of Sitka's basic financial statements include the operations of its component unit, the Sitka School District which received \$18,179,642 of state awards which is not included in the Schedule of State Financial Assistance for the year ended June 30, 2013. Our audit, described below, did not include the operations of Sitka School District because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City and Borough of Sitka's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City and Borough of Sitka's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of City and Borough of Sitka's compliance.

Opinion on Each Major State Program

In our opinion, City and Borough of Sitka complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City and Borough of Sitka is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City and Borough of Sitka's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program, and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City and Borough of Sitka's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Sitka as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City and Borough of Sitka's basic financial statements. We issued our report thereon dated February 10, 2014 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of State Financial Assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of State Financial Assistance is fairly stated in all material respects, in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
February 10, 2014

City and Borough of Sitka, Alaska
Schedule of Expenditures of Federal Awards

<i>Year Ended June 30, 2013</i>	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	Expend- itures
Department of Agriculture				
2012 Volunteer Fire Assistance Grant	FY12	10.664	\$ 16,894	11,413
Passed through the State of Alaska Department of Commerce, Community and Economic Development - National Forest Receipts	FY13NFR	10.665	976,645	<u>976,645</u>
Total Department of Agriculture				<u>988,058</u>
Department of the Commerce				
Passed through the State of Alaska Department of Commerce, Community and Economic Development - Alaska OWL Project - AWE Early Literacy Stations	OWL-13-751-01	11.557	2,953	<u>2,953</u>
Department of the Interior				
Payment in Lieu of Taxes 2013	-	15.226	610,074	<u>610,074</u>
ANB/ANS Historical Panels	11562	15.904	13,761	12,361
Fenestration: North Pacific Hall, Sheldon Jackson Campus	12563	15.904	22,365	4,572
Total CFDA 15.904				<u>16,933</u>
Passed through the State of Alaska Department of Commerce, Community and Economic Development - Swan Lake Restoration	10-CIAP-014	15.668	771,236	<u>22,650</u>
Passed through the State of Alaska Department of Natural Resources:				
National Historical Park Patrol	-	15.224	2,500	2,500
Turnaround Skate Park	02-00393	15.916	219,800	37,925
Total Department of the Interior				<u>690,082</u>
Department of Justice				
COPS Hiring Recovery Program	2009-RKWX-0002	16.710	264,200	9,889
COPS Hiring Recovery Program	2011-UMWX-002	16.710	326,835	72,084
Total CFDA 16.710				<u>81,973</u>
SEACAD/SEANET - Task Force	JAG-13-005	16.738	293,129	213,088
Total Department of Justice				<u>295,061</u>
Department of Transportation				
Sitka Seaplane Base, Sitka, AK Planning Study	3-02-0267-001-2010	20.106	300,000	1,251
Sawmill Creek Intermodal Facility	AK-03-0077-00	20.500	1,941,747	18,120
Total Department of Transportation				<u>19,371</u>

City and Borough of Sitka, Alaska
Schedule of Expenditures of Federal Awards, continued

<i>Year Ended June 30, 2013</i>	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	Expend- itures
Environmental Protection Agency				
Passed through State of Alaska Department of Environmental Conservation:				
Alaska Clean Water Loans:				
Japonski Island Sewer Lift Station Upgrades - Loan	783391	66.458	\$ 1,547,700	430,863
Japonski Island Sewer Lift Station Upgrades - Subsidy	783391	66.458	192,300	47,148
Monastary Street Sewer Main Replacement - Loan	783401	66.458	859,103	36,519
Monastary Street Sewer Main Replacement - Subsidy	783401	66.458	72,897	8,037
Oja Street Sewer Main Replacement - Loan - ARRA	783271	66.458	24,032	1,492
Oja Street Sewer Main Replacement - Subsidy - ARRA	783271	66.458	216,292	13,427
Brady Street Sewer Rehabilitation - Loan - ARRA	783261	66.458	41,394	2,346
Brady Street Sewer Rehabilitation - Subsidy - ARRA	783261	66.458	372,541	21,113
Sawmill Creek Road Sewer Upgrade Phase III - Loan	783282	66.458	184,369	10,625
Baranof Street Sewer Main Replacement - Loan	783091	66.458	652,000	80,078
Baranof Street Sewer Main Replacement - Subsidy	783091	66.458	88,000	13,387
Total CFDA 66.458				665,035
Alaska Drinking Water Loans:				
UV Disinfection Facility - Loan	783431	66.468	1,500,000	45,341
UV Disinfection Facility - Subsidy	783431	66.468	2,500,000	38,406
Oja Street Drinking Water System Replacement - Loan - ARRA	783351	66.468	28,500	1,765
Oja Street Drinking Water System Replacement - Subsidy - ARRA	783351	66.468	256,500	15,890
Monastary Street Water Main Rehabilitation - Loan	783441	66.468	782,000	42,633
Baranof Street Water Main Replacement- Loan	783501	66.468	441,140	40,968
Baranof Street Water Main Replacement- Subsidy	783501	66.468	243,860	31,865
Total CFDA 66.468				216,868
Stormwater Master Plan and Management Guidelines	ACWA 13-03	66.605	43,388	43,388
Total Environmental Protection Agency				925,291
Department of Homeland Security				
Passed through State of Alaska Division of Homeland Security and Emergency Management:				
2012 Emergency Management Performance Grant	12 EMPG-GR35585	97.042	30,000	30,000
2011 State Homeland Security Program	11 SHSP-GR34076	97.067	564,000	92,181
Total Department of Homeland Security				122,181
Total Expenditures of Federal Awards			\$ 3,042,997	

Note1: Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and Borough of Sitka and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

City and Borough of Sitka, Alaska
Schedule of State Financial Assistance

<i>Year Ended June 30, 2013</i>	Grant Number	Total Grant Award	Expend- itures
Department of Military & Veteran Affairs			
2013 Local Emergency Planning Committee Grant	13LEPC-GR35602	\$ 17,772	<u>17,772</u>
Department of Commerce, Community and Economic Development			
Moller Park Ball Field Upgrade	07-DC-199	110,000	3,511
Benchland Subdivision	07-DC-494	5,000,000	5,524
Tony Hrebar FY09 Range Improvement	09-DC-108	8,000	4,255
Swan Lake Dock & Pedestrian Improvement	09-DC-110	100,000	94,452
* Moller Park Baseball Field Improvement	10-RR-009	450,000	418,408
* Crescent Harbor Sidewalk Widening	11-DC-637	1,000,000	450,394
* Commercial Passenger Vessel Facilities and Visitor Improvement	11-DC-644	4,500,000	1,386,295
* Commercial Passenger Vessel and Visitor Facility Improvement	12-DC-616	3,000,000	500,000
Community Hospital Roof Replacement	13-DC-467	1,200,000	42,217
Eagle Way and Old Harbor Mountain Road Upgrade and Ownership Transfer	13-DC-481	1,500,000	32
Baranof Warm Spring Dock Improvements and Ownership Transfer	13-DC-497	1,900,000	63
Nelson Logging Road Upgrade and Ownership Transfer	13-DC-517	2,343,000	63
Failed Collector Streets Rehabilitation	13-DC-533	2,900,000	14,526
Commercial Passenger Vessel and Visitor Facility Improvement	13-DC-581	4,500,000	216,707
Kattleson Memorial Library	13-DC-596	5,700,000	37,084
* Supplemental & Emergency Diesel Generation	13-DC-607	7,125,000	1,884,515
Sawmill Cove Industrial Park Dock	13-GO-015	7,500,000	65
Shared Fisheries Business Tax	2013	649	649
* State Revenue Sharing	2013	1,300,769	<u>1,300,769</u>
Total Department of Commerce, Community and Economic Development			<u>6,359,529</u>
Alaska Energy Authority			
* Blue Lake Hydroelectric Project	2195311	20,500,000	9,029,234
* Blue Lake Hydroelectric Project	7910013	28,450,000	6,054,165
Takatiz Hydroelectric Feasibility	2195418	2,000,000	201,541
Total Alaska Energy Authority			<u>15,284,940</u>
Department of Corrections			
Local Community Jail Program	2013	20,000	<u>13,252</u>
Department of Environmental Conservation			
Cove Lift Station Replacement	78315	150,000	24,113
UV Disinfection Facility	78317	5,561,000	86,000
* Baranof Street Sewer and Water Main Replacement	78319	997,500	465,597
Total Department of Environmental Conservation			<u>575,710</u>

City and Borough of Sitka, Alaska
Schedule of State Financial Assistance, continued

<i>Year Ended June 30, 2013</i>	Grant Number	Total Grant Award	Expend- itures
Department of Education and Early Development			
Public Library Assistance	PLA1375169	\$ 6,500	6,500
* Pacific High School Renovation	GR-10-006	1,736,513	1,108,741
* Debt Reimbursement Program		2,509,428	2,509,428
Cross Trails Improvements	12-DM-140	41,000	41,000
Total Department of Education and Early Development			<u>3,665,669</u>
Department of Administration			
* State PERS Relief	2013	1,480,775	1,480,775
Auto Tax	2013	94,366	94,366
Total Department of Administration			<u>1,575,141</u>
Department of Revenue			
Liquor Tax	2013	26,925	26,925
* Fisheries Raw Fish Tax	2013	1,183,956	1,183,956
Fishery Resource Landing Tax	2013	57,397	57,397
Commercial Passenger Vessel Tax	2013	135,355	135,355
Total Department of Revenue			<u>1,403,633</u>
Total State Financial Assistance		\$	<u>28,895,646</u>

Note1: Basis of Presentation

The Schedule of State Financial Assistance includes the State grant activity of the City and Borough of Sitka and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

* Indicates a major program

City and Borough of Sitka, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> (none reported)

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> (none reported)

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes X no

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency
10.665	National Forest Receipts	Department of Agriculture

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> (none reported)

Type of auditor's report issued on compliance for major programs: Unmodified

Dollar threshold used to distinguish between a major program: \$ 300,000

City and Borough of Sitka, Alaska

Schedule of Findings and Questioned Costs, continued

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

Finding 2013-001 General Ledger Reconciliation - Material Weakness

Criteria Section A1.08 of Government Auditing Standards states that "management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently, economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that management and financial information is reliable and properly reported." Internal controls over financial reporting, should allow management to prevent, or detect and correct misstatements on a timely basis.

Condition There were significant adjustments made to the general ledger at the City and Borough during the course of the audit, which resulted in a significant change in revenue and expense. Specifically, adjustments were made to Equity, Sales Tax AR, Transfers, Interfund Billings, Accrued Leave and Debt.

Context The goal of the general ledger reconciliation process is to produce accurate financial statements for review by management in order to assist in the decision-making process, throughout the year.

Effect Individual accounts were misstated, leading to revenue and expense being misstated.

Cause Internal controls were not established to ensure that all general ledger accounts were properly reconciled and adjusted.

Recommendation City and Borough staff must closely review the activity in the General Ledger. Information should be reviewed for completeness and accuracy. Work of staff should be reviewed and double checked against the general ledger balances.

Management Response Refer to the corrective action plan.

Finding 2013-002 Recording of Long Term Debt - Material Weakness

Criteria During the year, the City and Borough issued long term debt to finance electric and harbor fund project. The accounting for the issuance of long term debt was not properly accounted for in the current year.

Condition The proceeds from the issuance of debt were improperly recorded.

Context Debt issuance costs were incorrectly accounted for resulting in understated long term liability and related bond premium and bond issuance costs.

Effect Material adjustment was required to correct the balances.

City and Borough of Sitka, Alaska

Schedule of Findings and Questioned Costs, continued

Finding 2013-002 Recording of Long Term Debt - Material Weakness, continued

Cause A misunderstanding of the accounting rules for modified accrual versus full accrual on debt issuances caused these balances to be improperly recorded.

Recommendation We recommend the City and Borough staff review relevant accounting guidance and consult with a knowledgeable third party when recording infrequent and complex accounting entries.

Management Response Refer to the corrective action plan.

Finding 2013-003 Interest Capitalization - Significant Deficiency

Criteria GASB No 62 regarding *Capitalization of Interest Cost* is applicable for business type activities, which states "If an asset requires a period of time in which to carry out the activities necessary to bring it to that condition and location, the interest cost incurred during that period as a result of expenditures for the asset is part of the historical cost of acquiring the asset."

Condition The interest expense incurred from bonds issued for the construction of the Blue Lake Dam project was not capitalized and resulted in a material adjustment to expense.

Context The historical cost of an asset should include costs necessarily incurred in bringing the asset to location and for its intended use. Interest incurred on bonds directly related to the financing of construction is included in this concept.

Effect By not capitalizing interest expense, the City overstated expense in the current year and would subsequently reduce depreciation expense in future periods.

Cause The City and Borough did have an effective control in place to identify and evaluate interest expense above a material threshold that should have been capitalized as part of the historic cost of this project.

Recommendation City and Borough staff should have a control in place which allows for a high level review of the potential for interest capitalization during construction projects.

Management Response Refer to the corrective action plan.

City and Borough of Sitka, Alaska

Schedule of Findings and Questioned Costs, continued

Section III - Federal Award Findings and Questioned Costs

None noted.

Section IV - State Award Findings and Questioned Costs

None noted.

City and Borough of Sitka, Alaska
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013

Financial Statement Findings Required to be Reported in Accordance with <i>Government Auditing Standards</i>

Finding 2012-001 General Ledger Reconciliation

Condition There were significant adjustments made to the general ledger at the City and Borough during the course of the audit, which resulted in a significant change in revenues and expense. Adjustments were made to revenues, expenses, transfers, receivables, and payables.

Status Not considered resolved. See Finding 2013-001.

City and Borough of Sitka, Alaska

Corrective Action Plan Year Ended June 30, 2013

Contact Michael Middleton
Deputy Finance Director
City and Borough of Sitka, Alaska
(907)747-4050 mikem@cityofsitka.com

Financial Statement Findings

Finding 2013-001 General Ledger Reconciliation

Corrective Action Reconciliations of accounts will be strengthened and reviewed to avoid future potential misstatements. All closing entries are being compiled and listed to create a master check list used to ensure year-end adjustments are not missed. This will complement the reconciliations by highlighting once-a-year entries.

Expected Completion This plan is currently being implemented.

Finding 2013-002 Recording of Long Term Debt - Material Weakness

Corrective Action The proper entries to record the debt have been determined and a template is now set up. This will ensure the correct entry of long term debt in the future.

Expected Completion This plan is currently being implemented.

Finding 2013-003 Interest Capitalization - Significant Deficiency

Corrective Action The appropriate interest paid for financing of projects will be capitalized. This is now a standard entry staff will make with at year end or completion of a project.

Expected Completion This plan is currently being implemented.

City and Borough of Sitka, Alaska

Comprehensive Annual Financial Report

For the Year Ended June 30, 2013

Prepared by Finance Department
Jay Sweeney, Finance Director
Mike Middleton, Deputy Finance Director

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City and Borough of Sitka, Alaska

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City and Borough of Sitka, Alaska

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City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

February 10, 2014

To the Honorable Mayor,
Assembly Members and
Citizens of the City and Borough of Sitka, Alaska:

The Assembly of the City and Borough of Sitka has elected to issue each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that request, we hereby issue the comprehensive annual financial report of the City and Borough of Sitka, Alaska for the fiscal year ended June 30, 2013

This report consists of management's representations concerning the financial position and performance of the City and Borough of Sitka. Consequently, management assumes full responsibility for the completeness and reliability of all of the information present in this report. To provide a reasonable basis for making these representations, management of the City and Borough of Sitka has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City and Borough of Sitka's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City and Borough of Sitka's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City and Borough of Sitka's financial statements have been audited by BDO USA, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City and Borough of Sitka for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that they will render an unqualified opinion on the City and Borough of Sitka's financial statements for the fiscal year ended June 30, 2013. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City and Borough of Sitka was part of a broader, state and federally mandated “Single Audit” designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and legal requirements involving the administration of state and federal awards. These Single Audit Reports are included at the end of this Comprehensive Annual Financial Report (CAFR).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City and Borough of Sitka’s MD&A can be found immediately following the report of the independent auditors.

Profile of Government

The City and Borough of Sitka, incorporated in 1971, is located on Baranof and Chicagof Islands which are located along the Inside Passage in Southeast Alaska. Sitka is situated on the west coast of Baranof Island, contained within the largest temperate rain forest in the world. Most of this rain forest is part of the Tongass National Forest. The City and Borough of Sitka currently occupies a land area of 2,894 square miles, a water area of 1,816 square miles and serves a population of 9,084. The City and Borough of Sitka is empowered to levy a property tax on both real and personal properties located within its boundaries. The City and Borough of Sitka also levies a sales tax on sales within the City and Borough.

The City and Borough of Sitka has operated under the Assembly-Administrator form of government since 1971. Policy-making and legislative authority are vested in a governing assembly consisting of the Mayor and six other members. The Assembly is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government’s Administrator and Attorney. The administrator is responsible for carrying out the policies and ordinances of the Assembly, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Assembly is elected on a non-partisan basis. Assembly members serve three-year staggered terms, with two Assembly members elected each year. The Mayor is elected to serve a two-year term. The Mayor and Assembly members are elected at large.

The City and Borough of Sitka provides a full range of services, including police and fire protection; ambulance service; the construction and maintenance of streets and other infrastructure; recreational facilities and cultural events. Other services include electricity, water, waste water treatment, solid waste disposal and recycling, moorage within the harbor system, cold storage facility, and leases within the industrial park. These services represent different departments in the City and Borough of Sitka and therefore have been included as an integral part of the City and Borough of Sitka’s financial statements. The City and Borough of Sitka also is financially accountable for a legally separate school district, hospital, and convention and visitors bureau, all of which are reported separately within the City and Borough of Sitka’s financial statements. Additional information on all four of these legally separate entities can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City and Borough of Sitka's financial planning and control. All departments of the City and Borough of Sitka are required to submit requests for appropriation to the Budget Officer on or before the 15th of January each year. The Budget Officer compiles and presents the draft budget to the Administrator on or before the 15th of March. The Administrator then presents this proposed budget to the Assembly for review on or before the 15th of April. As set forth in the Home Rule Charter of the City and Borough of Sitka for budget performance, the following dates outline the Charter's requirements: (1) not later than 60 days before the end of the current fiscal year, the Administrator shall submit to the Assembly a budget for the following fiscal year, a capital improvements program and an accompanying explanatory message of both; (2) not later than 15 days before the end of the current fiscal year, a public hearing shall be held on the budget and capital improvements program; (3) the Assembly by ordinance shall adopt a budget (for the next fiscal year) not later than 10 days before the end of the current fiscal year. The appropriated budget is prepared by fund and department (e.g., police). The Administrator may make transfers of appropriations within a department, with the exception of line items for salary and benefits, travel and training, and capital assets. Assembly approval is needed for the above three line items within each department's budget. Transfers of appropriations between departments and/or funds, however, require the approval of the Assembly. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund's comparison is presented starting on page D-7 as part of the basic financial statements for the governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City and Borough of Sitka operates.

Local economy. The City and Borough of Sitka's principal economic base is fishing, fish processing, government, tourism, and related businesses.

Population estimates for the Municipality rose from 8,627 in 2009 to 9,084 in 2013. Sales tax collections have increased by 3.3% over last fiscal year while Bed tax increased 8.9%. The positive is this is continuing the reversal, which began in fiscal year 2012, of the large decreases from fiscal years 2008, 2009 and 2010. The growth rate is an increase over fiscal year 2012 (which was an increase over 2010, 2011 and 2012) and strengthens the indication stabilization may be occurring in this economic downturn. Sales tax and bed tax revenues are comparable to revenues in fiscal year 2006 and 2005 respectively.

Long-term financial planning. The City and Borough of Sitka is raising the height of one of the two dams (Blue Lake Dam) providing hydroelectric power to the community. The City and Borough will have to bond \$45 million.

Cash management policies and practices. The City and Borough of Sitka utilizes a central treasury to aggregate cash from all funds except the component units listed herein, for cash management and investment purposes. Interest income on investments is allocated monthly to participating funds based on their average equity balance.

The City and Borough of Sitka's investment policy authorizes investment in obligations of the United States government, its agencies and instrumentalities, bankers' acceptances, mutual funds, commercial paper and the Alaska Municipal League investment pool. The investment policy also places limitations on maturity of investments. In addition, investment guidelines are contained in an Investment Policy passed, approved and adopted by the City and Borough of Sitka's Assembly.

Risk management. During FY2013, the Municipality continued a limited risk management program for workers' compensation. Various controls techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims and other potential losses.

Pension and other postemployment benefits. The City and Borough of Sitka and the Sitka Community Hospital provide pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The Municipality and Hospital has no obligations in connection with the employee benefits offered through this plan beyond its annual required payment to the pension plan.

The Sitka School District provides pension benefits for all eligible employees through PERS and Teachers Retirement System (TRS). The School District has no obligations in connection with employee benefits offered through this plan beyond its annual required payments to the pension plans.

Additional information on pension arrangements and postemployment benefits can be found starting on E-24 in the notes to the financial statements.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the staff of the Finance Department, especially Mike Middleton, Larry Fitzsimmons, Janet Schwartz, Sally Kimmel, and Tori Fleming. My appreciation is extended to all members of the Finance Department who assisted and contributed to the preparation of this report. We also want to thank you, the members of the City and Borough of Sitka's Assembly, for your interest and support in conducting the financial operations of the City and Borough of Sitka in a responsible and progressive manner.

Respectfully submitted,



John P "Jay" Sweeney III
Finance Director

City and Borough of Sitka, Alaska

Elected Officials

June 30, 2013

Name	Position
Mim McConnell	Mayor
Pete Esquiro	Deputy Mayor
Thor Christianson	Vice-Deputy Mayor
Phyllis Hackett	Assembly Member
Mike Reif	Assembly Member
Matthew Hunter	Assembly Member
Michelle Putz	Assembly Member
Jay Sweeney	Interim Municipal Administrator

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Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Borough Assembly
City and Borough of Sitka, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and Borough of Sitka, Alaska, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sitka Community Hospital, which represent 75 percent, 75 percent, and 46 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for City and Borough of Sitka, Alaska, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and Borough of Sitka, Alaska, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2013, City and Borough of Sitka adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and the provisions of GASB Statement number 65, *Items Previously Reported as Assets and Liabilities*. These provisions have been retrospectively applied to all periods presented in these financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the budgetary comparison information on pages C-1 through C-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City and Borough of Sitka's basic financial statements. The accompanying combining fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2014 on our consideration of City and Borough of Sitka's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City and Borough of Sitka's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
February 10, 2014

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City and Borough of Sitka, Alaska

Management's Discussion and Analysis

June 30, 2013

As management of the City and Borough of Sitka (Municipality), we offer the readers of the Municipality's financial statements this overview and analysis of the Municipality's financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages IV-VII of this report.

Financial Highlights

- The assets of the Municipality exceeded its liabilities at the close of the most recent year by \$300.8 million. Of this amount, \$79.8 million (unrestricted net position) is legally unrestricted and may therefore be used to meet the Municipality's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5.8 million. Restricted and committed funds, \$0.5 million and \$7.9 million respectively, are also available to meet expenses for the next fiscal year with varying levels of restrictions. The unassigned fund balance for the General Fund represented 25.0% of total General Fund expenditures. This increases to 60.2% when restricted and committed funds are included.

Overview of the Financial Statements

The management's discussion and analysis serves as an introduction to the Municipality's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements report information about the overall finances of the Municipality similar to a business enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The Statement of Net Position presents information on all of the Municipality's assets less liabilities, which results in net position. The statement is designed to display the financial position of the Municipality. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Municipality is improving or deteriorating.

The Statement of Activities provides information which shows how the Municipality's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Position and the Statement of Activities distinguish functions of the Municipality that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The Municipality's governmental activities include administration, public safety, public works, public services and support. The business-type activities of the Municipality include the eight enterprise funds: Electric, water, waste water treatment, solid waste disposal, harbor, airport terminal building, Marine Service Center, and Sawmill Cove Industrial Park.

City and Borough of Sitka, Alaska

Management's Discussion and Analysis, continued

The government-wide financial statements present not only the Municipality itself, which is the primary government, but also its component units: Sitka School District, Sitka Community Hospital and Sitka Convention and Visitors Bureau for which the Municipality is financially accountable. Financial information for the Sitka School District, Sitka Community Hospital and Sitka Convention and Visitors Bureau is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages D-1 through D-3 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Municipality, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the Municipality can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the short-term view of the Municipality's operations. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Municipality maintains 16 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Permanent Fund and Capital Projects Fund. The other 13 governmental funds are combined and shown as Other Governmental Funds on the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the 16 nonmajor funds is presented in the Combining Balance Sheet Nonmajor Governmental Funds and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Funds.

Proprietary funds

The Municipality maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Municipality uses enterprise funds to account for the electric, water, waste water treatment, and solid waste disposal utility services provided to the local citizens. The Municipality also uses enterprise funds for the harbors, airport terminal building, Marine Service Center (for cold storage), and the Sawmill Cove Industrial Park. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Municipality's various functions. The Municipality uses internal service funds to account for its management information systems (MIS), central garage, and building maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

City and Borough of Sitka, Alaska

Management's Discussion and Analysis, continued

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the Electric, Water, Waste Water Treatment Plant, Solid Waste Disposal, and Harbor Funds, which are considered to be major funds of the Municipality. The remaining three enterprise funds are combined and shown as Nonmajor Enterprise Funds on the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position, and Statement of Cash Flows for Proprietary Funds. The basic proprietary fund financial statements can be found on pages D-14 - D-19 of this report.

Fiduciary funds

Fiduciary funds are used to account for assets held by the Municipality in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the Municipality cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds. The basic fiduciary aggregated fund financial statements can be found on pages D-20-D-21 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages E-1 - E-29 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This supplementary information can be found following the Notes to Financial Statements beginning on page F-2.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Municipality, assets exceeded liabilities by \$300.8 million at June 30, 2013 compared to \$271.5 million at June 30, 2012. By far the largest portion of the Municipality's net position (61%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, etc.) less any related debt used to acquire those assets that is still outstanding. The Municipality uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Municipality's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

City and Borough of Sitka, Alaska
Management's Discussion and Analysis, continued

Statement of Net Position
June 30, 2013 and 2012
(in millions)

	Governmental		Business Type		Total	
	Activities		Activities			
	2013	Restated 2012	2013	Restated 2012	2013	Restated 2012
Current and other assets	\$ 62.2	63.9	80.8	56.3	143.0	120.2
Capital assets	113.1	104.2	195.4	156.6	308.5	260.8
Deferred outflows	0.2	0.3	4.5	3.1	4.7	3.4
Total assets and deferred outflows	<u>175.5</u>	<u>168.4</u>	<u>280.7</u>	<u>216.0</u>	<u>456.2</u>	<u>384.4</u>
Long-term debt outstanding	33.0	35.5	113.5	70.8	146.5	106.3
Other liabilities	2.8	2.7	5.5	3.3	8.3	6.0
Deferred inflows	0.6	0.6	-	-	0.6	0.6
Total liabilities and deferred inflows	<u>36.4</u>	<u>38.8</u>	<u>119.0</u>	<u>74.1</u>	<u>155.4</u>	<u>112.9</u>
Net position:						
Net investment in capital assets	81.1	69.6	103.4	89.7	184.5	159.3
Restricted	29.1	29.6	7.4	3.5	36.5	33.1
Unrestricted	28.9	30.4	50.9	48.7	79.8	79.1
Total net position	<u>139.1</u>	<u>129.6</u>	<u>161.7</u>	<u>141.9</u>	<u>300.8</u>	<u>271.5</u>
Total liabilities, deferred inflows, and net position	<u>\$ 175.5</u>	<u>168.4</u>	<u>280.7</u>	<u>216.0</u>	<u>456.2</u>	<u>384.4</u>

Governmental Activities

Governmental activities increased the Municipality's net position by \$9.5 million. Key elements of are listed below:

- Capital grants and contributions increased \$7.3 million from prior fiscal year - \$1.9 million of this was for the Pacific High School remodel and \$1.8 for the Centennial/Crescent Harbor Parking Lot.

The net position for the Municipality's governmental activities are \$139.1 million, an increase of \$9.5 million. A substantial portion (58%) of the net position is invested in capital assets - an increase of \$11.5 million from the prior fiscal year. The Municipality uses these assets to provide services to the citizens. The unrestricted net position of the governmental activities are \$28.9 million as of June 30, 2013.

City and Borough of Sitka, Alaska

Management's Discussion and Analysis, continued

Business-type activities

Business-type activities increased the Municipality's net position by \$19.8 million. This compares to an increase of \$5.4 million for the year ended June 30, 2012. Key elements are listed below:

- Capital grants and contributions increased \$12.8 million
- Electric fund received \$1.9 million for backup diesel generators and \$17.0 million for Blue Lake Dam.

The net position for the Municipality's business-type activities are \$161.7 million, an increase of \$19.8 million. As with government-wide activities, a substantial portion (64%) of the net position is invested in capital assets. The Municipality uses these assets to provide services to the citizens. The unrestricted net position of the business-type activities are \$50.9 million as of June 30, 2013.

Statement of Activities
Years Ended June 30, 2013 and 2012
(in millions)

	Governmental		Business Type		Total	
	Activities		Activities		Total	
	<u>2013</u>	Restated <u>2012</u>	<u>2013</u>	Restated <u>2012</u>	<u>2013</u>	Restated <u>2012</u>
Revenues:						
Program revenues						
Charges for services	2.5	2.6	22.2	20.9	24.7	23.5
Operating grants and contributions	6.0	6.0	2.4	2.3	8.4	8.3
Capital grants and contributions	8.2	0.9	18.0	5.2	26.2	6.1
General revenues						
Property tax	6.1	6.1	-	-	6.1	6.1
Sales and other taxes	9.6	9.5	-	-	9.6	9.5
Unrestricted grants and contributions	0.5	0.4	-	-	0.5	0.4
Investment earnings	2.2	3.5	0.5	1.4	2.7	4.9
Other	<u>1.2</u>	-	<u>0.1</u>	-	<u>1.3</u>	-
Total revenues	36.3	29.0	43.2	29.8	79.5	58.8

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City and Borough of Sitka, Alaska

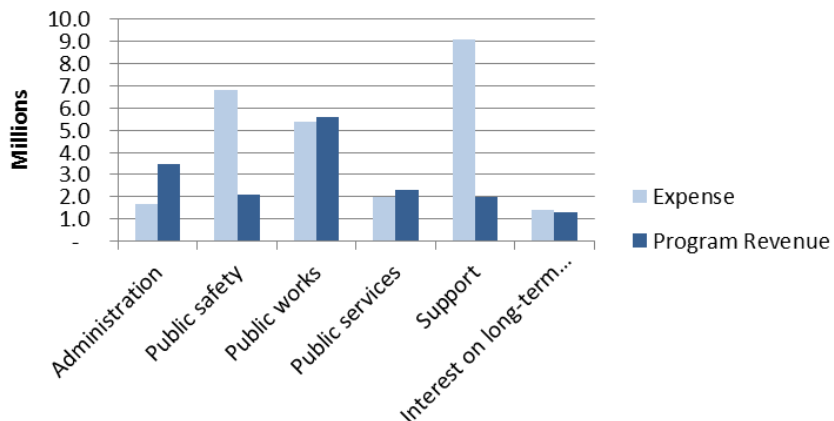
Management's Discussion and Analysis, continued

	Governmental Activities		Business Type Activities		Total	
	Restated		Restated		Restated	
	2013	2012	2013	2012	2013	2012
Expenditures/expenses:					-	-
Administration	1.7	1.6	-	-	1.7	1.6
Public safety	6.8	6.7	-	-	6.8	6.7
Public works	5.4	5.1	-	-	5.4	5.1
Public services	2.0	2.3	-	-	2.0	2.3
Support	9.1	9.1	-	-	9.1	9.1
Interest on long-term debt	1.4	1.3	-	-	1.4	1.3
Electric	-	-	11.0	13.0	11.0	13.0
Water	-	-	2.2	1.9	2.2	1.9
Wastewater treatment	-	-	3.6	3.5	3.6	3.5
Solid waste disposal	-	-	3.3	3.1	3.3	3.1
Harbor	-	-	2.4	2.6	2.4	2.6
Nonmajor business-types	-	-	1.3	1.6	1.3	1.6
Total expenditures/expenses	26.4	26.1	23.8	25.7	50.2	51.8
Increase in net position before transfers	9.9	2.9	19.4	4.1	29.3	7.0
Transfers	(0.4)	(1.3)	0.4	1.3	-	-
Increase in net position	9.5	1.6	19.8	5.4	29.3	7.0
Net position, beginning of year, restated	129.6	128.0	141.9	136.5	271.5	264.5
Net position, end of year	<u>\$ 139.1</u>	<u>129.6</u>	<u>161.7</u>	<u>141.9</u>	<u>300.8</u>	<u>271.5</u>

Expenses and Program Revenues - Governmental Activities

The graph shown below compares program expenses with associated revenues. It should be noted that revenue generated through sales, bed, and property taxes are considered general revenues and are therefore not included on this graph.

Governmental Activities FY 2013



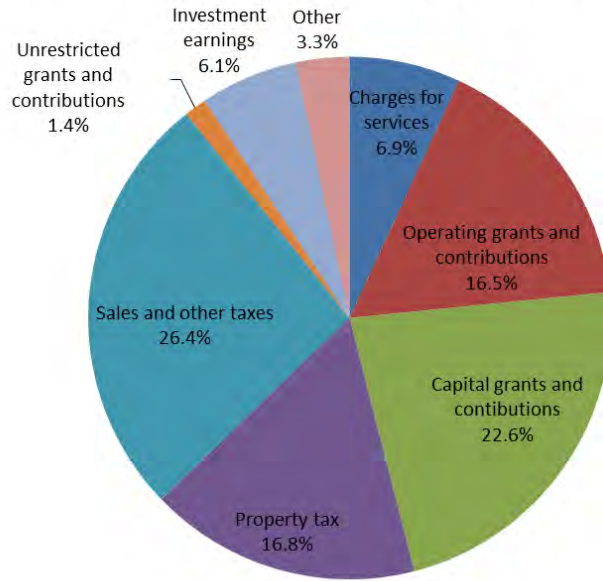
City and Borough of Sitka, Alaska

Management's Discussion and Analysis, continued

Revenues by Source - Governmental Activities

The graph shown below depicts all sources of revenues, both program and general.

Governmental Revenue by Source FY 2013



Financial Analysis of the Government's Funds

As noted earlier, the Municipality uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds

The focus of the Municipality's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Municipality's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Did the Municipality generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

At the end of the current fiscal year, the Municipality's governmental funds reported combined ending fund balances of \$54.5 million, a decrease of \$1.9 million in comparison with the prior year. A portion of this amount is earmarked to indicate it is not available to new spending, because it is in nonspendable form, or has been restricted, committed or assigned (\$2.8, \$28.9, \$14.6, and \$2.4 million, respectively). The remainder of fund balance is unassigned (\$5.8 million) and is available for spending at the government's discretion.

City and Borough of Sitka, Alaska

Management's Discussion and Analysis, continued

The General Fund is the chief operating fund of the Municipality. At the end of the current fiscal year, total fund balance was \$14.3 million and unassigned fund balance was \$5.8 million. Total fund balance increased by \$0.7 million from the prior year. Key factors include:

- Revenues exceeded expenditures by \$2.0 million in the General Fund not considering transfers - this is \$1.0 million below the final budget. This is primarily due to revenues being \$1.0 million below final budget. Grant revenue in the final budget had not been received; however the total expenditures were equal to the final budget.

Proprietary funds

The Municipality's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the seven enterprise funds at the end of the year were \$51.1 million. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the Municipality's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

- State PERS relief of \$0.8 million was received.

Capital Assets and Debt Administration

Capital assets

The Municipality's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$308.5 million (net of accumulated depreciation), an increase of \$47.7 million from the prior year. This investment in capital assets includes land, buildings, machinery and equipment, roads, and infrastructure.

Capital Assets
June 30, 2013 and 2012
(in millions)

	Governmental Activities		Business Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and improvements	\$ 17.2	10.7	16.6	14.4	33.8	25.1
Buildings	55.7	55.3	8.2	8.8	63.9	64.1
Equipment	5.9	5.8	2.5	2.7	8.4	8.5
Infrastructure	17.6	16.5	-	-	17.6	16.5
Electric	-	-	57.1	58.8	57.1	58.8
Water	-	-	19.4	17.2	19.4	17.2
Wastewater treatment	-	-	12.1	12.5	12.1	12.5
Harbor	-	-	13.4	14.0	13.4	14.0
Construction in progress	<u>16.7</u>	<u>15.9</u>	<u>66.1</u>	<u>28.3</u>	<u>82.8</u>	<u>44.2</u>
	<u>\$ 113.1</u>	<u>104.2</u>	<u>195.4</u>	<u>156.7</u>	<u>308.5</u>	<u>260.9</u>

City and Borough of Sitka, Alaska

Management's Discussion and Analysis, continued

Major additions to capital assets during the current fiscal year included the following (in millions):

- Construction in process for electric fund increased by \$40.8 million due to the Blue Lake Dam project primarily.

Additional information on the Municipality's capital assets can be found in Note 5 beginning on page E-13 of this report.

Long-term debt

At the end of the current fiscal year, the Municipality had total debt outstanding of \$143.3 million. Of this amount \$31.0 million was bonded and backed by the full faith and credit of the Municipality. The remaining debt consists of debt secured by equipment, revenue bonds and notes, compensated absences, net pension obligation, and landfill closure costs.

Outstanding Debt
June 30, 2013 and 2012
(in millions)

	Governmental Activities		Business Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligatoin bonds	\$ 31.0	34.0	-	-	31.0	34.0
Revenue bonds	-	-	85.3	47.6	85.3	47.6
Revenue notes	-	-	8.3	8.5	8.3	8.5
ADEC notes	0.1	0.2	12.6	12.4	12.7	12.6
Other debt	<u>0.6</u>	<u>1.0</u>	<u>0.8</u>	<u>0.8</u>	<u>1.4</u>	<u>1.8</u>
	<u>\$ 31.7</u>	<u>35.2</u>	<u>107.0</u>	<u>69.3</u>	<u>138.7</u>	<u>104.5</u>

Additional information on the Municipality's long-term debt can be found in Note 8 beginning on page E-16 of this report.

Economic Factors and the Next Year's Budget and Rates

In setting the budgets for FY2014, the Municipality considered a number of issues with Municipality wide impact, among them:

- A sufficient level of funding necessary to meet the needs of Municipality residents, visitors and communities.
- A continued reduction in the historical variance between budget and actual revenues and expenditures.
- Maintenance of the Municipality's financial condition.

City and Borough of Sitka, Alaska

Management's Discussion and Analysis, continued

- The highest level of local educational funding Municipality residents can reasonably afford and sustain.
- A high quality capital and operational maintenance program that ensures the continued use and economic value of Municipality assets.

All of these factors were considered in preparing the Municipality's budget for FY2014.

Request for information

This financial report is designed to provide a general overview of the Municipality's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835.

City and Borough of Sitka, Alaska

Statement of Net Position

June 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Sitka School District	Convention and Visitors Bureau	Sitka Community Hospital
Assets and Deferred Outflows						
Assets:						
Equity in central treasury	\$ 27,973,265	\$ 43,641,198	\$ 71,614,463	\$ -	\$ -	\$ -
Cash and investments	-	-	-	2,216,145	158,601	887,509
Receivables (net of allowance)	4,875,400	10,397,966	15,273,366	713,300	-	3,085,877
Internal balances	912,633	(912,633)	-	-	-	-
Inventories	-	1,942,085	1,942,085	-	-	269,368
Prepaid items	10,501	9,000	19,501	222,806	16,537	119,611
Notes receivable	1,898,662	143,147	2,041,809	-	-	-
Special assessments receivable	81,115	113,272	194,387	-	-	-
Water rights	-	46,966	46,966	-	-	-
Restricted assets:						
Unspent bond proceeds	-	17,791,145	17,791,145	-	-	-
Equity in central treasury	6,401,739	461,757	6,863,496	-	-	-
Cash and investments	19,794,085	7,162,525	26,956,610	-	-	146,418
Interest receivable	76,852	-	76,852	-	-	-
Capital assets not being depreciated	27,899,636	71,348,847	99,248,483	-	-	-
Other capital assets, net of depreciation	85,244,117	124,057,198	209,301,315	241,510	6,935	6,345,641
Total assets	175,168,005	276,202,473	451,370,478	3,393,761	182,073	10,854,424
Deferred outflows:						
Deferred loss on refunding	283,176	2,973,508	3,256,684	-	-	-
Deferred charges	-	1,533,216	1,533,216	-	-	-
Total deferred outflows	283,176	4,506,724	4,789,900	-	-	-
Total assets and deferred outflows	\$ 175,451,181	\$ 280,709,197	\$ 456,160,378	\$ 3,393,761	\$ 182,073	\$ 10,854,424
Liabilities, Deferred Inflows, and Net Position						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,217,760	\$ 2,888,150	\$ 5,105,910	\$ 491,038	\$ 16,148	\$ 1,301,548
Unearned revenue	309,268	750,596	1,059,864	-	-	-
Accrued interest payable	299,861	1,587,445	1,887,306	-	-	-
Liabilities payable from restricted assets	-	260,603	260,603	-	-	-
Noncurrent liabilities:						
Due within one year:						
Bonds and notes	2,394,750	2,867,583	5,262,333	-	-	69,807
Compensated absences	156,854	-	156,854	271,849	-	740,822
Due in more than one year:						
Bonds and notes	28,771,500	103,278,239	132,049,739	-	6,624	575,320
Unamortized bond premium	1,119,838	6,557,824	7,677,662	-	-	-
Compensated absences	515,305	323,362	838,667	133,548	5,827	-
Landfill post-closure liability	-	461,757	461,757	-	-	-
Total liabilities	35,785,136	118,975,559	154,760,695	896,435	28,599	2,687,497
Deferred inflows	614,738	-	614,738	-	-	-
Net position:						
Net investment in capital assets	81,140,841	103,467,052	184,607,893	241,510	6,935	5,700,514
Restricted for:						
Permanent Fund	20,213,781	-	20,213,781	-	-	-
Capital projects	6,727,368	-	6,727,368	-	-	-
Debt service	2,028,544	7,359,839	9,388,383	-	-	-
Sitka School District	-	-	-	30,549	-	-
Medical services	-	-	-	-	-	53,443
Unrestricted	28,940,773	50,906,747	79,847,520	2,225,267	146,539	2,412,970
Total net position	139,051,307	161,733,638	300,784,945	2,497,326	153,474	8,166,927
Total liabilities, deferred inflows and net position	\$ 175,451,181	\$ 280,709,197	\$ 456,160,378	\$ 3,393,761	\$ 182,073	\$ 10,854,424

City and Borough of Sitka, Alaska

Statement of Activities

Year Ended June 30, 2013

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
		Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government			Component Units		
					Governmental Activities	Business-Type Activities	Total	Sitka School District	Convention and Visitors Bureau	Sitka Community Hospital
Primary government:										
Governmental activities:										
Administration	\$ 1,724,076	\$ 290,450	\$ 3,129,411	\$ 78,000	\$ 1,773,785		\$ 1,773,785			
Public safety	6,827,712	729,406	1,235,567	92,181	(4,770,558)		(4,770,558)			
Public works	5,450,632	988,231	219,440	4,373,813	130,852		130,852			
Public services	2,007,427	502,571	137,986	1,656,520	289,650		289,650			
Support	9,054,114	-	-	1,976,845	(7,077,269)		(7,077,269)			
Interest on long-term debt	1,376,917	-	1,257,428	-	(119,489)		(119,489)			
Total governmental activities	<u>26,440,878</u>	<u>2,510,658</u>	<u>5,979,832</u>	<u>8,177,359</u>	<u>(9,773,029)</u>		<u>(9,773,029)</u>			
Business-type activities:										
Electric	10,981,793	12,077,554	1,020,493	17,169,455		19,285,709	19,285,709			
Water	2,204,600	1,561,830	28,135	379,231		(235,404)	(235,404)			
Wastewater treatment	3,563,643	2,434,968	84,404	385,752		(658,519)	(658,519)			
Solid waste disposal	3,319,109	2,988,758	13,327	-		(317,024)	(317,024)			
Harbor	2,444,728	1,912,463	1,247,399	-		715,134	715,134			
Airport	508,966	613,873	1	-		104,908	104,908			
Marine	228,474	242,174	-	-		13,700	13,700			
Sawmill Cove	533,181	408,790	18,185	-		(106,206)	(106,206)			
Total business-type activities	<u>23,784,494</u>	<u>22,240,410</u>	<u>2,411,944</u>	<u>17,934,438</u>		<u>18,802,298</u>	<u>18,802,298</u>			
Total primary government	<u>\$ 50,225,372</u>	<u>\$ 24,751,068</u>	<u>\$ 8,391,776</u>	<u>\$ 26,111,797</u>	<u>(9,773,029)</u>	<u>18,802,298</u>	<u>9,029,269</u>			

City and Borough of Sitka, Alaska

Statement of Activities, continued

Year Ended June 30, 2013

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets							
		Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government			Component Units				
					Governmental Activities	Business-Type Activities	Total	Sitka School District	Convention and Visitors Bureau	Sitka Community Hospital		
Component units:												
Sitka School District	\$ 27,342,970	\$ 615,551	\$ 7,409,511	\$ 308,688				\$ (19,009,220)	\$ -	\$ -		
Convention and Visitors Bureau	388,406	72,711	11,871	-				-	(303,824)	-		
Sitka Community Hospital	24,104,206	20,819,797	2,591,810	-				-	-	(692,599)		
Total component units	\$ 51,835,582	\$ 21,508,059	\$ 10,013,192	\$ 308,688				(19,009,220)	(303,824)	(692,599)		
General revenues:												
Taxes:												
Property taxes					\$ 6,095,558	\$ -	\$ 6,095,558	-	-	-		
Sales taxes					9,447,754	-	9,447,754	-	-	-		
Commercial passenger excise tax					135,355	-	135,355	-	-	-		
Contributions from primary government					-	-	-	4,765,758	280,047	724,992		
Grants and entitlements not restricted to a specific purpose					470,415	-	470,415	14,029,367	-	195,468		
Investment income					2,243,289	494,317	2,737,606	-	384	22,931		
Debt reimbursement principal					1,252,000	-	1,252,000	-	-	-		
Other					-	95,671	95,671	177,149	-	1,758		
Transfers					(395,675)	395,675	-	-	-	-		
Total general revenues and transfers					19,248,696	985,663	20,234,359	18,972,274	280,431	945,149		
Change in net position					9,475,667	19,787,961	29,263,628	(36,946)	(23,393)	252,550		
Net position, beginning of year					129,761,503	142,947,683	272,709,186	2,534,272	176,867	7,914,377		
Cumulative effect of change in accounting principle - adoption of GASB 65 - write off unamortized bond issue costs					(185,863)	(1,002,006)	(1,187,869)	-	-	-		
Net position, beginning of year, restated					129,575,640	141,945,677	271,521,317	2,534,272	176,867	7,914,377		
Net position, end of year					\$ 139,051,307	\$ 161,733,638	\$ 300,784,945	\$ 2,497,326	\$ 153,474	\$ 8,166,927		

City and Borough of Sitka, Alaska

Governmental Funds

Balance Sheet

June 30, 2013

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Permanent Fund	Capital Projects Fund		
Assets					
Equity in central treasury	\$ 13,070,472	\$ -	\$ -	\$ 10,212,832	\$ 23,283,304
Receivables:					
Accounts	781,679	-	-	-	781,679
Taxes	2,361,262	-	-	41,582	2,402,844
Allowance for uncollectable accounts	(457,492)	-	-	-	(457,492)
Interest	387,882	-	-	-	387,882
Special assessments	-	-	-	81,115	81,115
Federal and State of Alaska	123,508	-	1,563,238	73,741	1,760,487
Due from other funds	160,977	-	-	273,947	434,924
Advances to other funds	38,985	-	-	997,272	1,036,257
Prepaid items	10,501	-	-	-	10,501
Notes receivable	91,285	61,336	-	1,746,041	1,898,662
Restricted assets:					
Equity in central treasury	-	281,508	6,120,231	-	6,401,739
Cash and investments	-	19,794,085	-	-	19,794,085
Interest receivable	-	76,852	-	-	76,852
Total assets	<u>\$ 16,569,059</u>	<u>\$ 20,213,781</u>	<u>\$ 7,683,469</u>	<u>\$ 13,426,530</u>	<u>\$ 57,892,839</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
Accounts payable	\$ 214,706	\$ -	\$ 906,101	\$ 28,511	\$ 1,149,318
Accrued payroll	842,560	-	-	-	842,560
Deposits payable	45,960	-	-	-	45,960
Due to other funds	273,947	-	-	60,977	334,924
Unearned revenue	259,268	-	50,000	-	309,268
Total liabilities	<u>1,636,441</u>	<u>-</u>	<u>956,101</u>	<u>89,488</u>	<u>2,682,030</u>
Deferred inflows:					
Deferred assessments	-	-	-	81,115	81,115
Property taxes paid in advance	18,709	-	-	-	18,709
Deferred payment in lieu of tax	596,029	-	-	-	596,029
Total deferred inflows	<u>614,738</u>	<u>-</u>	<u>-</u>	<u>81,115</u>	<u>695,853</u>
Fund balances:					
Nonspendable	49,486	-	-	2,743,313	2,792,799
Restricted	520,742	20,213,781	-	8,130,204	28,864,727
Committed	7,904,460	-	6,727,368	-	14,631,828
Assigned	-	-	-	2,391,280	2,391,280
Unassigned (deficit)	5,843,192	-	-	(8,870)	5,834,322
Total fund balances	<u>14,317,880</u>	<u>20,213,781</u>	<u>6,727,368</u>	<u>13,255,927</u>	<u>54,514,956</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 16,569,059</u>	<u>\$ 20,213,781</u>	<u>\$ 7,683,469</u>	<u>\$ 13,426,530</u>	<u>\$ 57,892,839</u>

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2013

Total fund balances for governmental funds		\$ 54,514,956
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. In addition, capital assets associated with internal service funds are recorded in the Statement of Net Position. These assets are comprised of:		
Land	\$ 11,230,912	
Construction in progress	<u>16,668,724</u>	
Total capital assets not being depreciated		27,899,636
Buildings	98,827,874	
Land improvements	6,478,823	
Infrastructure	31,498,470	
Equipment	13,328,851	
Accumulated depreciation	<u>(64,889,901)</u>	
Total depreciable capital assets, net of depreciation		85,244,117
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. These assets consist of special assessments receivable.		
		81,115
Internal service funds are used by the Borough to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position as follows:		
Net position of internal service funds	8,182,297	
Adjusted for:		
Capital assets included above	(9,239,236)	
Accumulated depreciation included above	5,298,611	
Compensated absences included below	<u>44,743</u>	
Total net position from internal service funds		4,286,415
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Bonds and State of Alaska note	(31,166,250)	
Unamortized bond premium	(1,119,838)	
Deferred loss on bonds	283,176	
Accrued interest payable	(299,861)	
Compensated absences	<u>(672,159)</u>	
Total long term liabilities		<u>(32,974,932)</u>
Total net position of governmental activities		<u>\$ 139,051,307</u>

City and Borough of Sitka, Alaska

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2013

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Permanent Fund	Capital Projects Fund		
	General Fund	Permanent Fund	Capital Projects Fund		
Revenues:					
Taxes:					
Real and personal	\$ 6,095,558	\$ -	\$ -	\$ -	\$ 6,095,558
Sales and bed	9,447,754	-	-	-	9,447,754
State sources	3,158,185	-	4,284,170	1,765,261	9,207,616
Federal sources	1,766,379	-	60,575	305,269	2,132,223
Charges for services	1,839,516	-	-	-	1,839,516
Interfund services	2,693,860	-	-	-	2,693,860
Fines, forfeitures and penalties	103,541	-	-	-	103,541
Investment income (loss)	124,681	2,442,922	(221,104)	(83,691)	2,262,808
Uses of property	487,175	248,286	53,500	-	788,961
Licenses and permits	177,221	-	-	-	177,221
Other	60,015	-	600	963,379	1,023,994
Total revenues	25,953,885	2,691,208	4,177,741	2,950,218	35,773,052
Expenditures:					
Administration	4,631,257	935	-	-	4,632,192
Public safety	6,266,347	-	-	285,893	6,552,240
Public works	3,653,019	-	-	93,499	3,746,518
Public services	1,361,276	-	-	431,416	1,792,692
Support	6,402,944	-	-	-	6,402,944
Debt service:					
Principal	969,860	-	-	1,480,000	2,449,860
Interest	361,387	-	-	955,948	1,317,335
Capital outlay	45,822	-	10,066,698	-	10,112,520
Total expenditures	23,691,912	935	10,066,698	3,246,756	37,006,301
Excess of revenues over/ (under) expenditures	2,261,973	2,690,273	(5,888,957)	(296,538)	(1,233,249)
Other financing sources (uses):					
Transfers in	1,367,115	60,465	3,719,969	874,031	6,021,580
Transfers out	(2,896,306)	(1,101,525)	(37,370)	(2,629,508)	(6,664,709)
Net other financing sources (uses)	(1,529,191)	(1,041,060)	3,682,599	(1,755,477)	(643,129)
Net change in fund balances	732,782	1,649,213	(2,206,358)	(2,052,015)	(1,876,378)
Fund balances, beginning of year	13,585,098	18,564,568	8,933,726	15,307,942	56,391,334
Fund balances, end of year	\$ 14,317,880	\$ 20,213,781	\$ 6,727,368	\$ 13,255,927	\$ 54,514,956

City and Borough of Sitka, Alaska
Reconciliation of Change in Fund Balances of Governmental Funds
to Statement of Activities
Year Ended June 30, 2013

Net change in fund balances - total governmental funds		\$ (1,876,378)
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives.		
This is the amount by which capital outlays and contributions exceed depreciation		
Contributed land	\$ 3,300,000	
Capital outlays	9,659,952	
Depreciation	<u>(4,353,336)</u>	
		8,606,616
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the decrease in deferred special assessments receivable.		
		(36,795)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Decrease in deferred loss on bonds	(23,598)	
Decrease in unamortized bond premium	93,320	
Payments on bonds and note	<u>2,409,750</u>	
		2,479,472
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest payable	(112,792)	
Decrease in accrued leave	<u>95,494</u>	
		(17,298)
Internal service funds are used by management to charge the costs of health insurance to individual funds. Net income of these activities is reported with governmental activities. This is the total increase in net position from internal service funds.		
		<u>320,050</u>
Change in net position of governmental activities		<u>\$ 9,475,667</u>

City and Borough of Sitka, Alaska

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	\$ 6,002,000	\$ 6,002,000	\$ 6,095,558	\$ 93,558
Sales taxes	8,498,060	8,498,060	9,093,596	595,536
Bed taxes	307,000	307,000	354,158	47,158
Total taxes	<u>14,807,060</u>	<u>14,807,060</u>	<u>15,543,312</u>	<u>736,252</u>
State sources:				
School debt reimbursement	887,000	887,000	886,909	(91)
State revenue sharing	1,757,260	1,757,260	1,200,769	(556,491)
State PERS relief	-	-	894,388	894,388
State grants	2,211,000	2,267,238	84,385	(2,182,853)
Other	64,000	64,000	91,734	27,734
Total State sources	<u>4,919,260</u>	<u>4,975,498</u>	<u>3,158,185</u>	<u>(1,817,313)</u>
Federal sources:				
National Forest receipts	-	1,152,259	976,645	(175,614)
Payment in lieu of taxes	592,000	592,000	610,074	18,074
Federal grants	125,000	136,412	179,660	43,248
Total Federal sources	<u>717,000</u>	<u>1,880,671</u>	<u>1,766,379</u>	<u>(114,292)</u>
Licenses and permits	<u>167,000</u>	<u>167,000</u>	<u>177,221</u>	<u>10,221</u>
Charges for services:				
State jail contract	419,000	419,000	419,450	450
Ambulance fees	330,000	330,000	356,548	26,548
E911 surcharges	186,000	186,000	191,576	5,576
Jobbing	600,000	600,000	791,074	191,074
Other	113,000	115,443	80,868	(34,575)
Total charges for services	<u>1,648,000</u>	<u>1,650,443</u>	<u>1,839,516</u>	<u>189,073</u>
Property and investments:				
Leases and rent	249,000	249,000	248,873	(127)
Investment income	382,000	382,000	124,681	(257,319)
Other	137,000	137,000	238,302	101,302
Total property and investments	<u>768,000</u>	<u>768,000</u>	<u>611,856</u>	<u>(156,144)</u>
Interfund services	<u>2,686,068</u>	<u>2,686,068</u>	<u>2,693,860</u>	<u>7,792</u>
Fines, forfeitures and penalties	<u>139,000</u>	<u>139,000</u>	<u>103,541</u>	<u>(35,459)</u>
Other	<u>43,000</u>	<u>43,000</u>	<u>60,015</u>	<u>17,015</u>
Total revenues	<u>25,894,388</u>	<u>27,116,740</u>	<u>25,953,885</u>	<u>(1,162,855)</u>

City and Borough of Sitka, Alaska

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual, continued

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
Administration:				
Administration/assembly:				
Wages and benefits	\$ 546,677	\$ 634,931	\$ 667,912	\$ (32,981)
Travel and training	33,138	33,138	32,562	576
Other	204,903	204,903	206,824	(1,921)
Total administration/assembly	<u>784,718</u>	<u>872,972</u>	<u>907,298</u>	<u>(34,326)</u>
Legal:				
Wages and benefits	230,747	230,747	263,920	(33,173)
Travel and training	9,980	9,980	6,626	3,354
Other	40,549	68,049	68,493	(444)
Total legal	<u>281,276</u>	<u>308,776</u>	<u>339,039</u>	<u>(30,263)</u>
Municipal clerk:				
Wages and benefits	245,158	245,158	245,801	(643)
Travel and training	6,838	6,838	5,788	1,050
Other	99,687	99,687	90,849	8,838
Total municipal clerk	<u>351,683</u>	<u>351,683</u>	<u>342,438</u>	<u>9,245</u>
Finance:				
Wages and benefits	1,405,216	1,399,316	1,513,180	(113,864)
Travel and training	5,500	5,500	10,801	(5,301)
Other	181,981	201,701	222,625	(20,924)
Total finance	<u>1,592,697</u>	<u>1,606,517</u>	<u>1,746,606</u>	<u>(140,089)</u>
Assessing:				
Wages and benefits	201,379	201,379	220,277	(18,898)
Travel and training	4,300	4,300	3,435	865
Other	28,706	28,339	27,729	610
Total assessing	<u>234,385</u>	<u>234,018</u>	<u>251,441</u>	<u>(17,423)</u>
Planning:				
Wages and benefits	220,130	220,130	244,749	(24,619)
Travel and training	2,200	2,200	1,814	386
Other	23,462	26,462	25,580	882
Total planning	<u>245,792</u>	<u>248,792</u>	<u>272,143</u>	<u>(23,351)</u>
General office -				
other	428,351	427,430	772,292	(344,862)
Total administration	<u>3,918,902</u>	<u>4,050,188</u>	<u>4,631,257</u>	<u>(581,069)</u>

City and Borough of Sitka, Alaska

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual, continued

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Expenditures, continued:				
Public safety:				
Police:				
Wages and benefits	\$ 3,260,145	\$ 3,260,145	\$ 3,426,366	\$ (166,221)
Travel and training	45,000	45,000	24,037	20,963
Other	780,362	799,229	883,722	(84,493)
Total police	<u>4,085,507</u>	<u>4,104,374</u>	<u>4,334,125</u>	<u>(229,751)</u>
Fire:				
Wages and benefits	1,131,721	1,131,721	1,093,372	38,349
Travel and training	21,000	21,216	12,853	8,363
Other	490,877	509,416	491,425	17,991
Total fire	<u>1,643,598</u>	<u>1,662,353</u>	<u>1,597,650</u>	<u>64,703</u>
Ambulance:				
Wages and benefits	123,478	123,478	121,527	1,951
Travel and training	16,500	16,500	12,173	4,327
Other	163,888	164,453	155,839	8,614
Total ambulance	<u>303,866</u>	<u>304,431</u>	<u>289,539</u>	<u>14,892</u>
Search and rescue:				
Wages and benefits	5,869	5,869	5,221	648
Travel and training	7,500	6,500	5,898	602
Other	36,854	36,961	33,914	3,047
Total search and rescue	<u>50,223</u>	<u>49,330</u>	<u>45,033</u>	<u>4,297</u>
Total public safety	<u>6,083,194</u>	<u>6,120,488</u>	<u>6,266,347</u>	<u>(145,859)</u>
Public works:				
Administration:				
Wages and benefits	463,385	463,385	470,644	(7,259)
Travel and training	5,000	5,000	2,744	2,256
Other	37,833	37,833	43,186	(5,353)
Total administration	<u>506,218</u>	<u>506,218</u>	<u>516,574</u>	<u>(10,356)</u>
Engineering:				
Wages and benefits	773,994	773,994	828,468	(54,474)
Travel and training	9,350	9,350	4,808	4,542
Other	92,495	145,306	118,874	26,432
Total engineering	<u>875,839</u>	<u>928,650</u>	<u>952,150</u>	<u>(23,500)</u>
Streets:				
Wages and benefits	532,263	532,263	504,459	27,804
Travel and training	2,300	2,300	344	1,956
Other	1,027,683	987,738	901,913	85,825
Total streets	<u>1,562,246</u>	<u>1,522,301</u>	<u>1,406,716</u>	<u>115,585</u>

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual, continued

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Expenditures, continued:				
Public works, continued:				
Recreation:				
Wages and benefits	\$ 314,023	\$ 314,023	\$ 305,071	\$ 8,952
Travel and training	2,800	2,800	329	2,471
Other	249,336	265,240	241,712	23,528
Total recreation	566,159	582,063	547,112	34,951
Building officials:				
Wages and benefits	207,784	207,784	209,796	(2,012)
Travel and training	6,100	6,100	5,500	600
Other	24,038	24,038	15,171	8,867
Total building officials	237,922	237,922	230,467	7,455
Total public works	3,748,384	3,777,154	3,653,019	124,135
Public services:				
Library:				
Wages and benefits	554,938	554,938	547,604	7,334
Travel and training	1,200	1,200	235	965
Other	296,248	300,808	284,729	16,079
Total library	852,386	856,946	832,568	24,378
Harrigan Centennial Building:				
Wages and benefits	305,331	305,331	338,460	(33,129)
Other	139,436	142,186	111,743	30,443
Total Harrigan Centennial Building	444,767	447,517	450,203	(2,686)
Senior Citizen Center - other	84,547	87,811	78,505	9,306
Total public services	1,381,700	1,392,274	1,361,276	30,998
Support:				
Municipal grants to local organizations	302,000	327,000	-	327,000
Sitka Convention and Visitors Bureau	282,047	282,047	281,836	211
Sitka Community Hospital	270,546	352,097	281,841	70,256
Sitka School District	5,910,734	6,488,686	5,839,267	649,419
Total support	6,765,327	7,449,830	6,402,944	1,046,886

City and Borough of Sitka, Alaska

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual, continued

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Expenditures, continued:				
Debt service:				
Principal	\$ 929,750	\$ 929,750	\$ 969,860	\$ (40,110)
Interest	349,353	349,353	361,387	(12,034)
Other debt service costs	2,000	2,000	-	2,000
Total debt service	<u>1,281,103</u>	<u>1,281,103</u>	<u>1,331,247</u>	<u>(50,144)</u>
Capital outlay	<u>26,800</u>	<u>52,532</u>	<u>45,822</u>	<u>6,710</u>
Total expenditures	<u>23,205,410</u>	<u>24,123,569</u>	<u>23,691,912</u>	<u>431,657</u>
Excess of revenues over expenditures	2,688,978	2,993,171	2,261,973	(731,198)
Other financing sources (uses):				
Transfers in	1,242,000	1,242,000	1,367,115	125,115
Transfers out	<u>(3,930,976)</u>	<u>(3,419,082)</u>	<u>(2,896,306)</u>	<u>522,776</u>
Net other financing sources/(uses)	<u>(2,688,976)</u>	<u>(2,177,082)</u>	<u>(1,529,191)</u>	<u>647,891</u>
Net change in fund balance	<u>\$ 2</u>	<u>\$ 816,089</u>	732,782	<u>\$ (83,307)</u>
Fund balance, beginning of year			<u>13,585,098</u>	
Fund balance, end of year			<u>\$ 14,317,880</u>	

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City and Borough of Sitka, Alaska

**Proprietary Funds
Statement of Net Position**

June 30, 2013

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Treatment</u>	<u>Solid Waste Disposal</u>	<u>Harbor</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Assets and Deferred Outflows								
Current assets:								
Equity in central treasury	\$ 28,803,187	\$ 764,339	\$ 3,953,172	\$ 808,634	\$ 6,599,187	\$ 2,712,679	\$ 43,641,198	\$ 4,689,961
Receivables:								
Accounts	999,889	134,865	195,182	252,888	155,612	132,318	1,870,754	-
Allowance for uncollectable accounts	(192,843)	(30,580)	(41,968)	(55,169)	(123,225)	(9,230)	(453,015)	-
Federal and State of Alaska	6,956,352	419,610	420,202	-	1,183,998	65	8,980,227	-
Current portion:								
Note receivable	892	2,115	7,761	-	-	-	10,768	-
Assessments receivable	-	-	9,758	-	-	-	9,758	-
Inventories	1,686,688	255,397	-	-	-	-	1,942,085	-
Prepaid expenses	-	489	-	-	-	8,511	9,000	-
Total current assets	<u>38,254,165</u>	<u>1,546,235</u>	<u>4,544,107</u>	<u>1,006,353</u>	<u>7,815,572</u>	<u>2,844,343</u>	<u>56,010,775</u>	<u>4,689,961</u>
Noncurrent assets:								
Restricted assets:								
Equity in central treasury:								
Unspent bond proceeds	14,489,145	-	-	-	3,302,000	-	17,791,145	-
Landfill postclosure	-	-	-	461,757	-	-	461,757	-
Deposits	100,288	700	-	8,106	1,509	150,000	260,603	-
Bond covenant accounts	6,589,768	-	-	-	312,154	-	6,901,922	-
Notes receivable	18,258	14,384	99,737	-	-	-	132,379	-
Special assessments receivable	-	-	103,514	-	-	-	103,514	-
Water rights	23,483	23,483	-	-	-	-	46,966	-
Capital assets:								
Property, plant and equipment	115,587,066	31,576,482	46,891,174	7,577,968	23,844,575	23,537,552	249,014,817	9,239,236
Construction in progress	58,930,539	1,562,582	4,655,373	98,886	665,476	214,080	66,126,936	-
Less accumulated depreciation	<u>(55,686,723)</u>	<u>(11,565,158)</u>	<u>(33,577,312)</u>	<u>(1,701,762)</u>	<u>(10,204,344)</u>	<u>(7,000,409)</u>	<u>(119,735,708)</u>	<u>(5,298,611)</u>
Total capital assets, net of accumulated depreciation	<u>118,830,882</u>	<u>21,573,906</u>	<u>17,969,235</u>	<u>5,975,092</u>	<u>14,305,707</u>	<u>16,751,223</u>	<u>195,406,045</u>	<u>3,940,625</u>
Total noncurrent assets	<u>140,051,824</u>	<u>21,612,473</u>	<u>18,172,486</u>	<u>6,444,955</u>	<u>17,921,370</u>	<u>16,901,223</u>	<u>221,104,331</u>	<u>3,940,625</u>
Total assets	<u>178,305,989</u>	<u>23,158,708</u>	<u>22,716,593</u>	<u>7,451,308</u>	<u>25,736,942</u>	<u>19,745,566</u>	<u>277,115,106</u>	<u>8,630,586</u>
Deferred outflows:								
Unamortized deferred loss on refunding	2,973,508	-	-	-	-	-	2,973,508	-
Other deferred charges	1,449,646	83,570	-	-	-	-	1,533,216	-
Total deferred outflows	<u>4,423,154</u>	<u>83,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,506,724</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 182,729,143</u>	<u>\$ 23,242,278</u>	<u>\$ 22,716,593</u>	<u>\$ 7,451,308</u>	<u>\$ 25,736,942</u>	<u>\$ 19,745,566</u>	<u>\$ 281,621,830</u>	<u>\$ 8,630,586</u>

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

Proprietary Funds

Statement of Net Position, continued

June 30, 2013

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Treatment</u>	<u>Solid Waste Disposal</u>	<u>Harbor</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Liabilities and Net Position								
Liabilities:								
Current liabilities:								
Accounts payable and accrued liabilities	\$ 2,178,530	\$ 258,167	\$ 9,413	\$ 182,836	\$ 230,516	\$ 28,688	\$ 2,888,150	\$ 179,922
Interest payable	1,474,146	20,830	38,575	-	53,894	-	1,587,445	-
Due to other funds	-	-	-	-	100,000	-	100,000	-
Unearned revenue	250,200	250,100	-	-	-	250,296	750,596	-
Current portion of:								
Revenue bonds	1,845,000	-	-	-	115,000	-	1,960,000	-
Revenue notes	286,508	-	-	-	-	-	286,508	-
Notes payable	-	261,016	198,913	115,798	45,348	-	621,075	-
Payable from restricted assets - deposits payable	100,288	700	-	8,106	1,509	150,000	260,603	-
Total current liabilities	<u>6,134,672</u>	<u>790,813</u>	<u>246,901</u>	<u>306,740</u>	<u>546,267</u>	<u>428,984</u>	<u>8,454,377</u>	<u>179,922</u>
Noncurrent liabilities:								
Compensated absences	220,892	18,943	45,595	5,283	32,649	-	323,362	44,743
Advances from other funds	-	-	-	-	-	398,257	398,257	638,000
Revenue bonds	79,485,000	-	-	-	3,840,000	-	83,325,000	-
Premium on bonds	5,943,338	-	-	-	614,486	-	6,557,824	-
Revenue notes	7,973,608	-	-	-	-	-	7,973,608	-
Notes payable	-	4,808,537	4,753,909	1,736,963	680,222	-	11,979,631	-
Landfill post-closure liability	-	-	-	461,757	-	-	461,757	-
Total noncurrent liabilities	<u>93,622,838</u>	<u>4,827,480</u>	<u>4,799,504</u>	<u>2,204,003</u>	<u>5,167,357</u>	<u>398,257</u>	<u>111,019,439</u>	<u>682,743</u>
Total liabilities	<u>99,757,510</u>	<u>5,618,293</u>	<u>5,046,405</u>	<u>2,510,743</u>	<u>5,713,624</u>	<u>827,241</u>	<u>119,473,816</u>	<u>862,665</u>
Net position:								
Net investment in capital assets	40,760,081	16,504,353	13,016,413	4,122,331	12,312,651	16,751,223	103,467,052	3,940,625
Restricted for debt service	7,047,685	-	-	-	312,154	-	7,359,839	-
Unrestricted	35,163,867	1,119,632	4,653,775	818,234	7,398,513	2,167,102	51,321,123	3,827,296
Total net position	<u>82,971,633</u>	<u>17,623,985</u>	<u>17,670,188</u>	<u>4,940,565</u>	<u>20,023,318</u>	<u>18,918,325</u>	<u>162,148,014</u>	<u>7,767,921</u>
Total liabilities and net position	<u>\$ 182,729,143</u>	<u>\$ 23,242,278</u>	<u>\$ 22,716,593</u>	<u>\$ 7,451,308</u>	<u>\$ 25,736,942</u>	<u>\$ 19,745,566</u>		<u>\$ 8,630,586</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(414,376)	
Net position of business-type activities							<u>\$ 161,733,638</u>	

City and Borough of Sitka, Alaska
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2013

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Treatment</u>	<u>Solid Waste Disposal</u>	<u>Harbor</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating revenues:								
Charges for services	\$ 11,195,237	\$ 1,509,572	\$ 2,163,477	\$ 2,756,320	\$ 1,721,046	\$ 895,508	\$ 20,241,160	\$ 2,850,630
Other	882,317	52,258	271,491	232,438	191,417	364,316	1,994,237	33,504
Total operating revenues	<u>12,077,554</u>	<u>1,561,830</u>	<u>2,434,968</u>	<u>2,988,758</u>	<u>1,912,463</u>	<u>1,259,824</u>	<u>22,235,397</u>	<u>2,884,134</u>
Operating expenses:								
Wages and benefits	3,872,045	337,145	999,475	167,076	818,227	-	6,193,968	926,440
Travel and training	25,220	5,190	11,991	5,302	1,744	-	49,447	14,669
Utilities	293,081	57,306	208,753	24,127	130,660	150,848	864,775	28,298
Repair and maintenance	186,653	27,146	113,000	5,533	64,017	190,183	586,532	348,179
Contracted/purchased services	773,059	365,731	120,901	2,313,004	219,040	173,554	3,965,289	637,404
Interdepartmental services	1,704,385	259,670	519,752	500,532	414,160	223,332	3,621,831	419,180
Other	273,077	299,158	28,409	29,750	60,362	28,495	719,251	846
Depreciation and amortization	1,986,195	798,486	1,458,341	216,082	668,511	595,632	5,723,247	464,937
Total operating expense	<u>9,113,715</u>	<u>2,149,832</u>	<u>3,460,622</u>	<u>3,261,406</u>	<u>2,376,721</u>	<u>1,362,044</u>	<u>21,724,340</u>	<u>2,839,953</u>
Operating income (loss)	<u>2,963,839</u>	<u>(588,002)</u>	<u>(1,025,654)</u>	<u>(272,648)</u>	<u>(464,258)</u>	<u>(102,220)</u>	<u>511,057</u>	<u>44,181</u>
Nonoperating revenues (expenses):								
Investment income (loss)	314,600	(25,170)	27,795	(15,908)	151,244	19,687	472,248	(21,976)
Interest expense	(1,678,238)	(46,312)	(98,006)	(29,545)	(57,843)	(15,500)	(1,925,444)	(22,500)
Raw fish tax	-	-	-	-	1,183,956	-	1,183,956	-
State PERS relief	325,771	28,135	84,404	13,327	62,193	-	513,830	72,559
Other federal sources	594,158	-	-	-	1,250	18,121	613,529	-
State revenue sharing	100,564	-	-	-	-	65	100,629	-
Other	(121,776)	95,671	-	-	-	-	(26,105)	21,466
Gain (loss) on disposal of capital assets	-	-	-	-	-	5,013	5,013	(11,999)
Net nonoperating revenues (expenses)	<u>(464,921)</u>	<u>52,324</u>	<u>14,193</u>	<u>(32,126)</u>	<u>1,340,800</u>	<u>27,386</u>	<u>937,656</u>	<u>37,550</u>
Income (loss) before contributions and transfers	2,498,918	(535,678)	(1,011,461)	(304,774)	876,542	(74,834)	1,448,713	81,731

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position, continued
Year Ended June 30, 2013

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Treatment</u>	<u>Solid Waste Disposal</u>	<u>Harbor</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Capital contributions	\$ 17,169,455	\$ 379,231	\$ 385,752	\$ -	\$ -	\$ -	\$ 17,934,438	\$ -
Transfers in	-	1,033,128	-	-	57,859	498,282	1,589,269	326,406
Transfers out	(998,128)	-	(35,953)	-	(100,000)	(60,465)	(1,194,546)	(78,000)
Total contributions and transfers	<u>16,171,327</u>	<u>1,412,359</u>	<u>349,799</u>	<u>-</u>	<u>(42,141)</u>	<u>437,817</u>	<u>18,329,161</u>	<u>248,406</u>
Change in net position	<u>18,670,245</u>	<u>876,681</u>	<u>(661,662)</u>	<u>(304,774)</u>	<u>834,401</u>	<u>362,983</u>	<u>19,777,874</u>	<u>330,137</u>
Net position, beginning of year	65,303,394	16,747,304	18,331,850	5,245,339	19,188,917	18,555,342		7,437,784
Cumulative effect of change in accounting principle - adoption of GASB 65 - write off unamortized bond issue costs	<u>(1,002,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Net position, beginning of year, restated	<u>64,301,388</u>	<u>16,747,304</u>	<u>18,331,850</u>	<u>5,245,339</u>	<u>19,188,917</u>	<u>18,555,342</u>		<u>7,437,784</u>
Net position, end of year	<u>\$ 82,971,633</u>	<u>\$ 17,623,985</u>	<u>\$ 17,670,188</u>	<u>\$ 4,940,565</u>	<u>\$ 20,023,318</u>	<u>\$ 18,918,325</u>		<u>\$ 7,767,921</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							10,087	
Change in net position of business-type activities							<u>\$ 19,787,961</u>	

City and Borough of Sitka, Alaska

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2013

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Treatment</u>	<u>Solid Waste Disposal</u>	<u>Harbor</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Cash flows from operating activities:								
Receipts from customers and users	\$ 12,028,078	\$ 1,641,092	\$ 2,401,369	\$ 2,959,090	\$ 1,950,417	\$ 1,409,323	\$ 22,389,369	\$ 2,906,850
Payments to suppliers	(183,064)	(563,519)	(742,761)	(2,370,559)	(338,295)	(535,083)	(4,733,281)	(881,514)
Payments for interfund services used	(1,704,385)	(259,670)	(519,752)	(500,532)	(414,160)	(223,332)	(3,621,831)	(419,180)
Payments to employees	(3,539,440)	(306,707)	(917,707)	(154,175)	(753,503)	(18)	(5,671,550)	(862,760)
Net cash flows from operating activities	<u>6,601,189</u>	<u>511,196</u>	<u>221,149</u>	<u>(66,176)</u>	<u>444,459</u>	<u>650,890</u>	<u>8,362,707</u>	<u>743,396</u>
Cash flows from noncapital financing activities:								
Other federal sources	594,158	-	-	-	1,250	18,121	613,529	-
State revenue sharing and fish taxes	100,564	-	-	-	1,183,956	65	1,284,585	-
Receipt (repayment) of advances	-	-	-	-	(160,000)	(81,082)	(241,082)	188,000
Transfers to other funds	(998,128)	-	(35,953)	-	(100,000)	(60,465)	(1,194,546)	(78,000)
Transfers from other funds	-	1,033,128	-	-	57,859	498,282	1,589,269	326,406
Notes receivable payments	850	5,610	18,197	-	-	-	24,657	-
Net cash flows from noncapital financing activities	<u>(302,556)</u>	<u>1,038,738</u>	<u>(17,756)</u>	<u>-</u>	<u>983,065</u>	<u>374,921</u>	<u>2,076,412</u>	<u>436,406</u>
Cash flows from capital and related financing activities:								
Capital expenditures	(40,854,535)	(1,567,121)	(922,939)	(84,754)	(703,789)	(287,902)	(44,421,040)	(772,982)
Interest paid	(1,267,846)	(72,954)	(117,445)	(29,545)	(3,949)	(15,500)	(1,507,239)	(22,500)
Payments on bonds and notes payable	(2,045,382)	(159,895)	(447,314)	(115,797)	(45,349)	-	(2,813,737)	-
Government grants and loans for construction	12,341,414	242,621	432,705	-	84,582	44,786	13,146,108	-
Issuance of long-term debt	40,148,979	-	881,148	-	4,569,486	-	45,599,613	-
Special assessments received	-	-	8,460	-	-	-	8,460	-
Increase in bond covenant accounts	(3,094,337)	-	-	-	(312,154)	-	(3,406,491)	-
Proceeds from sale of capital assets	-	-	-	-	-	5,013	5,013	-
Net cash flows from capital and related financing activities	<u>5,228,293</u>	<u>(1,557,349)</u>	<u>(165,385)</u>	<u>(230,096)</u>	<u>3,588,827</u>	<u>(253,603)</u>	<u>6,610,687</u>	<u>(795,482)</u>
Cash flows from investing activities -								
Interest received (loss)	<u>314,600</u>	<u>(25,170)</u>	<u>27,795</u>	<u>(15,908)</u>	<u>151,244</u>	<u>19,687</u>	<u>472,248</u>	<u>(21,976)</u>
Net increase/(decrease) in cash and cash equivalents	11,841,526	(32,585)	65,803	(312,180)	5,167,595	791,895	17,522,054	362,344
Cash and cash equivalents, beginning	<u>31,551,094</u>	<u>797,624</u>	<u>3,887,369</u>	<u>1,590,677</u>	<u>4,735,101</u>	<u>2,070,784</u>	<u>44,632,649</u>	<u>4,327,617</u>
Cash and cash equivalents, ending	<u>\$ 43,392,620</u>	<u>\$ 765,039</u>	<u>\$ 3,953,172</u>	<u>\$ 1,278,497</u>	<u>\$ 9,902,696</u>	<u>\$ 2,862,679</u>	<u>\$ 62,154,703</u>	<u>\$ 4,689,961</u>

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

Proprietary Funds

Statement of Cash Flows, continued

Year Ended June 30, 2013

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Treatment</u>	<u>Solid Waste Disposal</u>	<u>Harbor</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:								
Operating income (loss)	\$ 2,963,839	\$ (588,002)	\$ (1,025,654)	\$ (272,648)	\$ (464,258)	\$ (102,220)	\$ 511,057	\$ 44,181
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	1,986,195	798,486	1,458,341	216,082	668,511	595,632	5,723,247	464,937
State PERS relief	325,771	28,135	84,404	13,327	62,193	-	513,830	72,559
Other income (expense)	(121,776)	95,671	-	-	-	-	(26,105)	21,466
(Increase) decrease in assets:								
Accounts receivable (net)	(49,320)	(16,509)	(33,599)	(32,669)	38,423	(501)	(94,175)	1,250
Inventories	347,800	(10,963)	-	-	-	-	336,837	-
Prepaid expenses	-	(489)	-	-	-	(723)	(1,212)	12,341
Increase/(decrease) in liabilities:								
Accounts payable and accrued liabilities	1,142,002	202,464	(259,707)	45,395	137,528	8,720	1,276,402	135,541
Compensated absences	6,834	2,303	(2,636)	(426)	2,531	(18)	8,588	(8,879)
Deposits	(156)	100	-	3,001	(469)	150,000	152,476	-
Landfill postclosure liability	-	-	-	(38,238)	-	-	(38,238)	-
Net cash flows from operating activities	<u>\$ 6,601,189</u>	<u>\$ 511,196</u>	<u>\$ 221,149</u>	<u>\$ (66,176)</u>	<u>\$ 444,459</u>	<u>\$ 650,890</u>	<u>\$ 8,362,707</u>	<u>\$ 743,396</u>

City and Borough of Sitka, Alaska

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2013

	Rowe Trust Fund	Sitka Cemetery Agency Fund	<u>Totals</u>
Current assets - restricted equity in central treasury	<u>\$ 195,731</u>	<u>\$ 105,069</u>	<u>\$ 300,800</u>
Liabilities - due to Sitka Cemetery Association	\$ -	\$ 105,069	\$ 105,069
Net position - held in trust for library acquisitions	<u>195,731</u>	<u>-</u>	<u>195,731</u>
Total liabilities and net position	<u>\$ 195,731</u>	<u>\$ 105,069</u>	<u>\$ 300,800</u>

City and Borough of Sitka, Alaska
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2013

	<u>Rowe Trust Fund</u>
Additions - investment income (loss)	\$ (1,380)
Deductions - library books and supplies	<u>1,777</u>
Change in net position	(3,157)
Net position, beginning of year	<u>198,888</u>
Net position, end of year	<u>\$ 195,731</u>

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City and Borough of Sitka, Alaska

Notes to Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies

Reporting Entity

The City and Borough of Sitka, Alaska (City and Borough) is governed by an elected assembly under a home rule charter. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. The City and Borough has no blended component units.

Discretely presented component units. The Sitka School District (District) is responsible for elementary and secondary education within the government's jurisdiction. The members of the District's governing board are elected by the voters. However, the District is fiscally dependent upon the City and Borough because the City and Borough's Assembly approves the District's budget. The City and Borough provides operating support from real and personal property tax assessments and other sources. The funds are used for the operation of the school system. The City and Borough is also responsible for repayment of all bonds, the proceeds of which were used for school construction.

Sitka Community Hospital (Hospital) is responsible for hospital services within the City and Borough. Its governing board is appointed by the Assembly of the City and Borough. The Assembly approves the Hospital's budget. The City and Borough provides operating and capital support to the Hospital.

Sitka Convention and Visitors Bureau (Visitors Bureau) is responsible for promoting tourism and attracting conventions to the City and Borough. This component unit's governing board is appointed by the Assembly of the City and Borough. Transfers from the City and Borough provided most of the Visitors Bureau's operating revenue.

Complete financial statements of each of the individual component units may be obtained at the entity's administrative offices.

Sitka School District	Sitka Community Hospital	Sitka Convention and Visitors Bureau
P.O. Box 179	209 Moller Drive	P.O. Box 1226
Sitka, Alaska 99835	Sitka, Alaska 99835	Sitka, Alaska 99835

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

City and Borough of Sitka, Alaska

Notes to Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, charges for services, interest and grant revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City and Borough reports the following major governmental funds:

The **General Fund** is City and Borough's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Permanent Fund** was established by a vote of the people of Sitka. The principal of the fund cannot be used other than by the consent of the voters. The purpose of the fund is to provide operating income to the General Fund through the transfer of investment earnings.

City and Borough of Sitka, Alaska

Notes to Financial Statements

The **Capital Projects Fund** is used to account for all governmental construction projects except those financed by Proprietary and Internal Service Funds.

The City and Borough reports the following major proprietary funds:

The **Electric Utility Enterprise Fund** records the activities of the City and Borough's electric generation and distribution activities.

The **Water Utility Enterprise Fund** records the activities of the City and Borough's water distribution activities.

The **Wastewater Treatment Enterprise Fund** provides sewer service for the City and Borough.

The **Solid Waste Disposal Enterprise Fund** was established to manage solid waste. Revenues include billings for garbage disposal, billings for the use of the landfill and sale of scrap material.

The **Harbor Enterprise Fund** provides rental space for commercial and recreational boats within the five harbors that are located within the City and Borough.

Additionally, the government reports the following fund types:

Internal service funds account for management information systems, central garage and building maintenance services provided to other departments of the government on a cost reimbursement basis.

The **private-purpose trust fund** is used to account for resources legally held in trust for use by the Library Board to purchase children's books and computer equipment to increase children's enjoyment of reading.

An **agency fund** is used to account for resources held for the Sitka Cemetery Association.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the various proprietary funds and the General Fund for administrative services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include all taxes and investment income.

City and Borough of Sitka, Alaska

Notes to Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City and Borough's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities and Net Position or Equity

a. Deposits and Investments

Equity in central treasury represents a fund's equity in cash and investments of the central treasury of the City and Borough. For funds with a negative equity in central treasury, the amount is shown as an interfund payable to the General Fund. Interest income on investments is allocated monthly to participating funds based on their average monthly balance.

For purposes of the statement of cash flows for the proprietary funds, the City and Borough has defined cash and cash equivalents as the equity maintained in the central treasury since the various funds use the central treasury essentially as a demand deposit account.

Sitka General Code 4.28.060 authorizes the City and Borough to invest in the following securities:

1. United States government obligations, United States government agency obligations, and United States government instrumentality obligations, which have a liquid market with a readily determinable market value;
2. Certificates of deposit and other evidences of deposits at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier by a nationally recognized rating agency;
3. Investment-grade obligations of state and local governments and public authorities;
4. Repurchase agreements whose underlying purchased securities consist of United States Treasury securities;
5. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
6. Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

In addition, Sitka General Code 4.28.110 allows the Permanent Fund to invest in mutual funds which are invested in corporate equity securities.

Investments are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All of the City and Borough's investments have established market values. As a result, fair value and market value are the same.

City and Borough of Sitka, Alaska

Notes to Financial Statements

b. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by an equal amount of "nonspendable" fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables, including those for the Hospital, are shown net of an allowance for uncollectible accounts. Trade accounts receivable of the primary government in excess of 120 days comprise the trade accounts receivable allowance for uncollectible accounts.

Property tax is considered an enforceable lien at the January 1 assessment date. Mill levies are set prior to June 30 to finance the period July 1 through June 30 of the following year. Receivables are recognized and revenues are recorded when taxpayer liability is calculated and billed on July 1. Property tax bills are due 60 days after billing date, which normally makes them due August 30. A limit on property tax of six tenths of one percent (.006) of the assessed valuation of property is currently in effect. Levying of property tax in excess of the limit is allowed only if ratified by a majority of the voters.

c. Inventory and Prepaid Items

Inventories are valued at cost using the average cost method. Enterprise Fund inventories consist of items used in maintaining and upgrading the electric and water systems. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Restricted Assets

Certain resources set aside for the repayment of the Electric Utility Fund and Harbor Fund revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond accrued aggregate debt service" account is used to segregate resources accumulated for current debt service payments.

The "revenue bond debt service" account is used to report resources set aside to make up potential future deficiencies in the revenue bond accrued aggregate debt service account. The "revenue bond renewal and replacement account" is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. These three accounts have been combined and included with restricted assets on the balance sheets of the Electric Utility Fund and Harbor Fund.

Capital Project Fund assets are classified as restricted because their use is limited by bond covenant or grant agreement to the construction of capital assets.

City and Borough of Sitka, Alaska

Notes to Financial Statements

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 or in the case of infrastructure, \$10,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The City and Borough did not have any projects requiring interest capitalization in the current year.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Utility plant in service	30-65
Buildings	20-40
Equipment	3-10
Land improvements	50

f. Compensated Absences

It is the City and Borough's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave as its the government's policy to pay any amounts when employees separate from service with the City and Borough at \$1 per hour of unused sick leave. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

g. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City and Borough of Sitka, Alaska

Notes to Financial Statements

h. Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balance based on constraints imposed on the use of these resources.

Nonspendable includes amounts that cannot be spent due to either being (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted includes resources with constraints imposed by either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Assembly on or before the end of the fiscal year. Assembly action taken after the end of the fiscal year results in an assigned (see below) amount. Those committed resources cannot be used for any other purpose unless the Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned reflects the resources constrained by an "intent" to be used for specific purposes, but are neither restricted nor committed. The Assembly or Finance Director has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts - except negative balances - reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed. The General Fund assigned resources are constrained by either an Assembly resolution or ordinance adopted after the fiscal year end or by the Finance Director.

Unassigned resources are the residual classification for resources not classified as nonspendable, restricted, committed or assigned in the General Fund. It is also used to report a negative balance in other governmental funds when the totals of nonspendable, restricted, committed and assigned are greater than the fund balance of the governmental fund.

When both constrained and unconstrained resources are available for use, it is the City and Borough's policy to use funds from the strongest constraint first with the least constrained funds used last. The order of priority in the use of assets is nonspendable, restricted, committed, assigned and then unassigned.

City and Borough of Sitka, Alaska

Notes to Financial Statements

i. Change in Accounting Principle

The City and Borough has adopted newly issued GASB pronouncements 63 and 65, resulting in a change in presentation of the government-wide and fund level financial statements. The new pronouncements require reporting two new categories of accounts. Certain items previously reported as assets are now categorized as deferred outflows of resources. A deferred outflow of resources represents the consumption of the government's net position or fund balance that is applicable to a future reporting period. Other items previously categorized as liabilities are now categorized as deferred inflows of resources. A deferred inflow of resources represents the acquisition of net position or fund balance that is applicable to a future reporting period. For example, revenues that have been earned but are not yet available in the governmental funds are now reported as deferred inflows. In the government-wide and proprietary fund financial statements, the residual net of all of the accounts is now called net position.

As a result of the adoption of these statements, the City and Borough has recorded a "cumulative effect adjustment" to opening net position on the government-wide and the proprietary fund financial statements. This adjustment removes the unamortized debt issuance costs which are now required to be expensed.

(2) Stewardship, Compliance, and Accountability
Budgetary Information

The annual budget is adopted on the modified accrual basis plus encumbrances and capital additions for all funds except the debt service and capital project funds. The Capital Projects Fund adopts individual project-length budgets and most special revenue funds are controlled by grant agreements which may include more than one fiscal year. Appropriations lapse at year-end to the extent they have not been expended or encumbered except for capital items and the Capital Project Funds, which lapse at project completion or when the capital item is acquired. Most special revenue fund appropriations lapse when the terms of the grant have been met and all authorized expenditures have been made. There are four special revenue funds that adopt annual budgets.

No later than sixty days before the end of the current fiscal year, the City and Borough Administrator presents to the City and Borough Assembly a proposed operating budget for the next fiscal year. The operating budget includes proposed expenditures and the means to finance them. Public hearings are conducted not less than one week before the final adoption of the budget to obtain taxpayer comments. No later than June 20th of the current fiscal year, the budget is legally adopted by ordinance of the City and Borough Assembly.

Annual budgeted expenditures are adopted at the department level within the General Fund and at the fund level for Enterprise and Internal Service Funds. The level at which expenditures cannot legally exceed appropriations is the department level for the General Fund, the fund level for the Enterprise and Internal Service Funds, and the project level in Capital Projects Fund. The only exception to this rule is amounts appropriated for salaries and benefits, travel and the acquisition of capital assets by a fund. The City and Borough Assembly must approve increases and decreases to these budget line items even if the legal level of budget authority is the fund or department level.

The City and Borough Administrator is authorized to transfer budgeted amounts within a department or fund depending on the legal level of control. The City and Borough Assembly is authorized to transfer unencumbered balances between departments and between funds.

City and Borough of Sitka, Alaska

Notes to Financial Statements

The annual budget is amended quarterly based upon a review by the City and Borough Assembly.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

The operating budgets for the District, Hospital and Visitors Bureau are approved by their respective boards. The budgets are then submitted to the Assembly for approval and to determine the amount of funding to be made available from local sources for school, hospital and visitor promotion purposes.

(3) Deposits and investments

As of June 30, 2013, the City and Borough had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Investments subject to custodial credit risk:			
Corporate notes & bonds	Baa3 to AAA	\$ 3,858,349	0.97
Municipal notes & bonds	AA2 to AAA	1,132,726	12.50
Mortgage backed securities	unrated	7,297,167	1.03
External investment pool	AAA	618,130	
Mutual funds	unrated	14,772,208	
Cash equivalents	unrated	18,997,674	
U.S. government sponsored:			
Agency notes & bonds	AAA	47,036,227	3.36
Money markets	unrated	<u>25,870,907</u>	
Total fair value of investments subject to custodial credit risk		<u>\$ 119,583,388</u>	
Portfolio weighed average maturity			2.22

Interest Rate Risk. The City and Borough does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The pooled investments cannot have a weighted average maturity in excess of five (5) years, while the bonds in the Permanent Fund cannot have a weighted average maturity in excess of ten (10) years. The City and Borough's investment policy mandates that the investment portfolio be structured to minimize the need to sell securities prior to maturity and that operating funds be invested primarily in shorter-term securities, money market mutual funds and similar investment pools.

City and Borough of Sitka, Alaska

Notes to Financial Statements

Credit Risk. The City and Borough's investment policy limits investment in corporate debt securities to those rated AA or better by a nationally recognized statistical rating organization. Debt securities of state and local governmental entities must have a similar rating. Short term commercial promissory notes must have a rating of A1/P1 or better. The long-term credit rating of the issuing organization must be A- or better. Real Estate Mortgage Investment Conduit securities are limited to the Federal National Mortgage Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Association. The investment policy does not require these securities to have any minimum rating. The City and Borough's investments complied with its policy at June 30, 2013.

Concentration of Credit Risk. The City and Borough's investment policy states that one of the general objectives of investing will be to diversify the portfolio so that potential losses on individual securities will be minimized. The policy does not limit the investment in any one security to a percentage of the total portfolio.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City and Borough's deposits may not be returned to it. It is the City and Borough's policy to mitigate this risk by requiring that all demand deposits be fully collateralized by securities held in the City and Borough's name by an agent of the financial institution holding the demand deposits. Of the bank balance at June 30, 2013, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$2,744,109 was subject to a collateral agreement.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of outside parties. All of the City and Borough's investments subject to custodial credit risk are held by the City and Borough's agent in its name.

The City and Borough's investment policy allows the Permanent Fund to invest in mutual funds which are invested in corporate equity securities in addition to all of the investments described above. The investment policy requires that the equity securities within the mutual funds be broadly diversified across all sectors. The investment mix within the Permanent Fund's portfolio has a target of 5% cash equivalents, 35% fixed income securities and 60% mutual fund equities. At June 30, 2013, the Permanent Fund's portfolio contained 57% mutual fund equities, 40% fixed income securities and 3% cash equivalents.

The City and Borough participates in two external pooled investment pools. One pool is registered with the Securities and Exchange Commission, the other is not. All of the participants of the unregistered pool are municipalities within the State of Alaska. The funds in that pool are managed by the trust department of a large bank. A share price of \$1 is maintained for both pools, giving the City and Borough one share for every dollar invested in the pools. As a result, the fair value of the pools is the same as the value of the pool shares.

City and Borough of Sitka, Alaska

Notes to Financial Statements

A reconciliation of cash and investments as shown in the basic financial statements for the primary government follows:

Cash on hand	\$ 2,100
Carrying amount of deposits	3,941,026
Carrying amount of investments	<u>119,583,388</u>
	<u>\$ 123,526,514</u>

Reported in the Statement of Net Position:

Equity in central treasury	\$ 89,405,608
Equity in central treasury - restricted	6,863,496
Cash and investments - restricted	26,956,610
Reported in the Fiduciary Funds	<u>300,800</u>
	<u>\$ 123,526,514</u>

At June 30, 2013, the Sitka School District's cash and investments included operating bank accounts and sweep accounts. The carrying amount of deposits was \$2,216,145. Amounts are insured at each financial institution by the Federal Deposit Insurance Corporation up to legal maximum. District policy requires any amount in excess of the U.S. Federal Deposit Insurance Corporation (FDIC) limit be collateralized.

At June 30, 2013, Sitka Community Hospital's cash and cash equivalents include deposits in check and savings accounts. The Hospital has concentrated its credit risk for cash by maintaining deposits in two financial institutions, which may at times exceed amounts covered by insurance provided by the FDIC. At June 30, 2013, the Hospital has bank deposits of \$866,408 in excess of FDIC insurance.

At June 30, 2013, Sitka Convention and Visitors Bureau's cash and investments consist of an operating bank account and certificates of deposit. The carrying amount of the deposits was \$158,601. The bank balance was covered by the Federal Deposit Insurance Corporation.

(4) Receivables

Receivables as of year-end for the City and Borough's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

City and Borough of Sitka, Alaska

Notes to Financial Statements

	General	Capital Projects	Electric Utility	Water Utility	Wastewater Treatment	Solid Waste Disposal	Harbor	Nonmajor and Other Funds	Total
Taxes	\$ 2,361,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,582	\$ 2,402,844
Special assessments	-	-	-	-	113,272	-	-	81,115	194,387
Federal & state	123,508	1,563,238	6,956,352	419,610	420,202	-	1,183,998	73,806	10,740,714
Accounts	781,679	-	999,889	134,865	195,182	252,888	155,612	132,318	2,652,433
Interest	387,882	-	-	-	-	-	-	76,852	464,734
Notes	91,285	-	19,150	16,499	107,498	-	-	1,807,377	2,041,809
Total Receivables	3,745,616	1,563,238	7,975,391	570,974	836,154	252,888	1,339,610	2,213,050	18,496,921
Less allowance for doubtful accounts	(457,492)	-	(192,843)	(30,580)	(41,968)	(55,169)	(123,225)	(9,230)	(910,507)
Net total receivables	<u>\$ 3,288,124</u>	<u>\$ 1,563,238</u>	<u>\$ 7,782,548</u>	<u>\$ 540,394</u>	<u>\$ 794,186</u>	<u>\$ 197,719</u>	<u>\$ 1,216,385</u>	<u>\$ 2,203,820</u>	<u>\$ 17,586,414</u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in the governmental funds were as follows:

<u>Description</u>	<u>Deferred</u>	<u>Unearned</u>
Special assessments not yet due	\$ 81,115	\$ -
Grant draw downs prior to meeting all eligibility requirements	-	309,268
FY 14 PILT	596,029	-
Property taxes received in advance	<u>18,709</u>	<u>-</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 695,853</u>	<u>\$ 309,268</u>

In the Statement of Net Position, the FY 14 PILT and Property Taxes Received in Advance remain in the deferred inflow accounts.

City and Borough of Sitka, Alaska

Notes to Financial Statements

(5) Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,994,769	\$ 3,499,430	\$ (263,287)	\$ 11,230,912
Construction in progress	<u>15,893,525</u>	<u>10,028,199</u>	<u>(9,253,000)</u>	<u>16,668,724</u>
Total capital assets, not being depreciated	<u>23,888,294</u>	<u>13,527,629</u>	<u>(9,516,287)</u>	<u>27,899,636</u>
Capital assets, being depreciated:				
Buildings	95,938,830	2,889,044	-	98,827,874
Land Improvements	2,987,766	3,836,089	(345,032)	6,478,823
Infrastructure	29,607,916	1,890,554	-	31,498,470
Equipment	<u>12,452,440</u>	<u>1,089,332</u>	<u>(212,921)</u>	<u>13,328,851</u>
Total capital assets being depreciated	<u>140,986,952</u>	<u>9,705,019</u>	<u>(557,953)</u>	<u>150,134,018</u>
Less accumulated depreciation for:				
Buildings	(40,623,226)	(2,480,137)	-	(43,103,363)
Land improvements	(302,575)	(203,526)	-	(506,101)
Infrastructure	(13,088,137)	(810,011)	-	(13,898,148)
Equipment	<u>(6,619,462)</u>	<u>(963,748)</u>	<u>200,921</u>	<u>(7,382,289)</u>
Total accumulated depreciation	<u>(60,633,400)</u>	<u>(4,457,422)</u>	<u>200,921</u>	<u>(64,889,901)</u>
Total capital assets, being depreciated, net	<u>80,353,552</u>	<u>5,247,597</u>	<u>(357,032)</u>	<u>85,244,117</u>
Governmental activities capital assets, net	<u>\$ 104,241,846</u>	<u>\$ 18,775,226</u>	<u>\$ (9,873,319)</u>	<u>\$ 113,143,753</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	5,221,911	-	-	5,221,911
Construction in progress	<u>28,277,809</u>	<u>44,297,793</u>	<u>(6,448,666)</u>	<u>66,126,936</u>
Total capital assets, not being depreciated	<u>33,499,720</u>	<u>44,297,793</u>	<u>(6,448,666)</u>	<u>71,348,847</u>
Capital assets, being depreciated:				
Buildings	15,993,625	-	-	15,993,625
Land improvements	10,288,685	2,408,890	-	12,697,575
Equipment	5,195,815	187,262	-	5,383,077
Harbors	22,994,857	85,431	-	23,080,288
Electric plant	111,453,597	-	-	111,453,597
Water plant	27,561,396	2,948,100	-	30,509,496
Wastewater treatment plant	<u>43,732,656</u>	<u>942,592</u>	<u>-</u>	<u>44,675,248</u>
Total capital assets, being depreciated	<u>237,220,631</u>	<u>6,572,275</u>	<u>-</u>	<u>243,792,906</u>
Less accumulated depreciation for:				
Buildings	(7,203,034)	(560,859)	-	(7,763,893)
Land improvements	(1,122,491)	(252,465)	-	(1,374,956)
Equipment	(2,519,109)	(367,234)	-	(2,886,343)
Harbors	(9,027,424)	(638,628)	-	(9,666,052)
Electric plant	(52,645,089)	(1,741,667)	-	(54,386,756)
Water plant	(10,331,058)	(765,714)	-	(11,096,772)
Wastewater treatment plant	<u>(31,262,776)</u>	<u>(1,298,160)</u>	<u>-</u>	<u>(32,560,936)</u>
Total accumulated depreciation	<u>(114,110,981)</u>	<u>(5,624,727)</u>	<u>-</u>	<u>(119,735,708)</u>
Total capital assets, being depreciated, net	<u>123,109,650</u>	<u>947,548</u>	<u>-</u>	<u>124,057,198</u>
Business-type activities capital assets, net	<u>\$ 156,609,370</u>	<u>\$ 45,245,341</u>	<u>\$ (6,448,666)</u>	<u>\$ 195,406,045</u>

City and Borough of Sitka, Alaska

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Administration	\$ 68,495
Public safety	368,988
Public works	1,055,461
Public services	209,974
Support	2,289,567
Capital assets held by the government's internal service funds are	<u>464,937</u>
Total depreciation expense - governmental activities	<u>\$ 4,457,422</u>

Business - type activities:

Electric	\$ 1,887,675
Water	798,486
Wastewater treatment plant	1,458,341
Solid waste disposal	216,082
Harbor	668,511
Airport terminal building	178,130
Marine service center	150,386
Sawmill cove industrial park	<u>267,116</u>
Total depreciation expense - business - type activities	<u>\$ 5,624,727</u>

(6) Interfund Receivables, Payables and Transfers

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds:		
General Fund	Harbor Fund	\$ 100,000
General Fund	Nonmajor governmental funds	60,977
Nonmajor governmental fund	General Fund	<u>273,947</u>
Total		<u>\$ 434,924</u>
Advances from/to other funds:		
General Fund	Nonmajor enterprise fund	\$ 38,985
Nonmajor governmental fund	Internal service funds	638,000
Nonmajor governmental fund	Nonmajor enterprise funds	<u>359,272</u>
Total		<u>\$ 1,036,257</u>

Amounts due between the General Fund and nonmajor governmental funds result from negative equity in the central treasury because expenditures are made prior to the receipt of revenue, as in the case of funds that account for the activity of reimbursable grants for both capital and noncapital expenditures. Some grants require cash matches. Transfers are made from the General Fund at the conclusion of the project to meet the match requirements. Until the transfer is made, the fund has a negative equity in the central treasury.

City and Borough of Sitka, Alaska

Notes to Financial Statements

The Southeast Alaska Economic Development Fund, a nonmajor governmental fund, was established with federal monies, to promote economic development. This fund advanced amounts to the Harbor, Solid Waste Disposal and Airport Terminal Building Funds for expansion projects.

Several years ago the Central Garage Internal Service Fund constructed a public service building. Part of the funding for the project was an advance from the Southeast Alaska Economic Development Fund. The advance is being repaid in \$50,000 annual payments.

Interfund Transfers

Transfers are used to move general and other fund revenues for the purchase and construction of capital assets to the capital projects and internal service funds. In addition, funds are transferred to the General Fund each year from the Permanent Fund for general support.

Interfund Transfers

	General Fund	Permanent Fund	Capital Projects Fund	Nonmajor Govern-mental Funds	Water Fund	Harbor Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total transfers out
General Fund	\$ -	\$ -	\$ 1,586,448	\$ 874,031	\$ -	\$ 30,696	\$ 405,025	\$ 106	\$ 2,896,306
Permanent Fund	1,101,525	-	-	-	-	-	-	-	1,101,525
Capital Projects Fund	37,370	-	-	-	-	-	-	-	37,370
Nonmajor Governmental Funds	128,220	-	2,055,521	-	-	27,163	93,257	325,347	2,629,508
Electric Fund	-	-	-	-	998,128	-	-	-	998,128
Wastewater Fund	-	-	-	-	35,000	-	-	953	35,953
Harbor Fund	100,000	-	-	-	-	-	-	-	100,000
Nonmajor Enterprise Funds	-	60,465	-	-	-	-	-	-	60,465
Internal Service Funds	-	-	78,000	-	-	-	-	-	78,000
Total transfers in	\$ 1,367,115	\$ 60,465	\$ 3,719,969	\$ 874,031	\$ 1,033,128	\$ 57,859	\$ 498,282	\$ 326,406	\$ 7,937,255

(7) Capital Leases

The City and Borough has no leases currently outstanding.

City and Borough of Sitka, Alaska

Notes to Financial Statements

(8) Long-Term Debt

General Obligation Bonds

The City and Borough issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued only for governmental activities. The original amount of general obligation bonds issued in prior and current years was \$48,395,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the City and Borough. All of the bonds outstanding are held by the Alaska Municipal Bond Bank Authority. The State of Alaska agency purchases bonds from municipalities within the State, while simultaneously selling its own bonds to third parties in order to fund the bond purchases.

General obligation bonds currently outstanding are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
School renovation and additions: \$8,480,000, 2005 Series B School bonds, final payment due May 1, 2015	4.00% to 5.25%	\$ 770,000
\$6,775,000, 2007 Series A bonds refinancing portion of 1999 School serial bonds, final payment due December 1, 2018	4.00% to 5.50%	4,425,000
\$3,300,000, 2005 Series A bonds refinancing portion of 2000 series B bonds, final payment due May 1, 2020	4.00% to 5.25%	2,530,000
\$7,150,000, 2008 Series Two School bonds, final payment due June 1, 2028	4.00% to 6.00%	5,935,000
\$5,690,000, 2011 Series Two School bonds, final payment due June 1, 2028	4.00% to 6.00%	5,235,000
\$12,755,000 2012 Series Two bonds refinancing portion of 2005 Series B School Bonds and refinancing the balance of 2004 Series A School Bonds, final payment due September 1, 2024	2.00% to 5.00%	<u>12,125,000</u>
Total		\$ <u>31,020,000</u>

City and Borough of Sitka, Alaska

Notes to Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 2,385,000	\$ 1,390,214
2015	2,470,000	1,246,695
2016	2,565,000	1,135,718
2017	2,675,000	1,026,118
2018	2,800,000	913,618
2019-2023	10,940,000	2,899,708
2024-2028	6,055,000	898,201
2029	1,130,000	99,214
	\$ 31,020,000	\$ 9,609,486

In addition, the governmental activities have a single State of Alaska, Department of Environmental Conservation Loan outstanding in the amount of \$146,250. This note bears interest at 1.5% with final payment due April 2028. Annual debt service to maturity is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 9,750	\$ 2,194
2015	9,750	2,048
2016	9,750	1,901
2017	9,750	1,755
2018	9,750	1,609
2019-2023	48,750	5,891
2024-2028	48,750	2,194
	\$ 146,250	\$ 17,592

Business-type activities:

Revenue Bonds

The City and Borough issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. The original amount of revenue bonds issued in the fiscal year was \$39,485,000. Revenue bonds outstanding at year end are as follows:

	<u>Interest rates</u>	<u>Amount</u>
\$3,955,000, 2013 Series One Harbor bonds, final payment due February 1, 2033	2.000% to 5.000%	\$ 3,955,000
\$25,880,000, 2010 Series B Four Refunding Serial bonds, final payment due July 1, 2031	5.200% to 7.000%	22,980,000

City and Borough of Sitka, Alaska

Notes to Financial Statements

	<u>Interest rates</u>	<u>Amount</u>
\$35,530,000, 2013 Series One Electric bonds, final payment due February 1, 2047	3.800% to 5.000%	\$ 35,530,000
\$22,000,000, 2010 Series B Recovery Zone Economic Development Serial bonds, final payment due July 1, 2031	5.200% to 7.000%	22,000,000
\$820,000, 2010 Series B Four Build America Serial bonds, final payment due July 1, 2031	5.200% to 7.000%	<u>820,000</u>
Total		<u>\$ 85,285,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,960,000	\$ 3,938,977
2015	2,050,000	4,101,043
2016	2,095,000	4,037,393
2017	2,180,000	3,951,992
2018	2,265,000	3,876,411
2019-2023	12,700,000	17,892,984
2024-2028	15,355,000	14,542,025
2029-2033	14,265,000	9,835,976
2034-2038	9,140,000	7,234,250
2039-2043	11,660,000	4,708,750
2044-2047	<u>11,615,000</u>	<u>1,487,250</u>
	<u>\$ 85,285,000</u>	<u>\$ 75,607,051</u>

The provisions of bond ordinances for issues by the Electric Utility and the Harbor require maintenance of stipulated cash deposits in renewal and replacement, bond redemption and bond refunding accounts. Furthermore, electric rates are required to be maintained at a level which will produce a minimum annual unpledged surplus of \$50,000 before depreciation, and operating income before depreciation equal to at least 1.25 times the aggregate amount required each year for revenue bond debt service. All such requirements were met for the year ended June 30, 2013.

In addition, with relation to the 1992 revenue bonds, the City and Borough is required to carry breakdown and burn-out insurance and all-risk insurance, so long as such insurance is available at a reasonable cost, with coverage equal to the lesser of (a) 80% of the estimated replacement cost of specific plant and equipment stipulated in the ordinance or (b) the aggregate principal amount of bonds outstanding. The City and Borough currently carries insurance coverage of \$61,500,000 with a minimum deductible ranging from \$500,000 to \$3,075,000. The Assembly of the City and Borough has approved this level of coverage as it is the maximum available and has obtained the opinion from bond counsel that compliance has been met with respect to Section 706 of the bond ordinance.

City and Borough of Sitka, Alaska

Notes to Financial Statements

Revenue Note

The City and Borough issued a note to the State of Alaska - Alaska Energy Authority where it pledges income derived from the acquired or constructed assets to pay debt service. The original note issued in prior years was \$15,000,000. The revenue note outstanding at year end is as follows:

	<u>Interest rate</u>	<u>Amount</u>
\$15,000,000, 1982 Alaska Energy Authority note secured by a second lien on the revenues of the electric supply system, final payment due January 1, 2033	4%	\$ 8,260,116

Annual debt service requirements to maturity for the revenue note are as follows:

<u>Year Ending</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 286,508	\$ 327,568
2015	298,083	315,993
2016	310,125	303,950
2017	322,655	291,421
2018	335,690	278,386
2019-2023	1,893,172	1,177,207
2024-2028	2,307,767	762,614
2029-2033	2,506,116	257,224
	<u>\$ 8,260,116</u>	<u>\$ 3,714,363</u>

In connection with the borrowing evidenced by the 1982 revenue note payable, the City and Borough has agreed to set electric rates at the greater of the requirements pursuant to the 1992 revenue bond covenants or as required to produce a minimum operating income before depreciation equal to at least 1.00 times the aggregate amount required each year for revenue bond debt service plus revenue note principal and interest. The rate requirement has been met for the year ended June 30, 2013.

State of Alaska, Department of Environmental Conservation Loan Program

The City and Borough borrowed funds from the State of Alaska to upgrade water and waste water distribution systems.

	<u>Interest rates</u>	<u>Amount</u>
Completed projects:		
\$250,000, note payable for wastewater treatment improvements #783041	1.5%	\$ 78,944
\$400,000, note payable for corrosion control of municipal water #783031	1.5%	144,768
\$565,000, note payable for water system upgrades on Sawmill Creek Road #783061	1.5%	394,339

City and Borough of Sitka, Alaska

Notes to Financial Statements

	<u>Interest rates</u>	<u>Amount</u>
Completed projects, continued:		
\$1,000,000, note payable for harbor water distribution system upgrades #783071	1.5%	\$ 725,570
\$1,310,000 note payable for wastewater treatment plant upgrades #783051	1.5%	881,791
\$1,500,000, note payable for I and I #783011	1.5%	740,368
\$2,400,000, note payable for Kimsham landfill closure #783081	1.5%	1,852,761
\$3,170,000, note payable for Whitcomb Heights Subdivision water tank #783211	1.5%	2,535,780
\$1,000,000, note payable for Japonski Island water distribution main #783151	1.5%	588,191
\$1,400,000, note payable for sewer system upgrades #783101	1.5%	910,975
\$483,000, note payable for SMC Road/HPR Intersection water line replacement #783311	1.5%	296,352
\$308,000, note payable for HPR/SMC Road Intersection Sewer Replacement #783241	1.5%	258,566
\$1,455,081, note payable for SMC Road Sewer Upgrade, Phase III - ARRA Funding #783281	1.5%	<u>162,985</u>
Total notes payable for completed projects		<u>9,571,390</u>
Uncompleted projects in draw down phase:		
\$740,000, project for Baranof Street Sewer replacement - #783091	1.5%	98,172
\$685,000, project for Baranof Street Water System replacement - #783501	1.5%	57,643
\$617,000, project for Treated Water Storage Tank - Coating & Cathodic Protection - ARRA Funding #783341	1.5%	61,096
\$184,000, SMC sewer upgrade ACWF #783282	1.5%	34,527
\$1,089,700, project for Japonski Island Sewer Liftstaions - #783391	1.5%	1,359,879
\$859,103, project for Monastery Street Sewer Main Replacement - Monastery St #783401	1.5%	535,945

City and Borough of Sitka, Alaska

Notes to Financial Statements

	<u>Interest rates</u>	<u>Amount</u>
Uncompleted projects in draw down phase, continued:		
\$2,500,000, project for UV Disinfection Facility		
UV Disinfection Facility #783431	1.5%	\$ 214,641
\$782,000, project for Monastery St Water Rehab		
Water Rehab - Monastery St #783441	1.5%	<u>667,413</u>
Total draw downs on notes yet to be finalized		<u>3,029,316</u>
Total		<u>\$ 12,600,706</u>

Annual debt service requirements to maturity for notes payable on completed projects are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 621,075	\$ 143,482
2015	623,154	134,152
2016	624,490	124,807
2017	598,740	115,440
2018	599,712	106,460
2019-2023	2,950,605	397,994
2024-2028	2,792,265	179,134
2029-2033	<u>761,349</u>	<u>20,595</u>
	<u>\$ 9,571,390</u>	<u>\$ 1,222,064</u>

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City and Borough of Sitka, Alaska

Notes to Financial Statements

Changes in long-term liabilities Long-Term Debt Schedule

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
General obligation bonds	\$ 33,420,000	\$ -	\$ 2,400,000	\$ 31,020,000	\$ 2,385,000
Less deferred amounts:					
Deferred loss on refunding	(306,774)	-	(23,598)	(283,176)	-
For issuance premiums	1,213,158	-	93,320	1,119,838	-
Total bonds payable	<u>34,326,384</u>	<u>-</u>	<u>2,469,722</u>	<u>31,856,662</u>	<u>2,385,000</u>
State of Alaska notes	156,000	-	9,750	146,250	9,750
Compensated absences	<u>776,532</u>	<u>648,820</u>	<u>753,193</u>	<u>672,159</u>	<u>156,854</u>
Governmental activity long-term liabilities	<u>\$ 35,258,916</u>	<u>\$ 648,820</u>	<u>\$ 3,232,665</u>	<u>\$ 32,675,071</u>	<u>\$ 2,551,604</u>
Business-type activities					
Bonds payable:					
Revenue bonds	\$ 47,570,000	\$ 39,485,000	\$ 1,770,000	\$ 85,285,000	\$ 1,960,000
Less deferred amounts:					
Issuance premiums	1,397,934	5,397,467	237,577	6,557,824	-
Deferred loss	(3,109,481)	-	(135,973)	(2,973,508)	-
Total bonds payable	<u>45,858,453</u>	<u>44,882,467</u>	<u>1,871,604</u>	<u>88,869,316</u>	<u>1,960,000</u>
Notes payable:					
Revenue note	8,535,499	-	275,383	8,260,116	286,508
State of Alaska notes	<u>12,487,913</u>	<u>881,148</u>	<u>768,355</u>	<u>12,600,706</u>	<u>621,075</u>
Total notes payable	<u>21,023,412</u>	<u>881,148</u>	<u>1,043,738</u>	<u>20,860,822</u>	<u>907,583</u>
Compensated absences	314,774	347,159	338,571	323,362	-
Landfill post-closure liability	<u>499,995</u>	<u>-</u>	<u>38,238</u>	<u>461,757</u>	<u>-</u>
Business-type activity long-term liabilities	<u>67,696,634</u>	<u>46,110,774</u>	<u>3,292,151</u>	<u>110,515,257</u>	<u>2,867,583</u>
Entity combined long-term liabilities	<u>\$ 102,955,550</u>	<u>\$ 46,759,594</u>	<u>\$ 6,524,816</u>	<u>\$ 143,190,328</u>	<u>\$ 5,419,187</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

(9) **Authorized, Unissued Bonds**

The Assembly has authorized the issuance of bonds to fund the Blue Lake Dam project. The authorization to issue up to \$45,000,000 in bonds exists as this is the amount to complete the project. The entire amount is not required to be issued, and will not be if other funding becomes available.

City and Borough of Sitka, Alaska

Notes to Financial Statements

(10) Advance Refunding of Bonds

Historically, the City and Borough has issued refunding debt when financially advantageous. The purpose of the refundings is to obtain more favorable interest rates, thereby reducing the overall cost of borrowing. At the time of the transactions, the proceeds from the issuance of the new refunding debt has been placed into an irrevocable trust with an escrow paying agent to provide the future debt service on the old debt, until the debt is paid in full, typically at a specified call date. For financial accounting purposes, the refunded debt is considered defeased and removed from the City and Borough's financial statements. At June 30, 2013, defeased debt outstanding and under payment by the escrow agent is as follows:

<u>Refunding Date</u>	<u>Original Issue</u>	<u>Outstanding</u>
2010 Series 4 Refunding	1992 Sitka Bonds	\$ 8,200,000
2012 Series 2 Refunding	2004 Series A	7,595,000
2012 Series 2 Refunding	2005 Series A	2,530,000
		<u>\$ 18,325,000</u>

(11) Restricted Assets

The balance of the restricted assets accounts in the enterprise funds are as follows:

Landfill post-closure	\$ 461,757
Customer deposits:	
Electric Utility	100,288
Water Utility	700
Harbor	1,509
Solid Waste Disposal	8,106
Sawmill Cove Industrial Park	150,000
Investment with bond trustee, debt covenants	<u>6,901,922</u>
Total restricted assets	<u>\$ 7,624,282</u>

(12) Fund Balance

Fund balances, reported in the City and Borough's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet is subject to the following constraints:

City and Borough of Sitka, Alaska

Notes to Financial Statements

	General Fund	Permanent Fund	Capital Projects Fund	Nonmajor Funds	Totals
Nonspendable					
Prepaid items	\$ 10,501	\$ -	\$ -	\$ -	\$ 10,501
Long term note receivable	-	-	-	1,746,041	\$ 1,746,041
Advances receivable	38,985	-	-	997,272	1,036,257
Total nonspendable	49,486	-	-	2,743,313	2,792,799
Restricted					
Title III Forestry	520,742	-	-	-	520,742
Library building	-	-	-	460,576	460,576
Economic development	-	-	-	3,758,360	3,758,360
Commercial passenger tax	-	-	-	1,670,590	1,670,590
Library improvements	-	-	-	212,134	212,134
Debt service	-	-	-	2,028,544	2,028,544
Home Rule Charter	-	20,213,781	-	-	20,213,781
Total restricted	520,742	20,213,781	-	8,130,204	28,864,727
Committed					
Working capital reserve	5,748,818	-	-	-	5,748,818
Emergency reserve	2,000,000	-	-	-	2,000,000
General government	155,642	-	-	-	155,642
Capital projects	-	-	6,727,368	-	6,727,368
Total committed	7,904,460	-	6,727,368	-	14,631,828
Assigned					
Sawmill Cove contingency	-	-	-	880,782	880,782
Sitka Tobacco	-	-	-	102,681	102,681
LID Revolving	-	-	-	1,082,489	1,082,489
LID Guaranty	-	-	-	284,703	284,703
Other small funds	-	-	-	40,625	40,625
Total assigned	-	-	-	2,391,280	2,391,280
Unassigned (deficits)	5,843,192	-	-	(8,870)	5,834,322
Total fund balances	\$ 14,317,880	\$ 20,213,781	\$ 6,727,368	\$ 13,255,927	\$ 54,514,956

(13) **Risk Management**

The City and Borough is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City and Borough carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City and Borough has not accrued a liability for claims and judgments at June 30, 2013 because the amount of potential claims at year end was determined to be immaterial. The City and Borough made no claim payments during fiscal year 2013.

Effective January 1, 1989, the City and Borough was self-insured with respect to unemployment claims made by former employees. The City and Borough of Sitka accounts for claims on a pay-as-you-go basis.

City and Borough of Sitka, Alaska

Notes to Financial Statements

(14) **Public Employees' Retirement System**
Defined Benefit Pension Plan

The City participates in the Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, Alaska 99811-0203

PERS Conversion to Cost Sharing

In April 2008, the Alaska Legislature passed legislation which converted the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers.

That same year, the State of Alaska passed additional legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (3.29% for pension and 4.21% for healthcare).

Employer and Other Contribution Rates

There are three contribution rates associated with the pension and healthcare contributions and related liabilities:

Contractual Rate: This is the required funding rate for participating employers. The contractual PERS rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. PERS contributions are calculated against all participating PERS payroll, including those wages attributable to employees in the defined contribution plan.

City and Borough of Sitka, Alaska

Notes to Financial Statements

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined to calculate annual funding requirements of the Plan, without regard to the statutory rate caps. There are no constraints or restrictions on the actuarial cost method or other assumptions used in this valuation, other than those established and agreed to by the ARM Board.

Current legislation provides that the State of Alaska will contribute the difference between the ARM Board adopted rate and the contractual (statutory) rate. These additional contributions are recognized by each employer as an on-behalf payment and are reflected as revenue and expense/expenditure within the financial statements.

GASB 43 Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For FY13, the rate uses an 8.00% pension discount rate and a 6.88% healthcare discount rate. Additionally, the GASB 43 rate disregards all future Medicare Part D payments.

The GASB 43 rate differs significantly from the ARM Board adopted rate as a direct result of differences in the actuarial valuation methodology and assumptions.

Contribution rates for the year ended June 30, 2013 were determined as part of the June 30, 2010 actuarial valuation and are as follows:

	<u>Contractual Rate</u>	<u>ARM Board Adopted Rate</u>	<u>GASB 43 Rate</u>
Pension	9.67%	15.75%	24.95%
Postemployment healthcare	<u>12.33%</u>	<u>20.09%</u>	<u>39.93%</u>
Total contribution rate	<u>22.00%</u>	<u>35.84%</u>	<u>64.88%</u>

Annual Pension and Postemployment Healthcare Cost

The City and Borough is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 13.84% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the City and Borough has recorded the State on-behalf payment in the amount of \$1,480,775 as revenue and expense/expenditures in these financial statements. However, because the City and Borough is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here.

Year Ended	Annual	Annual OPEB	Total Benefit	City and Borough	% of TBC
<u>June 30</u>	<u>Pension Cost</u>	<u>Cost</u>	<u>Cost (TBC)</u>	<u>Contributions</u>	<u>Contributed</u>
2011	\$ 758,361	\$ 1,308,544	\$ 2,066,905	\$ 2,066,905	100%
2012	998,532	1,162,431	2,160,963	2,160,963	100%
2013	869,395	1,108,549	1,977,944	1,977,944	100%

City and Borough of Sitka, Alaska

Notes to Financial Statements

Defined Contribution Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a Defined Contribution Retirement Plan. The Plan is administered by the State of Alaska, Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan.

Employee Contribution Rates

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rates

The City and Borough is required to contribute the following amounts based on covered salary:

	<u>Others</u> <u>Tier IV</u>	<u>Police/Fire</u> <u>Tier IV</u>
Individual account	5.00%	5.00%
Retiree medical plan	0.48	0.48
Occupational death and disability benefits	<u>0.14</u>	<u>0.99</u>
	<u>5.62 %</u>	<u>6.47%</u>

In addition, the employer must contribute to the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of all employees of all employers in the plan". As of July 1, 2012, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,848 per year for each full-time employee and \$1.18 per hour for each part-time employee.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The City and Borough and employee contributions to PERS including the HRA contribution for the year ended June 30, 2013 were \$226,127 and \$205,012, respectively.

Supplemental Benefit System

Effective January 1, 1983, the City and Borough, as allowed by provisions in State and Federal law, withdrew from the Federal Social Security system and began participating in the Alaska Supplemental Benefits System (ASBS). The ASBS is a defined contribution plan administered by the State of Alaska. Benefits depend solely on amounts contributed to the plan and investment earnings. Annual contributions of the City and Borough equal those of qualified employees and amounts to 6.13% of the employees' wages up to the Social Security wage base. Employees are eligible to participate from the date of employment. Contributions made by the City and Borough and any investment earnings on the account are vested to the employee immediately.

City and Borough of Sitka, Alaska

Notes to Financial Statements

Total contributions to ASBS for the year ended June 30, 2013 were \$1,334,066, based on a payroll of \$10,881,452 for those employees eligible to participate in the Plan. Both the City and Borough and the covered employees made the required 6.13% contribution of \$667,033.

(15) Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the government to place a final cover on its municipal landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the government reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each net position financial statement date.

The City and Borough has recognized a liability for the estimated costs of postclosure care of \$461,757 as of June 30, 2013. The Kimsham landfill was closed during fiscal year 2007 and is now a recreation facility consisting of three ball fields and a soccer/football field. The current postclosure liability as of 6/30/13 is \$399,997. A new landfill has been permitted by the State of Alaska and is accepting only the sludge from the Wastewater Treatment Plant at this time. The current estimate of closure and postclosure monitoring is \$154,400, with an estimated remaining useful life of 22 years which gives a liability of \$61,760 as of 6/30/13. Actual postclosure costs may be higher because of inflation, changes in technology, or changes in regulations. Estimates will be revised as necessary to accurately reflect future outlays.

(16) Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Alaska. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Municipal Attorney the resolution of these matters will not have an adverse material effect on the financial condition of the government.

The City and Borough's sewage treatment plant provides for primary treatment of waste. The City and Borough was operating under a five year exemption, which expired in August 1994, from Environmental Protection Agency (EPA) regulations requiring secondary treatment for sewage discharged into marine waters. The City and Borough is currently under a temporary EPA permit and anticipates finalizing a permanent five year exemption permit in the near future. The cost of upgrading the plant to secondary treatment at the expiration of the exemption, if necessary, would be approximately \$10 million. The cost of treating storm water is not presently estimable.

Other Federal and State regulations, compliance with which will require significant expenditures by the City and Borough, including the Americans with Disabilities Act, have a cost of compliance that is not currently known.

City and Borough of Sitka, Alaska

Notes to Financial Statements

(17) **Subsequent Events**

On October 31, 2013, the City and Borough of Sitka issued bonds for the Blue Lake Dam project at a par value of \$25,615,000 and a net interest cost of 4.40%. The intent is to seek an additional \$18,500,000 in funding for the project. This will either come as funding from the State of Alaska or as an additional bonding. The proceeds were delivered to the City on November 14, 2013.

The work on ANB harbor is substantially underway. This is being funded by the \$3,955,000 Harbor revenue bonds issued in fiscal year 2013.

(18) **New Accounting Pronouncements**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates as follows:

GASB 66 - Technical Corrections - Effective for year-end June 30, 2014 - This statement contains certain technical corrections to prior GASB statements on the topics of Risk Financing, Operating Leases, Loan Purchases, and Servicing Fees.

GASB 67 - Financial Reporting for Pension Plans - Effective for year-end June 30, 2014 - This statement changes the reporting and disclosure requirements for government Pension Plans. This statement modifies the Plan-side reporting.

GASB 68 - Accounting and Financial Reporting for Pensions - Effective for year-end June 30, 2015 - This statement changes the reporting and disclosure requirements for governments that participate in pension plans. This statement modifies the participating employer side reporting in connection with the Plan side reporting at GASB 67.

GASB 69 - Government Combinations and Disposals of Government Operations - Effective for year-end June 30, 2015 - This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

GASB 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees - Effective for year-end June 30, 2014 - This statement contains reporting requirements when a government financially guarantees the obligations of another government, non-profit, or private entity without receiving equal value in exchange.

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City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2013

	Special Revenue Funds						
	Police Dept and Forfeitures	State Homeland Security Grant	Library Building	SE Economic Develop- ment	Sawmill Cove Contingency	Sitka Tobacco Tax	Commercial Passenger Excise Tax
Assets							
Equity in central treasury	\$ -	\$ -	\$ 460,576	\$ 3,758,360	\$ 880,782	\$ 61,099	\$ 1,693,692
Receivables:							
Taxes	-	-	-	-	-	41,582	-
Special assessments	-	-	-	-	-	-	-
Federal and State of Alaska	50,963	6,553	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Advances to other funds	-	-	-	997,272	-	-	-
Notes receivable	-	-	-	1,746,041	-	-	-
Total assets	<u>\$ 50,963</u>	<u>\$ 6,553</u>	<u>\$ 460,576</u>	<u>\$ 6,501,673</u>	<u>\$ 880,782</u>	<u>\$ 102,681</u>	<u>\$ 1,693,692</u>
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities:							
Accounts payable	\$ 5,208	\$ 201	\$ -	\$ -	\$ -	\$ -	\$ 23,102
Due to other funds	49,738	11,239	-	-	-	-	-
Total liabilities	<u>54,946</u>	<u>11,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,102</u>
Deferred inflows:							
Deferred revenue - unavailable	-	-	-	-	-	-	-
Fund balances:							
Nonspendable	-	-	-	2,743,313	-	-	-
Restricted	-	-	460,576	3,758,360	-	-	1,670,590
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	880,782	102,681	-
Unassigned (deficit)	(3,983)	(4,887)	-	-	-	-	-
Total fund balances	<u>(3,983)</u>	<u>(4,887)</u>	<u>460,576</u>	<u>6,501,673</u>	<u>880,782</u>	<u>102,681</u>	<u>1,670,590</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 50,963</u>	<u>\$ 6,553</u>	<u>\$ 460,576</u>	<u>\$ 6,501,673</u>	<u>\$ 880,782</u>	<u>\$ 102,681</u>	<u>\$ 1,693,692</u>

City and Borough of Sitka, Alaska

**Nonmajor Governmental Funds
Combining Balance Sheet, continued**

June 30, 2013

	Special Revenue Funds, continued					Debt Service Fund	Total Nonmajor Governmental Funds
	LID Revolving	LID Guaranty	Library Donation	SEACAD	Fisheries Enhancement	School Bonds	
Assets							
Equity in central treasury	\$ 1,082,489	\$ 284,703	\$ 212,134	\$ 8,623	\$ 32,002	\$ 1,738,372	\$ 10,212,832
Receivables:							
Taxes	-	-	-	-	-	-	41,582
Special assessments	81,115	-	-	-	-	-	81,115
Federal and State of Alaska	-	-	-	-	-	16,225	73,741
Due from other funds	-	-	-	-	-	273,947	273,947
Advances to other funds	-	-	-	-	-	-	997,272
Notes receivable	-	-	-	-	-	-	1,746,041
Total assets	<u>\$ 1,163,604</u>	<u>\$ 284,703</u>	<u>\$ 212,134</u>	<u>\$ 8,623</u>	<u>\$ 32,002</u>	<u>\$ 2,028,544</u>	<u>\$ 13,426,530</u>
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,511
Due to other funds	-	-	-	-	-	-	60,977
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,488</u>
Deferred inflows:							
Deferred revenue - unavailable	81,115	-	-	-	-	-	81,115
Fund balances:							
Nonspendable	-	-	-	-	-	-	2,743,313
Restricted	-	-	212,134	-	-	2,028,544	8,130,204
Committed	-	-	-	-	-	-	-
Assigned	1,082,489	284,703	-	8,623	32,002	-	2,391,280
Unassigned (deficit)	-	-	-	-	-	-	(8,870)
Total fund balances	<u>1,082,489</u>	<u>284,703</u>	<u>212,134</u>	<u>8,623</u>	<u>32,002</u>	<u>2,028,544</u>	<u>13,255,927</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,163,604</u>	<u>\$ 284,703</u>	<u>\$ 212,134</u>	<u>\$ 8,623</u>	<u>\$ 32,002</u>	<u>\$ 2,028,544</u>	<u>\$ 13,426,530</u>

City and Borough of Sitka, Alaska
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2013

	Special Revenue Funds						Commercial Passenger Excise Tax
	Police Dept and Forfeitures	State Homeland Security Grant	Library Building	SE Economic Develop- ment	Sawmill Cove Contingency	Sitka Tobacco Tax	
Revenues:							
State sources	\$ 7,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,355
Federal sources	213,088	92,181	-	-	-	-	-
Investment income (loss)	92	-	15,473	41,703	(7,012)	(422)	(77,283)
Other	-	-	437,223	-	-	480,478	-
Total revenues	<u>220,567</u>	<u>92,181</u>	<u>452,696</u>	<u>41,703</u>	<u>(7,012)</u>	<u>480,056</u>	<u>58,072</u>
Expenditures:							
Public safety	193,953	91,940	-	-	-	-	-
Public works	-	-	-	-	1,854	-	36,632
Public services	-	-	-	-	-	431,416	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>193,953</u>	<u>91,940</u>	<u>-</u>	<u>-</u>	<u>1,854</u>	<u>431,416</u>	<u>36,632</u>
Excess of revenues over/ (under) expenditures	26,614	241	452,696	41,703	(8,866)	48,640	21,440
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(401,998)	(18,034)	-	(1,246,896)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(401,998)</u>	<u>(18,034)</u>	<u>-</u>	<u>(1,246,896)</u>
Net change in fund balances	26,614	241	452,696	(360,295)	(26,900)	48,640	(1,225,456)
Fund balances, beginning of year	<u>(30,597)</u>	<u>(5,128)</u>	<u>7,880</u>	<u>6,861,968</u>	<u>907,682</u>	<u>54,041</u>	<u>2,896,046</u>
Fund balances, end of year	<u>\$ (3,983)</u>	<u>\$ (4,887)</u>	<u>\$ 460,576</u>	<u>\$ 6,501,673</u>	<u>\$ 880,782</u>	<u>\$ 102,681</u>	<u>\$ 1,670,590</u>

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued

Year Ended June 30, 2013

	Special Revenue Funds, continued					Debt Service Fund	Total Nonmajor Governmental Funds
	LID Revolving	LID Guaranty	Library Donation	SEACAD	Fisheries Enhancement	School Bonds	
Revenues:							
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,622,519	\$ 1,765,261
Federal sources	-	-	-	-	-	-	305,269
Investment income (loss)	5,372	(2,154)	(1,265)	-	(954)	(57,241)	(83,691)
Other	42,174	-	3,210	294	-	-	963,379
Total revenues	<u>47,546</u>	<u>(2,154)</u>	<u>1,945</u>	<u>294</u>	<u>(954)</u>	<u>1,565,278</u>	<u>2,950,218</u>
Expenditures:							
Public safety	-	-	-	-	-	-	285,893
Public works	246	-	-	19,467	35,300	-	93,499
Public services	-	-	-	-	-	-	431,416
Debt service:							
Principal	-	-	-	-	-	1,480,000	1,480,000
Interest	-	-	-	-	-	955,948	955,948
Total expenditures	<u>246</u>	<u>-</u>	<u>-</u>	<u>19,467</u>	<u>35,300</u>	<u>2,435,948</u>	<u>3,246,756</u>
Excess of revenues over/ (under) expenditures	47,300	(2,154)	1,945	(19,173)	(36,254)	(870,670)	(296,538)
Other financing sources (uses):							
Transfers in	-	-	-	-	30,696	843,335	874,031
Transfers out	(21,716)	(5,819)	-	-	-	(935,045)	(2,629,508)
Net other financing sources (uses)	<u>(21,716)</u>	<u>(5,819)</u>	<u>-</u>	<u>-</u>	<u>30,696</u>	<u>(91,710)</u>	<u>(1,755,477)</u>
Net change in fund balances	25,584	(7,973)	1,945	(19,173)	(5,558)	(962,380)	(2,052,015)
Fund balances, beginning of year	<u>1,056,905</u>	<u>292,676</u>	<u>210,189</u>	<u>27,796</u>	<u>37,560</u>	<u>2,990,924</u>	<u>15,307,942</u>
Fund balances, end of year	<u>\$ 1,082,489</u>	<u>\$ 284,703</u>	<u>\$ 212,134</u>	<u>\$ 8,623</u>	<u>\$ 32,002</u>	<u>\$ 2,028,544</u>	<u>\$ 13,255,927</u>

City and Borough of Sitka, Alaska

Nonmajor Enterprise Funds Combining Statement of Net Position

June 30, 2013

	Airport Terminal Building	Marine Service Center	Sawmill Cove Industrial Park	Total Nonmajor Enterprise Funds
Assets				
Current assets:				
Equity in central treasury	\$ 684,329	\$ 1,241,216	\$ 787,134	\$ 2,712,679
Receivables:				
Accounts	7,690	13,448	111,180	132,318
Allowance for uncollectable accounts	-	-	(9,230)	(9,230)
Federal and State of Alaska	-	-	65	65
Prepaid expenses	8,050	-	461	8,511
Total current assets	<u>700,069</u>	<u>1,254,664</u>	<u>889,610</u>	<u>2,844,343</u>
Noncurrent assets:				
Restricted assets - deposits	-	-	150,000	150,000
Capital assets:				
Property, plant and equipment	5,194,896	3,506,392	14,836,264	23,537,552
Construction in progress	13,253	-	200,827	214,080
Less accumulated depreciation	<u>(2,188,206)</u>	<u>(2,749,486)</u>	<u>(2,062,717)</u>	<u>(7,000,409)</u>
Total capital assets, net of accumulated depreciation	<u>3,019,943</u>	<u>756,906</u>	<u>12,974,374</u>	<u>16,751,223</u>
Total noncurrent assets	<u>3,019,943</u>	<u>756,906</u>	<u>13,124,374</u>	<u>16,901,223</u>
Total assets	<u>\$ 3,720,012</u>	<u>\$ 2,011,570</u>	<u>\$ 14,013,984</u>	<u>\$ 19,745,566</u>
Liabilities and Net Position				
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 16,639	\$ 9,429	\$ 2,620	\$ 28,688
Unearned revenue	-	296	250,000	250,296
Payable from restricted assets - deposits payable	-	-	150,000	150,000
Total current liabilities	<u>16,639</u>	<u>9,725</u>	<u>402,620</u>	<u>428,984</u>
Noncurrent liabilities - advances from other funds				
Total liabilities	<u>16,639</u>	<u>9,725</u>	<u>398,257</u>	<u>398,257</u>
Net position:				
Investment in capital assets	3,019,943	756,906	12,974,374	16,751,223
Unrestricted	683,430	1,244,939	238,733	2,167,102
Total net position	<u>3,703,373</u>	<u>2,001,845</u>	<u>13,213,107</u>	<u>18,918,325</u>
Total liabilities and net position	<u>\$ 3,720,012</u>	<u>\$ 2,011,570</u>	<u>\$ 14,013,984</u>	<u>\$ 19,745,566</u>

City and Borough of Sitka, Alaska

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2013

	Airport Terminal Building	Marine Service Center	Sawmill Cove Industrial Park	Total Nonmajor Enterprise Funds
Operating revenues:				
Operating lease revenue	\$ 356,360	\$ 242,174	\$ 296,974	\$ 895,508
Other operating revenue	<u>257,513</u>	<u>-</u>	<u>106,803</u>	<u>364,316</u>
Total operating revenues	<u>613,873</u>	<u>242,174</u>	<u>403,777</u>	<u>1,259,824</u>
Operating expenses:				
Utilities	83,372	18,842	48,634	150,848
Repair and maintenance	94,726	62,490	32,967	190,183
Contracted/purchased services	109,016	10,181	54,357	173,554
Interdepartmental services	95,737	22,063	105,532	223,332
Other	841	-	27,654	28,495
Depreciation and amortization	<u>178,130</u>	<u>150,386</u>	<u>267,116</u>	<u>595,632</u>
Total operating expenses	<u>561,822</u>	<u>263,962</u>	<u>536,260</u>	<u>1,362,044</u>
Operating income (loss)	<u>52,051</u>	<u>(21,788)</u>	<u>(132,483)</u>	<u>(102,220)</u>
Nonoperating revenues (expenses):				
Investment income (loss)	6,523	(3,735)	16,899	19,687
Interest expense	(939)	-	(14,561)	(15,500)
Other federal sources	1	-	18,120	18,121
State revenue sharing	-	-	65	65
Gain on disposal of capital assets	<u>-</u>	<u>-</u>	<u>5,013</u>	<u>5,013</u>
Net nonoperating revenues (expenses)	<u>5,585</u>	<u>(3,735)</u>	<u>25,536</u>	<u>27,386</u>
Income/(loss) before transfers	57,636	(25,523)	(106,947)	(74,834)
Transfers in	-	-	498,282	498,282
Transfers out	<u>-</u>	<u>-</u>	<u>(60,465)</u>	<u>(60,465)</u>
Total transfers	<u>-</u>	<u>-</u>	<u>437,817</u>	<u>437,817</u>
Change in net position	57,636	(25,523)	330,870	362,983
Net position, beginning of year	<u>3,645,737</u>	<u>2,027,368</u>	<u>12,882,237</u>	<u>18,555,342</u>
Net position, end of year	<u>\$ 3,703,373</u>	<u>\$ 2,001,845</u>	<u>\$ 13,213,107</u>	<u>\$ 18,918,325</u>

City and Borough of Sitka, Alaska

Nonmajor Enterprise Funds Combining Statement of Cash Flows Year Ended June 30, 2013

	Airport Terminal Building	Marine Service Center	Sawmill Cove Industrial Park	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 613,855	\$ 255,040	\$ 540,428	\$ 1,409,323
Payments to suppliers	(276,329)	(91,261)	(167,493)	(535,083)
Payments for interfund services used	(95,737)	(22,063)	(105,532)	(223,332)
Payments to employees	-	-	(18)	(18)
Net cash flows from operating activities	<u>241,789</u>	<u>141,716</u>	<u>267,385</u>	<u>650,890</u>
Cash flows from noncapital financing activities:				
Other federal sources	1	-	18,120	18,121
State revenue sharing	-	-	65	65
Repayment of advances	(31,300)	-	(49,782)	(81,082)
Transfers to other funds	-	-	(60,465)	(60,465)
Transfers from other funds	-	-	498,282	498,282
Net cash flows from noncapital financing activities	<u>(31,299)</u>	<u>-</u>	<u>406,220</u>	<u>374,921</u>
Cash flows from capital and related financing activities:				
Capital expenditures	(1,147)	(63,278)	(223,477)	(287,902)
Interest paid	(939)	-	(14,561)	(15,500)
Government grants and loans for construction	19,912	297	24,577	44,786
Proceeds from sale of capital assets	-	-	5,013	5,013
Net cash flows from capital and related financing activities	<u>17,826</u>	<u>(62,981)</u>	<u>(208,448)</u>	<u>(253,603)</u>
Cash flows from investing activities - interest received (loss)				
	<u>6,523</u>	<u>(3,735)</u>	<u>16,899</u>	<u>19,687</u>
Net increase in cash and cash equivalents	234,839	75,000	482,056	791,895
Cash and cash equivalents, beginning	<u>449,490</u>	<u>1,166,216</u>	<u>455,078</u>	<u>2,070,784</u>
Cash and cash equivalents, ending	<u>\$ 684,329</u>	<u>\$ 1,241,216</u>	<u>\$ 937,134</u>	<u>\$ 2,862,679</u>
Reconciliation of operating income/(loss) to net cash flows from operating activities:				
Operating income/(loss)	\$ 52,051	\$ (21,788)	\$ (132,483)	\$ (102,220)
Adjustments to reconcile operating income/(loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	178,130	150,386	267,116	595,632
(Increase)/decrease in assets:				
Accounts receivable (net)	(18)	12,866	(13,349)	(501)
Prepaid expenses	(262)	-	(461)	(723)
Increase/(decrease) in liabilities:				
Accounts payable and accrued liabilities	11,888	252	(3,420)	8,720
Compensated absences	-	-	(18)	(18)
Deposits	-	-	150,000	150,000
Net cash flows from operating activities	<u>\$ 241,789</u>	<u>\$ 141,716</u>	<u>\$ 267,385</u>	<u>\$ 650,890</u>

City and Borough of Sitka, Alaska

Internal Service Funds

Combining Statement of Net Position

June 30, 2013

	Management Information Systems	Central Garage	Building Maintenance	Total Internal Service Funds
Assets				
Current assets - equity in central treasury	\$ 577,009	\$ 1,634,229	\$ 2,478,723	\$ 4,689,961
Noncurrent assets - capital assets:				
Property, plant and equipment	1,547,637	7,659,140	32,459	9,239,236
Less accumulated depreciation	<u>(1,089,823)</u>	<u>(4,189,757)</u>	<u>(19,031)</u>	<u>(5,298,611)</u>
Total capital assets, net of accumulated depreciation	<u>457,814</u>	<u>3,469,383</u>	<u>13,428</u>	<u>3,940,625</u>
 Total assets	 <u>\$ 1,034,823</u>	 <u>\$ 5,103,612</u>	 <u>\$ 2,492,151</u>	 <u>\$ 8,630,586</u>
Liabilities and Net Position				
Current liabilities - accounts payable and accrued liabilities	\$ 93,932	\$ 58,719	\$ 27,271	\$ 179,922
Noncurrent liabilities:				
Compensated absences	20,823	5,552	18,368	44,743
Advances from other funds	238,000	400,000	-	638,000
Total noncurrent liabilities	<u>258,823</u>	<u>405,552</u>	<u>18,368</u>	<u>682,743</u>
Total liabilities	<u>352,755</u>	<u>464,271</u>	<u>45,639</u>	<u>862,665</u>
Net position:				
Investment in capital assets	457,814	3,469,383	13,428	3,940,625
Unrestricted	<u>224,254</u>	<u>1,169,958</u>	<u>2,433,084</u>	<u>3,827,296</u>
Total net position	<u>682,068</u>	<u>4,639,341</u>	<u>2,446,512</u>	<u>7,767,921</u>
 Total liabilities and net position	 <u>\$ 1,034,823</u>	 <u>\$ 5,103,612</u>	 <u>\$ 2,492,151</u>	 <u>\$ 8,630,586</u>

City and Borough of Sitka, Alaska

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2013

	Management Information Systems	Central Garage	Building Maintenance	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 772,863	\$ 1,622,543	\$ 455,224	\$ 2,850,630
Operating lease revenue	-	33,504	-	33,504
Total operating revenues	<u>772,863</u>	<u>1,656,047</u>	<u>455,224</u>	<u>2,884,134</u>
Operating expenses:				
Wages and benefits	353,358	187,240	385,842	926,440
Travel and training	12,696	100	1,873	14,669
Utilities	3,836	22,911	1,551	28,298
Repair and maintenance	149,492	95,028	103,659	348,179
Contracted/purchased services	90,593	381,658	165,153	637,404
Interdepartmental services	99,667	158,413	161,100	419,180
Other	-	846	-	846
Depreciation and amortization	89,552	372,888	2,497	464,937
Total operating expenses	<u>799,194</u>	<u>1,219,084</u>	<u>821,675</u>	<u>2,839,953</u>
Operating income (loss)	<u>(26,331)</u>	<u>436,963</u>	<u>(366,451)</u>	<u>44,181</u>
Nonoperating revenues (expenses):				
Investment income (loss)	5,386	5,101	(32,463)	(21,976)
Interest expense	-	(22,500)	-	(22,500)
State PERS relief	29,616	16,289	26,654	72,559
Other	-	21,466	-	21,466
Loss on disposal of capital assets	-	(11,999)	-	(11,999)
Net nonoperating revenues (expenses)	<u>35,002</u>	<u>8,357</u>	<u>(5,809)</u>	<u>37,550</u>
Income (loss) before transfers	8,671	445,320	(372,260)	81,731
Transfers in	238,000	1,059	87,347	326,406
Transfers out	-	-	(78,000)	(78,000)
Total transfers	<u>238,000</u>	<u>1,059</u>	<u>9,347</u>	<u>248,406</u>
Change in net position	246,671	446,379	(362,913)	330,137
Net position, beginning of year	<u>435,397</u>	<u>4,192,962</u>	<u>2,809,425</u>	<u>7,437,784</u>
Net position, end of year	<u>\$ 682,068</u>	<u>\$ 4,639,341</u>	<u>\$ 2,446,512</u>	<u>\$7,767,921</u>

City and Borough of Sitka, Alaska

Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2013

	Management Information Systems	Central Garage	Building Maintenance	Total Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 772,863	\$ 1,678,763	\$ 455,224	\$ 2,906,850
Payments to suppliers	(171,412)	(449,459)	(260,643)	(881,514)
Payments for interfund services used	(99,667)	(158,413)	(161,100)	(419,180)
Payments to employees	<u>(329,214)</u>	<u>(170,540)</u>	<u>(363,006)</u>	<u>(862,760)</u>
Net cash flows from operating activities	<u>172,570</u>	<u>900,351</u>	<u>(329,525)</u>	<u>743,396</u>
Cash flows from noncapital financing activities:				
Receipt (repayment) of advances	238,000	(50,000)	-	188,000
Transfers to other funds	-	-	(78,000)	(78,000)
Transfers from other funds	<u>238,000</u>	<u>1,059</u>	<u>87,347</u>	<u>326,406</u>
Net cash flows from noncapital financing activities	<u>476,000</u>	<u>(48,941)</u>	<u>9,347</u>	<u>436,406</u>
Cash flows from capital and related financing activities:				
Capital expenditures	(350,440)	(422,544)	2	(772,982)
Interest paid	<u>-</u>	<u>(22,500)</u>	<u>-</u>	<u>(22,500)</u>
Net cash flows from capital and related financing activities	<u>(350,440)</u>	<u>(445,044)</u>	<u>2</u>	<u>(795,482)</u>
Cash flows from investing activities - interest received (loss)	<u>5,386</u>	<u>5,101</u>	<u>(32,463)</u>	<u>(21,976)</u>
Net increase (decrease) in cash and cash equivalents	303,516	411,467	(352,639)	362,344
Cash and cash equivalents, beginning	<u>273,493</u>	<u>1,222,762</u>	<u>2,831,362</u>	<u>4,327,617</u>
Cash and cash equivalents, ending	<u>\$ 577,009</u>	<u>\$ 1,634,229</u>	<u>\$ 2,478,723</u>	<u>\$ 4,689,961</u>
Reconciliation of operating income/(loss) to net cash flows from operating activities:				
Operating income/(loss)	\$ (26,331)	\$ 436,963	\$ (366,451)	\$ 44,181
Adjustments to reconcile operating income/(loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	89,552	372,888	2,497	464,937
State PERS relief	29,616	16,289	26,654	72,559
Other income	-	21,466	-	21,466
(Increase)/decrease in assets:				
Accounts receivable (net)	-	1,250	-	1,250
Prepaid expenses	-	12,341	-	12,341
Increase/(decrease) in liabilities:				
Accounts payable and accrued liabilities	85,205	38,743	11,593	135,541
Compensated absences	<u>(5,472)</u>	<u>411</u>	<u>(3,818)</u>	<u>(8,879)</u>
Net cash flows from operating activities	<u>\$ 172,570</u>	<u>\$ 900,351</u>	<u>\$ (329,525)</u>	<u>\$ 743,396</u>

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City and Borough of Sitka, Alaska

Net Position by Component
Last ten fiscal years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$ 49,721,205	\$ 43,447,919	\$ 47,513,951	\$ 60,634,380	\$ 69,697,438	\$ 74,535,296	\$ 77,625,556	\$ 84,221,307	\$ 69,758,706	\$ 81,140,841
Restricted	34,600,586	42,399,886	34,876,513	27,232,833	23,079,443	25,807,768	24,564,026	33,185,178	28,065,049	28,969,693
Unrestricted	<u>23,008,724</u>	<u>24,570,103</u>	<u>27,326,743</u>	<u>24,911,229</u>	<u>24,517,713</u>	<u>20,598,517</u>	<u>25,166,380</u>	<u>31,105,881</u>	<u>31,751,885</u>	<u>28,940,773</u>
Total governmental activities net position	<u>\$ 107,330,515</u>	<u>\$ 110,417,908</u>	<u>\$ 109,717,207</u>	<u>\$ 112,778,442</u>	<u>\$ 117,294,594</u>	<u>\$ 120,941,581</u>	<u>\$ 127,355,962</u>	<u>\$ 148,512,366</u>	<u>\$ 129,575,640</u>	<u>\$ 139,051,307</u>
Business-type activities:										
Net investment in capital assets	\$ 75,562,287	\$ 74,266,170	\$ 77,014,024	\$ 85,395,684	\$ 91,260,956	\$ 92,657,290	\$ 96,906,077	\$ 89,514,065	\$ 89,725,575	\$ 103,467,052
Restricted	6,283,579	6,314,011	6,346,372	6,875,784	6,929,086	7,280,721	7,047,685	7,917,319	3,495,431	7,359,839
Unrestricted	<u>18,599,533</u>	<u>20,937,251</u>	<u>20,864,296</u>	<u>20,257,056</u>	<u>21,864,845</u>	<u>21,170,279</u>	<u>22,938,329</u>	<u>47,488,067</u>	<u>48,724,671</u>	<u>50,906,747</u>
Total business-type activities net position	<u>\$ 100,445,399</u>	<u>\$ 101,517,432</u>	<u>\$ 104,224,692</u>	<u>\$ 112,528,524</u>	<u>\$ 120,054,887</u>	<u>\$ 121,108,290</u>	<u>\$ 126,892,091</u>	<u>\$ 144,919,451</u>	<u>\$ 141,945,677</u>	<u>\$ 161,733,638</u>
Primary government:										
Net investment in capital assets	\$ 125,283,492	\$ 117,714,089	\$ 124,527,975	\$ 146,030,064	\$ 160,958,394	\$ 167,192,586	\$ 174,531,633	\$ 173,735,372	\$ 159,484,281	\$ 184,607,893
Restricted	40,884,165	48,713,897	41,222,885	34,108,617	30,008,529	33,088,489	31,611,711	41,102,497	31,560,480	36,329,532
Unrestricted	<u>41,608,257</u>	<u>45,507,354</u>	<u>48,191,039</u>	<u>45,168,285</u>	<u>46,382,558</u>	<u>41,768,796</u>	<u>48,104,709</u>	<u>78,593,948</u>	<u>80,476,556</u>	<u>79,847,520</u>
Total primary government net position	<u>\$ 207,775,914</u>	<u>\$ 211,935,340</u>	<u>\$ 213,941,899</u>	<u>\$ 225,306,966</u>	<u>\$ 237,349,481</u>	<u>\$ 242,049,871</u>	<u>\$ 254,248,053</u>	<u>\$ 293,431,817</u>	<u>\$ 271,521,317</u>	<u>\$ 300,784,945</u>

City and Borough of Sitka, Alaska
Fund Balances of Governmental Funds
Last ten fiscal years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Nonspendable	\$ 5,982,362	\$ 5,783,434	\$ 5,942,604	\$ 6,588,483	\$ 5,090,933	\$ 3,903,247	\$ 4,288,190	\$ 3,935,798	\$ 225	\$ 49,486
Restricted	1,444,099	1,811,285	2,082,931	2,420,946	2,538,050	2,602,648	2,760,462	2,087,478	522,444	520,742
Committed	276,497	237,753	423,698	355,150	234,876	226,501	229,579	1,205,833	9,987,028	7,904,460
Assigned	516,827	-	-	-	-	-	-	-	-	-
Unassigned	<u>1,572,064</u>	<u>2,708,387</u>	<u>1,848,816</u>	<u>1,260,240</u>	<u>240,185</u>	<u>2,004,500</u>	<u>3,229,470</u>	<u>4,332,784</u>	<u>3,075,401</u>	<u>5,843,192</u>
Total General Fund	<u>\$ 9,791,849</u>	<u>\$ 10,540,859</u>	<u>\$ 10,298,049</u>	<u>\$ 10,624,819</u>	<u>\$ 8,104,044</u>	<u>\$ 8,736,896</u>	<u>\$ 10,507,701</u>	<u>\$ 11,561,893</u>	<u>\$ 13,585,098</u>	<u>\$ 14,317,880</u>
All other governmental funds:										
Nonspendable	\$ 4,237,649	\$ 4,419,393	\$ 3,747,246	\$ 5,104,011	\$ 4,382,568	\$ 14,160,361	\$ 2,721,071	\$ 1,758,633	\$ 1,855,781	\$ 2,743,313
Restricted	23,035,434	23,569,315	24,058,686	26,696,299	24,195,980	20,814,274	24,561,265	43,700,167	29,036,455	28,343,985
Committed	7,965	7,845	7,153	6,607	4,527	4,119	784	312,039	8,933,726	6,727,368
Assigned	17,583,713	24,888,070	17,492,872	6,833,283	8,034,057	6,297,154	13,734,819	2,584,104	3,016,000	2,391,280
Unassigned	-	-	-	-	-	-	-	(52,986)	(35,725)	(8,870)
Total all other governmental funds	<u>\$ 44,864,761</u>	<u>\$ 52,884,623</u>	<u>\$ 45,305,957</u>	<u>\$ 38,640,200</u>	<u>\$ 36,617,132</u>	<u>\$ 41,275,908</u>	<u>\$ 41,017,939</u>	<u>\$ 48,301,957</u>	<u>\$ 42,806,237</u>	<u>\$ 40,197,076</u>

City and Borough of Sitka, Alaska

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities:										
Administration	\$ 4,860,559	\$ 3,959,674	\$ 4,892,060	\$ 1,815,845	\$ 1,890,573	\$ 1,758,063	\$ 1,709,428	\$ 1,762,495	\$ 1,620,189	\$ 1,724,076
Public safety	4,775,093	5,610,897	6,012,020	6,855,710	6,663,085	6,591,077	6,345,657	6,625,688	6,655,486	6,827,712
Public works	3,601,824	2,673,667	4,593,023	3,211,146	4,414,371	4,523,661	4,692,515	4,479,567	5,101,445	5,450,632
Public services	1,353,083	1,568,399	1,632,004	2,171,601	2,148,526	2,194,283	2,126,670	2,210,011	2,340,805	2,007,427
Support	6,481,145	6,168,184	7,079,752	9,688,383	8,654,152	9,149,431	9,830,856	9,070,397	9,141,153	9,054,114
Interest on long-term debt	985,291	1,191,459	1,491,450	1,277,355	1,283,847	1,540,287	1,475,884	1,420,056	1,329,359	1,376,917
Total governmental activities	22,056,995	21,172,280	25,700,309	25,020,040	25,054,554	25,756,802	26,181,010	25,568,214	26,188,437	26,440,878
Business-type activities:										
Electric Utility	10,304,815	10,853,130	10,861,738	11,134,199	11,889,771	12,368,552	11,872,652	15,810,783	12,990,060	10,981,793
Water Utility	*	*	*	*	*	*	*	*	*	1,873,635
Wastewater treatment	2,350,234	2,455,026	2,733,243	2,971,538	3,038,204	3,252,387	3,354,495	3,679,257	3,495,140	3,563,603
Solid waste disposal	2,621,621	2,627,283	2,659,147	2,760,649	2,889,416	2,938,042	3,114,822	3,077,032	3,131,311	3,319,109
Harbor	1,552,428	1,754,864	1,793,545	2,107,023	2,342,593	2,378,228	2,325,372	2,512,984	2,569,234	2,444,728
Other nonmajor business-type activities	1,425,092	1,581,911	1,532,770	1,761,423	1,888,662	3,298,547	1,400,040	3,156,084	1,624,293	1,270,621
Total business-type activities	18,254,190	19,272,214	19,580,443	20,734,832	22,048,646	24,235,756	22,067,381	28,236,140	25,683,673	23,784,494
Total primary government expenses	\$ 40,311,185	\$ 40,444,494	\$ 45,280,752	\$ 45,754,872	\$ 47,103,200	\$ 49,992,558	\$ 48,248,391	\$ 53,804,354	\$ 51,872,110	\$ 50,225,372
Program revenues:										
Governmental activities:										
Charges for services										
Administration	\$ 3,169,594	\$ 2,261,198	\$ 2,041,130	\$ 388,373	\$ 359,330	\$ 836,056	\$ 505,174	\$ 420,194	\$ 713,129	\$ 290,450
Public safety	160,651	846,837	664,808	766,622	544,296	717,543	745,265	737,414	763,278	729,406
Public works	656,809	695,432	838,965	730,674	872,070	838,119	925,240	730,766	855,816	988,231
Public services	70,583	168,372	109,252	143,906	102,327	112,414	108,340	178,638	248,229	502,571
Operating grants and contributions	2,591,177	1,033,517	2,896,673	4,777,346	6,046,603	4,563,651	5,503,356	4,962,723	6,012,861	5,979,832
Capital grants and contributions	1,067,034	704,205	654,540	1,082,284	4,057,066	3,317,782	3,667,956	2,794,677	856,161	8,177,359
Total governmental activities program revenues	7,715,848	5,709,561	7,205,368	7,889,205	11,981,692	10,385,565	11,455,331	9,824,412	9,449,474	16,667,849
Business-type activities:										
Charges for services:										
Electric Utility	10,520,806	10,987,020	11,413,574	11,627,554	11,996,378	12,823,113	11,947,812	12,973,046	11,611,319	12,077,554
Water Utility	*	*	*	*	*	*	*	*	*	1,383,411
Wastewater treatment	1,357,654	1,381,996	1,655,272	1,875,149	1,784,369	1,789,429	1,895,122	2,070,832	2,296,085	2,434,968
Solid waste disposal	2,994,090	3,044,535	2,990,550	3,080,503	3,026,943	2,926,079	2,997,497	3,291,086	3,101,682	2,988,758
Harbor	1,100,627	1,137,920	1,409,705	1,635,156	1,683,250	1,698,769	1,598,502	2,003,013	1,529,481	1,912,463
Other nonmajor business-type activities	723,444	754,840	1,104,236	1,371,782	1,324,881	1,178,091	958,986	973,501	934,857	1,264,837
Operating grants and contributions	645,721	698,084	681,749	-	-	1,660,737	1,201,350	1,490,571	2,322,441	2,411,944
Capital grants and contributions	270,270	949,993	2,426,587	6,773,860	6,440,790	1,296,997	5,874,475	24,470,807	5,237,360	17,934,438
Total business-type activities program revenues	17,612,612	18,954,388	21,681,673	26,364,004	26,256,611	23,373,215	26,473,744	47,272,856	28,416,636	42,586,792
Total primary government program revenues	\$ 25,328,460	\$ 24,663,949	\$ 28,887,041	\$ 34,253,209	\$ 38,238,303	\$ 33,758,780	\$ 37,929,075	\$ 57,097,268	\$ 37,866,110	\$ 59,254,641
Net revenue (expense):										
Governmental activities	(14,341,147)	(15,462,719)	(18,494,941)	(17,130,835)	(13,072,862)	(15,371,237)	(14,725,679)	(15,743,802)	(16,738,963)	(9,773,029)
Business-type activities	(641,578)	(317,826)	2,101,230	5,629,172	4,207,965	(862,541)	4,406,363	19,036,716	2,732,963	18,802,298
Total primary government net expense	\$ (14,982,725)	\$ (15,780,545)	\$ (16,393,711)	\$ (11,501,663)	\$ (8,864,897)	\$ (16,233,778)	\$ (10,319,316)	\$ 3,292,914	\$ (14,006,000)	\$ 9,029,269
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes	4,142,452	4,292,613	4,449,211	4,966,216	5,437,154	5,882,368	5,926,046	6,003,008	6,069,078	6,095,558
Sales and other taxes	8,722,858	8,981,251	9,838,887	10,338,689	10,224,623	9,850,321	8,950,243	9,722,879	9,544,100	9,583,109
Unrestricted grants and contributions	583,240	1,409,187	808,221	603,168	1,446,242	1,891,506	427,908	443,682	470,436	470,415
Investment earnings	1,135,699	2,749,412	1,420,136	4,895,510	577,934	(1,969,320)	3,649,352	4,348,650	2,266,133	2,243,289
Debt principal reimbursement	192,141	1,373,617	1,380,000	1,011,500	-	1,193,500	1,252,000	1,252,000	1,252,000	1,252,000
Transfers	276,182	(255,968)	(102,216)	679,590	(96,939)	(160,766)	(143,969)	(2,998,672)	(1,316,642)	(395,675)
Other	-	-	-	694,313	-	2,330,615	1,078,480	17,274	-	-
Special item - forgiveness of loan receivable	-	-	-	(900,000)	-	-	-	-	-	-
Total governmental activities	15,052,572	18,550,112	17,794,239	22,288,586	17,589,014	19,018,224	21,140,060	18,788,821	18,285,105	19,248,696
Business-type activities:										
Unrestricted grants and contributions	-	-	-	1,047,332	1,381,806	-	-	-	-	-
Investment earnings	104,485	1,133,880	503,815	1,416,362	1,839,653	1,297,612	1,139,012	799,620	1,413,015	494,317
Transfers	(276,182)	255,968	102,216	(679,590)	96,939	160,766	143,969	2,998,672	1,316,642	395,675
Other	-	-	-	317,992	-	457,566	94,457	(169,100)	-	95,671
Total business-type activities	(171,697)	1,389,848	606,031	2,102,096	3,318,398	1,915,944	1,377,438	3,629,192	2,729,657	985,663
Total primary government	\$ 14,880,875	\$ 19,939,960	\$ 18,400,270	\$ 24,390,682	\$ 20,907,412	\$ 20,934,168	\$ 22,517,498	\$ 22,418,013	\$ 21,014,762	\$ 20,234,359
Change in net position:										
Governmental activities	711,425	3,087,393	(700,702)	5,157,751	4,516,152	3,646,987	6,414,381	3,045,019	1,546,142	9,475,667
Business-type activities	(813,275)	1,072,022	2,707,261	7,731,268	7,526,363	1,053,403	5,783,801	22,665,908	5,462,620	19,787,961
Total primary government	\$ (101,850)	\$ 4,159,415	\$ 2,006,559	\$ 12,889,019	\$ 12,042,515	\$ 4,700,390	\$ 12,198,182	\$ 25,710,927	\$ 7,008,762	\$ 29,263,628

* Electric and Water Utilities reported as one entity until split apart in FY12

City and Borough of Sitka, Alaska
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$ 12,865,310	\$ 13,273,864	\$ 14,288,098	\$ 15,304,905	\$ 15,661,777	\$ 15,732,689	\$ 14,876,289	\$ 15,019,382	\$ 15,199,048	\$ 15,543,312
State sources	1,855,173	2,608,904	2,842,324	3,941,174	6,147,853	7,828,757	6,700,449	5,095,182	5,807,654	9,207,616
Federal sources	2,652,599	1,975,327	1,944,022	2,415,318	2,292,664	3,241,857	4,313,422	2,505,769	2,251,970	2,132,223
Charges for services	1,153,844	1,089,764	1,000,422	1,661,346	1,454,532	1,546,658	1,682,329	1,633,186	1,711,974	1,839,516
Interfund services	1,589,209	1,626,981	1,797,323	1,949,569	2,174,717	2,393,157	2,219,501	2,380,298	2,659,323	2,693,860
Fines and forfeitures	107,397	122,527	123,897	118,790	139,114	139,373	122,422	138,697	125,112	103,541
Investment income	1,203,654	2,623,018	1,434,345	4,793,289	442,652	(1,601,383)	3,507,550	4,624,136	2,166,885	2,262,808
Uses of property	273,500	309,796	279,302	343,041	429,154	936,532	600,545	579,670	834,309	788,961
Licenses and permits	159,272	182,580	212,244	188,510	171,572	140,879	131,963	140,371	223,422	177,221
Other	790,625	619,551	905,266	1,591,912	2,837,459	1,042,588	691,865	514,866	645,879	1,023,994
Total revenues	22,650,583	24,432,312	24,827,243	32,307,854	31,751,494	31,401,107	34,846,335	32,631,557	31,625,576	35,773,052
Expenditures:										
Administration	2,987,965	3,145,604	3,355,184	3,507,680	3,892,275	3,890,049	3,771,014	3,871,834	4,082,610	4,632,192
Public safety	4,637,173	5,429,736	5,740,455	6,472,614	6,410,146	6,329,311	6,412,581	6,427,515	6,402,097	6,552,240
Public works	3,545,025	2,383,051	2,597,964	3,084,784	3,528,597	3,774,964	3,891,905	3,835,904	4,194,363	3,746,518
Public services	1,095,447	1,151,131	1,354,623	1,871,984	1,894,344	1,938,102	1,854,978	1,876,970	2,026,506	1,792,692
Support	6,047,953	6,121,819	6,509,064	8,271,429	7,237,991	7,564,011	7,809,145	7,121,245	6,893,481	6,402,944
Capital outlay	4,808,992	3,341,128	9,897,027	11,854,462	10,380,742	6,244,449	5,807,256	2,845,124	7,710,853	10,112,520
Debt service:										
Principal	982,864	1,414,323	1,658,869	1,750,881	1,634,030	1,920,626	1,921,186	1,949,750	2,269,750	2,449,860
Interest and fiscal charges	973,728	1,115,986	1,505,826	1,450,987	1,341,498	1,675,888	1,530,218	1,450,183	1,375,318	1,317,335
Total expenditures	25,079,147	24,102,778	32,619,012	38,264,821	36,319,623	33,337,400	32,998,283	29,378,525	34,954,978	37,006,301
Excess (deficit) of revenues over (under) expenditures	(2,428,564)	329,534	(7,791,769)	(5,956,967)	(4,568,129)	(1,936,293)	1,848,052	3,253,032	(3,329,402)	(1,233,249)
Other financing sources (uses):										
Proceeds from the issuance of long-term debt	12,012,990	8,916,580	300,468	6,775,000	195,000	7,150,000	-	5,690,000	12,755,000	-
Premium on bonds issued	-	-	-	318,030	-	121,482	-	30,239	2,074,582	-
Payment to refund bonds	-	-	-	(7,004,528)	-	-	-	-	(14,829,582)	-
Note Receivable forgiven	-	-	-	(900,000)	-	-	-	-	-	-
Transfers in	18,735,172	11,881,997	4,178,276	5,504,284	7,053,257	10,510,579	3,083,574	4,232,927	4,037,358	6,021,580
Transfers out	(18,845,572)	(12,359,239)	(4,508,451)	(5,074,807)	(7,223,972)	(10,554,140)	(3,418,790)	(4,867,988)	(4,180,470)	(6,664,709)
Net other financing sources (uses)	11,902,590	8,439,338	(29,707)	(382,021)	24,285	7,227,921	(335,216)	5,085,178	(143,112)	(643,129)
Net change in fund balances	\$ 9,474,026	\$ 8,768,872	\$ (7,821,476)	\$ (6,338,988)	\$ (4,543,844)	\$ 5,291,628	\$ 1,512,836	\$ 8,338,210	\$ (3,472,514)	\$ (1,876,378)
Debt service as a percentage of noncapital expenditures	9.7%	12.2%	13.9%	12.1%	11.5%	13.3%	12.7%	12.8%	13.4%	14.0%

City and Borough of Sitka, Alaska
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Less Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2004	\$ 430,944,755	\$ 191,467,255	\$ 53,695,120	\$ 52,839,335	\$ 623,267,795	0.006	\$ 698,220,558	89.27%
2005	457,258,520	196,986,957	61,092,635	54,956,760	660,381,352	0.006	749,990,740	88.05%
2006	538,635,949	232,044,351	63,348,272	57,195,510	776,833,062	0.006	834,028,572	93.14%
2007	659,696,100	231,822,488	29,459,888	59,000,000	861,978,476	0.006	1,066,134,900	80.85%
2008	710,920,900	232,604,800	52,542,066	60,173,640	935,894,126	0.006	1,166,392,200	80.24%
2009	729,075,200	230,930,000	51,609,680	70,150,000	941,464,880	0.006	1,178,401,100	79.89%
2010	729,201,000	239,476,200	52,244,615	67,347,130	953,574,685	0.006	1,122,803,600	84.93%
2011	671,727,505	305,317,150	77,029,224	69,000,750	985,073,129	0.006	1,152,462,400	85.48%
2012	760,785,518	175,868,354	141,113,024	86,836,658	990,930,238	0.006	1,151,376,900	86.06%
2013	772,425,015	189,487,200	146,333,667	107,179,098	1,001,066,784	0.006	1,162,987,200	86.08%

City and Borough of Sitka, Alaska

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

<u>Fiscal Year</u>	Property Tax Mill Levies (per \$1,000 Assessed <u>Valuation</u>)
2004	6.00
2005	6.00
2006	6.00
2007	6.00
2008	6.00
2009	6.00
2010	6.00
2011	6.00
2012	6.00
2013	6.00

There are no overlapping property tax rates.

City and Borough of Sitka, Alaska
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Bed Tax</u>	<u>Fuel Flow Tax</u>	<u>Total</u>
2004	\$ 4,142,452	\$ 8,397,965	\$ 317,456	\$ 7,437	\$ 12,865,310
2005	4,292,613	8,614,969	358,630	7,652	13,273,864
2006	4,449,211	9,471,791	361,925	5,171	14,288,098
2007	4,966,216	9,933,481	405,208	-	15,304,905
2008	5,437,154	9,843,364	381,259	-	15,661,777
2009	5,882,368	9,514,013	336,308	-	15,732,689
2010	5,926,046	8,646,598	303,655	-	14,876,299
2011	6,003,008	8,708,484	307,890	-	15,019,382
2012	6,069,078	8,804,619	325,351	-	15,199,048
2013	6,095,558	9,093,596	354,158	-	15,543,312

City and Borough of Sitka, Alaska

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Silver Bay Seafoods, Inc.	\$ 13,428,543	1	1.36%			
North Pacific Seafoods	9,932,773	2	1.00%	\$ 8,019,531	2	1.32%
Hames Corporation	8,894,083	3	0.90%	6,495,300	6	1.07%
Harbor Enterprises dba Petro Marine Services	8,042,720	4	0.81%	6,773,107	4	1.11%
The North West Company	7,115,400	5	0.72%			
Seafood Producers Co-op	6,454,000	6	0.65%	8,122,645	1	1.33%
Scojo, LLC	5,454,712	7	0.55%			
ACS	5,374,070	8	0.54%			
Halibut Point Marine Services	5,140,100	9	0.52%			
Shee Atika Incorporated	<u>5,130,300</u>	10	<u>0.52%</u>	7,716,988	3	1.27%
Lakeside Corporation				5,505,086	7	0.90%
Sitka Assoc/Admiralty Assoc				3,487,857	8	0.57%
Sitka Beverage				6,526,235	5	1.07%
Spenard Builders Supply				3,131,224	9	0.51%
K & R Enterprises				<u>2,769,130</u>	10	<u>0.45%</u>
Totals	<u>\$ 74,966,701</u>		<u>7.57%</u>	<u>\$ 58,547,103</u>		<u>9.60%</u>

City and Borough of Sitka, Alaska
Property Tax Levies and Collection
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Amount	Percentage of Levy
		Amount	Percentage of Levy			
2004	\$ 4,131,596	\$ 4,110,374	99.5%	\$ 20,152	\$ 4,130,526	100.0%
2005	4,361,674	4,338,881	99.5%	27,457	4,366,338	100.1%
2006	4,581,061	4,526,905	98.8%	8,319	4,535,224	99.0%
2007	5,003,463	4,983,438	99.6%	30,268	5,013,706	100.2%
2008	5,558,821	5,501,591	99.0%	24,062	5,525,653	99.4%
2009	5,735,000	5,689,030	99.2%	57,093	5,746,123	100.2%
2010	5,768,331	5,735,962	99.4%	65,860	5,801,822	100.6%
2011	5,799,400	5,753,039	99.2%	54,830	5,807,869	100.1%
2012	5,904,617	5,874,918	99.5%	34,403	5,909,321	100.1%
2013	5,957,735	5,893,452	98.9%	-	5,893,452	98.9%

City and Borough of Sitka, Alaska

Sales Tax Receipts by Industry
Last Ten Fiscal Years

Industry	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture, Forestry and Fishing	\$ 27,683	\$ 34,284	\$ 29,723	\$ 32,745	\$ 33,824	\$ 32,933	\$ 28,445	\$ 23,758	\$ 23,626	\$ 23,634
Construction	94,635	103,231	116,026	128,486	136,086	109,853	109,913	112,806	130,943	166,960
Manufacturing	146,737	160,720	170,095	243,432	259,072	288,990	264,131	332,598	318,827	346,702
Transportation & Public Utilities	653,813	750,445	808,255	841,748	908,367	923,834	773,276	747,953	681,166	692,582
Wholesale Trade	58,882	67,397	68,657	69,288	63,264	64,048	62,336	68,586	61,743	57,666
Retail Trade	4,329,946	5,033,791	5,329,649	5,569,676	5,535,101	5,376,039	4,991,535	4,989,084	5,138,245	5,141,931
Finance, Insurance & Real Estate	675,249	568,455	616,408	655,800	327,109	325,422	318,426	247,223	252,158	297,556
Services	1,404,306	1,590,018	1,679,299	1,692,615	1,702,447	1,577,816	1,350,528	1,438,445	1,475,440	1,604,007
Government - Local	369,521	472,356	505,448	644,416	659,584	591,821	595,154	543,385	722,471	762,558
Total Sales Tax Receipts	<u>\$ 7,760,772</u>	<u>\$ 8,780,697</u>	<u>\$ 9,323,560</u>	<u>\$ 9,878,206</u>	<u>\$ 9,624,854</u>	<u>\$ 9,290,756</u>	<u>\$ 8,493,744</u>	<u>\$ 8,503,838</u>	<u>\$ 8,804,619</u>	<u>\$ 9,093,596</u>

FY 2004 through 2012 - Sales tax rate during months of April through September at 6%,
remainder of year at 5%

Gross Sales by Industry
Last Ten Fiscal Years

Industry	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture, Forestry and Fishing	\$ 2,005,112	\$ 1,943,416	\$ 1,600,658	\$ 1,805,939	\$ 2,206,402	\$ 2,741,284	\$ 2,205,318	\$ 1,886,260	\$ 5,933,107	\$ 3,676,800
Construction	61,125,945	68,419,307	80,454,390	78,323,778	70,339,462	77,213,089	71,402,438	86,964,824	86,689,548	91,354,782
Manufacturing	7,113,572	9,398,642	10,587,099	19,758,526	14,273,067	13,094,014	13,350,424	17,266,204	14,436,992	13,495,858
Transportation & Public Utilities	17,293,607	18,956,185	23,538,493	25,068,736	24,950,742	25,952,847	20,330,171	20,799,846	19,040,347	18,653,208
Wholesale Trade	11,414,713	15,604,123	16,307,414	18,070,392	15,942,727	17,115,448	15,518,232	15,832,946	21,443,717	18,266,103
Retail Trade	127,772,130	139,224,329	145,699,042	147,693,913	148,905,621	151,921,138	137,774,562	127,078,920	138,148,838	137,469,327
Finance, Insurance & Real Estate	21,221,800	18,984,834	21,467,153	22,994,647	19,750,880	23,071,451	31,606,652	21,265,902	21,992,145	22,787,879
Services	48,668,887	52,518,006	57,620,609	60,234,579	65,340,133	61,341,788	51,406,551	55,370,501	56,793,564	62,679,023
Government - Local	16,068,536	16,756,196	19,065,131	19,935,050	20,215,251	20,053,571	20,201,990	19,993,792	25,899,020	26,735,836
Total Gross Sales	<u>\$ 312,684,302</u>	<u>\$ 341,805,038</u>	<u>\$ 376,339,989</u>	<u>\$ 393,885,560</u>	<u>\$ 381,924,285</u>	<u>\$ 392,504,630</u>	<u>\$ 363,796,338</u>	<u>\$ 366,459,195</u>	<u>\$ 390,377,278</u>	<u>\$ 395,118,816</u>

City and Borough of Sitka, Alaska
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Special Assessment Bonds	Capital Leases	Revenue Bonds	Notes Payable	Special Assessment Bonds	Capital Leases			
2004	\$ 25,600,000	\$ -	\$ 589,000	\$ 672,184	\$ 39,600,000	\$ 11,847,001	\$ -	\$ 47,595	\$ 78,355,780	25.11%	\$ 8,813
2005	33,385,000	-	339,000	555,244	38,050,000	11,845,725	-	39,440	84,214,409	28.07%	9,564
2006	32,005,000	-	177,000	438,875	36,390,000	13,116,392	-	30,878	82,158,145	29.98%	9,183
2007	30,540,000	-	-	316,342	34,570,000	14,055,608	-	21,892	79,503,842	26.76%	9,001
2008	29,035,000	195,000	-	187,312	32,550,000	17,697,039	-	12,457	79,676,808	25.06%	9,198
2009	34,410,000	185,250	-	51,436	30,395,000	20,122,064	-	2,553	85,166,303	22.06%	9,249
2010	32,550,000	175,500	-	-	28,090,000	20,377,078	-	-	81,192,578	25.89%	9,142
2011	36,300,000	165,750	-	-	48,700,000	20,107,401	-	-	105,273,151	37.46%	12,000
2012	32,290,000	156,000	-	-	47,570,000	21,023,411	-	-	101,039,411	35.85%	11,287
2013	31,020,000	146,250	-	-	85,285,000	20,860,822	-	-	137,312,072	47.80%	15,116

City and Borough of Sitka, Alaska
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amount Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Value of Property</u>	<u>Per Capita</u>
2004	\$ 25,600,000	\$ 349,945	\$ 25,250,055	3.62%	\$ 2,868
2005	33,385,000	962,384	32,422,616	4.32%	3,624
2006	32,005,000	1,418,514	30,586,486	3.67%	3,463
2007	30,540,000	2,032,412	28,507,588	2.67%	3,298
2008	29,035,000	2,657,143	26,377,857	2.26%	3,062
2009	34,410,000	3,148,838	31,261,162	2.65%	3,624
2010	32,550,000	3,397,347	29,152,653	2.60%	3,283
2011	36,300,000	2,703,304	33,596,696	2.92%	3,830
2012	32,290,000	2,990,924	29,299,076	2.54%	3,273
2013	31,020,000	2,028,544	28,991,456	2.49%	3,191

City and Borough of Sitka, Alaska
Direct and Overlapping Governmental Activities Debt
Legal Debt Margin Information
As of June 30, 2013

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Overlapping debt	\$ -	0%	\$ -
City and Borough of Sitka, Alaska	31,020,000	100%	<u>31,020,000</u>
Total direct and overlapping debt			<u>\$ 31,020,000</u>
Legal Debt Margin			

The City and Borough of Sitka, Alaska has had no legal debt margin requirements for any of the last ten fiscal years.

City and Borough of Sitka, Alaska

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year	<u>Electric and Water Revenue Bonds and Notes</u>							<u>Coverage</u>
	<u>Electric and Water Revenue</u>	<u>Electric Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service Principal</u>	<u>Interest</u>	<u>Total</u>	
2004	\$ 10,754,958	\$ -	\$ 5,048,455	\$ 5,706,503	\$ 1,662,812	\$ 2,934,231	\$ 4,597,043	1.24
2005	11,783,569	-	5,601,682	6,181,887	1,770,601	2,843,819	4,614,420	1.34
2006	11,927,177	-	5,659,421	6,267,756	1,970,000	2,738,512	4,708,512	1.33
2007	12,670,456	-	5,928,563	6,741,893	2,061,395	2,611,172	4,672,567	1.44
2008	13,443,798	-	6,786,879	6,656,919	2,270,889	2,647,577	4,918,466	1.35
2009	13,900,365	-	7,400,345	6,500,020	2,451,078	2,480,310	4,931,388	1.32
2010	12,717,974	-	6,938,167	5,779,807	2,764,199	2,418,756	5,182,955	1.12
2011	-	13,688,856	7,967,421	5,721,435	2,709,411	1,738,453	4,447,864	1.29
2012	-	13,076,192	7,854,687	5,221,505	1,394,689	2,848,639	4,243,328	1.23
2013	-	13,412,647	7,127,520	6,285,127	1,770,000	2,296,332	4,066,332	1.55

City and Borough of Sitka, Alaska
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u> <u>(,000s)</u>	<u>Per Capita</u> <u>Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2004	8,805	271,250	31,699	1,467	6.6%
2005	8,947	279,109	31,707	1,478	5.5%
2006	8,833	280,896	34,762	1,477	5.4%
2007	8,644	307,053	36,696	1,454	4.5%
2008	8,615	317,200	41,872	1,378	5.8%
2009	8,627	361,230	38,593	1,316	6.5%
2010	8,881	313,624	35,314	1,315	6.6%
2011	8,773	281,034	32,034	1,300	6.6%
2012	8,952	281,872	31,487	1,300	6.2%
2013	9,084	287,263	31,623	1,324	6.2%

City and Borough of Sitka, Alaska

Principal Employers
Current Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
S.E.A.R.H.C.	482	1	10.30%	367	1	9.05%
Sitka School District	219	2	4.68%	225	2	5.55%
U.S. Coast Guard	209	3	4.47%	195	3	4.81%
Sitka Community Hospital	176	4	3.76%	95	10	2.34%
City and Borough of Sitka	155	5	3.31%	142	5	3.50%
Mt Edgecombe High School	154	6	3.29%			
Hames Corporation	150	7	3.21%	116	6	2.86%
Sitka Tribe of Alaska	134	8	2.86%			
Pioneer's Home	105	9	2.24%	99	9	2.44%
University of Alaska Southeast	87	10	1.86%			
North Pacific Processors				174	4	4.29%
U.S. Forest Service				106	8	2.61%
Center for Community				113	7	2.79%

City and Borough of Sitka, Alaska

Full-Time Equivalent City and Borough Government Employees By Function
Last Ten Fiscal Years

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government	40	40	42	41	41	41	43	29	29	28
Public Safety:										
Police	34	37	37	36	36	36	32	33	33	33
Fire and Ambulance	10	10	10	10	10	10	10	10	10	10
Public Works	12	12	12	11	11	11	13	25	25	25
Public Services:										
Library	6	6	7	7	7	7	7	7	7	7
Centennial Building	4	4	4	4	4	4	4	4	4	4
Electric	25	25	23	23	23	23	24	25	25	27
Water	4	4	4	4	4	4	4	5	5	5
Waste Water Treatment	6	6	7	7	7	7	7	6	6	6
Solid Waste Disposal	1	1	1	1	2	2	2	2	2	2
Harbor	8	8	8	8	8	9	9	9	9	9
Sawmill Cove Industrial Park	1	1	1	1	1	-	-	1	1	-
Totals	<u>151</u>	<u>154</u>	<u>156</u>	<u>153</u>	<u>154</u>	<u>154</u>	<u>155</u>	<u>156</u>	<u>156</u>	<u>156</u>

City and Borough of Sitka, Alaska

Average Number of Electrical Customers Last Ten Fiscal Years

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Harbor</u>	<u>Public Authority</u>	<u>Sawmill Cove Industrial Park</u>	<u>Total</u>
2004	3,473	563	746	193	N/A	4,975
2005	3,491	587	753	181	N/A	5,012
2006	3,524	622	727	188	N/A	5,061
2007	3,583	621	723	186	N/A	5,113
2008	3,622	638	749	188	N/A	5,197
2009	3,651	647	771	188	N/A	5,257
2010	3,671	634	772	201	N/A	5,278
2011	3,672	620	769	205	16	5,282
2012	3,662	653	774	201	19	5,309
2013	3,728	677	760	217	21	5,403

KwH Sold by Class Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Harbor</u>	<u>Public Authority</u>	<u>Sawmill Cove Industrial Park</u>	<u>Total</u>
2004	39,303,610	29,101,299	2,459,212	22,246,156	1,524,713	94,634,990
2005	39,713,996	29,612,350	2,638,566	22,177,559	1,702,168	95,844,639
2006	41,623,107	29,981,828	2,583,059	22,346,191	1,871,596	98,405,781
2007	45,057,318	30,940,454	3,137,092	25,152,588	2,203,633	106,491,085
2008	46,400,989	32,008,120	3,686,525	23,711,772	4,189,777	109,997,183
2009	49,925,862	31,421,023	4,221,524	24,550,555	4,747,228	114,866,192
2010	46,775,688	30,932,153	3,446,996	22,554,209	5,030,924	108,739,970
2011	47,901,502	30,486,914	3,619,949	24,636,619	5,150,360	111,795,344
2012	47,583,037	32,012,255	3,214,648	22,778,544	5,460,139	111,048,623
2013	47,628,760	32,043,016	3,217,737	22,800,432	5,465,385	111,155,330

Source: City and Borough of Sitka's Finance Department and Electric Utilities Fund



Legislation Details

File #: 14-059 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 3/20/2014 In control: City and Borough Assembly
On agenda: 3/25/2014 Final action:
Title: Reminders and Calendars
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, March 25	Worksession: CAFR Presentation	5:00 PM
Tuesday, March 25	Regular Meeting	6:00 PM
<i>Tuesday, April 1</i>	<i>Board of Equalization Training With State Assessor Steve Van Sant</i>	<i>5:00 PM</i>
Tuesday, April 8	Worksession: Sound Development's proposal for Parcel C of South Benchlands	5:00 PM
Tuesday, April 8	Regular Meeting	6:00 PM
<i>Thursday, April 10</i>	<i>Budget Worksession: Assembly/School Board</i>	<i>6:00 PM</i>
<i>Tuesday, April 15</i>	<i>Evaluations: Municipal Administrator and Municipal Attorney 3rd floor Conference Room City Hall</i>	<i>5:30 PM</i>



Assembly Calendar

[2013](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2015](#)
March 2014

Sunday		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
23	Feb	24	25	26	27	28	1	Mar
Hackett		Hackett Miyasato	Hackett Miyasato 1:00pm SCVB Board 5:00pm Worksession: Meet with SCVB 6:00pm <u>Regular Assembly Mtg</u>	Hackett Miyasato	Hackett Miyasato 6:30pm <u>Hospital Board</u>	Hackett Miyasato	Hackett	
2		3	4	5	6	7	8	
Hackett McConnell		Hackett McConnell	Hackett McConnell 7:00pm Planning 7:00pm <u>School</u>	McConnell 6:00pm Police and Fire 7:00pm <u>Library</u>	McConnell 12:00pm <u>Parks & Rec</u>	McConnell	McConnell	
9		10	11	12	13	14	15	
McConnell		McConnell	McConnell 12:00pm Health Needs and Human Services Commission 5:00pm Worksession: Solid Waste Management Plan 6:00pm <u>Reg Assembly Mtg</u>	McConnell 6:00pm Historic Preservation 6:00pm Port & Harbors Commission	McConnell 12:00pm LEPC	McConnell Hackett	McConnell Hackett	
16		17	18	19	20	21	22	
McConnell Hackett		McConnell Hackett	McConnell Hackett 12:00pm <u>Tree/Landscape</u> 7:00pm Planning 7:00pm <u>School</u>	McConnell Hackett 6:30pm STA	McConnell Hackett	McConnell Hackett	Hackett	
23		24	25	26	27	28	29	
Hackett		Hackett	Hackett- phoning in for meeting 1:00pm SCVB Board 5:00pm Worksession: CAFR Presentation 6:00pm <u>Regular Assembly Mtg</u>	Hackett	Hackett 6:30pm <u>Hospital Board</u>	Hackett	Hackett	
30		31	1	Apr	2	3	4	5
Hackett		Hackett	5:00pm <u>Board of Equalization Training</u> 7:00pm Planning 7:00pm <u>School</u>	6:00pm Police and Fire 7:00pm <u>Library</u>	Esquiro 12:00pm <u>Parks & Rec</u>	Esquiro		

Assembly Calendar

[2013](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2015](#)
April 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30 Mar	31	1 Apr	2	3	4	5
		5:00pm Board of Equalization Training 7:00pm Planning 7:00pm School	6:00pm Police and Fire 7:00pm Library	Esquiro 12:00pm Parks & Rec	Esquiro	
6	7	8	9	10	11	12
		12:00pm Health Needs and Human Services Commission 5:00pm Worksession: South Benchlands Parcel C 6:00pm Reg Assembly Mtg	6:00pm Historic Preservation 6:00pm Port & Harbors Commission	12:00pm LEPC 6:00pm Assembly/School District Budget Worksession - Harrigan Hall		
13	14	15	16	17	18	19
		12:00pm Tree/Landscape 5:30pm Administrator and Attorney evaluations 3rd floor conference room 7:00pm Planning 7:00pm School	6:30pm STA			
20	21	22	23	24	25	26
	12:00pm Tourism Commission Meeting	6:00pm Regular Assembly Mtg		6:00pm 1st Municipal Budget Worksession 6:30pm Hospital Board		
27	28	29	30	1 May	2	3
Esquiro	Esquiro	Esquiro 1:00pm SCVB Board	Esquiro	Esquiro 12:00pm Parks & Rec 6:00pm 2nd Municipal Budget worksession	Esquiro	Esquiro



Legislation Details

File #: 14-051 Version: 1 Name:

Type: Ceremonial Status: AGENDA READY

File created: 3/17/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Proclamations: 1) AmeriCorps Day, and 2) St. Baldrick's Foundation + shaving of heads

Sponsors:

Indexes:

Code sections:

Attachments: [Proclamations](#)

Date	Ver.	Action By	Action	Result
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OFFICE OF THE MAYOR
City & Borough of Sitka

Proclamation

AmeriCorps Day

- WHEREAS,** service to others is a hallmark of the American character, and throughout our history citizens have stepped up to meet our challenges by volunteering in their communities; and
- WHEREAS,** AmeriCorps national service program has proven to be a highly effective way to engage Americans in meeting national, state and community needs; and
- WHEREAS,** each year AmeriCorps provides opportunities for Alaskans to give back in an intensive way to our communities, our state and our country; and
- WHEREAS,** this year, through AmeriCorps programs, more than 350 Alaskans are devoting their talent and energy to meeting critical educational, environmental, public and other human service needs through service to nonprofit, governmental and community based organizations; and
- WHEREAS,** AmeriCorps members, after their terms of service end, remain engaged in our communities as volunteers, teachers, public servants and nonprofit leaders in disproportionately high levels; and
- WHEREAS,** April 1st, as part of National Service Recognition Day, is an opportune time for the people of Alaska to salute AmeriCorps members and alumni for their service, thank AmeriCorps' community partners, and bring more Americans into service.

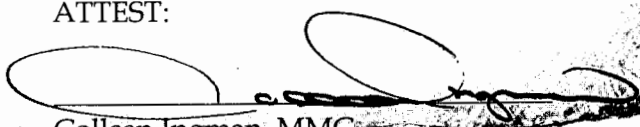
NOW, THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, does hereby proclaim April 1st as *AmeriCorps Day* in Sitka and urges all citizens to thank our local AmeriCorps members and alumni for their service.

Signed and sealed this 25th day of March, 2014.



Mim McConnell, Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk



OFFICE OF THE MAYOR
City & Borough of Sitka

Proclamation

St. Baldrick's Foundation Day

WHEREAS, worldwide, more than 175,000 children are diagnosed with cancer each year; and

WHEREAS, childhood cancer is the number one cause of death by disease of children in the United States; and

WHEREAS, the St. Baldrick's Foundation is the largest volunteer-driven charity committed to funding the most promising research to find cures for childhood cancers and give survivors long and healthy lives; and

WHEREAS, the St. Baldrick's Foundation currently funds more in childhood cancer research grants than any organization except the U.S. government; and

WHEREAS, scores of Sitkans have joined together this year to help raise awareness and find cures and better treatment options for children battling this disease.


NOW, THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, does hereby proclaim March 28th as **St. Baldrick's Foundation Day** in Sitka and urges all citizens to recognize the seriousness of childhood cancers and the commendable work of the St. Baldrick's Foundation.

Signed and sealed this 25th day of March, 2014.

Mim McConnell

Mim McConnell, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk





Legislation Details

File #: 14-060 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 3/20/2014 In control: City and Borough Assembly
On agenda: 3/25/2014 Final action:
Title: Representative Jonathan Kreiss-Tomkins correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Kreiss-Tomkins News](#)

Date	Ver.	Action By	Action	Result
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Colleen Ingman

From: Rep. Jonathan Kreiss-Tomkins <Rep.Jonathan.Kreiss-Tomkins@akleg.gov>
Sent: Tuesday, March 18, 2014 4:13 PM
To: Rep. Jonathan Kreiss-Tomkins
Subject: The Curious Case of Senate Joint Resolution 9



March 18, 2014 (Issue 12)

The Curious Case of Senate Joint Resolution 9

In politics, education is an issue all its own. It's not Democrats vs. Republicans, dogs vs. cats, Sharks vs. Jets, pro-life vs. pro-choice, pro-"More Alaska Production Act" vs. anti-"Oil Tax Giveaway."

Kumbaya

If most politics are cast in black and white, education politics are wonderfully, perplexingly gray.

As you, dear reader, surely know, I am a skeptic of Governor Parnell's tax cut for oil companies (SB 21). But his education bill (HB 278)? Well, education politics makes strange bedfellows!



Representative
**JONATHAN
KREISS-TOMKINS**

Contact my session office:
State Capitol, Room 426
Juneau, AK 99801
(907) 465-3732

Governor Parnell's education bill does many things; among them, HB 278:

- allows wunderkind students to test out of classes in which they've already aced the subject material;
- puts the much maligned High School Graduation Qualifying Exam out of its misery;
- makes it easier for students to get certified in welding, diesel mechanics, and other vocational-technical tracks;
- and provides more funding for charter schools.



Only one legislator in the Capitol likes pickled herring more than I do. The first reader to guess correctly gets a jar of Blue Hill Bay Herring in Wine Sauce delivered right to his/her door.

Well done, Governor Parnell.

There's heaps more - much of which merits deliberation, constructive criticism, and revision - stuffed into HB 278. But it's a bill that should provide the elusive political equivalent of the three Rs: compromise, collaboration, and cooperation.

A Change in Programming

Just when you thought things might be getting all warm and fuzzy and feel-good. Blammo! Vouchers!

The issue of school vouchers is the idea that parents should be able to effectively get a coupon, or "voucher," from the State of Alaska



The charm of Southeast Alaska.

to help discount their child's private school tuition, whether it's a private secular school, or a Catholic or Protestant or Jewish school, or an Islamic madrasa. (That last one was a little bit of a curveball, eh?!)

In short, vouchers would allow public dollars to pay for private and religious education. In exchange, parents could choose schools beyond just traditional public and charter schools: Parents could send their kids to a private or religious school that they may not have been able to afford without a voucher. For voucher advocates (I am not among them), the issue is not "vouchers"; it is "school choice."

But let's pause the voucher wonk talk for a moment.

The big *political* problem for voucher advocates is that the Alaska Constitution has an opinion on vouchers, and the Alaska Constitution is not a big fan. Alaska's founding [mothers](#) and fathers wrote only three sentences on the subject of k-12 education, but the third of these three sentences [is pretty blunt](#): "No money shall be paid from public funds for the direct benefit of any religious or other private educational institution."



A warm welcome to Rep. Sam Kito III (D-Juneau) ("The New Guy"!).

For voucher advocates, there is no choice: Unsheathe the red pen! Amend the Constitution! Delete that darn sentence.

The Curious Case of Senate Joint Resolution 9

Senate Joint Resolution 9 (and its companion in the House, HJR 1) amends the Constitution and deletes that darn sentence. Simple enough, right?

But here's the other big problem for voucher advocates: a constitutional amendment requires two-thirds supermajority support from both the Senate and House of Representatives. (And even if a constitutional amendment passes the legislature, Alaskan

get to vote to accept or reject the amendment, and Alaska voters have proven themselves tough customers.)

Speaking generally: Democrats and rural/moderate Republicans oppose SJR 9/HJR 1. Urban/conservative Republicans and Governor Parnell support SJR 9/HJR 1. And a wily few legislators have danced a ballet worthy of a scene in *The Nutcracker* and managed not to state an opinion.

For the first month of session, most observers assumed vouchers were dead. There simply were not the votes. But like an opossum, SJR 9 came back to life, dramatically, 10 days ago.

Friday March 8: Wearing his trademark camo kuspuk (pictured), Senate President Charlie Huggins (R-Wasilla) announces that SJR 9 will be scheduled for a vote on the Senate floor the following Wednesday. Floor votes are political theater: You schedule a floor vote only if you know you have the votes – commitments signed in blood! – to pass the bill. (There is a certain inevitability of doom, or triumph, to floor debates, because the vote is almost always preordained.)



Photo credit: [Gavel to Gavel](#)

The weekend: Vouchers opponent Sen. Lyman Hoffman (D-Bethel): "They are so far away from getting the votes, it's crazy." The prime sponsor of SJR 9, Sen. Mike Dunleavy (R-Wasilla) coyly [speaks](#) to his vote count: "I have a pretty good sense, I'll leave it at that."

Monday March 11: Calls are made. Texts texted. Breath is held and prodigious amounts of gossip gossiped.

Tuesday March 12 (day before the vote!): During a press conference, commenting on the vote count, Sen. Dunleavy [announces](#) he's planning a vote no matter what: "We'll certainly know if the votes are there or not there when folks press the button." (Alaska legislators vote by pressing a red or green button.) It's a fourth and long, folks! Either bold, improbable victory

or glorious political martyrdom awaits.

Wednesday March 13 (the big day!): Floor session - the big showdown - is scheduled for 11 a.m. Senate leadership huddles and postpones session till 1:30 p.m. Suspense heightens. But just before noon, Sens. Huggins, Dunleavy, and other backers announce that they're pulling the bill from the floor, retreating to fight another day.

The showdown is averted. But SJR 9 is still alive, and more drama surely awaits.

Good Karma



Jessica McKay (pictured), a PhD student at UAF, interns for Sen. Dennis Egan (D-Juneau, also pictured). Put bluntly, Jessica is studying how impressed or unimpressed citizens are with their legislators. She has a survey, the answers are anonymous, and she needs your help.

Do Jessica a solid and [fill the thing out](#).

Rep. JKT Media Management

Want on – or off – our email list? Email reid.magdanz@akleg.gov.

Our Facebook is [here](#).

If I can be of service in any way on any issue, please, don't hesitate to be in touch,

Representative Jonathan Kreiss-Tomkins



Legislation Details

File #: 14-049 Version: 1 Name:

Type: Minutes Status: AGENDA READY

File created: 3/5/2014 In control: City and Borough Assembly

On agenda: 3/11/2014 Final action:

Title: Approve the minutes of the February 25, & March 11, 2014 Assembly meetings

Sponsors:

Indexes:

Code sections:

Attachments: [Minutes Feb. 25 & Motion](#)
[Miinutes March 11](#)

Date	Ver.	Action By	Action	Result
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If this is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
February 25 & March 11, 2014 Assembly
meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC

Tuesday, February 25, 2014

6:00 PM

Assembly Chambers

WORKSESSION MEETING

14-044 Worksession with the Sitka Convention and Visitor's Bureau Board

Sitka Convention and Visitor's Bureau Director Tonia Rioux and Board members Mary Stensvold, Evy Kinnear, Ronald Hauck, Tad Kisaka and Angela McGraw offered an update to the Assembly.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - McConnell, Hunter, Esquiro, Reif, and Swanson

Absent: 2 - Hackett, and Miyasato

IV. CORRESPONDENCE/AGENDA CHANGES

14-045 Correspondence - Reminders

V. CEREMONIAL MATTERS

None.

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

Sitka High School - Student Council President, Owen Fulton, updated the Assembly along with other council members on events at SHS.

Attorney Michael Gatti clarified he was attending by phone to talk about the question of whether automatic referendums were problematic to cities and municipalities that have adopted them. He stated for CBS to come into compliance with the State Constitution, the ordinances related to voter ratification of land sales and leases would need to be changed. Reif noted that perhaps what CBS had on its books may need to be rectified or let other communities make the change first? Hunter mentioned under the State Constitution and State Statutes right of allocation goes to the Assembly. For him it was a conflict and he would like to learn more.

Representative Jonathan Kreiss-Tomkins spoke to the unfunded liability for PERS/TERS. Governor Parnell approved a \$3 Billion cash infusion into the fund. The issue received support from democrats, but not so much with republicans. Whatever the State did would have ramifications for both the municipality and school district. With regard to the Base Student Allocation (BSA) for FY15 he projected an increase to \$85/student. Mentioned the invasive species and a mooring buoy that blew away in Whiting Harbor, adding that both buoys had washed away.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Mayor - Attended Drama Debate and Forensics, Elizabeth Peratrovich Parade, AML Mayor's and Legislative Conference and Russian Orthodox Banquet.

Administrator - Accompanied the Mayor to Juneau. If approved, the local purchasing ordinance would be implemented within the month. Gorman noted he would be participating in a Town Hall Meeting "Making our Money Work Better in Sitka" where former administrator's Gary Paxton, John Stein, Hugh Bevan and himself would serve on the panel. He had received the first draft of the 2015 Budget. Attended the School Board meeting and learned their budget gap was just under \$1.6 Million.

Clerk - Ingman mentioned staff was looking to see if there was anyone on the Assembly interested in serving on the Solid Waste Advisory Committee. Hackett, later communicated that she may be able to serve in this capacity.

Other - Reif noted Pacific High School co-principal expressed appreciation to the Assembly and community at the recent open house for making the project a reality.

IX. CONSENT AGENDA

- A 14-037** Approve the minutes of the January 28 and February 11, 2014 Assembly meetings

This item was APPROVED on the Consent Agenda.

- B 14-038** Appointments: Reappoint 1) James Poulson to a term on the Historic Preservation Commission; and 2) Angela McGraw to a term on the

Sitka Convention and Visitor's Bureau

This item was APPROVED on the Consent Agenda.

- C 14-040 Adopt the Finance Director's interpretation of a sales tax and hotel, motel, bed and breakfast transient room tax exemption as it applies to bulk rental lodging and youth summer camp

This item was APPROVED on the Consent Agenda.

- E ORD 14-04 Authorizing renewal of sublease of space by Nugget Restaurant at the Sitka Rocky Gutierrez Airport Terminal Building

This item was APPROVED on the Consent Agenda.

- D ORD 14-03A Amending Sitka General Code Sections 3.16.030 entitled "Open Market Procedures", 3.16.060 entitled "Exceptions to Competitive Bidding Requirements", and adding Section 3.16.080 entitled "Procurement Monitoring"

Reif thanked everyone who brought this forward.

A motion was made by Reif to approve this ordinance on third and final reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Esquiro, Reif, and Swanson

X. UNFINISHED BUSINESS:

- F ORD 14-02 Amending Sitka General Code at Chapter 9.20 entitled "Smoking in Public Places and Places of Employment" to modify Section 9.20.035 regarding prohibition of children in places where smoking is permitted

Health Needs and Human Services Commission members Dr. Paul Bahna and Dr. Myron Fribush gave a presentation on the affects of third-hand smoke. They announced the ordinance was endorsed by the Health Needs and Human Services Commission. The Municipal Attorney inquired if the presentation was done by the comission as a whole? Bahna responded that he prepared the presentation. She voiced concern with the mention of child abuse in the presentation suggesting that reference could be problematic especially if coming from the Commission and cautioned the members on using it.

Some Assembly members viewed the issue as a clarification of the vote back in 2005, other members felt it was more complicated than that and told people what they could and could not do with their children. Both Hunter and Esquiro expressed concern in this area.

A few audience members spoke in favor of the ordinance and one read a prepared statement from former Assembly member Al Duncan supporting the clarifying language.

The motion to approve the ordinance had previously been postponed until the Health Needs and Human Services Commission could review and report back to the Assembly.

Jay Stelzenmuller stated this item deserved to be voted on by a full Assembly and not

just five members. Mayor and other members concurred with his observation.

A motion was made by Reif to postpone until a full Assembly was present. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Esquiro, Reif, and Swanson

Absent: 2 - Hackett, and Miyasato

XI. NEW BUSINESS:

New Business First Reading

- G RES 14-02** Approving CBS to apply for an Alaska Department of Environmental Conservation Loan to finance the construction of a temporary Water Filtration Plant at Indian River - up to \$4.32 M

Reif had questions for Public Works Director, Michael Harmon, and Utility Director, Chris Brewton. Harmon reported it would cost \$1.2 to rent filtration units. Brewton added there would not be a mandatory inspection every five years.

A motion was made by Reif to approve Resolution 2014-02 on first and final reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Esquiro, Reif, and Swanson

Absent: 2 - Hackett, and Miyasato

Additional New Business Items

- H 14-041** Authorize a Change Item 68 to Barnard Construction \$1,880,050 and approve additional funding for the Blue Lake Expansion Project - \$2,758,214

Esquiro asked if this was changing the total cost of the project. Administrator Gorman answered, "Yes" by \$2.5 million bringing the project to \$145 million. Utility Director, Chris Brewton mentioned initially the place holder of \$2 million was the best guess and we were absorbing the real cost now. Brewton praised Generation Engineer, Dean Orbison, on the masterful job he was doing. Esquiro inquired if Indian River as a water source was going to be enough to get us through. Harmon reassured that there was work being done to make sure we had enough water while Blue Lake was offline.

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

Yes: 5 - McConnell, Hunter, Esquiro, Reif, and Swanson

Absent: 2 - Hackett, and Miyasato

- I 14-042** Authorize issuance of a Notice of Award to ASRC McGraw Constructors LLC, clarify and confirm final price and enter into an Agreement for Contract No. 8 the Reservoir Debris Management for Blue Lake Expansion Project and obligate project funds - \$2,383,714

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

Yes: 5 - McConnell, Hunter, Esquiro, Reif, and Swanson

Absent: 2 - Hackett, and Miyasato

J 14-039

Authorize advertising for a Request for Qualifications by the City and Borough of Sitka for a General Fund Comprehensive Management Plan

Administrator Gorman noted he had been in contact with one potential contractor who indicated this scope of work could be achieved for around \$50,000. He stated he was very sensitive to spending the tax payers money responsibly.

Reif stated he was planning not to vote for this as he felt much of the information existed already and could be done in-house. Esquiro was not optimistic enough information would be gained from this study. He stated there was not a need for someone else to regurgitate the same story.

Mayor McConnell viewed this as a positive direction to address some of our needs, getting a handle on the general fund. She felt it was too much work to put on existing staff. Hunter spoke in support especially after the strategic planning session. Gorman added if the amount was amortized over a ten year period the plan would pay for itself. Finance Director, Jay Sweeney, stated payment for the plan could come from the Southeast Economic Development fund or an appropriation could be made from the General Fund. Sweeney's recommendation was that it should come from the governmental portion of SEDA Loan.

This item was APPROVED on the following vote.

Yes: 4 - McConnell, Hunter, Reif, and Swanson

No: 1 - Esquiro

Absent: 2 - Hackett, and Miyasato

K 14-043

Discussion on Long Range Budgeting

Finance Director, Jay Sweeney spoke to Long Range Budgeting looking at a ten year period. This developed from discussions with a number of Assembly members. Sweeney noted budgeting for one year was insufficient and would like to project ten years out.

It was recommended to give the Finance Department a year to put the information together and the information would be a companion document to the annual budget. Sweeney confirmed the work would be done in-house.

XII. PERSONS TO BE HEARD:

Utility Director, Chris Brewton, reported the City had a 72% chance of making the next project milestone timely. He noted the solar turbine was on its way to Sitka.

XIII. EXECUTIVE SESSION

XIV. ADJOURNMENT

A motion was made by Hunter that the meeting be ADJOURNED. The motion PASSED by a unanimous voice vote and the meeting ADJOURNED at 8:30pm.

Attest: _____

Colleen Ingman, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, March 11, 2014

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM - 5:50 PM

A worksession on the Solid Waste Management Plan was held.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Absent: 1 - McConnell

IV. CORRESPONDENCE/AGENDA CHANGES

14-050 Reminders and Correspondence for 3-11-14

Deputy Mayor Hunter announced Item A and Item F had been pulled from the agenda. Item F would come back at a later date. Hunter added Item G would be moved before Item D to accomodate Terry Trapp who would be phoning in.

V. CEREMONIAL MATTERS

None.

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

Ben Miyasato representing the Sitka Tribe of Alaska gave a brief report on current events.

Tim Fulton, Clerk for the School Board, introduced Mary Wegner and her new position as Superintendent. Wegner introduced current Blatchley Middle School Assistant Principal, Robin Taylor, as the new Assistant Superintendent.

Tim Shilling of the Department of Natural Resources gave an update to the Assembly on the proposed Nakwasina Sound Subdivision eight miles north of Sitka on the western shore of Lisianski Peninsula.

Mary Miller, Superintendent of Sitka National Historical Park, provided a report to the Assembly on recent events and activities at the Park.

VII. PERSONS TO BE HEARD

Bradley Shaffer requested assistance of the Municipal Attorney regarding personal property tax compliance and reporting. Shaffer questioned practices of the current Assessor.

VIII. REPORTS

Administrator - reported on recent events: town hall meeting, Department Head retreat, Federal trip cancelled because of weather in Washington DC, issues with the new RIDE location, employee recognition event. Gorman noted the draft FY15 budget would be available to the Assembly on March 31.

Liaison Reports: Hackett reported on the Health Needs and Human Services Commission. Reif attended town hall meeting and employee recognition event. Miyasato attended Library Board meeting, Parks and Recreation Committee. Swanson attended Police and Fire Commission meeting and Sitka Community Hospital Board meeting.

Other: Reif asked Public Works Director Michael Harmon if residents of Baranof Warm Springs had been notified of future activity with the dock. Harmon noted these details would need to be worked out. The current focus had been logistics more so than the operational side. Chris Brewton also provided a report on the Blue Lake Expansion project and issues.

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

IX. CONSENT AGENDA

A 14-050 Reminders and Correspondence for 3-11-14

Item PULLED from agenda - nonaction item.

- B 14-046** Adopt the Finance Director's interpretation of the taxation for "suggested donations" constitutes a sale of services subject to sales tax

Finance Director, Jay Sweeney, explained his determination was that the provision of services as a business, on a routine ongoing basis, for "suggested donations" constituted a sale of services subject to sales tax.

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

Yes: 6 - Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Absent: 1 - McConnell

- C 14-047** Award providing Transit Services to transport cruise ship passengers from the Old Sitka Dock to Centennial Hall or O'Connell Bridge parking areas to Sitka Tours lowest responsive bidder

This item was APPROVED ON THE CONSENT AGENDA.

A recess was taken from 6:55pm to 7:02pm

New Business First Reading

- G 14-048** Approve of Assignment of Purchase Agreement for Raw Water in Bulk for Export to Alaska Bulk Water Inc.

Terry Trapp, CEO of True Alaska Bottling and CEO of Alaska Bulk Water, Inc., explained a request was being made to assign the bulk water contract from True Alaska Bottling to Alaska Bulk Water, Inc. because of new investors and funding needed to proceed with bulk water plans. Trapp stated the new entity, Alaska Bulk Water, Inc., would strictly be involved with bulk water.

Municipal Attorney, Robin Koutchak, reiterated the action before the Assembly tonight was for assignment.

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

Yes: 6 - Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Absent: 1 - McConnell

- D RES 14-04** Authorizing a grant application to the Rasmuson Foundation for funding for the Kettleson Memorial Library Expansion Project

Administrator Gorman and the Assembly acknowledged the hard work of Commissioner Jan Love, entire Library group, and CBS staff.

A motion was made by Hackett that this Resolution be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Absent: 1 - McConnell

- E ORD 14-05** Amending SGC at Chapter 15.05 entitled "Water System" at Subsection 15.05.625 entitled "Water and Wastewater Rates - Sawmill Cove Industrial Park" to further define water volumes and address tote/container water sales for bulk water

Michael Harmon, Public Works Director, in response to a question by Reif, confirmed that treated water could not be used for bulk water.

A motion was made by Reif that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Absent: 1 - McConnell

- F ORD 14-06** Rescinding Chapter 4.06 of the SGC, entitled "Allocation of Revenues from the Sale of Water," and replacing it with a new Chapter 4.06 entitled "Proceeds from Bulk Water sale Contracts" **PULLED**

Item was PULLED from agenda.

Additional New Business Items

XII. PERSONS TO BE HEARD:

None.

XIII. EXECUTIVE SESSION

None.

XIV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objection the meeting ADJOURNED at 7:23pm.

ATTEST: _____
Sara Peterson, CMC
Acting Municipal Clerk



Legislation Details

File #: 14-052 Version: 1 Name:

Type: Appointment Status: AGENDA READY

File created: 3/17/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Appointment: 1) Appoint Hans vonRekowski to a term on the Sitka Community Hospital Board

Sponsors:

Indexes:

Code sections:

Attachments: [SCH Appointment vonRekowski](#)

Date	Ver.	Action By	Action	Result
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If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE to appoint Hans vonRekowski to a term on the Sitka Community Hospital Board.

3003 Mikele St.
Sitka, Alaska 99835

City and Borough of Sitka Assembly
100 Lincoln Street
Sitka, Alaska 99835

March 16, 2014

Dear Sitka Assembly:

Enclosed is my application for the Sitka Hospital Board. I have been a resident of Sitka since 1988 and a member of the Parks and Recreation Committee since 1991. I am currently Chair of this committee. After 41 years I recently retired from the Forest Service as Tongass Recreation Staff Officer. I graduated from the University of Montana in 1973 with a B. S. degree in Forestry. I was born in Germany, grew up in Ohio and have since lived in Montana, Idaho and Hoonah and Sitka, Alaska. Sitka is where we have chosen to stay.

Since moving to Sitka I have volunteered and helped with the following programs: coaching little league baseball (both in T ball and minors), coaching soccer; the Boy Scout and Cub Scout programs including serving as Chair of the Adult Committee; assisted with the Baranof Barracudas swim program; Ducks Unlimited; and worked with the Society of American Foresters with activities such as 5th Grade Field day.

I have really enjoyed my participation in the Parks and Recreation Committee and would like to also work with the Hospital Board. I now have the time to devote to both Boards.

Thank you for considering me for this position.

Sincerely,

A handwritten signature in cursive script that reads "Hans von Rekowski".

Hans von Rekowski



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

Board/Commission/Committee: Hospital Board
 Name: Hans von Bekowski Daytime Phone: 747-5419
 Address: 3003 Mikele St. Evening Phone: 747-5419
 Email Address: hvonr@acsalaska.net Fax Number: _____
 Length of Residence in Sitka: 26 years Registered to vote in Sitka? Yes No
 Employer: Retired from U.S.D.A. Forest Service 1/3/2014

Organizations you belong to or participate in:

Member of B.P.O.E. (Elks) since 1988
Sitka Sportsmens association (Life Member)
Docks unlimited

Explain your main reason for applying:

I am recently retired from the Forest Service and have the time to participate in another board and feel the Hospital Board would be interesting and challenging.

What background, experience or credentials will you bring to the board, commission, or committee membership? I have been an active member of the Parks and recreation committee since 3/12/91. I am currently chair of this committee.

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: 3/16/2014 Signature: Hans von Bekowski

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. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

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:
 Sara Peterson, Deputy Clerk
 100 Lincoln Street
 Fax: 907-747-7403
 Email: sara@cityofsitka.com



Hospital Board Roster

Board Member	Phone	Address, E-mail	Employer/ Occupation	First Appointed	Term Expires
Celeste Tydingco President	747-3621 h	118 Jacobs Circle sitkaot@gmail.com	Homemaker	02/08/11	6/26/15
Pauline Fredrickson Vice-President	747-8453 h	PO Box 416 judyzc@gci.net	Retired (Education/ Administration)	07/2003	6/26/15
Ann Wilkinson Secretary	747-2707 h	PO Box 174 wilkinson99835@gmail.com	Self-Employed	06/28/11	6/30/14
Mary Ann Hall	747-7265 h	2037 Halibut Point Road jjwohh.9@gmail.com	Retired/Lab Technician	10/13/09	6/30/16
<i>Thomas Brown</i>	<i>747-5486</i>	<i>821 Pherson Street tutteram71@yahoo.com</i>	<i>Retired</i>	<i>2-08</i>	<i>6/30/14 Resigned 12/1/13</i>
Paul Bahna, MD	747-7749 w 623-0945 h	600 DeGross Street A bnbahna@uas.alaska.edu	Biology Professor	7/1/13	6/30/16
Lori Hart	738-9068 c 747-4949 h	100 Winchester Way lahart@uaa.alaska.edu	Nursing Professor	8/14/12	6/30/15
<u>Medical Staff Liaison*</u> Chuck Roesel, MD	747-3241 w	Sitka Community Hospital 209 Moller Avenue croesel@sitkahospital.org	Physician	Dec 31 each year
<u>Assembly Liaison*</u> Phyllis Hackett	747-4872 h 738-1991 c	500 Lincoln Street B-4 assemblyhackett@cityofsitka.com		10/22/13	October (each year after election)
Alternate: Aaron Swanson	747-5499 h 623-7869 c	1410 C Sawmill Creek Road assemblyswanson@cityofsitka.com			
<u>Hospital Staff</u> Hugh Hallgren Angela McGraw	747-1738 747-1737	CEO Exec Asst/Recording Secretary	hhallgren@sitkahospital.org angelam@sitkahospital.org		

* Non-Voting

Hospital Board meets the **fourth Thursday of each month at 6:30 p.m.** in the Hospital Classroom.

- 6 Members from Public 3-year terms
- 1 Member a Physician 3-year term

*unless unable to fill in 60 days; a non-physician will be appointed

1 Member from the Assembly 1-year - non-voting

1 Member from Medical Staff 1-year - non-voting; recommended by medical staff, approved by Assembly

Established by Ordinance 73-55

OATH OF OFFICE REQUIRED



Legislation Details

File #: 14-053 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/17/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Approve the following liquor license renewals: 1) Bayview Restaurant, 2) Loyal Order of the Moose #1350, 3) Pilot House, 4) Little Tokyo, 5) Talon Lodge, 6) Asian Palace, 6) Homeport Eatery, and 7) Larkspur Cafe

Sponsors:

Indexes:

Code sections:

Attachments: [Liquor License Renewals](#)

Date	Ver.	Action By	Action	Result
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City & Borough of Sitka
Municipal Clerk's Office
100 Lincoln Street, Sitka AK 99835
Telephone: 907-747-1811 Fax: 907-747-4004



Memorandum

To: Mayor and Assembly Members
From: Colleen Ingman, Municipal Clerk
Date: March 18, 2014
Subject: Liquor License Renewals

This office has received notification of the several liquor license renewals. A memo was circulated (see attached) to the various departments who may have a reason to protest. To date, no protests have been received.

SUGGESTED MOTION if PULLED FROM CONSENT

move to forward the attached list of renewal applications as of March 11, 2014 to the Alcoholic Beverage Control Board with no objection or protests noted.

OFFICE OF THE MUNICIPAL CLERK

March 11, 2014

TO:

Assessing – Ruth
Collections - Mary
Municipal Billings – Mike
Sales Tax/Property Tax - Marjie
Utility Billing Clerk - Bev

Fire Department
Police Department
Building Official

FROM: Sara Peterson, Deputy Municipal Clerk

SUBJECT: **Liquor License Renewal Applications –
License #268, #748, #4117, #4428, #4594, #4595, #4771, #4971**

This office has received notification of the following liquor license renewal applications for:

DBA: **Bayview Restaurant**
Lic Type: Beverage Dispensary
Lic #: 268
Owner: The Bayview Restaurant, LLC
Premise Address: 407 Lincoln Street

DBA: **Loyal Order of Moose #1350**
Lic Type: Club
Lic #: 748
Owner: Sitka Moose Lodge #1350
Premise Address: 337 Lincoln Street

DBA: **Pilot House**
Lic Type: Beverage Dispensary
Lic #: 4117
Owner: Pilot House Inc
Premise Address: 485 Katlian Street

DBA: **Little Tokyo**
Lic Type: Restaurant/Eating Place-Public Convenience
Lic #: 4428
Owner: SOE LLC
Premise Address: 315 Lincoln Street, Suite 112

DBA: **Talon Lodge**
Lic Type: Lodge - Seasonal
Lic #: 4594
Owner: Talon Charters Inc
Premise Address: Apple Island

DBA: Asian Palace
Lic Type: Restaurant/Eating Place
Lic#: 4595
Owner: SOE LLC
Premise Address: 327 Seward Square #1

DBA: Homeport Eatery
Lic Type: Restaurant/Eating Place
Lic#: 4771
Owner: Teal West
Premise Address: 209 Lincoln Street

DBA: Larkspur Cafe
Lic Type: Restaurant/Eating Place
Lic#: 4971
Owner: Larkspur Café LLC
Premise Address: 2 Lincoln Street

Please notify **no later than noon on March 18th** of any reason to protest these renewal requests.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

2400 Viking Drive
Anchorage, Alaska 99501
Main: 907.269.0350
TDD: 907.465.5437
Fax: 907.334.2285

March 10, 2014

Renewal Application Notice

City of Sitka
Attn: City Clerk
VIA EMAIL: sarah@cityofsitka.com; colleen@cityofsitka.com

DBA	Lic Type	Lic #	Owner	Premise Address
Bayview Restaurant	Beverage Dispensary	268	The Bayview Restaurant, LLC	407 Lincoln Street
Loyal Order of Moose #1350	Club	748	Sitka Moose Lodge #1350	337 Lincoln St
Pilot House	Beverage Dispensary	4117	Pilot House Inc	485 Katlian Street
Little Tokyo	Restaurant/Eating Place-Public Convenience	4428	SOE LLC	315 Lincoln St. Suite #112
Talon Lodge	Lodge - Seasonal	4594	Talon Charters Inc	Apple Island
Asian Palace	Restaurant/Eating Place	4595	SOE LLC	327 Seward Square #1
Homeport Eatery	Restaurant/Eating Place	4771	Teal West	209 Lincoln Street
Larkspur Cafe	Restaurant/Eating Place	4971	Larkspur Cafe LLC	2 Lincoln St

We have received a renewal application for the above listed licenses within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons

stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the regulation or ordinance has been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 13 AAC 104.145, Local Governing Body Protest.

Note: Applications applied for under AS 04.11.400(g), 13 AAC 104.335(a)(3), AS 04.11.090(e), and 13 AAC 104.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. COTÉ
Director

/s/Christine C. Lambert
Christine C. Lambert
Licensing & Records Supervisor
Christine.lambert@alaska.gov



Legislation Details

File #: 14-057 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/19/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Approve the Health Needs and Human Services Commission moving forward with the development of a Community Health Needs Assessment and Enumeration of Services PULLED

Sponsors:

Indexes:

Code sections:

Attachments: [Health Needs & Human Services Commission](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

SUGGESTED MOTION

I move to approve the Health Needs and Human Services Commission to move forward with developing a Community Health Needs Assessment and Enumeration of Services as outlined in the Commission's memo dated March 19, 2014.

Memo

To: Mayor and Assembly Members

From: Health Needs and Human Services Commission

Date: March 19, 2014

The Health Needs and Human Services Commission met on March 11th and passed a motion seeking approval from the Assembly to move forward with developing a Community Health Needs Assessment and Enumeration of Services. The following is a step by step process of the proposed process.

First, we would like to enlist all organizations that provide any health related service in Sitka, and prepare a follow-up folder to be kept in archives. Please note the Commission will start by contacting partners that currently keep lists (such as the Legislative Information Office's Sitka Community Resource Guide and the list maintained by the Division of Public Assistance: Community Resources.)

Second, the Commission will contact those organizations, asking them to provide statements of mission and vision, along with scope of activities and areas of specific needs.

Third, the Commission would like to plan for an annual citywide meeting where all organizations can get together and explore opportunities and cherish their success stories.

Fourth, an essential part of the assessment is to identify missing health services in the city, and work with the available partners and organizations towards getting those needs met.

Finally, we would like to research opportunities for interested organizations to develop new projects that meet documented community needs and to be their advocate to the Assembly for their ongoing efforts.

Thank you for your time and consideration.



Legislation Details

File #: RES 14-03 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 3/4/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Supporting Permanent Funding of the Alaska Farm to School and the Nutritional Alaska Foods for Schools Programs by the Alaska State Legislature

Sponsors: Matthew Hunter, Benjamin Miyasato

Indexes:

Code sections:

Attachments: [RES 2014-03 Nutritional & Farm Foods](#)

Date	Ver.	Action By	Action	Result
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If these items are pulled from the Consent Agenda
the following motion would be in order:

SUGGESTED MOTION

**I MOVE TO pass Resolution 2014-03 on first and
final reading.**

This resolution was requested by:

"The mission of the SLFN is to increase the amount of locally produced and harvested foods in the diets of Southeast Alaskans."

President, Lisa Sadleir-Hart

Vice President, Michelle Putz

Secretary, Beth Kindig & Lauren Fetzer as alternate

Treasurer, Maybelle Filler

Board Members: Milt Fusselman, Charles Bingham, 2 vacant seats

And Sponsored by: Hunter/Miyasato

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2014-03

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA SUPPORTING PERMANENT FUNDING OF THE ALASKA FARM TO SCHOOL AND NUTRITIONAL ALASKA FOODS PROGRAMS FOR SCHOOLS BY THE ALASKA STATE LEGISLATURE

WHEREAS, Alaska Farm to School Program was introduced in 2010 by Representative Carl Gatto and the **Nutritional Alaska Foods for Schools** was funded as a pilot program in Fiscal Year 2013 and introduced by Senator Stoltze from Wasilla; and

WHEREAS, Alaska Farm to School Program promotes and encourages the use of Alaska Grown and harvested foods in the school lunch program and the **Nutritional Alaska Foods for Schools** gives every Alaska school the opportunity to purchase Alaskan Grown produce and seafood while also helping to catalyze Alaska food production; and

WHEREAS, Alaska Farm to School and the **Nutritional Alaska Foods for Schools** programs enable school districts to purchase healthy Alaska Grown produce and fish from Alaska waters. The Governor's proposed budget allocates funding for both of these critical programs in Fiscal Year 2015; and

WHEREAS, both the Alaska Farm to School and the Nutritional Alaskan Foods for Schools programs do much for our students, communities and state such as:

- Assists School Nutrition Directors in locating Alaska Grown and harvested products
- Increases the amount of foods grown and consumed in-state
- Creates local demand for Alaska produced and harvested foods
- Provides producers with in-state, large-scale, markets where they can begin to catalyze in-state food production
- Catalyzes state-wide food production, processing, and distribution networks to supply Alaska communities with locally produced Alaska foods
- Creates cash flow that allows producers to improve, grow, and expand food production and harvesting
- Promotes economic development, commerce and capital flows by substituting food that we would otherwise import with Alaska produced and harvested foods
- Supports local, regional, and state economies with jobs and money staying in Alaska

THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, Alaska by this resolution supports the Governor's budget to continue allocating sufficient funding for both the **Alaska Farm to School** and the **Nutritional Alaska Foods for Schools** programs. The City and Borough of Sitka encourages the legislature to move even further during the upcoming legislative session to make these **multi-year** commitments. This will ensure Alaska is on a path to food security and is producing, harvesting, processing, selling, and consuming healthy, affordable, nutritional, and traditional food in the great State of Alaska; a win/win for our students and economy..

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PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka,
Alaska on this 25th day of March, 2014.

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk

A resolution of the City and Borough of Sitka supporting multi-year funding of the state-funded program, Nutritional Alaska Foods in Schools, for school districts to provide healthy Alaska Grown produce and fish from Alaska waters to Alaska students.

Regarding the permanent funding of the Nutritional Alaska Foods for Schools program in Alaska's state legislature.

BACKGROUND:

- **Nutritional Alaska Foods for Schools** was funded as a pilot program in Fiscal Year 2013 and introduced by Senator Stoltze.
- **Nutritional Alaska Foods for Schools** was included in the Governor's budget for Fiscal Year 2014.
- **Nutritional Alaska Foods for Schools** is administered in the Department of Commerce, Community, and Economic Development, Division of Community and Rural Affairs.
- **Nutritional Alaska Foods for Schools** gives every Alaska school the opportunity to purchase Alaska Grown produce and seafood while also helping to catalyze Alaska food production.
- In its initial years, **Nutritional Alaska Foods for Schools** provided a \$3 million dollar state-wide reimbursement fund for school districts to purchase healthy Alaska Grown produce and fish from Alaska waters.
- The Governor's proposed budget allocates \$3 million for **Nutritional Alaskan Foods for Schools** in Fiscal Year 2015.

RATIONAL

- WHEREAS agricultural and fisheries industries are critical to the state's economic future, and
- WHEREAS 63,000 Alaska citizens are directly employed by the Alaska seafood industry, with an annual labor income of \$1.7 billion in 2011, and
- WHEREAS the seafood industry with its multiplier effects, provided \$2.2 billion of labor income and \$6.8 billion in total economic output within the state of Alaska in 2011
- WHEREAS in 2007, the United States of Agriculture reported that residents of the state spent \$2,602,303,000 annually on food and estimated that less than five percent of the food consumed in the state is produced in the state, and
- WHEREAS increasing the amount consumers spend on Alaska foods would drive economic development in the state's agricultural and fisheries industries, and provide greater food security, and
- WHEREAS there is a disconnect between the foods served in schools and traditionally appropriate foods, and
- WHEREAS one out of every four Alaskans is obese and the rate of overweight and obese Alaskans is rising by one percent every year, and
- WHEREAS 53,447 Alaska students, on average, participate in the National School Lunch Program, and
- WHEREAS children in grades K-12 consume at least one meal at school, and

- WHEREAS children consume up to half of their daily nutrients and calories at school, and
- WHEREAS over 60% of students, on average (discounting minimum and maximum outliers), qualified for free and reduced lunches in 2013, and
- WHEREAS it is the responsibility of food service providers to offer healthy school meals, and
- WHEREAS improving the nutritional quality of school meals bolsters academic performance of students, and
- WHEREAS Alaska school districts do not have enough funding to purchase Alaska foods for school meal programs
- WHEREAS the Governor has made economic development and food security critical priorities for the state, and
- **WHEREAS Nutritional Alaskan Foods for Schools:**
 - Increases the amount of foods grown and consumed in-state
 - Creates local demand for Alaska produced foods
 - Provides producers with in-state, large-scale, markets where they can begin to catalyze in-state food production
 - Catalyzes state-wide food production, processing, and distribution networks to supply Alaska communities with locally produced Alaska foods
 - Creates cash flow that allows producers to improve, grow, and expand food production
 - Promotes economic development, commerce and capital flows by substituting food that we would otherwise import with Alaska produced foods
 - Supports local, regional, and state economies with jobs and money staying in Alaska
 - Supports a food system that is culturally, socially, environmentally, and economically appropriate for our state
 - Supports in-state family farmers rather than highly centralized, mono-crop production
 - Cultivates pride for Alaska agriculture and fish from Alaska waters by connecting producers with community and children
 - Creates an opportunity for youth to connect to locally produced foods, which cultivates the future generation of farmers, fishermen, processors, chefs, and industry workers
 - Provides food service and food producers the consistency necessary for advance planning and coordination of harvest to ensure supply meets demand
 - Increases consumer access to Alaska grown and harvested foods
 - Allows schools to purchase Alaska Grown and harvested foods that are fresher, healthier, less processed, and retain more nutrients
 - Reconnects Alaskans to healthy, culturally, and traditionally appropriate foods, and
 - Improves the quality of school meals
 - Improves student nutrition by replacing processed foods with Alaska grown produce and seafood
 - Creates regular exposure to Alaska foods, which can shape food preference and develop lifelong healthy habits.

BE IT RESOLVED that the **City and Borough of Sitka** supports the Governor's budget item allocating \$3 million to the Nutritional Alaska Foods for Schools program. The City and Borough of Sitka encourages the legislature to move even further during the upcoming legislative session to make this *multi-year*. This will ensure Alaska is on a path to food security and is producing, processing, selling, and consuming healthy, affordable, nutritional, and traditional food in the great state of Alaska.

Citations:

<http://legiscan.com/AK/text/HCR1/id/797834>

<http://pressroom.alaskaseafood.org/wp-content/uploads/2013/08/AK-Seafood-Impact-Report.pdf>

<http://www.letsmove.gov/healthy-schools>

<http://frac.org/wp-content/uploads/2010/07/ak.pdf>

http://www.eed.state.ak.us/tls/cnp/docs/Previous_F&R_Price_Reports.xls

<http://health.usnews.com/health-news/family-health/articles/2008/10/07/does-eating-a-good-school-lunch-make-you-smarter>

http://www.census.gov/popest/data/historical/2000s/vintage_2007/state.html

http://www.farmtoschool.org/files/publications_514.pdf



Legislation Details

File #: 14-055 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/18/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Approve Amendment No.3 to the Granite Creek Lease of lot #4 between CBS and Tisher
Construction in accordance to the existing lease

Sponsors:

Indexes:

Code sections:

Attachments: [Tisher Lease Motion](#)
[Granite Creek Tisher](#)
[Material Sale and Lease Tisher](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

SUGGESTED MOTION

I move to authorize the Municipal Administrator to execute Amendment No. 3 with Tisher Construction effective April 1, 2014 to June 18, 2016; with a royalty rate of \$0.35 per cubic yard in place of material removed from the site and an area lease of \$100 per month, per acre, in accordance with the existing lease.

MEMORANDUM

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

From: Michael Harmon, Director of Public Works
Stephen L. Weatherman P.E. Municipal Engineer 

Reviewed: Robin Koutchak, Municipal Attorney

cc: Jay Sweeney, Finance Director

Date: March 19, 2014

Subject: Long term Material Sales and Property Lease Amendment - Granite Creek Industrial Area, Site 4

Background:

Tisher Construction has a long term commitment to leasing this site in the Granite Creek Industrial Area and is providing rock products for various projects in Sitka. They have leased Site 4 from the City and Borough of Sitka (CBS) from 1985.

The lease was amended in December 2004 to extend the lease time to June 18, 2011 with a 5 year extension allowed until June 18, 2016 with Assembly approval. As staff was prepared a new lease we became aware of the amendment document and are now proposing that the current lease be extended to June 18, 2016 to meet the original goals of Amendment 2

The proposed lease amendment document is attached.

When the existing lease expires in June of 2016 a new lease will be prepared which will address various issues that have come up during the life of the current leases.

- The new agreement specifies more frequent methods of measuring material removed for royalty payments.
- The new agreement requires a performance bond to provide a guarantee for payment.
- The new agreement form will be used in the future for all of the material sales at each quarry currently operating and new quarries being developed for lease.
- Each of the current leases has a different royalty amount which will be adjusted to the \$1.55 rate for all quarries in the Granite Creek Quarries.

- The insurance requirements have increased for the quarries near Harbor Mountain Road due to public liability and been reduced for the quarries not adjacent to the public roadways.

Fiscal Note:

Tisher Construction shall pay the City rent in the amount of \$100.00 per month per Acre, \$0.35 per ton royalty for rock removed plus city sales tax, for the long term Material sales and lease of property in the Granite Creek Industrial area.

Recommendation:

Authorize the Administrator to execute a Lease with Tisher Construction from April 1, 2014 to June, 2016 with a royalty rate of \$0.35 per cubic yard in place of material removed from the site and an area lease of \$100 per month per Acre.

Amendment No. 3

To Granite Creek Lease Lot #4

Between City and Borough of Sitka

And

Tisher Construction Sitka

1. The land area leased is as shown on attached "Granite Creek Waste Area Expansion", Dated October 1, 2004.
2. The intent of this lease amendment is to facilitate rock mining and processing for commercial proposes on the remaining portion of the Reconfigured Lease Area 4.
3. Section B.1 of the original lease dated June 18, 1996 is deleted and replaced with the following.

"The lease shall expire on June 18, 2016 with no extensions of time beyond this date for the current lease"

4. Tisher Construction shall maintain access to Harbor Mountain Road via the existing access road located on the south edge of the Tisher lease area
5. At the conclusion of this lease amendment a new lease is required. The new lease will meet all requirements of current Granite Creek quarry leases including royalty rates, required insurance and bonding.

City and Borough of Sitka

Tisher Construction

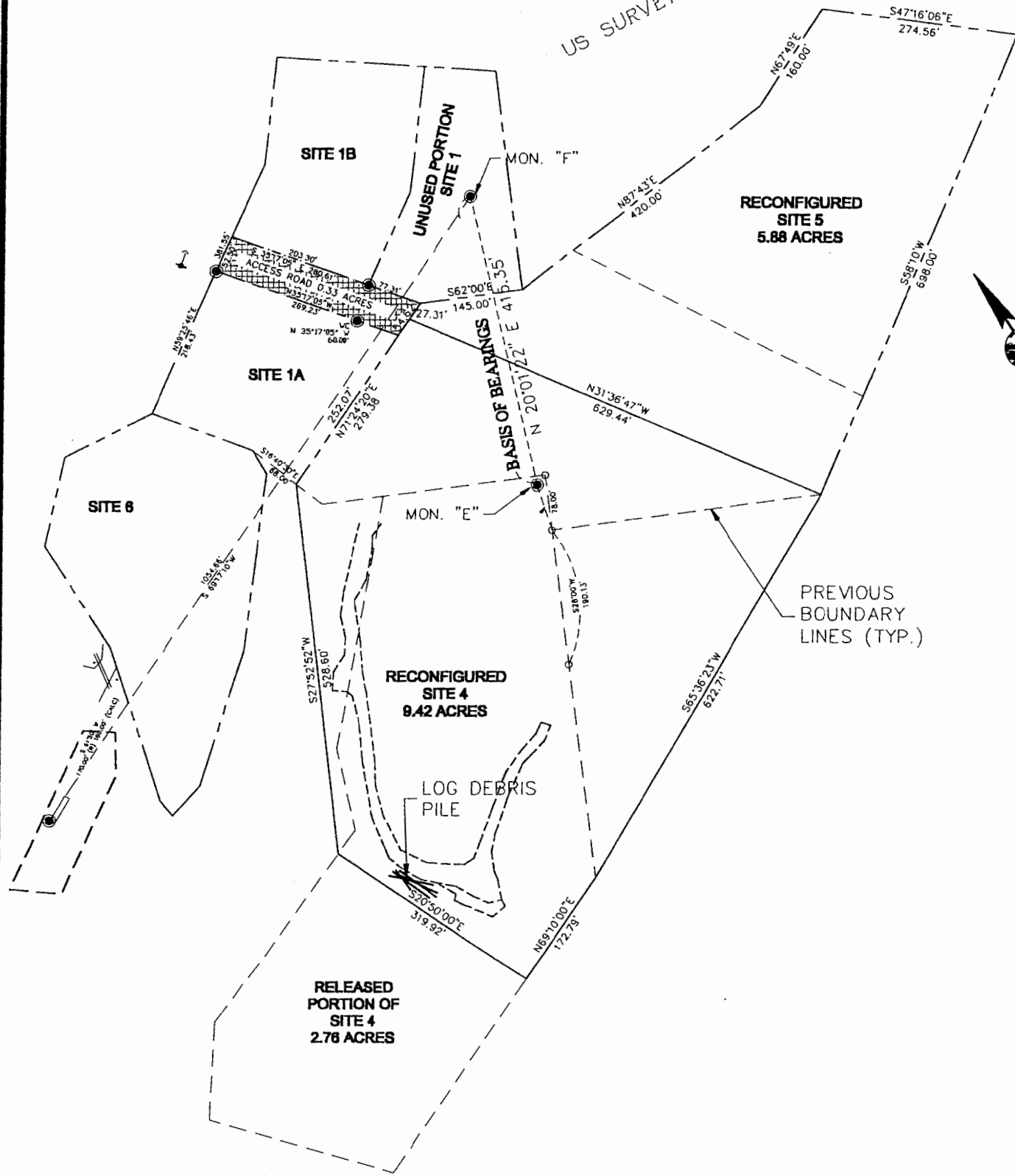
Mark Gorman
Municipal Administrator

Michael Tisher

Date

Date

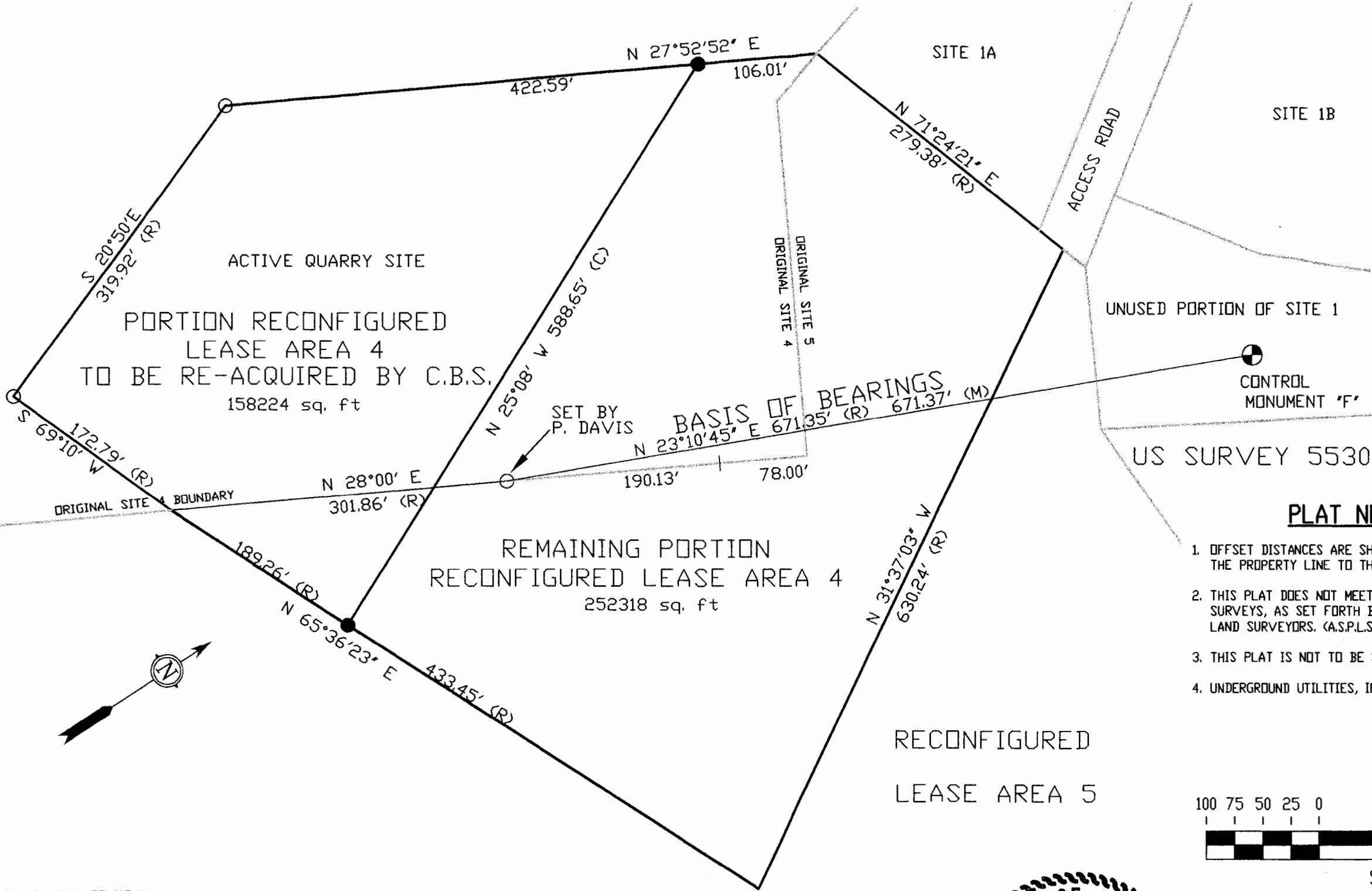
US SURVEY 5530



City and Borough of Sitka
 DEPARTMENT OF PUBLIC WORKS
 100 LINCOLN STREET • SITKA, ALASKA 99835
 TEL (907) 747-1804 FAX (907) 747-3158

**GRANITE CREEK
 RECONFIGURED
 LEASE SITES 4 & 5**

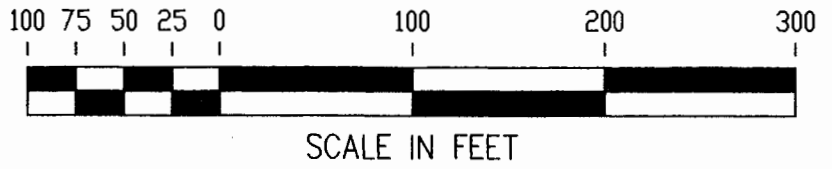
DRAWN:	PAR	SCALE:	1" = 200'
CHECKED:	HRB	DATE:	12.19.00
DRAWING NAME:	4-5 RECON		
SHEET NO.:	1 / 1		



LEGEND

	PRIMARY BRASS CAP (RECOVERED)
	REBAR AND ALUMINUM CAP (SET)
	REBAR AND SURVEY CAP (RECOVERED)
(R)	RECORD DATA
(C)	COMPUTED DATA
(M)	MEASURED DATA

- PLAT NOTES**
1. OFFSET DISTANCES ARE SHOWN TO THE NEAREST ONE HALF FOOT FROM THE PROPERTY LINE TO THE IMPROVEMENT.
 2. THIS PLAT DOES NOT MEET MINIMUM STANDARDS FOR BOUNDARY SURVEYS, AS SET FORTH BY THE ALASKA SOCIETY OF PROFESSIONAL LAND SURVEYORS. (A.S.P.L.S.)
 3. THIS PLAT IS NOT TO BE SCALED FROM, USE GIVEN DIMENSIONS ONLY.
 4. UNDERGROUND UTILITIES, IF ANY, ARE NOT SHOWN ON THIS PLAT.



CLIENT: CITY AND BOROUGH OF SITKA
 100 LINCOLN STREET
 SITKA, ALASKA 99835

DRAWN BY: WAD/ACAD
 CHECKED BY: PKD
 DATE PLATTED: 22OCT04
 DATE SURVEYED: 29SEPT04
 SCALE: 1" = 100'
 SURVEYOR: PATRICK K. O'NEILL
 PROJ NO.: 30014-108

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN SEPT., 2004 A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

10/22/04
 DATE

Patrick K. O'Neill
 PATRICK K. O'NEILL LS 6304



O'NEILL
SURVEYING AND ENGINEERING
 P.O. BOX 1849 SITKA, ALASKA 99835
BOUNDARY SURVEY
GRANITE CREEK
LEASE AREA 4


Amendment No. 2
To Granite Creek Lease Lot #4

Between the City and Borough of Sitka
And
Tisher Construction Sitka


1. The land area leased is modified as described in the attached "Granite Creek Waste Area Expansion", dated October 1, 2004.
2. The intent of this lease amendment is to facilitate rock mining and processing for commercial purposes on the Remaining Portion of the Reconfigured Lease Area 4.
3. Section B.1 of the original lease dated June 18, 1996 is deleted and replaced with the following:
" The lease shall expire on June 18, 2011. An additional five (5) years may be granted if it is determined, after inspection by municipal staff, that there has been adherence to the approved reclamation plan and that it is in the best interests of the Municipality. The Assembly must approve such extension.
4. Tisher Construction shall maintain access to Harbor Mountain Road via the existing access road located on the south edge of the Tisher lease area.

City and Borough of Sitka

Tisher Construction



 Hugh R. Bevan
 Administrator



 Michael Tisher

11-29-04

 Date

12/9/04

 Date

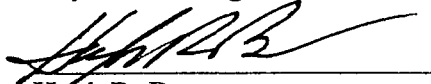
5. Tisher Construction retains ownership of existing stockpile of rock (shot) on portion of Lease Area 4 to be re-acquired by CBS.
 CBS will give Tisher 30 days notice to removed shot rock stockpile.

Amendment No. 1
To Granite Creek Lease Lot #4

Between the City and Borough of Sitka
And
Tisher Construction, Sitka

1. The land area leased is modified as described in the attached Exhibit A. The previous lease parcel description is hereby vacated.
2. All other terms and conditions of the original lease remain in full force and effect.
3. The intent of this lease amendment is to facilitate rock mining and processing for commercial purposes.
4. A Storm Water Pollution Prevention Plan (SWPPP) will be prepared by the Lessee per EPA regulations by April 1, 2001.
5. Tisher Construction agrees to develop rock mining areas on Lease Lot #4 as follows:
 - Warning signs shall be placed every 50 feet along the top of all rock cuts over 20 feet in height. The metal signs will be 12"x12" with the legend "Warning Steep Embankment". They will be installed on metal signposts. Signs shall be painted orange or red color.
 - Back walls of rock cuts shall not be constructed steeper than ^{0.25 H/B}~~0.5~~ feet horizontal to 1.0 feet vertical.
 - A 10-foot wide horizontal bench shall be constructed for every 30 vertical feet of rock cut. The bench shall be used to prevent rock fall from reaching the floor of the pit.
 - Upon completion of a rock cut the back wall will be scaled of loose rock rubble.

City and Borough of Sitka

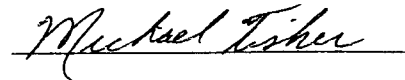


Hugh R. Bevan
Director of Public Works

12/20/00

Date

Tisher Construction



12/28/00

Date

CITY AND BOROUGH OF SITKA
100 LINCOLN STREET
SITKA, ALASKA 99835

A G R E E M E N T
MATERIAL SALE and/or LEASE
OF
MUNICIPALLY OWNED PROPERTY

The City and Borough of Sitka, represented by the Administrator or his authorized representative, hereinafter referred to as the Municipality, does hereby sell and/or lease; and

Mick Tisher
Tisher Construction
315 Seward Street, Suite B
Sitka, AK 99835

(name and address of lessee)

hereinafter called the Purchaser, does hereby agree to purchase and/or lease the material and/or property designated herein, subject to the following terms and conditions:

SECTION I. DESCRIPTION

A. SALE OR LEASE AREA:

Site 4 as shown on the plat of the Granite Creek Gravel Pit Lease areas dated March 22, 1985.

B. TERMS

1. The term of this lease is ten (10) years. An additional five (5) years may be granted if it is determined, after inspection by municipal staff, that there has been adherence to the approved reclamation plan and that it is in the best interests of the Municipality. Any extension must be approved by the Assembly.

2. The Purchaser agrees to pay the following royalty fees for the material removed from the material site:

 \$.35 Per Ton

3. The Purchaser agrees to pay the following lease fee for the lease of the property, upon award of the site as follows:

 \$100.00 Per Acre Per Month

4. It is not the intent of the Municipality to allow indeterminate holding of lease areas without development. The Contractor shall be required to begin development within three (3) months of execution of this lease and pay royalties for a minimum of 15,000 tons of materials during the ten year term of this lease.

SECTION II. PAYMENTS

A. MATERIAL SALE:

1. Purchaser shall be required to submit a yearly performance bond in the amount of \$25,000 issued by a Surety licensed to do business in Alaska. At the time each year that the pit cross sections are accomplished and purchaser is inspected for adherence to a reclamation plan, the Municipality shall release the prior year's bond, in writing and accept a new bond for the next year of operation. (See Section III, 1)

The purpose of said bond shall be to correct non-conforming conditions created by the Purchaser. An example might be to do necessary reclamation work left undone or otherwise correct site problems such as drainage control. Said bond may also be used to pay for unpaid royalties or other costs fairly owed to the Municipality.

2. The standard \$.35 per ton Royalty Fee shall be paid monthly.
3. The lease fee payment may be paid in advance either monthly, yearly or for the full term of the lease. If paid monthly, it shall be included with the payment for material as specified in Section I, Item B, 2.
4. Royalty payments shall be based on records required in Section III, and shall be submitted to the Municipality no later than the tenth (10th) working day following the month for which the payment is to be made.

Payment shall be accompanied by an accounting voucher provided by the Municipality.

SECTION III. RECORDS

1. Once a year, on the anniversary of this lease, the Purchaser shall cause the lease area to be fully cross sectioned, by a registered engineer, licensed to practice in the State of Alaska. The cross sections shall be certified by said engineer and submitted to the Municipality. A swell factor of 1.5 shall be used in determining final quantities of material removed from the pit site, less quantities wasted and used for cover material. Surveyed volume will be compared to royalty tonnage paid as a method of quality control. Royalty adjustments, if required will be based on survey quantities.

SECTION IV. OPERATING REQUIREMENTS

1. Boundary Lines and Survey Monuments -- Upon execution of this lease, the Purchaser shall bear the responsibility to have the lease area surveyed and control monuments placed by a registered engineer or land surveyor to fully identify the boundaries. No boundary mark of the sale area or any survey lines nor witness tree to any survey corner or monument, shall be severed or removed, nor shall any survey corner or monument be damaged or destroyed. Any violation of this clause will require the Purchaser to bear the expense of re-establishing the lines, corners, or monuments by a registered land surveyor.

The Purchaser shall also bear the responsibility of having the lease area, as it exists when the lease is signed, cross sectioned within thirty (30) days of lease execution and prior to the removal of any material. The purpose shall be to establish the beginning configuration of the lease area and base line to be used when the year end cross section is accomplished.

The area applicable to the lease fee shall be determined as follows:

The initial and yearly survey of the pit shall locate the most advanced limit of clearing and stripping. At this point a line at right angle to the centerline of the pit shall be established between the sidelines of the lease area. The area within the lease boundary to the line thus established shall determine the lease fee for the next year.

2. Erosion Control and Protection of Waters – Road construction or operations in connection with this contract shall be conducted so as to avoid damage to streams, lakes or other water areas and lands adjacent thereto. Vegetation and materials shall NOT be deposited into any stream or other water area. Locations and/or improvements such as road crossings over streams shall be approved, in advance, by the Municipality.

All roads or other areas to be abandoned or an area to cease being an active portion of the Lessee's operation shall be treated with such measures to prevent erosion and shall be reclaimed per the required reclamation plan. Any damages resulting from any failure to perform to these requirements shall be repaired by the Purchaser to the satisfaction of the Municipality. This includes, but is not limited to waters defined in Title 5 - Fish and Game and Title 6 - Protection to Anadromous Fish; State of Alaska.

3. Attached and appended to this agreement is Appendix A - Reclamation Plan - Granite Creek Material Site. All lessees shall be responsible for the adherence to said plan. The leaseholder shall demonstrate compliance to said reclamation plan on a yearly basis and substantial non-compliance shall be grounds for termination or cancellation of the affected lease.
4. Fire Protection - The Purchaser shall take all necessary precautions for the prevention of wild fires and shall be responsible for the suppression and bear the suppression costs of any and all destructive or uncontrolled fires occurring within or without the contract area resulting from any and all operations involved under the provisions of this contract. The Purchaser shall comply with all laws, regulations and rules promulgated by the agency responsible for fire protection in the area.
5. Roads - Before constructing any haul road, secondary or spur roads across Municipal lands, the Purchaser shall obtain written approval of the location and construction standards of such roads from the Municipality.

Access over any route not under Municipal control is the sole responsibility of the Purchaser. The Purchaser agrees that any permanent route, access or right of way obtained over privately owned property shall include a permanent easement to the Municipality.

6. The Purchaser shall maintain adequate supervision at all times when operations are in progress to insure that the terms and conditions of this contract and all applicable Federal, State and local laws, rules and regulations governing such operations are enforced. At all times, when operations are in progress, the Purchaser or a person authorized by him to assume the responsibilities imposed by this contract, shall be present on the contract area.

7. The terms and conditions of this contract shall apply with equal force upon any agent, employee or contractor designated by the Purchaser to perform any or all of the operations of severance, extraction or removal of the materials sold under this contract, and the Purchaser shall be liable for non-compliance caused by any such agent, employee or contractor.
8. The Purchaser shall be responsible for the accurate location of operations under this contract, including any survey that may be necessary for such location unless otherwise specified in this contract.
9. Special Provisions -- It is mutually agreed that:
 - a. Sound engineering practices and procedures shall be adhered to at all times during removal operations;
 - b. Trees, stumps, overburden and any other debris shall be disposed of by burning (subject to ADEC approval) or burying in an authorized location and in a manner considered suitable by the Municipality representatives.
 - c. In working the land to effect the removal of the contract entitlement, the Purchaser agrees to so manage that upon completion of the removal, a reasonable degree of level land is maintained, per the reclamation plan, from which material has been taken and no holes-of-water are formed.
 - d. The Purchaser shall coordinate his activities insofar as possible with the other purchasers who now or in the future may hold material sale agreements. Before removing material under any roadway or otherwise interrupting access to any other operations, the Purchaser shall make arrangements satisfactory to the affected parties for coordinating operations. The affected parties cannot unreasonably withhold such approval if proper alternate arrangements have been made. In the case where the affected parties cannot reach agreement, the Municipality shall be the sole arbitrator to reach a satisfactory result.
 - e. Should the Municipality determine that the operations cause silting or pollution of Granite Creek to a degree unacceptable to the Department of Environmental Conservation, the U.S. Fish and Wildlife Service, after all reasonable attempts have been made to have the Purchaser correct the problems, this contract shall be void upon notification to the Purchaser by the Municipality. The lease shall hold harmless the Municipality from any litigation whatsoever which may result from this action.
 - f. At the expiration of this contract, the Purchaser shall notify the Director of Public Works, so that an inspection for release can be scheduled. This inspection shall include general clean up, compliance with the reclamation plan, removal of all Purchasers equipment and any other item felt a responsible element of any final inspection.
 - g. All responsibilities and liabilities of the Purchaser shall remain in effect until this lease contract file shall be closed. This includes cleanup of site and compliance with all contract items.
 - h. The Purchaser agrees to submit the Standard Accounting Voucher and payment for material removed within ten (10) working days of the expiration date or completion, whichever occurs earlier.

- i. The lease area may be used for the processing and storage of material removed from the municipal lands of Upper Granite Creek and for the temporary location and operation of an asphalt batching plant, scales, crushers, and other such equipment necessary to produce marketable materials products. Other material incidental to the production of asphalt or mineral products such as asphalt, fillers, or coagulants needed for the settlement ponds may be stored on the site, as needed. A temporary small one bay gravel equipment maintenance shop may also be allowed specifically for equipment used at the site.

Granite Creek is, in fact, a long term source of gravel and other mineral products. As such, it is not a contractor's storage yard area. Permanent or long term improvements such as garages and shops or other type buildings and uses shall NOT be allowed. Further, storage of materials not associated with operation/maintenance of the lease area shall NOT be allowed.

- j. Except for those portions of the operation which are associated with low noise levels such as maintenance of equipment, the Purchasers operations shall be confined to the hours of 7:00 A.M. to 7:00 P.M. daily. The Municipality reserves the right to restrict operations on weekends and holidays without liability to Purchaser or its customers.
 - k. If the Purchaser is forced to end, restrict or curtail his operations due to State or Federal law or regulations or for any other cause over which the Municipality has no control, the Municipality shall have no liability, whatsoever.
10. Purchaser may not assign its rights under this lease or allow other parties to produce gravel material on the site without prior written approval of the Municipality.

Prior to the approval of any such sub-lease, the Municipality shall be provided with all the terms of the proposed assignment or production agreement. This shall include time of assignment and potential volumes of production. If such terms are deemed inflationary or of such a type to be considered a total abandonment of further interest in the lease by the original party, the assignment may be denied.
 11. There is a grievance board established consisting of all material purchasers in the Granite Creek Quarry and the Municipal Director of Public Works to handle problems arising between Purchasers in the area. This board shall attempt to reach agreement among all Purchasers. Unsolvable disputes shall be brought before the Administrator and/or to the Assembly for final decision. (See Section IV,9, a.)
 12. Maintenance of the main road, culverts and other such improvements providing access or available for common use by all Purchasers shall be maintained by the Purchasers at no expense to the Municipality
 13. Siltation of Granite Creek and associated tributaries is to be minimized. Therefore, no earthmoving will be allowed during heavy rains, and the Purchaser will, at their own expense, provide all proper drainage and routine settlement ponds for permanent uses. This is covered in the Reclamation Plan, as attached.

14. The Purchaser shall adhere to all State and local regulations regarding the storage and handling of explosives.

SECTION V. LIABILITY

1. The Purchaser shall indemnify the Municipality and hold it harmless from any and all claims, demands, suits, loss, liability and expense for injury to or death of persons and damage to or loss of property arising out of or connected with the exercise of the privileges granted the Purchaser by this contract, or arising out of any incident whatsoever which may occur on the lease site or commonly used facility. This includes but is not limited to damage to power lines, poles and facilities, telephone lines and poles, survey monuments, roads, bridges and culverts, pollution and/or damage to water systems, or personal injury.

In addition, Sitka shall be named as an additional insured on Purchaser's Comprehensive Liability Insurance Policy.

2. The Purchaser shall carry Workers' Compensation Insurance covering all employees and shall also carry \$1,000,000 general liability insurance, naming the Municipality as an additional insured, and take such measures as are reasonable to protect the general public from injury on the site.

SECTION VI. IMPROVEMENTS AND OCCUPANCY

1. Any improvements or transportation facilities including crushers, mixing plants, buildings, bridges, roads or any other constructed by the Purchaser in connection with this lease and within the lease area, shall be in accordance with plans approved by the Municipality. Improvement and facility safety (both design & operation) shall be the responsibility of the Purchaser not the Municipality. Purchaser agrees to follow all applicable safety codes and regulations.
2. The Purchaser shall, within sixty (60) days, after the expiration of termination date of this contract, remove all equipment and other personal property from the contract area, and pay the prescribed lease fees. (See Section IV,9,f.)

SECTION VII. INSPECTION

1. Authorized agents of the Municipality shall have access at all times to the sale area.
2. At all times, when construction or operations are in progress, the Purchaser shall have a representative readily available at the site of operations who shall be authorized to receive on behalf of the Purchaser, any notices and instructions given by authorized Municipality personnel in regard to the performance under this contract, and to take such action thereon as is required by the terms of this contract.

SECTION VIII. TERMINATION AND SUSPENSION

1. This contract may be terminated by the Municipality if the Purchaser breaches the contract and fails to correct this breach within thirty (30) days after written notice is served upon the Purchaser.

2. Failure of the Purchaser to take immediate action to correct unwarranted damage to natural resources may be corrected by the Municipality to prevent additional damage. Any cost incurred by the Municipality shall be paid by the Purchaser.
3. This contract may be terminated by mutual agreement of both parties on terms and conditions agreed upon, in writing by both parties.

SECTION IX. RESERVATIONS

1. The Municipality reserves the right to lease additional sites in the Granite Creek Quarry area to other parties during the term of this lease.
2. The Municipality reserves the right to permit other compatible uses, including the sale of materials, on the lands near the contract area provided the Municipality determines that such uses will not unduly impair the Purchasers operations under this contract.

Should the Municipality lease any other such areas, within the Granite Creek area, the Purchaser shall pay lease fee and royalties not less than amounts as set forth in Sec. II of this document.

SECTION X. PERMITS

1. Any permits necessary for operations under this contract shall be obtained by the Purchaser prior to commencing such operations.
2. All operations shall be in accordance with the City and Borough of Sitka Conditional Use Permit, as it now exists or modified in the future.

SECTION XI. PASSAGE OF TITLE

1. All rights, title and interest in or to any material included in this contract shall remain with the Municipality until it has been paid for, or removed from the site, provided however, that the right, title and interest in or to any material which has been paid for, but not removed from the sale area by the Purchaser within the period of the contract or any extension there of shall vest in the Municipality.

SECTION XII. EXPIRATION AND EXTENSION

1. This contract shall expire July 1, 2006

SECTION XIII. WARRANTIES

1. THIS LEASE IS MADE WITHOUT ANY WARRANTIES BY THE MUNICIPALITY, EXPRESS OR IMPLIED, AS TO THE QUANTITY, QUALITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE, CONCERNING THE MATERIAL TO BE EXTRACTED UNDER CONTRACT.

SECTION XIV. WAIVER

1. No agent, representative or employee of the Municipality has authority to waive any provision of this agreement unless expressly authorized to do so, in writing, by the Administrator.

IN WITNESS WHEREOF, on this 18th day of June, 19 96.

CITY AND BOROUGH OF SITKA

By Michael J. Fisher
Lessee

By [Signature]
Administrator

(SEAL)

ATTEST:

By [Signature]
Municipal Clerk



Legislation Details

File #: 14-058 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/20/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Approve a transfer of up to \$150,000 from the Commercial Passenger Excise Tax Funds to the Sea Walk Capital Project to install a safety railing along the board walk

Sponsors:

Indexes:

Code sections:

Attachments: [CPET Funds Transfer Sea Walk](#)

Date	Ver.	Action By	Action	Result
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If this item is pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve a transfer of up to \$150,000 from the CPET funds to the Sea Walk Capital Project Fund and authorize its expenditure for the construction of a safety railing along the boardwalk.

Memo

Thru: Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Acting Municipal Administrator 

Date: 12/17/2013

Re: Transfer of Funds and Approval of Construction of Safety Railing On Sea Walk Rip Rap Boardwalk

Mayor McConnell and Assembly Members,

A safety inspection by the City and Borough of Sitka's insurance carriers has identified the boardwalk on the rip rap near the hatchery as a potential safety hazard. The attached memorandum discusses that liability insurance may not cover injuries sustained by a citizen falling over the side of the boardwalk.

Accordingly, Staff is recommending the Assembly (1) approve the transfer up to \$150,000 from the Commercial Passenger Excise Tax Fund to the Sea Walk Capital Project Fund, and (2) authorize the expenditure of up to \$150,000 for the construction of safety railing along the boardwalk.

It is important to have this railing constructed and put in place before cruise ship passengers arrive this season.



City and Borough of Sitka

PUBLIC WORKS

100 LINCOLN STREET • SITKA, ALASKA 99835

PHONE (907) 747-1804 • FAX (907) 747-3158

March 19, 2014

Mr. Steve Johnson
Senior Loss Control Consultant
Alaska National Insurance Company
1111 Third Avenue, Suite 2600
Seattle, Washington 98101-3219

Subject: Sitka Sea Walk Breakwater Spur Trail – Guardrail Concerns

Dear Mr. Johnson:

This letter is in response to your letter to Sitka Municipal Administrator Mark Gorman dated March 6, 2014 in which you expressed concern with the absence of guardrail along the newly constructed walkway on the Crescent Harbor breakwater. Your letter cites several standards in defense of the recommendation to add guardrail to the breakwater spur trail and the seating wall at the end of the trail. However, the referenced standards are applicable for facilities which are intended for both pedestrians and bicycles. The Sea Walk was planned and designed for pedestrian use and is not intended for bicycles.

We feel that the Federal Highway Administration (FHWA) *Best Practices Design Guide for Designing Sidewalks and Trails for Access* is a more applicable criterion for the Sea Walk. FHWA recommends a minimum 3" high edge protection for pedestrian use only sidewalks and trails where edge protection is required. That recommendation is intended to protect wheelchairs from rolling over the edge. The breakwater spur trail is fully compliant with this standard as it includes a 12" high bull rail along the entire length on both sides and an 18" high concrete seating wall at the end. Chapter 15, Recreation Trail Design is included as an attachment to this correspondence for your reference (see page 15-39). The entire FHWA standard can be found at the following link:

http://www.fhwa.dot.gov/environment/bicycle_pedestrian/publications/sidewalk2/pdf.cfm

Understanding the motivation behind your concern, the City and Borough of Sitka proposes to add signage periodically along the Sea Walk to inform users that the Sea Walk is intended for pedestrian use only. An example of the proposed signage is attached to this correspondence. These signs will be posted on 4" x 4" posts at reasonable intervals on either side of the breakwater spur trail to help ensure that the FHWA standard is met. We will also post warning signs at the end of the breakwater regarding the potential danger of climbing on the rocks past the seating wall. Public Works will advertise public service announcements on local radio and newspaper informing the public about the prohibited uses of the Sea Walk. Public Works believes firmly that these measures meet the goals outlined in the attached design standards utilized during the development of the project. To further address this safety concern beyond the FHWA requirements, we are looking at options to place railing on the boardwalk portion of the breakwater spur.

Public Works would be happy to meet with representatives from Alaska National to go over the intended use for the Sea Walk and our plan to ensure that it can be enjoyed safely by pedestrians for years to come. We appreciate your consideration of our position. Please feel free to contact us with any questions.

Regards,

Michael Harmon, P.E., Public Works Director

cc: Mark Gorman, Municipal Administrator
Robin Koutchak, Municipal Attorney
Mike Venneberg, Venneberg Insurance



SERVICE LEADER IN COMMERCIAL INSURANCE

Anchorage
Boise
San Francisco
Seattle

March 6, 2014

Mark Gorman
Sitka City Administrator
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

Dear Mark:

I visited Sitka the week of February 18th. While there, I noticed the new walkway located on the breakwater at Crescent harbor. The new walkway is a great addition for locals as well as visitors to enjoy the beauty of Sitka. I believe the walkway needs guard rails to prevent a fall accident from this raised structure. I have found a number of standards addressing this issue.

- The American Association of State Highway and Transportation Officials (AASHTO) Guide for the Planning, Design and Operation of Pedestrian Facilities Standard includes a section (3.3.14) on Off-Road and Shared-Use Paths. This calls for a minimum 2 ft. graded area adjacent to both sides of the trail and a minimum separation of 5 ft. between the edge of the path and the top of a slope that is more than 1V:3H.

(The slopes adjoining the trail appear to be much steeper than 1V:3H.)

- The following is from the Municipality of Anchorage's design guidelines.
[http://www.muni.org/Departments/works/project management/Design%20Criteria%20Manual/DCM%204%20Trails.pdf](http://www.muni.org/Departments/works/project%20management/Design%20Criteria%20Manual/DCM%204%20Trails.pdf)

Provide trails with minimum 2-foot wide graded shoulders on each side of the trail, measured from the edge of the paved surface, with a preferred slope of 3-5%. Wider shoulders of three feet are appropriate for trails that have a high percentage of use by runners and joggers since they often prefer a soft surface. A clear zone of 3 feet from the edge of the traveled surface or pavement should be maintained from trees, poles, walls, signs, or other potential obstructions. Where slopes are adjacent to canals, streams, or similar open water, or are steeper than 3H:1V, a wider shoulder, not less than 5 feet, should be provided (AASHTO, 1999). A physical barrier may also be warranted in certain situations. Side slopes of embankments should slope at 3H:1V or flatter, and never steeper than 2H:1V.

- Another standard, the Vermont Pedestrian and Bicycle Facility Planning and Design Manual says (section 3.4.8):
http://vtransengineering.vermont.gov/sites/aot_program_development/files/documents/ltf/PedestrianandBicycleFacilityDesignManual.pdf

Hand Rails, Bridge Railings and Vehicle Barriers

With the exception of sidewalks on bridges, most walkways do not require the use of handrails or vehicle barriers immediately adjacent to the facility. However, there are some cases where a protective handrail is required to protect pedestrians from adjacent hazards. There are also some situations where a vehicle barrier may be needed between a roadway and a walkway.

Hand Rails Where a sidewalk is located in close proximity to a hazard as described below, a protective handrail should be provided along the full extent of the hazard.

Protection is required when:

- A vertical drop along a sidewalk is more than 0.8 m (30 in) in height.
- The drop exceeds a slope grade of greater than 1:4.
- The hazard at the base of the slope is particularly dangerous (i.e., large boulders, rip rap, fast moving water or deep water).


To meet ADAAG guidelines, handrails should meet the following design standards. The top of the gripping surface of the rail should be a minimum of 865 mm (34 in) and maximum of 965 mm (38 in) above adjacent walkway surfaces. To provide for children, an additional railing can be provided at a maximum height of 685 mm (27 in). From the surface of the sidewalk to the top of the lower rail, all elements of the rail assembly shall be spaced such that a 150 mm (6 in) sphere cannot pass through any opening. For elements between 685 mm (27 in) and the top of the handrail, spacing shall be such that a 200 mm (8 in) sphere cannot pass through any opening. Pedestrian railings provided on bridge sidewalks shall meet the standards outlined in the AASHTO Standard Specifications for Highway Bridges, which are also shown in Chapter 5, section 5.3.6, Barriers, Bridge Railings, and Fencing.

The steep slopes and rip rap immediately adjoining the breakwater trail greatly increase the risk of serious injury should anyone fall near the trail edge. The standards above indicate that the best solutions are either to provide broad shoulders adjoining the trail, or to install railings. In this case, railings appear to be the most practical option.

The walkway ends at the turn of the breakwater in a round resting area. This area currently provides access to the rock breakwater allowing for climbing and sitting. This area also needs a rail to encourage the public to stay on the structure and not venture or climb or sit on the breakwater.

Please feel free to contact me with any questions on the above recommendations. My direct line is 206-515-1824.

Sincerely,



Steve Johnson
Senior Loss Control Consultant
Alaska National Insurance Company
Seattle, Division

Cc: Mark Danielson
Venneberg Insurance
Kevin Korynta/UW
Terry Kordewick/Sr VP Loss Control

The purpose of our visit to your business establishment is to evaluate the potential risk Alaska National Insurance Company has assumed under the terms of the referenced policy. We cannot, as a result of this survey, or the recommendations made, warrant that your business operations, work practices, and/or premises are safe and healthful, or that they are in compliance with all occupational safety laws, regulations, codes or standards. The maintenance of a safe and healthful workplace is the responsibility of the employer, and the completion of this survey is not an undertaking on our part to assume that responsibility.



Legislation Details

File #: ORD 14-02 Version: 1 Name:

Type: Ordinance Status: SECOND READING

File created: 1/7/2014 In control: City and Borough Assembly

On agenda: 2/25/2014 Final action:

Title: Amending Sitka General Code at Chapter 9.20 entitled "Smoking in Public Places and Places of Employment" to modify Section 9.20.035 regarding prohibition of children in places where smoking is permitted

Sponsors: Phyllis Hackett, Mim McConnell

Indexes:

Code sections:

Attachments: [ORD 2014-02 Second Reading](#)

Date	Ver.	Action By	Action	Result
2/25/2014	1	City and Borough Assembly		
2/25/2014	1	City and Borough Assembly		
1/28/2014	1	City and Borough Assembly	POSTPONED	Pass
1/14/2014	1	City and Borough Assembly	PASSED ON FIRST READING	Pass

POSSIBLE MOTION

I MOVE TO renew the motion to approve Ordinance 2014-02 on second and final reading.

Ordinance History

- The motion to approve was first postponed on 1/28 so that the Human Services Commission could weigh in and then again on 2/25 until a full assembly could be present.
- The main motion made on 1/28 is still on the floor and ready to be voted on you can renew it if you wish.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-02

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA
GENERAL CODE AT CHAPTER 9.20 ENTITLED "SMOKING IN PUBLIC PLACES AND
PLACES OF EMPLOYMENT" TO MODIFY SECTION 9.20.035 REGARDING
PROHIBITION OF CHILDREN IN PLACES WHERE SMOKING IS PERMITTED

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

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

3. **PURPOSE.** This ordinance is to modify SGC 9.20.035 entitled "Declaration of establishment as nonsmoking – Prohibition of children in places of employment where smoking is permitted" by prohibiting children under the age of 18 to be permitted in any place where smoking is permitted. This ordinance also clarifies presence of children in a club or bar where smoking is allowed.

4. **NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka that SGC 9.20.035 is amended as follows (new language underlined; deleted language stricken):

9.20.035 Declaration of establishment as nonsmoking—Prohibition of children in places of employment where smoking is permitted.

Notwithstanding any other provision of this chapter, an owner, operator, manager, or other person in control of an establishment, facility, or outdoor area may declare that entire establishment, facility, or outdoor area as a nonsmoking place. Smoking shall be prohibited in any place in which a sign conforming to the requirements of Section 9.20.040 is posted. Children under the age of eighteen shall not be permitted in any place of employment under 9.20.020, or club or bar where smoking is allowed under Section 9.20.030G. and H. Furthermore, no cessation of smoking within the smoking facility shall render this section inapplicable unless such facility permanently deems and declares themselves to be a non-smoking facility. Once the declaration of an establishment, facility, or outdoor area as smoking has been made under this section, it shall not be changed for temporary or special functions.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 28th day of January, 2014.

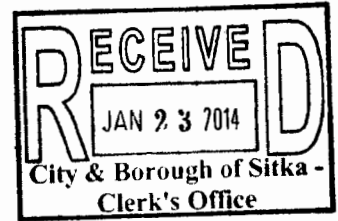
Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Acting Municipal Clerk

Colleen Ingman

Subject: FW: To whom it may concern



-----Original Message-----

From: Margaret Peterson [<mailto:margaretp66@yahoo.com>]

Sent: Wednesday, January 22, 2014 9:21 PM

To: Mim McConnell; Matthew Hunter; Phyllis Hackett; Pete Esquiro; Mike Reif; Benjamin Miyasato; Aaron Swanson; Mark Gorman

Subject: To whom it may concern

Assembly members,

It has come to my attention that someone has put a request to revise the smoking ordinance. The American Legion, Sons of the Legion and American Legion Auxiliary ask that you vote against this amendment or put it up for a vote with the public.

The reason we ask this, is because we are a smoking private club and over the christmas holiday, we apparently made someone mad. The person doing this request called us up Friday, 2 days before our party; called at 4pm threatening to call the police and have us shut down if we had the party. She gave a fake name, misrepresented herself, said she was a city official and if we had the party, than she was changing the ordinance. We do not appreciate her being rude to our bartender, whom she yelled at and threatened.

It is not our intention to make anyone mad or to hurt anyone. That is why; when we have any occasions here, we take time to completely air the place out along with spraying air fresheners to smoke eaters running all night. We DID NOT let anyone smoke in there at all, we announced that the bar was closed and had signs of no smoking. We even had a curtain over the bar area, to cover the liquor bottle. The children could not see the bottles or pull tab bins. By the time of the party, you could not tell we smoked in there. We had a grandma that has asthma that it did not even bother her. We had another grandma that uses an oxygen tank. Did not bother her.

We had 80 children signed up for our party and 74 came with their family. We fed them turkey and ham with all the works for a wonderful christmas dinner with plenty for people to take home. The children got to see santa and get a present with a candy bag. The children all got a brand new jacket and decorated their pictures with santa and decorated cookies.

We also have memorials for families that have lost a loved one who has served for our country. We are available for funerals as well. The bar is closed and aired out completely when we have these occasions.

It is not our intentions to put anyone in danger of any kind. Therefore, we believe the smoking ordinance is fine the way it. So we are asking you to vote against this. Thank you.

Respectfully yours,

The American Legion, Sons of the Legion and American Legion Auxiliary

Smoking

L@ ~ Lauren Allen [sealaska86@gmail.com]

Sent: Wednesday, January 29, 2014 4:53 PM

To: assembly

Dear Sitka Assembly Members:

I heard the Raven Radio news report regarding interpreting the smoking ordinance.

I would like you to know that I voted for the smoking ban, and am so thankful it passed. However, it was never my intent as a voter to never allow children into a building that allows smoking.

Please consider dropping this issue, or merely change the ordinance to allow smoking establishments to hold memorials and special parties and ban smoking for those events.

The American Legion & other establishments in Sitka host a number of fantastic fundraisers and events for kids. I don't want to see them punished.

I understand Mr. Hunter's concerns regarding second hand smoke. However, this is getting quite deep into personal rights. I am sure all parents who bring their children to these events are keenly aware that the establishments allow smoking other than at the "special" occasions.

Thank you for your time.

Lauren Allen

907.738.3285

Colleen Ingman

From: Bobbi Daniels <ravenfrogfibers@hotmail.com>
Sent: Tuesday, February 25, 2014 9:04 AM
To: assembly
Subject: Anti smoking amendment

Thank you for your consideration of this amendment, and let me start by saying that there is not a person anywhere who is more opposed to smoking and smoking in public than I am. However, I am firmly against this amendment.

My objection comes from a different place. The issue here is the right of families to decide for themselves what is best for them, and the slippery slope that is governmental "nannying". Although I thoroughly agree that the inhalation of second hand smoke is a deadly and entirely preventable hazard, and that temporarily stopping the smoking does not completely alleviate the problem, this should be a family's decision. In this case no child is ever required to be in an establishment where smoking takes place, and the decision whether or not to take children into such an establishment for a special event needs to be left to parents.

It is a dangerous precedent to start overriding parental authority. Where does it end? Mountains of research shows that feeding hydrogenated fats on a daily basis to children is a much greater health threat than being exposed to second hand smoke once or twice a year, so if this amendment is the city's responsibility, isn't a ban on feeding hydrogenated fats to children also in order? And don't get me started on soda...

I do not know what families attend the parties that brought this issue to light. However, they apparently want to be able to have these events as they have determined that are good thing for their families. We need to trust their decision. The value of a family sharing a holiday activity has to be weighed against the harm. Seriously, the candy they give to the kids at the party is no doubt a bigger health issue than the hour of exposure to second hand smoke.

Please respect a family's authority to decide for themselves what serves them as a family and do not adopt this amendment.

Thank you for all you do.

Bobbi Daniels

Colleen Ingman

From: Susan Litman <litman.susan@gmail.com>
Sent: Saturday, March 01, 2014 4:54 PM
To: assembly
Subject: Third hand smoke

Dear Assembly Members-

I listened to the Assembly meeting on Tuesday and would like to comment on the ordinance regarding allowing children under 18 in establishments that allow smoking.

There are times when the health and safety of a child outweighs a parent's right to raise a child as they see fit. We have several laws in this community that essentially do this. A child under 18 must wear a helmet while riding a bicycle even if the parent would allow this to occur. A fourteen year old is not allowed to buy cigarettes even if the parent writes a note allowing the child to purchase cigarettes. A law forbidding children under 18 from entering a business where smoking has occurred is the some type of restriction.

All the Assembly members heard the presentation outlining the risks of third hand smoke. Numerous known carcinogens and toxins are present in third hand smoke. Infants and children , for a number of reasons, are more susceptible to the effects of environmental carcinogens and toxins. I think that the discussed situation is an example where the government should step in and forbid children and infants in a smoking establishment even if the parent is willing to risk the possible future consequences to their child.

If the Assembly were to decide that it is the parent's decision to allow their child in a place where known carcinogens are present, then I think it would be the Assembly's responsibility to make sure the parent was completely educated to the risks. A sign would not be sufficient. The parent or guardian should be provided with, and understand, all the information the Assembly received so they could make an informed decision.

Obviously, I do not believe it is worth the risk of allowing a child to be in contact with a carcinogen. I do think it is the Assembly's responsibility to prevent this risk.

Thank you,
Susan Litman

Colleen Ingman

From: Gretchen Clarke <gretchensclarke@gmail.com>
Sent: Monday, February 10, 2014 11:30 AM
To: assembly

Dear Mayor McConnell and Assembly Members,

I am writing to urge you to stay true to the City and Borough of Sitka Ordinance 2005-29 clean indoor air ordinance. The community made it clear when they voted to approve the ordinance that clean indoor air is a priority, especially for places that serve children and families. Clubs and other facilities have the right to choose to allow smoking, but if they make that choice, they cannot allow children on their premises. There is no safe level of 2nd or 3rd hand exposure to smoke, and the children of our community deserve to be protected from the dangerous carcinogens found in tobacco smoke. It is unfortunate this issue has been misconstrued as anti-Legion. The Legion, no doubt, provided a valuable service to children by providing them with a fun and festive party, but in hosting the event in their smoking facility, they endangered our youth. The Legion, like the Elks did, can choose to prioritize serving our children, or allowing smoking. If the latter, they must host their family events in a non-smoking facility and abide by the law of the community.

Kind regards,
Gretchen Clarke

--
Gretchen S. Clarke, MPH
gretchensclarke@gmail.com

Colleen Ingman

From: andrea thomas <andrea61thomas@gmail.com>
Sent: Sunday, February 09, 2014 3:59 PM
To: assembly
Subject: Fwd: Letter in reference to Ordinance 2005-29, Section 9.20.035
Attachments: Letter of Support_02_06_14.pdf

Assembly Members,

I will be out of town for the next Assembly meeting when the Health Board will bring you their recommendations on adopting the clarifying language for children being allowed in smoking facilities.

I would like to give you some history about this ordinance. In July 12, 2005, the Sitka Assembly heard the final reading for a *Smoking in Public Places and Places of Employment* (see attached). One motion passed allowed smoking in bars and clubs in stand alone buildings. Another motion was passed "Children under the age of 18 shall not be permitted in any place of employment where smoking is allowed". All the bars and clubs are places of employment.

Please find attached a letter on behalf of an Assembly member that was involved in the drafting of Ordinance 2005-29, and had proposed the amendment of Section 9.20.035. The letter is to provide you with information for clarification of the intent.

Our current city attorney was not clear on the intent when she read the following portion of the ordinance:

**9.20.035 Declaration of establishment as nonsmoking—
Prohibition of children in places of employment where
smoking is permitted.**

Notwithstanding any other provision of this chapter, an owner, operator, manager, or other person in control of an establishment, facility, or outdoor area may declare that entire establishment, facility, or outdoor area as a nonsmoking place. Smoking shall be prohibited in any place in which a sign conforming to the requirements of Section 9.20.040 is posted. Children under the age of eighteen shall not be permitted in any place of employment where smoking is allowed. (Ord. 05-29 § 4 (part), 2005.)

Since the language was not clear to her, she permitted the American Legion to host a children's party in their smoking establishment (albeit they said they did not smoke prior or during the party) This was the first time any such exemption has been made by a City Attorney- allowing children into to a smoking facility. This decision created a loophole **in the intent of the ordinance that was passed by the assembly and voted in by the people of Sitka in October 2005.** The intent of this language- to ensure no children were allowed in smoking establishments, was understood by the people voting and the businesses affected.

The Elks club, which was smoking at the time, voted to change their policy to become smoke-free in order to have youth in their facility. Please don't hesitate to contact them yourself to confirm this. In addition, the Moose Family Center invested in a renovation to create an external door so the upstairs of their building could allow youth. This actually was a loophole, because the upstairs room is directly above the bar and children in that room are exposed to secondhand smoke that rises.

The new language proposed, formulated by the City Attorney, with direction from the Mayor and Assembly Member Phyllis Hackett, clarifies the intent language so that any City Attorney reading this portion of the ordinance can fully understand the intent.

Please vote to pass this revised language and honor the vote of past Assembly members, and the voting public, to continue to protect our children from the damaging effects of secondhand smoke.

Best regards,
Andrea Thomas

P.S. The American Legion is fully aware of the ordinance and has hosted Christmas parties in outside facilities since 2005. While American Legion members feel this is about them, it is really is about upholding the intent of the ordinance. They can continue to have wonderful parties for children in other locations.

Thursday, February 6, 2014

To whom this may concern,

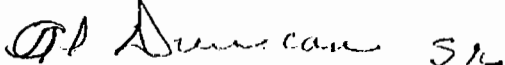
I, Al Duncan served as a City and Borough of Sitka Assembly member in 2005. At a July 12, 2005 meeting I proposed an amendment to the proposed Ordinance 2005-29 that stated, "Children under age of 18 shall not be permitted in any place of employment where smoking is allowed".

The intent was to not allow any children in establishments (bars/clubs) that were smoking facilities. This amended ordinance was passed by public vote in October of 2005.

I support the proposed clarification language that would ensure that Section 9.20.035 of Ordinance 2005-29 will be enforced so that children will not be permitted in any places of employment where smoking is allowed at any time.

Regards,

Al Duncan

 Al Duncan SR

Resolution # _____

Title: Resolution for the Control and Elimination of Tobacco in the Work Place and Enclosed Public Places.

WHEREAS, The _____ (name of tribe), is an Indian tribe as defined in Section 4 of the Indian Self-Determination and Education Assistance Act, Pub. L. 93-638, 25 U.S.C. 450b;

WHEREAS, Alaska Native people have the highest rate of tobacco use in the state of Alaska;

WHEREAS, Tobacco use is the leading cause of preventable death and disease and Alaska Native people suffer serious health consequences including heart disease and cancer;

WHEREAS, Secondhand tobacco smoke exposure is another leading cause of preventable death, and causes disease in healthy nonsmokers, including heart disease, stroke, respiratory disease, and cancer;

WHEREAS, It has been determined by the U.S. Surgeon General that there is no safe level of exposure to secondhand smoke, air ventilation systems do not work, and that only completely smokefree environments can protect health;

WHEREAS, A significant amount of secondhand smoke exposure for Alaska Native adults and children occurs in the workplace and even short exposures may result in serious adverse health effects and even death;

WHEREAS, Tobacco-free workplaces protect people from secondhand smoke, reduce tobacco use overall, support healthy lifestyles, model healthy behavior, and support quit attempts;

WHEREAS, The health of our people is of utmost importance and Alaska Native people have taken a lead in addressing health issues throughout the years; and

WHEREAS, Tobacco-free tribal workplaces will protect the health of our children, grandchildren, families, and community members.

THEREFORE, BE IT RESOLVED that tobacco use shall be prohibited within the facilities owned, operated, or leased by the _____ (name of tribe) including:

- a) all areas within enclosed places that are open to and frequented by the public;
- b) all areas within places of employment; and
- c) all outdoor areas within 20 feet of entrances, exits, and windows that open to enclosed public places and places of employment.

BE IT FURTHER RESOLVED, that signs prohibiting tobacco use shall be posted and a no tobacco use distance no less than 20 feet from any entrances be enforced.

CERTIFICATION

I hereby certify that the above resolution was duly adopted at a regular meeting of the _____ (name of tribe) on this __ day of _____ 2012 at which a quorum was present, with a vote of __ for, __ against, __ abstentions, __ absent.

(Name), President

Date

ATTEST: _____

(name), Tribal Administrator

Date



Legislation Details

File #: ORD 14-05 Version: 1 Name:

Type: Ordinance Status: SECOND READING

File created: 3/5/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Amending SGC at Chapter 15.05 entitled "Water System" at Subsection 15.05.625 entitled "Water and Wastewater Rates - Sawmill Cove Industrial Park" to further define water volumes and address tote/container water sales for bulk water

Sponsors: Administrator's Office

Indexes:

Code sections:

Attachments: [ORD 2014-05 Water & Wastewater Rates](#)

Date	Ver.	Action By	Action	Result
3/11/2014	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2014-05 on second and final reading.

Monday, March 3, 2014

MEMORANDUM

To: Mark Gorman – CBS Administrator

From: Garry White, Director

Subject: CBS Water Rates for Export

Introduction

The CBS has permits for 29,235 Acre feet/year (Af/yr) or 9,526,253,985 US gallons of water available for export. The CBS has entered into agreements with various private entities for the sale of its water allocation since the CBS acquired the water resources in 2000. The pricing structure for water sales has either been set by water purchase agreements or Sitka General Code (SGC).

New ways to package and export water are being pursued by private industries which are currently not covered by SGC. The SCIP Board has recommended adjusting SGC 15.05.625 to include the new water export methods.

Background

The CBS pricing structure for water export has evolved over the years based on export methods.

Bulk water sales

The export of water in bulk has limited history in the global market. SEDA has completed significant research on the subject and is not aware of regular bulk water sales/shipments taking place anywhere in the world. Due to the lack of comparable sales, The CBS is one of the leading entities setting the price in this emerging venture.

The CBS has set a price of \$0.01/gallon.

Sales price for the export of raw water in bulk have been traditionally set by water purchase agreements.

Bottled water sales

In 2010, the CBS adjusted SGC 15.05.625 to include a bottled water rate. Previously, the price for bottling water was set per water purchase agreements with guaranteed water allocations. The operator of the bottling plant located at the SCIP in 2010 requested lower water rates for bottling operations. They did not wish to enter into a guaranteed water allocation purchase agreement, but rather purchase water as it was available at a lower price. (The CBS had roughly 6 billion gallons of water available at the time that was not under contractual obligations.)

The pricing structure for bottled water was set by researching competing water prices in the US and taking into account the CBS proposed four - 14% annual water rate increases schedule to go into effect. The rate was set lower than the bulk water rate, as jobs would be created with a bottling production plant and that no water allocation would be guaranteed.

Currently the rate for raw water for bottling is \$1.69/1000 gallons. This rate is comparable with the following rates:

Juneau, AK (AK Brewery)	\$2.43/1000 gallons	>500,000 gallons/month - \$0.70/1000
Milwaukee, WI (MillerCoors Brewery)	\$1.791/1000 gallons	>15,000 gallons/month - \$0.976/1000
Macon County, GA (Nestle water)		\$2.67/1000 gallons

Tote/Container water sales

The sale of water in totes or containers has never been addressed by the CBS. The SCIP Board addressed the new emerging water sales industry after learning about a potential private venture to ship water in container sizes larger than traditional bottles and less than larger bulk water tanker shipments.

The SCIP Board recommended a rate of \$0.01/gallon be set on the price of water export in container sizes of greater than 5 gallons. The board recommended the rate based on following points:

- Water for bottling purposes was given a lower price based on the potential for job creation. Packaging water in containers larger than five gallons will create fewer jobs than regular bottling operations using smaller containers.
- Potential contractual issues with the current bulk water purchase agreement with True Alaska Bottling (TAB) concerning water pricing. The current water purchase agreement sets the price of bulk water at \$0.01/gallon.

Section 5.1 of the agreement states the following: "Providing that TAB is in compliance with all terms of this agreement Sitka agrees to not sell water for export to other entities for a price less than the price currently charged to TAB for equivalent Blue Lake water without offering the same price to TAB."

November 12, 2013 Assembly Action

In Assembly met in November 2013 to address the SCIP Board's recommendations. The Assembly approved the following motion:

A motion was made by Hackett to AMEND the main motion to read: "Direct the Municipal Attorney to work with the Sawmill Cove Industrial Park Board to define bulk water in preparation for an ordinance on bulk water rates." The motion to AMEND PASSED by the following vote.

The SCIP Director and the CBS Attorney met and discussed the definition of bulk water and its relation to the existing TAB bulk water purchase agreement and determined the following:

- The TAB water purchase agreement does not define what water volume amount is considered “bulk water”.
- The definition of bulk water has multiple interpretations depending on different sources. (Cambridge Dictionary does not define “bulk water”).
 - Bottled water has a set definition with multiple sources.
 - “water that has been treated in order to make it very clean or that has come from a special place, sold in bottles”
- Section 5.1 of the existing TAB bulk water purchase agreement as currently written would leave the CBS open to prices changes based off the loose definition of bulk export.

Current SGC 15.05.625

A. Water Service—Sawmill Cove Industrial Park.

1. Unmetered treated water, domestic use: base rate, thirty dollars and eighty cents per unit, per month.
2. Metered water: ninety-six dollars and thirty cents per month minimum.
 - a. Treated water: one dollar and ninety-three cents per one thousand gallons.
 - b. Treated water, fish processing use: one dollar and forty-five cents per one thousand gallons.
 - c. Raw water for heating: sixty-seven cents per one thousand gallons.
 - d. Raw water for industrial processing: ninety-six cents per one thousand gallons.
 - e. Raw water for water bottling at Sawmill Cove Industrial Park: one dollar and sixty-nine cents per one thousand gallons.

Proposed Change to SCG 15.05.625

A. Water Service – Sawmill Cove Industrial Park

2.

E. Raw water for bottling at Sawmill Cove Industrial Park in container sizes of five gallons or less: one dollar and sixty-nine cents per one thousand gallons.

F. Raw water for bottling at Sawmill Cove Industrial Park in container sizes greater than five gallons: one cent per gallon.

Recommendations

The SCIP Board recommends the CBS Assembly approve and adopted the proposed changes to Sitka General Code 15.05.625 as outlined above.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014 – 05

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SITKA GENERAL CODE AT CHAPTER 15.05 ENTITLED "WATER SYSTEM" AT SUBSECTION 15.05.625 ENTITLED "WATER AND WASTEWATER RATES – SAWMILL COVE INDUSTRIAL PARK" TO FURTHER DEFINE WATER VOLUMES AND ADDRESS TOTE/CONTAINER WATER SALES FOR BULK WATER

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 to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstances shall not be affected.

3. PURPOSE. The Sawmill Cove Industrial Park Board desires to address tote/container water sales and to further define water volumes to address new and emergency water sales industry further defining bulk water rates.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Section is amended to read as follows (new language underlined; deleted language stricken):

Chapter 15.05
Water System

15.05.625 Water and wastewater rates—Sawmill Cove Industrial Park.

- A. Water Service—Sawmill Cove Industrial Park.
1. Unmetered treated water, domestic use: base rate, thirty dollars and eighty cents per unit, per month.
2. Metered water: ninety-six dollars and thirty cents per month minimum.
a. Treated water: one dollar and ninety-three cents per one thousand gallons.
b. Treated water, fish processing use: one dollar and forty-five cents per one thousand gallons.
c. Raw water for heating: sixty-seven cents per one thousand gallons.

- 43 d. Raw water for industrial processing: ninety-six cents per one thousand gallons.
- 44 e. Raw water for water bottling at Sawmill Cove Industrial Park: in container sizes of five
- 45 gallons or less: one dollar and sixty-nine cents per one thousand gallons.
- 46 f. Raw water for bottling at Sawmill Cove Industrial Park in container sizes greater than
- 47 five gallons: one cent per gallon.

48 * * *

49
50 **5. EFFECTIVE DATE.** This ordinance shall become effective on the day after the day of its
51 passage.

52
53 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
54 Alaska this 25th day of March, 2014.

55
56

57 _____
Mim McConnell , Mayor

58 ATTEST:
59
60 _____
61 Colleen Ingman, MMC
62 Municipal Clerk
63



Legislation Details

File #: ORD 14-07 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 3/18/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Amending SGC Title 13 entitled "Port and Harbors" by Repealing and Reenacting certain sections to substantially update the laws governing the conduct and use of Sitka Municipal Harbor Facilities by adopting clear requirements for vessel maintenance and care and procedures for impounding nuisance vessels

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2014-07 Title 13](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-07 on first reading.

MEMORANDUM

To: Mayor Mim McConnell and Members of the Assembly

Through: Mark Gorman, City Administrator

From: Stan Eliason, Harbormaster 

Date: March 20th, 2014

Subject: SGC title 13 revision

The Port and Harbor Commission voted and approved the revision of SCG Title 13, on March 12th 2014. The previous title was not current with Maritime Law, pertaining to vessel impoundment and lien procedures. We now have a legal process for vessel impoundment. The new title is very easy to navigate, after being cleaned up. Several ordinances were either completely stricken or modified, to meet our current needs.

Stan Eliason, Harbormaster

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-07

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA
GENERAL CODE TITLE 13 ENTITLED "PORT AND HARBORS" BY REPEALING
AND REENACTING CERTAIN SECTIONS TO SUBSTANTIALLY UPDATE THE
LAWS GOVERNING CONDUCT AND USE OF SITKA MUNICIPAL HARBOR
FACILITIES BY ADOPTING CLEAR REQUIREMENTS FOR VESSEL
MAINTENANCE AND CARE AND PROCEDURES FOR IMPOUNDING NUISANCE
VESSELS

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

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

3. **PURPOSE.** The purpose of this ordinance is to modify SGC Title 13 to provide detailed and clear impoundment procedures for vessels declared as nuisances in the City and Borough of Sitka ("CBS") and to protect harbor facilities in CBS and the health, safety, and welfare of the CBS community. SGC currently provides cursory direction regarding impoundment and disposal of nuisance vessels and does not provide vessel owners with post-impoundment hearings when a vessel poses clear and present danger to CBS nor does it provide for notification to lien holders before a vessel is sold. In addition, SGC currently contains numerous outdated provisions and requires reorganization to reflect more detailed and expansive impoundment and disposition procedures as provided for in maritime regulations and laws and the laws and regulations of the State of Alaska.

The proposed changes will give CBS procedures and enforcement by making SGC consistent with maritime regulations and the laws of the State of Alaska for all vessels, registered and not registered, as well as cleaning up and/or removing old SGC provisions that are outdated or unenforceable. A copy of current SGC Chapter 13 is attached to this ordinance.

Adding –

- SGC 13.06.050 entitled "Delinquent accounts;"
- SGC 13.06.060 entitled "Lien created;"
- SGC 13.06.070 entitled "Other remedies;"
- SGC Chapter 13.07 entitled "Harbor Use Privileges and Prohibitions;"
- SGC 13.08.015 entitled "Safe condition of vessel"
- SGC Chapter 13.13 entitled "Nuisances;"
- SGC Chapter 13.14 entitled "Vessel Impoundment and Disposition;" And
- SGC Chapter 13.15 entitled "(Reserved – Float Houses)."

- 49 • Modify SGC 13.02.020 to clarify and expand harbormaster’s authority to raise a
- 50 sunken vessel and authority to board a vessel;
- 51 • Delete SGC 13.04.030 “Derelict” and SGC 13.04.200 entitled “Vessel
- 52 seaworthiness” and adding SGC 13.04.070 entitled “Float houses;” Move SGC
- 53 13.08.010 entitled “Registration required” to SGC 13.08.005 and rename it “Duty
- 54 to register;” and
- 55 • Modify SGC Chapters 13.09 and 13.10 to reflect other changes within Title 13.
- 56

57 This ordinance is recommended by the Port and Harbors Commission by unanimous vote
 58 on March 12, 2014.

59
 60 4. **ENACTMENT. NOW, THEREFORE, BE IT ENACTED** by the Assembly of
 61 the City and Borough of Sitka that Title 13 of the Code entitled “Ports and Harbors” is repealed
 62 and reenacted as follows:

63 **Title 13**
 64 **PORT AND HARBORS**

65 **Chapters:**

- 66 **13.02 General Provisions**
- 67 **13.04 Definitions**
- 68 **13.06 Charges/Fees**
- 69 **13.07 Harbor Use Privileges and Prohibitions**
- 70 **13.08 Reserved Mooring Staffs**
- 71 **13.09 Anchoring**
- 72 **13.10 Float Regulations**
- 73 **13.11 Enforcement**
- 74 **13.12 Nuisances**
- 75 **13.14 Vessel Impoundment and Disposition**
- 76 **13.15 (Reserved – Float Houses)**

77
 78 **Chapter 13.02**
 79 **GENERAL PROVISIONS**

80 **Sections:**

- 81 **13.02.010 Purpose.**
- 82 **13.02.020 Harbormaster.**
- 83 **13.02.030 Port and harbors commission.**
- 84 **13.02.040 Jurisdiction limits.**

85
 86 **13.02.010 Purpose.**

87 The purpose of these regulations is to provide for orderly development, management,
 88 protection, safety and efficient use of all harbor spaces and port facilities within the municipal
 89 harbor system by commercial vessels, government vessels, pleasure vessels and the boating
 90 public. By the mooring of any vessel within the harbor system, the owner, operator, or master
 91 of any vessel agrees to follow the rules and requirements of all the provisions within this title.
 92

93 **13.02.020 Harbormaster.**

94 There is created a port and harbors department which will be operated under a harbormaster
95 and staff. The harbormaster will have supervision responsibility and authority to administer all
96 city and borough owned or operated floats, harbor spaces and port facilities, subject to
97 supervision by the municipal administrator. The harbormaster will have the powers to assign
98 to all vessels, aircraft and other waterborne structures; places for docking, berthing, mooring
99 and anchoring within the floats and docks and within all water area in the designated harbor
100 system and to reassign any such stall or space should conditions warrant the same. It is illegal
101 to moor, dock or anchor in any area within harbor jurisdiction unless specifically authorized by
102 the harbormaster. The harbormaster will have the authority to impound or seize any vessel
103 within the system for improper moorage activities or dead storage. Without any obligation or
104 liability on the harbormaster's part or that of the municipality for his failure to do so, or duty to
105 do so, the harbormaster may replace defective mooring lines, pump boats which are found in a
106 dangerous condition, move any boat found endangering other vessels or raise any sunken
107 vessel. The harbormaster will have the authority to board, inspect for infractions of the law and
108 require compliance prior to the vessel owner continuing the activity that resulted in the
109 infraction. (The responsible boat owner will be billed actual costs associated with any
110 emergency services.)
111

112 **13.02.030 Port and harbors commission.**

113 There exists a port and harbors commission consisting of seven members who act as an
114 advisory body to the assembly on matters concerning the harbor system. Their duties will
115 include: working with the harbormaster and administrator planning for new harbors;
116 evaluating needs for harbor services; examining and updating harbor ordinances; review of
117 current harbor operations and annual budgets; recommending priorities, moorage rates and
118 other charges; receiving and evaluating formal and informal advice on harbor operations from
119 citizens and preparing a yearly report to the assembly on the status of the municipal harbor
120 system. The commission will meet nine times per year with additional meetings as needed at
121 the discretion of the chairperson.
122

123 **13.02.040 Jurisdiction limits of the Sitka Harbor System.**

124 The geographic boundaries of jurisdiction for the harbormaster will be: that area seaward of
125 the western shore of Baranof Island from the south end of Crescent Harbor to the southern
126 point of the Sitka Airport runway, then continuing north and east along the southerly and
127 easterly shores of Charcoal and Alice Island and continuing northerly and westerly along the
128 easterly shore of Japonski Island to the northwesterly side of the breakwater established in
129 Western Anchorage. Then continuing north and easterly along said breakwater to the westerly
130 shore of Baranof Island, thence continuing southerly and easterly along the shores of Sitka
131 Channel through Crescent Harbor and back to the point of beginning, including Sitka Channel
132 and the Western Anchorage area to the breakwater. Within these geographic confines are
133 contained the municipally owned or operated Crescent Harbor, Sealing Cove Harbor, ANB
134 Harbor, Seaplane Float, Thomsen Harbor, Eliason Harbor, Japonski work float, as well as any
135 and all other public spaces, parking lots, ramps, restrooms, docks or port facilities. (See
136 jurisdiction map, Exhibit A, set out at the end of this title.) The entire area described in this
137 section shall be referred to as the Sitka Harbor system in this Title. The harbormaster shall

138 have the authority to post such signs as are necessary to facilitate the safe and orderly
139 movement of vessels, vehicles and pedestrians.

140 **Chapter 13.04**
141 **DEFINITIONS**

142 **Sections:**

- 143 **13.04.010 Anchor.**
- 144 **13.04.020 Charter/vessel for hire.**
- 145 **13.04.040 Dinghy/lighter.**
- 146 **13.04.050 Distress.**
- 147 **13.04.060 Emergency.**
- 148 **13.04.070 Float Houses.**
- 149 **13.04.080 Harbor.**
- 150 **13.04.090 Harbormaster.**
- 151 **13.04.100 Hot berth.**
- 152 **13.04.110 Liveaboard.**
- 153 **13.04.120 Moor.**
- 154 **13.04.130 Permanent transient.**
- 155 **13.04.140 Person.**
- 156 **13.04.150 Qualifying interest.**
- 157 **13.04.160 Stall.**
- 158 **13.04.170 Transient vessel.**
- 159 **13.04.180 Transfer of cargo.**
- 160 **13.04.190 Traffic lanes.**
- 161 **13.04.200 Vessel.**
- 162 **13.04.210 Vessel length.**
- 163 **13.04.220 Waterborne structures.**

164 **13.04.010 Anchor.**

165
166 “Anchor” means to secure a vessel to a bed or body of water by dropping a weighted ground
167 line or tackle or by use of a buoy or other means to prevent more than a measurable movement
168 of the vessel.
169

170 **13.04.020 Charter/vessel for hire.**

171
172 “Charter/vessel for hire” means any vessel licensed to carry passengers for hire; “bare boat” is
173 a boat rented with or without crew or operator.
174

175 **13.04.040 Dinghy/lighter.**

176
177 “Dinghy/lighter” means a small vessel normally carried aboard a larger vessel or towed as a
178 life boat or tender.

179 **13.04.050 Distress.**

180
181 “Distress” means a state of disability or a present or obvious imminent danger which if unduly
182 prolonged could endanger life or property.

183 **13.04.060 Emergency.**
184 “Emergency” means a state of immediate danger to life or property in which time is of the
185 essence.

186
187 **13.04.070 Float Houses.**
188 “Float houses” means a floating structure used wholly as a dwelling unit, which is not
189 designed to travel on water and which is otherwise not a vessel, as defined herein.

190
191 **13.04.080 Harbor.**
192 “Harbor” means the Sitka Harbor system or all waters, tidal areas and adjacent uplands areas,
193 together with all facilities of a port or maritime nature publicly owned that are primarily used
194 by or for the service of vessels, including docks, pilings, ramps, hoists, parking areas, leased
195 water areas, concessions and/or service facilities located within.

196
197 **13.04.090 Harbormaster.**
198 “Harbormaster” means the individual described in Section 13.02.020 and any assistant
199 harbormaster or other person designated to act in the harbormaster’s place.

200
201 **13.04.100 Hot berth.**
202 “Hot berth” means the practice of allowing a vessel to temporarily occupy a stall or space not
203 reserved to said vessel.

204
205 **13.04.110 Liveaboard.**
206 “Liveaboard” means any vessel used by one or more persons as a primary residence while
207 moored in the Sitka harbor system, which meets the following requirements. A liveaboard
208 vessel must comply with all requirements imposed on any vessel moored in the harbor system
209 including the requirement that the vessel be powered by an engine of sufficient size to propel
210 the vessel at a speed allowing normal steerage and to maneuver out of and into the harbor. A
211 liveaboard vessel must be registered as such with the harbor department. A liveaboard vessel
212 must have a safe heating system, and food preparation system, and berthing accommodations
213 for all occupants.

214
215 **13.04.120 Moor.**
216 “Moor” means to secure a vessel by the use of lines to a dock, pier or other object providing a
217 more secure fastening to a particular location than by anchoring.

218
219 **13.04.130 Permanent transient.**
220 “Permanent transient” means a vessel which is on the wait list (Section 13.08.040). The vessel
221 will not have a permanent stall assignment but will be provided moorage and be billed for
222 permanent moorage under Section 13.06.010.

223
224 **13.04.140 Person.**
225 “Person” means any natural person, individual, partnership, corporation or governmental
226 agency. A corporation and natural person or individual will be considered the same if the
227 natural person has control over the former.

228 **13.04.150 Qualifying interest.**
229 “Qualifying interest” in a vessel means the interest of a person who owns the vessel, or under
230 provisions of written charter or lease, has exclusive control over the operation and navigation
231 of the vessel. A person who transfers title to a vessel or enters into a charter or lease of the
232 vessel to another, seasonally or permanently, thereby relinquishes exclusive control over the
233 use and operation of said vessel and ceases to have a qualifying interest in said vessel.

234
235 **13.04.160 Stall.**
236 “Stall” means a place to moor individual vessels in the harbor.

237
238 **13.04.170 Transient vessel.**
239 “Transient vessel” means any vessel occupying space in the Sitka Harbor system for which a
240 regular reserved stall has not been assigned.

241
242 **13.04.180 Transfer of cargo.**
243 “Transfer of cargo” means all types of loading, unloading, transfer and/or containerization of
244 any type of cargo including, but not limited to, fish, shellfish and other seafood products
245 thereof.

246
247 **13.04.190 Traffic lanes.**
248 “Traffic lanes” (navigation lanes) means those areas specifically set aside for movement to and
249 from other locations and which will be kept open, free of obstructions and not for use for
250 anchoring or mooring.

251
252 **13.04.200 Vessel.**
253 “Vessel” means any ship, boat, skiff, barge, dredge and craft of every kind or description,
254 whether used for commercial or pleasure purposes, which is on the water and is capable of
255 being used as a means of transportation on or through the water, excluding seaplanes.

256
257 **13.04.210 Vessel length.**
258 The method of determining vessel length within the harbor system: Vessel length will be
259 computed as the actual overall length of any vessel, including bow sprits, outboards or other
260 extensions.

261
262 **13.04.220 Waterborne structures.**
263 “Waterborne structures” means other than a vessel. Examples include but are not limited to
264 barges, float houses, or other, usually unpowered, structures.

265
266 **Chapter 13.06**
267 **CHARGES/FEES**

268 **Sections:**

- 269 **13.06.010 Moorage charges and fees.**
270 **13.06.030 Nonpayment.**
271 **13.06.040 Unpaid stalls.**
272 **13.06.050 Delinquent accounts.**

273 **13.06.060 Lien Created.**

274 **13.06.070 Other remedies.**

275

276 **13.06.010 Moorage charges and fees.**

277 There is established, determined, and levied upon all vessels and waterborne structures
278 moored, tied to, or in any other way attached by rope, cable, gangplank or other means to any
279 float, piling, dock, mooring buoy or other harbor improvement which is owned, constructed,
280 maintained or operated by the city and borough of Sitka a rental charge and/or fee for the
281 privilege and use of such facilities. The charges and fees shall be reviewed annually by the
282 port and harbors commission in the month of January.

283

284 A. Moorage fees and charges shall be established by resolution and approved by the
285 Assembly.

286

287 B. Rates, fees, charges and a description of other available services, such as electricity,
288 recreational vehicles and boat trailer parking, launch ramp fees and grid fees shall be published
289 and available at the harbormaster's office and city hall.

290

291 **13.06.030 Nonpayment.**

292 It is unlawful for any person to moor, berth, tie, attach or in any other manner connect to any
293 harbor improvement or facility with any vessel or airplane, for a period not to exceed one day,
294 without paying the prescribed rental charges previously listed. Any delinquent personal
295 property tax or sales tax on a vessel will be paid prior to any mooring or being placed on a
296 municipal waiting list. A late or penalty fee will be assessed after thirty days, if in arrears, as
297 prescribed by the municipal code.

298

299 **13.06.040 Unpaid stalls.**

300 If the applicable moorage fees have not been paid by the date due, following delinquent
301 notification within thirty days, the harbormaster may declare the stall released and it may be
302 reassigned to the next person on the waiting list for that appropriate sized boat.

303

304 **13.06.050 - Delinquent accounts.**

305 Delinquent accounts shall be subject to collection procedures as followed by the city and
306 borough and as allowed by federal and state laws. Delinquent accounts shall accrue interest at
307 a rate of twelve percent per year on the unpaid delinquent balance.

308

309 **13.06.060 - Lien created.**

310 In addition to any other remedy provided for herein or at law, all mooring, grid and other
311 miscellaneous harbor fees shall constitute a lien against the vessel, its tackle, gear,
312 appurtenances and other similar property of the owner or operator, under federal and state law.
313 Fees and charges delinquent ninety days or longer may be foreclosed on by impounding and
314 selling the vessel against which the lien has vested under federal law and the provisions of this
315 title.

316

317

318 **13.06.070 –Other remedies.**
319 All liens created shall not be exclusive remedies. A proceeding to foreclose any lien or suit
320 thereon by the city and borough shall not preclude any other remedy, including impoundment
321 as above, at law or in equity. The procedure for foreclosure or suit thereon of any lien shall be
322 as set out in applicable state or federal law.
323

324 **Chapter 13.07**
325 **Harbor Use Privileges and Prohibitions**

326 **Sections:**

- 327 **13.07.005 Penalties.**
- 328 **13.07.010 Prohibited Acts.**
- 329 **13.07.020 Vessel seaworthiness.**
- 330 **13.07.030 Safeguarding.**
- 331 **13.07.040 Speed limits.**
- 332 **13.07.050 Accident reports.**
- 333 **13.07.060 Responsibility for property damage.**
- 334 **13.07.070 Fire hazards prohibited.**
- 335

336 **13.07.005 Penalties.**

337 All violations herein are subject to regulation and enforcement guidelines as set forth in
338 Sections 13.12.010 and 13.12.040.
339

340 **13.07.010 Prohibited acts.**

341 In addition to other prohibited actions under this title, the following conduct is prohibited:
342

- 343 A. Generating loud or boisterous noises, including that which occurs while working on
344 vessels, that disturb the reasonable peace and privacy of others;
345
- 346 B. Obstructing or interfering with the harbormaster and/or harbor staff in the performance of
347 their duties or refusing to comply with a lawful order of the harbormaster;
348
- 349 C. Challenging or intending to provoke another to fight, or engaging in fighting;
350
- 351 D. Consuming alcohol, except on licensed premises or private vessels, or engaging in the use
352 of, or being an instrument in the exchange of, illicit drugs or narcotics; and
353
- 354 E. Anyone violating this section may be ordered verbally by the harbormaster, or designee, to
355 leave the harbor immediately.
356

357 **13.07.020 Vessel seaworthiness.**

358 All vessels moored or docked in the Sitka Harbor system must meet the following criteria:
359

- 360 A. Be capable of getting underway under its own power at all times;
361

362 B. Be a watercraft constructed and maintained for the primary purpose of navigating the
363 waterways of Alaska and not solely for the specific purposes of maintaining a stationary place
364 of residence, floating storage, shop, office or other non-navigational purposes.
365

366 **13.07.030 - Safeguarding.**

367 Every vessel owner and operator shall use all reasonable effort and precautions in keeping the
368 vessel in his charge well-secured with mooring lines in reasonable fit condition, sufficiently
369 pumped at all times to keep afloat, free from fire hazards of any kind, and to otherwise attend
370 to the needs of the vessel.
371

372 **13.07.040 Speed limits.**

373 It is unlawful for any person to operate any vessel or taxiing aircraft, except during takeoff and
374 landing, in excess of the following speed limits:
375

376 A. No person shall operate a vessel within the area between the Crescent Harbor breakwater
377 entrance to the south tip of Aleutski Island to the south tip of Love Island and the north end of
378 the channel at the rubblemound breakwater at a speed which produces a wake, wash, or wave
379 action which may or could reasonably be expected to damage any other vessels or harbor
380 facilities or create discomfort to an occupant by causing such other boats to pitch or heave
381 because of such wake, wash or wave.
382

383 B. Three miles per hour within the inner harbors of ANB Harbor, Sealing Cove Harbor,
384 Crescent Harbor, Eliason Harbor and Thomsen Harbor.
385

386 **13.07.050 Accident reports.**

387 The operator of any vessel involved in an accident resulting in the death or injury of any
388 person or damage to property in excess of five hundred dollars shall immediately give oral
389 notice of the accident to the harbormaster, or if he is unavailable to receive the notice, to the
390 Sitka police department. In addition, the operator shall, within twenty-four hours after the
391 accident, file a written report with the harbormaster containing the name of the vessel, the
392 name of the vessel owner and operator, a description of the accident, a description of the
393 resulting injuries or damage, a description of possible causes or contributing factors, and such
394 other information as the harbormaster may require.
395

396 **13.07.060 Responsibility for property damage.**

397 A person damaging city and borough docks, floats, ramps or other property of the city and
398 borough shall be responsible for cost of repairs. A boat owner is strictly liable for the damages
399 caused by a fire originating in his vessel to any municipal property.
400

401 **13.07.070 Fire hazards prohibited.**

402 A. No person may leave a fire or flame unattended aboard a vessel in the Sitka Harbor system.
403

404 B. No person may store, deposit or leave on any float, dock or other harbor facility any
405 gasoline, lubricating oil or other combustible liquid of any nature or description, except for
406 temporary purposes in conjunction with the loading or unloading of a vessel.

407
408 C. A person using a grinder, torch or flame-producing device in or upon any vessel, dock,
409 float or other boat harbor facility shall provide a fire extinguisher adequate for putting out any
410 fire which may result. Any grinding or cutting must be done in such a way that sparks and
411 other debris shall not come into contact with the property of another.

412
413 D. A person shall not ignite or detonate fireworks or flares within the boundaries of the Sitka
414 Harbor system, except by permit from the fire chief.
415

416 **Chapter 13.08**
417 **RESERVED MOORING STALLS**

418 **Sections:**

- 419 **13.08.005 Duty to register.**
- 420 **13.08.015 Safe condition of vessel.**
- 421 **13.08.020 Reserved moorage.**
- 422 **13.08.030 Moorage space assignments.**
- 423 **13.08.040 Waiting list.**
- 424 **13.08.050 Retention of a waiting list priority and stall transfer list fee.**
- 425 **13.08.060 Utilizing a reserved stall.**
- 426 **13.08.070 Stall—Sale of boat.**
- 427 **13.08.080 Transfer of reserved mooring.**
- 428 **13.08.090 Nonuse of a stall.**

429
430 **13.08.005 Duty to register.**

431 A. Every owner, operator, agent of any vessel using the harbor for any period of time is
432 required to register the name, address and telephone number of the registered owner and the
433 operator of the vessel, if the vessel is operated by anyone other than the owner; the vessel's
434 length, breadth, registered tonnage (if any) description and uses, the vessel's name and home
435 port, and any other information required by the harbormaster on forms provided for that
436 purpose, and pay the required fees immediately, but no later than 12 hours after first entering
437 the harbor.

438
439 B. Every owner, operator, agent of any vessel using the facilities of the harbor shall execute a
440 moorage agreement providing for payment of moorage fees and other charges.

441
442 C. In the event of a change of ownership or in operator, a new vessel mooring agreement shall
443 be signed within thirty days after the change.

444
445 **13.08.015 Safe Condition of Vessel**

- 446 A. To qualify or remain qualified for moorage space a vessel must:
 - 447 1. At all times meet United States Coast Guard standards which include those pertaining
 - 448 to navigational and safety equipment;
 - 449 2. Have a fixed propulsion system and have sufficient mode of power to permit the vessel
 - 450 to be maneuvered and controlled safely while transiting, entering or leaving the small
 - 451 boat harbors under wind and water conditions which are not unusual;

- 452 3. Be completely seaworthy and ready for immediate cruising in local waters in
453 compliance with Section 13.07.020; and
454 4. Shall not discharge sewage into the waters of the city and borough.
455

456 B. Whenever the harbormaster has probable cause to believe that a vessel is not qualified
457 under this section, the harbormaster may require the owner or operator of a vessel to
458 demonstrate that the vessel meets the qualifications in subsection A within seventy-two hours
459 from receiving notification from the harbormaster.
460

461 C. The harbormaster may refuse mooring space to any vessel which does not meet the
462 qualifications of this chapter and may terminate the moorage agreement for any mooring space
463 occupied by an unqualified vessel under this section. The harbormaster may require, upon
464 notice to the owner or operator of an unqualified vessel that the moorage agreement has been
465 terminated, the vessel is illegally moored and such vessel must be removed from the harbor
466 within seven days. Any vessel remaining in the harbor after the time specified in the notice
467 shall be subject to impoundment or removal as a nuisance under this title.
468

469 D. Any person whose vessel's moorage agreement is terminated under this section, shall not
470 be allowed to tie to any municipally owned harbor infrastructure, or anchor within the
471 jurisdiction of the Sitka harbor system.
472

473 **13.08.020 Reserved moorage.**

474 Reserved moorage may be obtained, as available, at locations designated or assigned by the
475 harbormaster. Reserved space will be assigned based on a waiting list which will be
476 maintained in the harbor office and will be on a first-come, first-served basis determined upon
477 the date the application was received, the type and size boat space required and the availability
478 of such spaces.
479

480 **13.08.030 Moorage space assignments.**

481 Moorage spaces may be held in the names of individual persons, government agencies,
482 educational institutions, and nonprofit organizations. Corporations may hold moorage spaces,
483 however if a corporation is sold or taken over by another corporation, individual, or business
484 entity the moorage space will be forfeit. Partners may hold a moorage space equally, but if the
485 space holder wishes to add a partner's name to the space assignment, the new partner must go
486 on the wait list and will be added to the space assignment when his/her name comes up for
487 assignment. Partnerships must be true partnerships and both names must be on the vessel
488 documentation or registration. Should a partnership dissolve, it will be up to the partner
489 retaining the moorage space to submit a release from the other partner indicating their
490 agreement to the retention. The stall will then transfer to the individual retaining the stall. The
491 harbormaster retains the right to review and obtain a copy if necessary of U.S. Coast Guard
492 documentation papers of ownership or state of Alaska vessel title or registration. Moorage
493 spaces may only be assigned to vessel owners. Vessel owners may not lease their vessels and
494 hold a moorage space after six months without the approval of the harbormaster. Any holder
495 of a reserved mooring stall shall not sublease, rent, or in any other manner permit or allow any

496 other vessel to occupy said space, unless specifically permitted and approved by the
497 harbormaster for sufficient reason given.

498

499 **13.08.040 Waiting list.**

500 There will be a moorage waiting list maintained by the harbormaster and displayed in the
501 harbor office for public inspection. The list will be based on receipt of a nonrefundable
502 administrative fee, equivalent to the first quarter's mooring fee based on the overall length of
503 the listed vessel. The nonrefundable administrative fee will not be applied to the first quarter's
504 moorage fee when a stall is assigned. All permanent moorage vacancies will be filled by the
505 first applicant on the list who has a vessel of the required length, beam, electrical needs or
506 other overall factors deemed by the harbormaster to be most suitable for the empty berth.

507

508 **13.08.050 Retention of a waiting list priority and stall transfer list fee.**

509 An applicant who does not respond to a written notice sent by the harbormaster, by certified
510 mail, to the last address in the files of the harbor department, will be removed from the waiting
511 list. Upon accepting a stall assignment and payment of a twenty-five-dollar nonrefundable stall
512 transfer list fee, the applicant may be placed on a stall transfer list for the same vessel.

513

514 **13.08.060 Utilizing a reserved stall.**

515 The municipality reserves the right to provide temporary moorage or "hot berthing" of another
516 vessel within a reserved mooring space when said space is unoccupied. A holder of a reserved
517 stall or space within the Sitka Harbor system should provide a usage plan to the harbormaster,
518 if he/she knows he/she will be absent for any reasonable extended length of time more than
519 twenty-four hours, giving his/her estimated time of departure and return. The stall holder will
520 not have the right to designate any specific vessel to use the stall. Should the reserved stall
521 holder return earlier than expected, the holder will contact the harbormaster, as early as
522 possible, to facilitate time to remove the temporary vessel from the reserved space. If the
523 harbormaster is not available, the reserved stall holder will moor at the transient area until
524 he/she can contact the harbor department. The harbormaster will inform temporary users of
525 any absent holder's reserved mooring space that said use will continue only for the duration of
526 the holder's boat's absence and that the harbormaster is authorized to move the temporary
527 vessel to another location upon return of the holder's boat. Any temporary stall user will
528 therefore be required to keep the harbormaster notified of his/her whereabouts. Any boat
529 owner desiring to moor temporarily in a reserved but vacant stall will apply to the
530 harbormaster. No such stall or space will be utilized unless authorized by the harbormaster.
531 The boat owner temporarily assigned to a reserved mooring space will not utilize the utilities
532 which may have been provided for the reserved stall holder unless authorized by the
533 harbormaster. If electricity is used, the stall holder will be credited to his current usage for that
534 month. Nothing in this section limits the harbormaster's authority to move any moored boat to
535 another location in the event of a fire or other emergency requiring such action.

536

537 **13.08.070 Stall – Sale of boat.**

538 When a person sells his/her boat, he/she will notify the harbormaster within one week of the
539 sale and state whether the stall will be released. A change of ownership occurs when a name is
540 changed, added, or dropped from a vessel's documentation. A stall is not transferable by the

541 holder. Persons who sell their boat but intend to purchase another one which is of a proper size
542 to fit into the existing stall may retain their stall for a period of up to six months. If, at the end
543 of that time, they have not obtained ownership of another boat or furnished proof of intent to
544 procure a boat within a reasonable extended period of time as determined by the harbor master,
545 the reserved space will be forfeited. Any such person wishing to retain the stall will be
546 responsible for the continued mooring rate fee as established by Section 13.06.010. The fee
547 will be based on the length of the stall.

548
549 **13.08.080 Transfer of reserved mooring.**
550 Any person holding a reserved mooring space or a position on the approved waiting list may
551 not transfer such space or list position to any other person except that a preferential annual slip
552 assigned to a vessel may be retained if the transfer is between husband and wife, to a natural or
553 legally adopted son or daughter or grandson or granddaughter or is legally inherited by a
554 member of the owner's family and documented as such to the satisfaction of the harbor master.
555

556 **13.08.090 Nonuse of a stall.**
557 If the owner of a vessel, to which a reserved mooring space is assigned, does not use that space
558 or slip for at least three months of each calendar year, the reserved mooring space will be
559 forfeited and the harbor master will notify said owner, in writing, subject to written appeal for
560 an extension to the Ports and Harbor Commission. The harbor master may waive this
561 requirement, on a case-by-case basis, under exceptional circumstances such as extended ocean
562 voyages or major vessel repair.

563
564 **Chapter 13.09**
565 **ANCHORING**

566 **Sections:**

567 **13.09.010 Anchored vessels and waterborne structures.**

568
569 **13.09.010 Anchored vessels and waterborne structures.**
570 Anchoring within western anchorage will be permitted from March 1 to September 30. Unless
571 it is a float house, authorized under SGC 13.15, any anchored vessel or waterborne structure
572 must meet vessel seaworthiness requirements under Section 13.07.020, if applicable, and shall
573 not be a nuisance as defined in this title. Any anchored vessel or waterborne structure that does
574 not meet the applicable requirements or is declared a nuisance:

575
576 A. may be subject to impoundment under chapter 13.14 of this code and any other applicable
577 enforcement actions under law;

578
579 **Chapter 13.10**
580 **FLOAT REGULATIONS**

581 **Sections:**

- 582 **13.10.010 Notice to owners.**
- 583 **13.10.020 Dead storage.**
- 584 **13.10.030 Minimum-maximum length.**
- 585 **13.10.040 Vehicles and parking.**

- 586 **13.10.045 Vehicles prohibited.**
- 587 **13.10.046 Boat launch ramp and trailer parking.**
- 588 **13.10.047 Recreational vehicle park rules and regulations.**
- 589 **13.10.048 Recreational vehicle/boat trailer winter storage rules and regulations.**
- 590 **13.10.050 General requirements.**
- 591 **13.10.060 Harbor electrical system.**
- 592 **13.10.070 Notices – Bulletin Boards.**
- 593 **13.10.080 Distribution of commercial or political handbill and leaflets – Permit**
- 594 **required.**
- 595 **13.10.090 Skiffs or secondary vessel mooring.**
- 596 **13.10.100 Pets within the Sitka Harbor system.**
- 597 **13.10.110 Unlawful disposal in Sitka Harbor system.**
- 598 **13.10.140 Cleaning fish.**
- 599 **13.10.150 Storage prohibited.**
- 600 **13.10.160 Grid.**
- 601 **13.10.170 Gear/cargo loading float.**
- 602 **13.10.180 Work float.**
- 603 **13.10.185 Sealing Cove boat trailer area.**
- 604 **13.10.190 Airplane float.**
- 605 **13.10.195 Regulations for airplanes operating within the Sitka Harbor system.**
- 606 **13.10.200 Garbage facilities.**
- 607 **13.10.210 Children.**
- 608 **13.10.220 Swimming.**
- 609 **13.10.230 Restriction on offloading more than five hundred pounds of commercially**
- 610 **caught raw fish in the harbor system.**

611
612 **13.10.010 Notice to owners.**

613 By the mooring of any vessel within the Sitka harbor system, the owner, operator, or master of
614 any vessel agrees to all of the provisions contained within this title.

615
616 **13.10.020 Dead storage.**

617 It is declared that city and borough owned or operated floats, mooring spaces or other facilities
618 have been installed and are operated for the convenience and use of fishermen and pleasure
619 boat owners and are not for the purposes of providing dead storage. Moorage of any type of
620 waterborne structure, houseboat, flatboat or barge is specifically prohibited except float houses
621 as authorized under SGC 13.15. This prohibition extends to the entire area of jurisdiction of
622 the harbor system but will exclude those fishing scows specifically owned or operated by on-
623 shore cold storage plants which are brought into the city and borough for maintenance or off-
624 season storage only.

625
626 **13.10.030 Minimum-maximum length.**

627 The minimum-maximum length of any boat or ship or any other vessel which moors at any
628 city and borough harbor float, will be based on the length of the stall, and will be subject to the
629 harbormaster’s discretion based on safety.

630

631 **13.10.040 Vehicles and parking.**

632 No vehicle will be allowed or permitted to park on the approach to any float so as to obstruct
633 said approach except as a necessary purpose of discharging passengers or freight.

634

635 **13.10.045 Vehicles prohibited.**

636 It is unlawful for any person to ride a bicycle, motor scooter, motorcycle, skateboard, roller
637 skates, roller blades, or other similar device on any municipal float.

638

639 **13.10.046 Boat launch ramp and trailer parking.**

640 A. The city and borough boat launch facility shall be open to the public. It is unlawful to
641 block access to either of the launch ramps at Sealing Cove or Crescent Harbor.

642

643 B. Short-term parking is available for trailers. There is also a three-day and a ten-day area.

644

645 The harbor department will issue citations and impound trailers that exceed the time limit.

646

647 **13.10.047 Recreational vehicle park rules and regulations.**

648 The facility is intended to service short-term visitors to Sitka. It is not intended to become a
649 location for permanent occupants.

650

651 A. The RV park is open annually from April 1st through September 30th. Occupancy is
652 limited to a maximum of thirty consecutive days.

653

654 B. The registration and fee shall be collected by harbor department personnel or park host
655 and shall be paid in advance.

656

657 C. Each occupant shall be responsible for keeping their assigned space neat and clean.

658

659 D. No tents, wannigans, sheds, additions, or extensions to the RV, camper or trailer
660 occupying the space are allowed.

661

662 E. Recreational vehicles with holding tanks may dump free of charge at the municipal
663 wastewater treatment disposal facility.

664

665 **13.10.048 Recreational vehicle/boat trailer winter storage rules and regulations.**

666 A. The recreational vehicle/boat trailer park at Sealing Cove will be open for winter storage
667 of recreational vehicles, boat trailers, boats on boat trailers, and motor vehicles from October
668 1st through March 31st of each year.

669

670 B. No recreational vehicle, boat trailer, or motor vehicle may be stored or remain at the
671 recreational vehicle trailer park unless:

672 1. The recreational vehicle, boat trailer, boat on boat trailer, or motor vehicle has
673 required license plate(s), current vehicle registration, and current license tags; and

674

675 2. The recreational vehicle, boat trailer, or motor vehicle is operational.

676 C. Any recreation vehicle, boat trailer, boat on boat trailer, or motor vehicle not removed by
677 March 31st will be impounded at the owner's expense.
678

679 **13.10.050 General requirements.**

680 The following rules are intended to minimize adverse effects on neighboring shore side
681 properties adjacent to the harbors within the Sitka Harbor system:
682

683 A. To the extent allowed by safety considerations, harbor lights, all bright lights, including
684 vessel deck lights will be directed away from the shoreline.
685

686 B. The use of crab lights (sodium, mercury, crab, flood, etc.) is prohibited within the harbors
687 within the Sitka Harbor system and between the breakwaters and O'Connell Bridge between
688 the hours of eight p.m. and seven a.m.
689

690 C. The use of any sound system, public address and/or paging systems of any sort will be
691 limited to the hours of seven a.m. and eight p.m. The performance of any vessel repairs
692 requiring noisy activities, including the revving of vessel engines will be limited to the same
693 hours. In case of emergencies contact the harbormaster.
694

695 **13.10.060 Harbor electrical system.**

696 The following regulations govern the use of electricity within the Sitka Harbor system:
697

698 A. Connections to any vessel moored within the Sitka Harbor system are under the direction
699 of the harbormaster and are subject to the following:

700 1. Use of nonmarine battery chargers is strictly prohibited. All chargers used within the
701 system must contain an isolator circuit or be run through an isolator so that no current is
702 discharged into the municipal system.

703 2. Use of extension cords, plugs, caps and other components between the vessel's
704 private system and the municipal shore side system will comply with the electrical code
705 of the city and borough and be of a specific marine design recognized and approved by
706 the city and borough.

707 3. Only heating lamps with porcelain type sockets may be used.

708 4. Any onboard heater capable of causing a fire if overturned, must be equipped with a
709 safety switch which will automatically disconnect the electrical power, if so overturned.
710

711 B. The harbormaster will, by permission of vessel owner or agent, have the authority to enter
712 any vessel connected to the municipal electrical system to inspect electrical equipment to
713 assure compliance with this and other applicable codes. If permission is not granted, the
714 harbormaster may disconnect said shore power from the offending vessel.
715

716 C. It is unlawful for any person to interfere, tamper with, or connect any wires, plugs or
717 other devices to any of the electrical wiring or electrical outlets upon any of the docks, floats
718 or gangways maintained, constructed or owned by the city and borough without the permission
719 of the harbormaster.
720

721 D. Violation of any of the provisions of this section is punishable up to the maximum of five
722 hundred dollars.

723

724 **13.10.070 Notices – Bulletin Boards.**

725 Except in those areas designated by the harbormaster, it is unlawful for any person, firm or
726 corporation to post any matter upon any bulletin board or to create any writing or printed
727 material and post it to any float, piling, dock or any other portion of the Sitka Harbor system,
728 except in those areas designated by the harbormaster. Any unauthorized material will be
729 immediately removed by the harbormaster and destroyed. All material will be dated and is
730 limited to thirty days.

731

732 **13.10.080 Distribution of handbill and leaflets – Permit required.**

733 Distribution of handbills and leaflets is forbidden within the Sitka Harbor system and in the
734 adjacent public parking areas. Persons intending to distribute handbills and leaflets within the
735 Sitka Harbor system will be required to obtain a permit from the municipality. A condition for
736 the issuance of such permits shall be that the permittee agree to clean up any discarded
737 handbills and leaflets in the harbor area and adjacent parking lot areas at the end of each day.
738 Failure to properly clean up the area shall result in revocation of such permits by the city and
739 borough of Sitka.

740

741 **13.10.090 Skiffs or secondary vessel mooring.**

742 No skiff or other secondary vessel will be separately moored to the Sitka Harbor system except
743 at a berth specifically assigned for moorage to the owner of that skiff and with appropriate fees
744 paid. No floating skiff will be tied or otherwise moored to any other vessel moored to that
745 berth in any way as to protrude into the passage lane to another berth or in such a way as to
746 block passage from any other vessel.

747

748 **13.10.100 Pets within the Sitka Harbor system.**

749 Any dog, cat or other pet living aboard any boat in the Sitka harbor system, or crossing the
750 floats to a vessel shall be subject to the entirety of Title 8 as enforcement guidelines.

751

752 **13.10.110 Unlawful disposal in Sitka Harbor system.**

753 It is unlawful to:

754

755 A. Dump garbage or trash into any boat harbor, harbor uplands or associated tidelands;

756

757 B. Abandon or leave old boats, hulks or wrecks within the Sitka Harbor system;

758

759 C. Spill, dump, discharge or in any other manner dispose of flammable waste such as
760 gasoline, lubricating oil, or other combustible liquids into any boat harbor, uplands, or
761 associated tidelands; and

762

763 D. Leave or dispose of spoiled fish, bait, or gear on the city and borough floats. Vessel
764 owners will tend to their gear promptly after each commercial opening. Any failure to provide
765 necessary cleanup action will be considered a nuisance.

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13.10.140 Cleaning fish.

It is unlawful to:

A. Dispose of any fish, shellfish or other animal, or waste parts of fish, shellfish or other animal, into the Sitka Harbor system waters, so as to not attract birds which could create a hazard with aircraft near the Rocky Gutierrez Airport.

B. To clean fish on any portion of a city and borough dock or float, except at designated fish cleaning stations. Waste bins are available at the harbor from June through September. Any waste outside of those dates shall be disposed of in a way not to attract vermin, birds, sea lions, bears, etc. in accordance with both SGC 9.24.050 and SGC 13.12.

13.10.150 Storage prohibited.

It is unlawful for any person to use any harbor for storage, on any floats, docks or gangways or any other portion of the municipal harbor system, of any pipes, nets, wares, merchandise, or gear of any sort or type without the permission of the harbormaster. Even when permission is given, it is for a specific, short length of time to facilitate gear changing, loading or other necessary activity and not as a convenient place of storage of personal items. Should a skiff or other item having value be found stored on the docks or floats in violation of this section, the harbormaster will impound said items and dispose of them as follows:

A. They will be stored for thirty days.

B. The owner will be notified, if known, by certified mail, that the items have been impounded and must be reclaimed within the thirty days, after paying reasonable storage and associated costs, or they will be subject to sale at the end of thirty days with the owner responsible for any unrecovered costs. Public and owner notification shall run concurrently.

13.10.160 Grid.

No boat more than thirty-five tons per bent will be allowed on the south grid. No boat more than six tons per bent will be allowed on the north end grid. If persons wishing to exceed the above limits wish to use the grid, they must contact the harbormaster for special consideration. Maximum time on grid is ninety-six hours.

13.10.170 Gear/cargo loading float.

Unless other arrangements have been made with the harbormaster, for activity other than loading or unloading, the following rules apply to the gear/cargo loading float:

A. The time limit on the loading float is two hours;

B. Vehicle access shall be for vessels tied to the gear/cargo loading float only, when there is actual loading between vessel and vehicle; and

810 C. Parking is not for casual access to vessels tied in the harbor. Improper use of the
811 gear/cargo loading float is unlawful and subject to penalties in SGC 13.12.
812

813 **13.10.180 Work float.**

814 A year round work float is available for use and located on Sitka Channel across from ANB
815 Harbor. The intent for this work float is gear work only and is subject to 72 hour consecutive
816 use unless prior permission is given by harbormaster. Vessel must be removed for 24 hours
817 before another 72 hours can be used. This float is equipped with water and electricity. No
818 overnight moorage is permitted without the harbormaster's permission. No storage of any
819 gear, nets or materials is permitted without the harbormaster's permission and only in case of
820 an emergency. The Crescent Harbor, Float 4 work float is available for temporary winter
821 moorage from September 15th until April 15th. Penalties for violating this section are
822 specified in SGC 13.12.
823

824 **13.10.185 Sealing Cove boat trailer area.**

825 Parking of boat trailers in the Sealing Cove boat trailer area is limited to ten days. Changing
826 parking stalls in the parking area shall not initiate a new ten-day period. A trailer must be
827 removed from the parking lot for forty-eight hours before another ten days of parking may be
828 allowed. Penalties for violation of this section are specified in SGC 11.40.170D.4 for overtime
829 parking.
830

831 **13.10.190 Airplane float.**

832 The municipal airplane float shall be administered and enforced by the harbormaster but
833 subject to:
834

835 A. Commercial operations shall be allowed at the municipal airplane float with the
836 harbormaster's approval and proper permitting. Such operations shall be charged an
837 appropriate user fee.
838

839 B. The municipal plane floats are for the use of active planes.
840

841 C. Only repair and maintenance work of a minor nature shall be allowed on the float, which
842 is defined as that work which would ordinarily be completed in one twenty-four-hour period.
843 The harbormaster shall have discretion in enforcing this provision.
844

845 D. No person may moor a vessel at any municipal plane float.
846

847 **13.10.195 Regulations for airplanes operating within the Sitka Harbor system.**

848 Airplanes operating within the Sitka Harbor system shall:
849

850 A. Follow international navigation rules while operating on the water;

851 B. Not taxi on step in the channel except during take-off and landing. There is to be a no
852 wake zone in affect in Sitka Channel from O'Connell Bridge to the rubble mound breakwater
853 north of Eliason Harbor;
854

855 C. Use the take-off and landing corridor located on the southwest side of Western
856 Anchorage, paralleling Japonski Island, from the government pier, out to the breakwater.
857 Pilots have the option to use other areas when wind and weather conditions require, but must
858 maintain adequate separation from vessel traffic. Approximately eighty percent of seaplane
859 operations will be conducted in the designated area;

860
861 D. Do not fly within five hundred feet of any structures, except as necessary for take-off and
862 landing. This includes the O'Connell Bridge.

863
864 **13.10.200 Garbage facilities.**
865 Objects too large to fit into the litter container shall be disposed of at the municipal landfill by
866 the owner at his/her expense.

867
868 **13.10.210 Children.**
869 Children under the age of twelve are prohibited on the docks unless in the immediate presence
870 of a parent, guardian or responsible adult.

871
872 **13.10.220 Swimming.**
873 Swimming and diving (with the exception of authorized commercial scuba diving or
874 snorkeling and special events approved by the harbormaster) from any city and borough
875 owned or managed float, dock, or wharf is prohibited.

876
877 **13.10.230 Restriction on offloading more than five hundred pounds of commercially**
878 **caught raw fish in the harbor system.**
879 A. The city and borough-owned hoist is the only place more than five hundred pounds of
880 commercially caught raw fish, taken by one vessel, on one fishing trip, may be offloaded in the
881 harbor system. Anyone committing a violation of this section is liable for up to a five hundred
882 dollar fine. See, fines, SGC 13.12.050B.

883
884 B. If the hoist is unavailable, commercially caught raw fish may be taken to another area after
885 consultation with the harbormaster.

886
887 **Chapter 13.12**
888 **ENFORCEMENT**

889 **Sections:**

- 890 **13.12.010 General.**
- 891 **13.12.040 Written warning.**
- 892 **13.12.050 Fines.**

893
894 **13.12.010 General.**
895 A. The harbormaster has the authority to order vessels, occupants or visitors to leave the
896 harbor for violations of any portion of this title. Moorage and berthing is a privilege which
897 may be revoked for violations of this title. The harbormaster is granted the authority to
898 impound vessels and remove vessels from the harbor system either temporarily or permanently

899 under the provisions of this title. The owner of record and/or the person in charge of the vessel
900 will be responsible for any and all infractions charged against the vessel.

901
902 B. Persons utilizing the harbor facilities shall obey all municipal, state and federal laws and
903 regulations, as well as those generally accepted safety standards, as well as refrain from
904 engaging in prohibited acts under this title.

905
906 **13.12.040 Written warning.**

907 If, at the discretion of the harbormaster, an infraction of the rules of the harbor system may be
908 resolved with a written warning to the offending vessel owner, he/she may do so, retaining a
909 copy for the harbor files. Said written warning will specify the infraction and notify the owner
910 that further action will be taken if the offense is repeated or does not cease immediately. Any
911 such written warning will be hand delivered in person or mailed by certified mail.

912
913 **13.12.050 Fines.**

914 The maximum penalty will be five hundred dollars, minimum will be \$50 and a standard
915 penalty for violations will be as follows:

916
917 A. Cleaning fish – waste (SGC 13.10.140):

918
919 First offense - \$100.00
920 Second or subsequent offense - \$250.00

921
922 B. Excessive wake (SGC 13.07.040):

923
924 First offense - \$ 50.00
925 Second or subsequent offense- \$100.00

926
927 C. Offloading more than 500 pounds – commercially caught raw fish (SGC 13.10.230) within
928 a 5-year period:

929
930 First offense – \$250.00
931 Second or subsequent offense - \$500.00

932
933 D. Nuisance violations (SGC 13.13.025 – soot) within one year:

934
935 First offense – \$50.00
936 Second offense - \$100.00
937 Third or subsequent offense - \$300.00

938
939 E. Harbor electrical violations (SGC 13.10.060.A) within one year:

940
941 First offense - Written warning
942 Second offense - \$100.00 and shut off power to vessel
943 Third or subsequent offenses - \$300.00 and shut off power to vessel

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F. Harbor electrical violations (SGC 13.10.060.C) within one year:

- First offense - \$250.00
- Second or subsequent offenses - \$500.00 and subject to removal from Sitka harbor system

G. Violations of vehicle loading and unloading area regulations (SGC 13.10.170) shall be \$25.00 per offense.

H. Violations of work float usage (SGC 13.10.180) shall be up to \$500.00 per offense.

**Chapter 13.13
NUISANCES**

Sections:

- 13.13.010 Nuisances declared.**
- 13.13.020 Other nuisances.**
- 13.13.025 Emission of soot from an oil stove in a vessel.**
- 13.13.030 Abatement or disposal.**
- 13.13.040 Abandoned property.**
- 13.13.050 Sunken or obstructive vessels.**
- 13.13.060 Floating objects.**
- 13.13.070 No custody of derelicts.**

13.13.010 Nuisances declared.

- A. For the purposes of this title, a vessel is a nuisance if:
 - 1. The vessel is in violation of the mooring or traffic regulations of the Sitka Harbor system;
 - 2. The stall rent or any other fee or charge due the city and borough for the vessel has not been paid thirty days after the due date of the rent, fee or charge owed;
 - 3. The vessel causes an obstruction to navigation;
 - 4. The vessel is unfit, unseaworthy or maintained in such a manner as to make it liable to sink;
 - 5. The vessel is unqualified under the provisions of Section 13.08.015;
 - 6. The vessel constitutes a fire hazard; or
 - 7. The vessel is sunken or is in imminent danger of sinking

- B. A vessel declared to be a nuisance is subject to abatement and removal from the Sitka Harbor system or other municipal waters by the city and borough or its agents, without liability to the city and borough or its agents for any damage done by virtue of the removal or for any of its consequences.

- C. Any vessel declared to be a nuisance under this section shall be considered a derelict vessel for purposes of Alaska Statute 30.30.

989 **13.13.020 Other nuisances.**

990 Refuse of all kinds, structures or pieces of any structure, dock sweepings, dead animals or
991 parts thereof, timber, logs, piles, boomsticks, lumber, boxes, paint, plastic bags, empty
992 containers and oil of any kind floating uncontrolled on the water, and all other substances or
993 articles of a similar nature are declared to be public nuisances, and it shall be unlawful for any
994 person to throw or place in or permit to be thrown, or placed any of the above-named articles
995 or substances within in the Sitka Harbor system or the municipal waters, either by high tides,
996 storms, floods or otherwise. Nets, gear and other material left on any float or dock for more
997 than twenty-four hours are declared a nuisance, and shall be tagged with a warning tag by the
998 harbormaster. Any person causing or permitting the nuisances placed shall remove the same
999 and upon his failure to do so within twenty-four hours of tagging may be removed by the
1000 harbormaster. When the harbormaster has authorized such nuisances to be removed, all costs
1001 of such removal or storage shall be paid by and recoverable from the person creating the
1002 nuisance.

1003

1004 **13.13.025 Emission of soot from an oil stove in a vessel.**

1005 Each owner and operator of a vessel in the harbor system shall take all reasonable measures to
1006 prevent the emission of soot from oil stoves. If a vessel's oil stove emits soot that settles onto
1007 or touches another vessel, the owner or operator of the vessel from which the soot came shall
1008 face a correctional citation, and if not corrected shall pay the fine imposed in SGC 13.12.050C.
1009 The first and second offenses shall be bailable. A person cited for a third offense of emission
1010 of soot from an oil stove shall be declared a nuisance.

1011

1012 **13.13.030 Abatement or disposal.**

1013 A. Nuisances described under this chapter constituting a clear and present danger to the public
1014 health, safety or general welfare may be summarily abated without notice prior to
1015 impoundment subject to Section 13.14.050.

1016

1017 B. Vessels declared nuisances which do not constitute a clear and present danger to the public
1018 health, safety or general welfare may be removed, impounded and disposed of as provided in
1019 Section 13.14.040.

1020

1021 C. Other nuisances under Section 13.13.010-.025 may be impounded, disposed of by
1022 destruction, private sale, or any other means deemed reasonable by the harbormaster. Such
1023 disposition is to be made without liability of the city to the owner of the nuisance.

1024

1025 **13.13.040 Abandoned property.**

1026 Any vessel in the Sitka Harbor system which is abandoned but has not been declared a
1027 nuisance may be impounded, sold or otherwise disposed of as provided in Alaska Statute
1028 30.30.

1029

1030 **13.13.060 Floating objects.**

1031 All vessels, watercraft, logs, piling, building material, scows, houseboats or any other article of
1032 value found adrift within the Sitka Harbor system may be taken in charge by the harbormaster
1033 and may be subject to the reclamation by the owner thereof on payment by him to the city and

1034 borough of any expenses incurred by the city and borough, and in case of a failure to reclaim
1035 may be sold or disposed of as abandoned property.

1036
1037 **13.13.070 No custody of nuisances.**
1038 The Sitka Harbor system shall not accept ownership or custody of nuisance or abandoned
1039 vessels or any nuisance as declared under Section 13.13.010-.025 unless expressly accepted by
1040 the harbormaster in writing.

1041
1042 **Chapter 13.14**
1043 **VESSEL IMPOUNDMENT AND DISPOSITION**

- 1044 **Sections:**
- 1045 **13.14.010 Impoundment of boats or vessels for violations.**
 - 1046 **13.14.020 Storage charge.**
 - 1047 **13.14.030 Notice to owner.**
 - 1048 **13.14.040 Right to Pre-impoundment hearing.**
 - 1049 **13.14.050 Post-impoundment notice and hearing.**
 - 1050 **13.14.060 Appeals.**
 - 1051 **13.14.070 Notice of disposition.**
 - 1052 **13.14.080 Form of disposition.**

1053
1054 **13.14.010 Impoundment of boats or vessels for violations.**
1055 The harbormaster may, pursuant to this section, impound a vessel by immobilizing it or
1056 removing or having it towed from the water and placed in city and borough or commercial
1057 storage with all expenses and risks of haul-out and storage to be borne by the owner of the
1058 vessel.

1059
1060 **13.14.020 Storage charge.**
1061 The owner or person entitled to possession of a vessel impounded by the city and borough
1062 shall be subject to and liable for actual storage charge and shall be subject to and liable for all
1063 costs incurred by the city and borough by reason of the impounding or removal.

1064
1065 **13.14.030 Notice to owner.**
1066 Except as provided in Section 13.13.030(A), at least thirty days prior to impounding any
1067 vessel, the city and borough shall cause to be posted on the vessel, in the harbormaster's office,
1068 in the City Hall and on the bulletin board at the United States Post Office, notice of such action
1069 to be taken by the city and borough. A copy of the notice shall be mailed to the owner,
1070 operator or agent of the vessel at his last known address, which address shall be the same as
1071 that furnished in accordance with the provisions of Section 13.08.010. The notice shall contain
1072 the name and/or number of the vessel, the name and address, if known, of the owner and the
1073 location of vessel.

1074
1075 **13.14.040 Right to Pre-impoundment hearing.**
1076 A. Except as provided in Section 13.13.030(A), the owner of a vessel or person entitled to
1077 possession of the vessel has the right to a pre-impoundment administrative hearing to
1078 determine whether there is probable cause to impound the vessel if the owner or person

1079 entitled to possession of the vessel files a written demand for such a hearing with the
1080 municipal clerk within fifteen days after the mailing of the notice required by Section
1081 13.14.030.

1082
1083 B. A hearing shall be conducted before a hearing officer designated by the municipal
1084 administrator within forty-eight hours of receipt of a written demand for a pre-impoundment
1085 hearing from the person seeking the hearing unless such person waives the right to a speedy
1086 hearing. Saturdays, Sundays and city and borough holidays are excluded from the calculation
1087 of the forty-eight-hour period. Pre-impoundment hearing request forms are available at the
1088 harbormaster's office.

1089
1090 C. The hearing officer shall be someone other than the persons who will direct the
1091 impounding and storage of the vessel. The sole issue before the hearing officer shall be
1092 whether there is probable cause to impound the vessel in question. "Probable cause to
1093 impound" shall mean such a state of facts as would lead a person of ordinary care and
1094 prudence to believe that there was a breach of law rendering the vessel subject to
1095 impoundment. The hearing officer shall conduct the hearing in an informal manner and shall
1096 not be bound by technical rules of evidence.

1097
1098 D. The person demanding the hearing shall carry the burden of establishing his right to
1099 possession of the vessel in question. The harbormaster shall carry the burden of establishing
1100 that there is probable cause to impound the vessel.

1101
1102 E. After the pre-impoundment hearing, the hearing officer shall prepare a written decision and
1103 certificate of probable cause if probable cause exists. A copy of the decision and the certificate
1104 shall be provided to the harbormaster, the vessel owner, and the person demanding the hearing.
1105 The decision of the hearing officer is final.

1106
1107 F. Failure of the owner or person entitled to possession of the vessel to request or attend a
1108 scheduled pre-impoundment hearing shall be deemed a waiver of the right to such hearing.

1109 G. Upon receipt of a Certificate of probable cause, the harbormaster may proceed with
1110 impoundment and disposition of the vessel by removal, sale or destruction as authorized by
1111 this chapter.

1112
1113 **13.14.050 Post-impoundment Notice and Hearing.**

1114 A. Unless otherwise provided, the procedure set forth in this section shall apply whenever a
1115 vessel has been impounded or removed or a nuisance vessel abated pursuant to Section
1116 13.13.030(A) or the pre-impoundment hearing procedures under Section 13.14.040 were not
1117 followed.

1118
1119 B. When action is taken to impound, remove, or otherwise abate a nuisance vessel that poses
1120 clear and present danger to the public health, safety or general welfare, notice shall be
1121 personally delivered or mailed to the owner of the vessel, if the name and location of the
1122 owner is known, within twenty-four hours after the impoundment, removal or abatement.

1123 C. The owner of the vessel or person entitled to possession of the vessel has a right to a post-
1124 impoundment hearing if that person submits a written demand for a post-impoundment hearing
1125 to the municipal clerk within fifteen days after the city and borough mailed the notice of
1126 impoundment.

1127
1128 D. A post-impoundment hearing shall be conducted before a hearing officer designated by the
1129 municipal administrator within forty-eight hours of receipt of a written demand for a post-
1130 impoundment hearing from the person seeking the hearing unless such person waives the right
1131 to a speedy hearing. Saturdays, Sundays and city and borough holidays are excluded from the
1132 calculation of the forty-eight-hour period. Post-impoundment hearing request forms are
1133 available at the harbormaster's office.

1134
1135 E. A post-impoundment hearing officer shall determine whether there was probable cause to
1136 impound the vessel. If the hearing officer determines that there was not probable cause to
1137 impound the vessel, the vessel shall be released to the owner without payment of the towing,
1138 storage or other accrued storage, impoundment, and abatement charges or the owner shall be
1139 entitled to a refund or reimbursement of the charges if they were paid. If the hearing officer
1140 determines that there was probable cause for the impoundment of the vessel, the harbormaster
1141 may proceed to dispose of the vessel as provided in this Chapter.

1142
1143 F. Failure of the owner or person entitled to possession of the vessel to request or attend a
1144 scheduled post-impoundment hearing shall be deemed a waiver of the right to such hearing.

1145

1146 **13.14.060 Appeals.**

1147 Any appeal from the decision by the hearing officer in a pre-impoundment or post-
1148 impoundment hearing must be filed within thirty days of the decision to the Alaska Superior
1149 Court at Sitka in accordance with Alaska Rules of Appellate Procedure.

1150

1151 **13.14.070 - Notice of Disposition.**

1152 A. After impounding a nuisance vessel, the city and borough shall publish a notice of
1153 disposition once in a newspaper of general circulation and, if possible, post a notice of
1154 disposition on the vessel at least thirty days before disposing of the vessel.

1155

1156 B. A duplicate of the notice must be served by certified mail, with return receipt, on:

1157 1. the registered owner of the vessel, if known, at the address on record with the United
1158 States Coast Guard; and

1159 2. all lienholders who have filed a financing statement indexed in the name of the
1160 registered owner, or who are shown on the records of a state agency or the United States Coast
1161 Guard.

1162

1163 C. The notice of disposition must include a description of the vessel, the name and/or number
1164 of the vessel, if any, the name and address of the owner, if known, the location of the vessel,
1165 and the means of disposition. If a public auction will be held, the location, date, and time of
1166 the auction shall be included in the notice of disposition.

1167

1168 **13.14.080 Form of Disposition.**

1169 A. If the vessel is not repossessed within thirty days after the publication or mailing of the
1170 notice required under Section 13.14.070, the vessel may be disposed of by negotiated sale
1171 except that when two or more prospective purchasers indicate an interest in purchasing the
1172 vessel, the vessel will be sold at public auction to the highest bidder. The city and borough
1173 may conduct the public auction under this chapter or execute the city and borough's lien
1174 against the vessel in federal court and subject the vessel to a public auction conducted by the
1175 U.S. Marshall's service.

1176
1177 B. The proceeds of any sale of the vessel at a public auction under this chapter shall be first
1178 applied to the costs of conducting the sale, then to impoundment fees and storage charges, and
1179 the balance, if any, shall be forwarded to the registered owner of the vessel, if the owner can
1180 be found. If the owner cannot be found, the balance shall be deposited with the commissioner
1181 of the state of Alaska department of administration and shall be paid out in accordance with
1182 state law. The proceeds of any sale of the vessel at a public auction sanctioned by federal law
1183 shall be dispersed in accordance with federal law. A lienholder shall receive priority of
1184 payment from the balance of the proceeds to the extent of the lien. A registered owner has one
1185 year to make a claim for the remaining proceeds from the sale.

1186
1187 C. If no prospective purchaser indicates a desire to purchase the vessel within thirty days after
1188 the publication or mailing of the notice required under Section 13.14.070, the vessel may be
1189 disposed of as junk, donated to a government agency, or destroyed.

1190
1191 D. Any disposition of the vessel is to be made without liability of the city and borough, its
1192 employees or agents to the owner, operator or lienholder of the vessel.

1193
1194 **13.15 (Reserved – float houses).**

1195
1196 5. **EFFECTIVE DATE.** This ordinance shall become effective 30 days after the date of
1197 its passage.

1198
1199 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
1200 Sitka, Alaska this 8th day of April, 2014.

1201
1202
1203
1204

Mim McConnell, Mayor

1205 **ATTEST:**
1206
1207
1208

Colleen Ingman, MMC
1209 Municipal Clerk

Title 13
PORT AND HARBORS Revised 1/14

Chapters:

13.02 General Provisions

13.04 Definitions

13.06 Charges/Fees Revised 1/14

13.08 Reserved Mooring Stalls

13.09 Anchoring

13.10 Float Regulations

13.12 Enforcement

**The Sitka General Code is current through Ordinance 13-46,
passed December 23, 2013.**

Disclaimer: The City Clerk's Office has the official version of the
Sitka General Code. Users should contact the City Clerk's Office
for ordinances passed subsequent to the ordinance cited above.

**Chapter 13.02
GENERAL PROVISIONS**

Sections:

- 13.02.010 Purpose.
- 13.02.020 Harbormaster.
- 13.02.030 Port and harbors commission.
- 13.02.040 Jurisdiction limits.

13.02.010 Purpose.

The purpose of these regulations is to provide for orderly development, management, protection, safety and efficient use of all harbor spaces and port facilities within the municipal harbor system by commercial vessels, government vessels, pleasure vessels and the boating public. By the mooring of any vessel within the harbor system, the owner, operator, or master of any vessel agrees to follow the rules and requirements of all the provisions within this title. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.02.020 Harbormaster.

There is created a port and harbors department which will be operated under a harbormaster and staff. The harbormaster will have supervision responsibility and authority to administer all city and borough owned or operated floats, harbor spaces and port facilities, subject to supervision by the city and borough administrator. The harbormaster will have the powers to assign to all vessels, aircraft and other waterborne structures; places for docking, berthing, mooring and anchoring within the floats and docks and within all water area in the designated harbor system and to reassign any such stall or space should conditions warrant the same. The harbormaster will have the municipal police powers in the enforcement of this title and places within the harbor system but the use of said power is limited to the harbor system unless specifically designated and authorized by the chief of police. It is illegal to moor, dock or anchor in any area within harbor jurisdiction unless specifically authorized by the harbormaster. The harbormaster will have the authority to issue harbor tickets and to impound or seize any vessel within the system for improper moorage activities or dead storage. Without any obligation or liability on the harbormaster's part or that of the municipality for his failure to do so, or duty to do so, the harbormaster may replace defective mooring lines, pump boats which are found in a dangerous condition, move any boat found endangering other vessels or raise any sunken vessel found to be endangering others. The harbormaster will have the authority to board, inspect for Title 13 infractions and require compliance prior to the vessel owner continuing the activity that resulted in the infraction. (The responsible boat owner will be billed actual costs associated with any emergency services.) (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.02.030 Port and harbors commission.

There exists a port and harbors commission consisting of seven members who act as an advisory body to the assembly on matters concerning the harbor system. Their duties will include: working with the harbormaster and administrator planning for new harbors; evaluating needs for harbor services;

examining and updating harbor ordinances; review of current harbor operations and annual budgets; recommending priorities, moorage rates and other charges; receiving and evaluating formal and informal advice on harbor operations from citizens and preparing a yearly report to the assembly on the status of the municipal harbor system. The commission will meet nine times per year with additional meetings as needed at the discretion of the chairperson. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.02.040 Jurisdiction limits.

The geographic boundaries of jurisdiction for the harbormaster will be: that area seaward of the western shore of Baranof Island from the south end of Crescent Harbor to the southern point of the Sitka Airport runway, then continuing north and east along the southerly and easterly shores of Charcoal and Alice Island and continuing northerly and westerly along the easterly shore of Japonski Island to the northwesterly side of the breakwater established in Western Anchorage. Then continuing north and easterly along said breakwater to the westerly shore of Baranof Island, thence continuing southerly and easterly along the shores of Sitka Channel through Crescent Harbor and back to the point of beginning, including Sitka Channel and the Western Anchorage area to the breakwater. Within these geographic confines are contained the municipally owned or operated Crescent Harbor, Sealing Cove Harbor, ANB Harbor, Seaplane Float, Thomsen Harbor, Japonski work float, as well as any and all other public spaces, parking lots, ramps, restrooms, docks or port facilities. (See jurisdiction map, Exhibit A, set out at the end of this title.) The harbormaster shall have the authority to post such signs as are necessary to facilitate the safe and orderly movement of vessels, vehicles and pedestrians. (Ord. 04-21 § 4 (part), 2004; Ord. 97-1445 § 4(A), 1997; Ord. 96-1394 § 4 (part), 1996; Ord. 96-1366 § 4 (part), 1996.)

The Sitka General Code is current through Ordinance 13-46, passed December 23, 2013.

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**Chapter 13.04
DEFINITIONS**

Sections:

- 13.04.010 Anchor.
- 13.04.020 Charter/vessel for hire.
- 13.04.030 Derelict.
- 13.04.040 Dinghy/lighter.
- 13.04.050 Distress.
- 13.04.060 Emergency.
- 13.04.070 Harbor.
- 13.04.080 Harbormaster.
- 13.04.090 Hot berth.
- 13.04.100 Liveaboard.
- 13.04.110 Moor.
- 13.04.120 Nuisance or hazardous.
- 13.04.125 Permanent transient.
- 13.04.130 Person.
- 13.04.140 Qualifying interest.
- 13.04.150 Stall.
- 13.04.160 Transient vessel.
- 13.04.170 Transfer of cargo.
- 13.04.180 Traffic lanes.
- 13.04.190 Vessel.
- 13.04.200 Vessel seaworthiness.
- 13.04.210 Vessel length.
- 13.04.220 Waterborne structures.

13.04.010 Anchor.

"Anchor" means to secure a vessel to a bed or body of water by dropping a weighted ground line or tackle or by use of a buoy or other means to prevent more than a measurable movement of the vessel. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.020 Charter/vessel for hire.

"Charter/vessel for hire" means any vessel licensed to carry passengers for hire; "bare boat" is a boat rented with or without crew or operator. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.030 Derelict.

"Derelict" means any vessel which is or reasonably appears to be forsaken, abandoned, deserted, cast off, unsound, unseaworthy or unfit for its use or occupation. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.040 Dinghy/lighter.

"Dinghy/lighter" means a small vessel normally carried aboard a larger vessel or towed as a life boat or tender. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.050 Distress.

"Distress" means a state of disability or a present or obvious imminent danger which if unduly prolonged could endanger life or property. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.060 Emergency.

"Emergency" means a state of immediate danger to life or property in which time is of the essence. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.070 Harbor.

"Harbor" means all waters, tidal areas and adjacent uplands areas, together with all facilities of a port or maritime nature publicly owned that are primarily used by or for the service of vessels, including docks, pilings, ramps, hoists, parking areas, leased water areas, concessions and/or service facilities located within. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.080 Harbormaster.

"Harbormaster" means the individual described in Section 13.02.020 and any assistant harbormaster or other person designated to act in the harbormaster's place. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.090 Hot berth.

"Hot berth" means the practice of allowing a vessel to temporarily occupy a stall or space not reserved to said vessel. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.100 Liveaboard.

"Liveaboard" means any vessel used by one or more persons as a primary residence while moored in the Sitka harbor system, which meets the following requirements. A liveaboard vessel must comply with all requirements imposed on any vessel moored in the harbor system including the requirement that the vessel be powered by an engine of sufficient size to propel the vessel at a speed allowing normal steerage and to maneuver out of and into the harbor. A liveaboard vessel must be registered as such with the harbor department. A liveaboard vessel must have a safe heating system, and food preparation system, and berthing accommodations for all occupants. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.110 Moor.

"Moor" means to secure a vessel by the use of lines to a dock, pier or other object providing a more secure fastening to a particular location than by anchoring. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.120 Nuisance or hazardous.

"Nuisance" or "hazardous" means a derelict or a vessel which is not kept and regularly pumped free of excess water inside its hull, or is submerged, or which constitutes a fire, health, safety or navigation hazard. A vessel is presumed to constitute a "nuisance" if: the vessel is sunk; in immediate danger of sinking; obstructing a waterway; endangering life or property; the vessel has been moored or otherwise left in the harbor and has expired vessel registration numbers; the registered owner no longer resides at the address listed on same registration or other marine documentation papers, or the last known registered owner disclaims ownership and the current owner cannot be determined, or if other means of identification have been obliterated or removed in a manner which precludes identification; or if the vessel does not clear the harbor, under its own power, at least four times per year. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.125 Permanent transient.

"Permanent transient" means a vessel which is on the wait list (Section 13.08.040). The vessel will not have a permanent stall assignment but will be provided moorage and be billed for permanent moorage under Section 13.06.010. (Ord. 04-21 § 4 (part), 2004; Ord. 99-1531 § 4A, 1999.)

13.04.130 Person.

"Person" means any natural person, individual, married couple, partnership, corporation or governmental agency. A corporation and natural person or individual will be considered the same person if the natural person has control over the former. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.140 Qualifying interest.

"Qualifying interest" in a vessel means the interest of a person who owns the vessel, or under provisions of written charter or lease, has exclusive control over the operation and navigation of the vessel. A person who transfers title to a vessel or enters into a charter or lease of the vessel to another, seasonally or permanently, thereby relinquishes exclusive control over the use and operation of said vessel and ceases to have a qualifying interest in said vessel. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.150 Stall.

"Stall" means a place to moor individual vessels in the harbor. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.160 Transient vessel.

"Transient vessel" means any vessel occupying space in the Sitka Harbor system for which a regular reserved stall has not been assigned. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.170 Transfer of cargo.

"Transfer of cargo" means all types of loading, unloading, transfer and/or containerization of any type of cargo including, but not limited to, fish, shellfish and other seafood products thereof. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.180 Traffic lanes.

"Traffic lanes" (navigation lanes) means those areas specifically set aside for movement to and from other locations and which will be kept open, free of obstructions and not for use for anchoring or mooring. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.190 Vessel.

"Vessel" means any ship, boat, skiff, barge, dredge and craft of every kind or description, whether used for commercial or pleasure purposes, which is on the water and is capable of being used as a means of transportation on or through the water, excluding seaplanes. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.200 Vessel seaworthiness.

"Vessel seaworthiness" means a state of readiness or safety which all vessels moored or docked in the Sitka Harbor system must meet including the following criteria:

- A. Be capable of getting underway under its own power at all times;
- B. Meet all U.S. Coast Guard requirements;
- C. Be a watercraft constructed and maintained for the primary purpose of navigating the waterways of Alaska and not solely for the specific purposes of maintaining a stationary place of residence, floating storage, shop, office or other nonnavigational purposes;
- D. Any vessel found to be in violation of the above requirements shall be given ninety days to comply. Noncompliance shall result in the cancellation of moorage and/or removal from the harbor system.

(Ord. 04-21 § 4 (part), 2004; Ord. 97-1445 § 4(B), 1997; Ord. 96-1366 § 4 (part), 1996.)

13.04.210 Vessel length.

The method of determining vessel length within the harbor system: Vessel length will be computed as the actual overall length of any vessel, including bow sprits, outboards or other extensions. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.04.220 Waterborne structures.

“Waterborne structures” means other than a vessel. Examples include but are not limited to barges, float houses, or other, usually unpowered, structures. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

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Chapter 13.06
CHARGES/FEES Revised 1/14

Sections:

- 13.06.010 Moorage charges and fees. Revised 1/14
- 13.06.020 Review of charges.
- 13.06.030 Nonpayment.
- 13.06.040 Unpaid stalls.

13.06.010 Moorage charges and fees. Revised 1/14

There is established, determined, and levied upon all vessels and waterborne structures moored, tied to, or in any other way attached by rope, cable, gangplank or other means to any float, piling, dock, mooring buoy or other harbor improvement which is owned, constructed, maintained or operated by the city and borough of Sitka a rental charge and/or fee for the privilege and use of such facilities. The charges and fees set forth in this section shall be reviewed annually by the port and harbors commission in the month of January. The administrator and municipal clerk shall each be responsible for ensuring that such review is put as an item on the commission's agenda for a meeting in January of each year. The rental charges and/or fees for each vessel or waterborne structure will be imposed and levied upon and collected from the owners, operators, or masters of all such vessels and waterborne structures according to the following classifications set forth in this section:

A. Permanent Moorage.

1. Rates and Fees. Permanent moorage charges shall be assessed per foot per month (or portion thereof) of overall vessel length, or stall length, whichever is greater, as set forth in the table below. The permanent moorage is inclusive of the standard moorage rate to cover operations and a capital improvement projects plan in accordance with the harbor system master plan, as set forth in the table below.

Moorage Rates and Charges
(per foot per month)

Total Permanent Moorage	\$2.80
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2. Payment Schedule. Payments may be made in advance quarterly, semiannually or annually, but not to exceed one year (January to December).

B. Daily Transient Moorage.

1. Rates. Daily transient moorage charges shall be assessed per foot per day of overall vessel length, as set forth in the table below. If billing is required, the moorage rate assessed will be double the rates listed below.

Moorage Rates (per foot per day)

	10/1/2012
Daily Transient Rate (0—80 feet)	\$0.87
Daily Transient Rate (81—150 feet)	\$1.49
Daily Transient Rate (151 feet or more)	\$2.24

2. **Payment Schedule.** All charges shall be paid in advance and are nonrefundable, even if the vessel does not use transient moorage for any of the pre-paid time period.

C. **Liveaboard Vessels.** Liveaboard vessels will pay the regular monthly mooring fee. In addition, they will pay the minimum residential user's fees for garbage, water, and sewer on a monthly basis.

D. **Monthly Transient Moorage.**

1. **Rates.** Monthly transient moorage charges shall be assessed per foot per month (or portion thereof) of overall vessel length, as set forth in the table below. If billing is required, the moorage rate assessed will be double the rates listed below.

Moorage Rates (per foot per month)

	10/1/2012
Monthly Transient Rate (0—150 feet)	\$14.94
Monthly Transient Rate (151 feet or longer)	\$22.41

2. **Payment Schedule.** Each month of moorage charges shall be paid in advance, and are nonrefundable, even if the vessel does not use transient moorage for any of the pre-paid time period.

E. **Wait-List Moorage.** Vessels on the wait list moored in any of the Sitka harbors shall be charged the same rates and fees as for permanent moorage, payable in advance, quarterly. Payments will be nonrefundable. If a person is delinquent in the payment of moorage for more than thirty days, the vessel will be removed from the wait list and the vessel shall be required to pay transient moorage.

F. **Transient Electricity.** The fee for using an electrical meter other than a meter in the vessel owner's name will be five dollars per day for thirty amp service. For fifty amp service and above, the fee will be as follows: a ten-dollar in and ten-dollar out meter reading fee plus the cost of the electricity used.

G. **Tour Ship Lightering Fees.** The fee for the use of the lightering floats will be:

1. Nine hundred sixteen dollars and seventy cents per ship, per day, plus applicable city sales tax for the 2013 through 2015 seasons.
2. Future lightering fees will be negotiated prior to the 2016 season.

H. Airplane Float Fees. Fees will be fifty dollars per month for aircraft mooring at the airplane float. A transient aircraft fee of five dollars per day or a thirty-day permit for one hundred dollars will be assessed. It is unlawful for any boat to moor at, or in any way obstruct, the airplane float.

1. The fee for use of the floatplane facility (airplane float) by commercial aircraft is two hundred dollars per year. This fee shall be in addition to the fee for use of the airplane float for aircraft mooring set out in this subsection.

I. Summer Recreational Vehicle/Boat Trailer Parking Fee. The rate is thirty-five dollars plus applicable city sales tax per calendar day per stall.

J. Winter Recreational Vehicle/Boat Trailer Park Storage Fees. The rates are as follows for winter storage (October 1st through March 31st) at Sealing Cove recreational vehicle/boat trailer park, based on the overall length of the recreational vehicle, boat trailer, or motor vehicle:

1. Daily rate of fifteen cents per foot per day;
2. Monthly rate of three dollars and ten cents per foot per month;
3. Winter seasonal rate (October 1st through March 31st) of sixteen dollars per foot;
4. A two hundred dollar deposit will be collected before any vehicle is stored, to be refunded whenever the vehicle is moved out.

K. Grid Fee. The fee for use of the harbor grid is ten dollars per day per vessel.

L. Launch Ramp Fees. The fee for the use of a launch ramp is as follows:

1. Daily rate of ten dollars per day; or
2. Annual rate of seventy-five dollars per year for an annual permit.

M. Large Vessel with Reservations for End-Ties and O'Connell Lightering Facility.

1. Rates. Charges for large vessel with reservation for end-ties or for the O'Connell Lightering Facility when it is not being used as a lightering float shall be assessed per foot per day of overall vessel length or float length, whichever is greater, as set forth in the table below. If billing is required, the moorage fee assessed will be double the rates listed below.

Moorage Rates (per foot)	
Moorage Type	10/1/2012
Large Vessel Daily Reservation, End-Tie	\$2.50
Large Vessel Daily Reservation, O'Connell Lightering	\$3.00

2. **Payment Schedule.** All charges shall be paid in advance and are nonrefundable, even if the vessel does not use transient moorage for any of the pre-paid time period.

(Ord. 13-46 § 4, 2013; Ord. 13-15 § 4, 2013; Ord. 12-21A § 4, 2012; Ord. 10-26 § 4, 2010; Ord. 07-01 § 4 (part), 2007; Ord. 06-15 § 4, 2006; Ord. 06-10 (A-1) § 4(A), 2006; Ord. 05-12 § 4(A), 2005; Ord. 04-21 § 4 (part), 2004; Ord. 03-1726 § 4, 2003; Ord. 02-1708 § 4, 2003; Ord. 00-1569 § 4,

2000; Ord. 99-1552 § 4, 1999; Ord. 99-1531 §§ 4A-4E, 1999; Ord. 96-1394 § 4 (part), 1996; Ord. 96-1366 § 4 (part), 1996.)

13.06.020 Review of charges.

The rates stated in this title are determined to be fair, just and reasonable rates. All rates charged or assessed by the harbormaster will be paid by the owner, master or other person having charge of the vessel, but will be subject to review for fairness by the municipal administrator. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.06.030 Nonpayment.

It is unlawful for any person to moor, berth, tie, attach or in any other manner connect to any harbor improvement or facility with any vessel or airplane, for a period not to exceed one day, without paying the prescribed rental charges previously listed. Any delinquent personal property tax or sales tax on a vessel will be paid prior to any mooring or being placed on a municipal waiting list. A late or penalty fee will be assessed after thirty days, if in arrears, as prescribed by the municipal code. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.06.040 Unpaid stalls.

If the applicable moorage fees have not been paid by the date due, following delinquent notification within thirty days, the harbormaster may declare the stall released and it may be reassigned to the next person on the waiting list for that appropriate sized boat. (Ord. 04-21 § 4 (part), 2004; Ord. 97-1445 § 4(C), 1997; Ord. 96-1366 § 4 (part), 1996.)

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Chapter 13.08 RESERVED MOORING STALLS

Sections:

- 13.08.010 Registration required.
- 13.08.020 Reserved moorage.
- 13.08.030 Moorage space assignments.
- 13.08.040 Waiting list.
- 13.08.050 Retention of a waiting list priority and stall transfer list fee.
- 13.08.060 Utilizing a reserved stall.
- 13.08.070 Stall—Sale of boat.
- 13.08.080 Transfer of reserved mooring.
- 13.08.090 Nonuse of a stall.
- 13.08.100 Transient vessels.

13.08.010 Registration required.

Every owner, master or managing agent of a vessel using the harbor, even temporarily, will be required to register with the office of the harbormaster within eight hours of entering the harbor system. Said registration will contain the following information: owner's or managing agent's name, address and phone number, the vessel's name and home port, official documentation or state I.D. number, color, length, breadth and draft. If a different phone number or contact person is required for an emergency phone number or contact person it will also be listed. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.08.020 Reserved moorage.

Reserved moorage may be obtained, as available, at locations designated or assigned by the harbormaster. Reserved space will be assigned based on a waiting list which will be maintained in the harbor office and will be on a first-come, first-served basis determined upon the date the application was received, the type and size boat space required and the availability of such spaces. (Ord. 04-68 § 4, 2004: Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.08.030 Moorage space assignments.

Moorage spaces may be held in the names of individual persons, government agencies, educational institutions, and nonprofit organizations. Corporations may hold moorage spaces, however if a corporation is sold or taken over by another corporation, individual, or business entity the moorage space will be forfeit. Partners may hold a moorage space equally, but if the space holder wishes to add a partner's name to the space assignment, the new partner must go on the wait list and will be added to the space assignment when his/her name comes up for assignment. Partnerships must be true partnerships and both names must be on the vessel documentation or registration. Should a partnership dissolve, it will be up to the partner retaining the moorage space to submit a release from the other partner indicating their agreement to the retention. The stall will then transfer to the individual retaining the stall. The harbormaster retains the right to review and obtain a copy if

necessary of U.S. Coast Guard documentation papers of ownership or state of Alaska vessel title or registration. Moorage spaces may only be assigned to vessel owners. Lease vessels do not comply with the requirements of this title. Vessel owners may not lease their vessels and hold a moorage space after six months without the approval of the harbormaster. Any holder of a reserved mooring stall shall not sublease, rent, or in any other manner permit or allow any other vessel to occupy said space, unless specifically permitted and approved by the harbormaster for sufficient reason given. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.08.040 Waiting list.

There will be a moorage waiting list maintained by the harbormaster and displayed in the harbor office for public inspection. The list will be based on receipt of a nonrefundable administrative fee, equivalent to the first quarter's mooring fee based on the overall length of the listed vessel. The nonrefundable administrative fee will not be applied to the first quarter's moorage fee when a stall is assigned, unless the applicant paid the waitlist fee prior to February 15, 2007. All permanent moorage vacancies will be filled by the first applicant on the list who has a vessel of the required length, beam, electrical needs or other overall factors deemed by the harbormaster to be most suitable for the empty berth. (Ord. 07-01 § 4 (part), 2007; Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.08.050 Retention of a waiting list priority and stall transfer list fee.

An applicant who does not respond to a written notice sent by the harbormaster, by certified mail, to the last address in the files of the harbor department, will be removed from the waiting list. Upon accepting a stall assignment and payment of a twenty-five-dollar nonrefundable stall transfer list fee, the applicant may be placed on a stall transfer list for the same vessel. (Ord. 07-01 § 5, 2007; Ord. 04-21 § 4 (part), 2004; Ord. 02-1696 § 4, 2002; Ord. 96-1366 § 4 (part), 1996.)

13.08.060 Utilizing a reserved stall.

The municipality reserves the right to provide temporary moorage or "hot berthing" of another vessel within a reserved mooring space when said space is unoccupied. A holder of a reserved stall or space within the city and borough of Sitka harbor system should provide a usage plan to the harbormaster, if he/she knows he/she will be absent for any reasonable extended length of time more than twenty-four hours, giving his/her estimated time of departure and return. The stall holder will not have the right to designate any specific vessel to use the stall. Should the reserved stall holder return earlier than expected, the holder will contact the harbormaster, as early as possible, to facilitate time to remove the temporary vessel from the reserved space. If the harbormaster is not available, the reserved stall holder will moor at the transient area until he/she can contact the harbor department. The harbormaster will inform temporary users of any absent holder's reserved mooring space that said use will continue only for the duration of the holder's boat's absence and that the harbormaster is authorized to move the temporary vessel to another location upon return of the holder's boat. Any temporary stall user will therefore be required to keep the harbormaster notified of his/her whereabouts. Any boat owner desiring to moor temporarily in a reserved but vacant stall will apply to the harbormaster. No such stall or space will be utilized unless authorized and the appropriate fee is paid in advance. The boat owner temporarily assigned to a reserved mooring space will not utilize the

utilities which may have been provided for the reserved stall holder unless authorized by the harbormaster. If electricity is used, the stall holder will be credited to his current usage for that month. Nothing in this section limits the harbormaster's authority to move any moored boat to another location in the event of a fire or other emergency requiring such action. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.08.070 Stall – Sale of boat.

When a person sells his/her boat, he/she will notify the harbormaster within one week of the sale and state whether the stall will be released. A change of ownership occurs when a name is changed, added, or dropped from a vessel's documentation. A stall is not transferable by the holder. Persons who sell their boat but intend to purchase another one which is of a proper size to fit into the existing stall may retain their stall for a period of up to six months. If, at the end of that time, they have not obtained ownership of another boat or furnished proof of intent to procure a boat within a reasonable extended period of time as determined by the harbormaster, the reserved space will be forfeited. Any such person wishing to retain the stall will be responsible for the continued mooring rate fee as established by Section 13.06.010. The fee will be based on the length of the stall plus ten feet. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.08.080 Transfer of reserved mooring.

Any person holding a reserved mooring space or a position on the approved waiting list may not transfer such space or list position to any other person except that a preferential annual slip assigned to a vessel may be retained if the transfer is between husband and wife, to a natural or legally adopted son or daughter or grandson or granddaughter or is legally inherited by a member of the owner's family and documented as such to the satisfaction of the harbormaster. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.08.090 Nonuse of a stall.

If the owner of a vessel, to which a reserved mooring space is assigned, does not use that space or slip for at least three months of each calendar year, the reserved mooring space will be forfeited and the harbormaster will notify said owner, in writing. The harbormaster may waive this requirement, on a case-by-case basis, under exceptional circumstances such as extended ocean voyages or major vessel repair. (Ord. 04-21 § 4 (part), 2004: Ord. 02-1697 § 4, 2002: Ord. 96-1366 § 4 (part), 1996.)

13.08.100 Transient vessels.

No transient vessel shall moor at ANB Harbor Float No. 4 for more than ten consecutive days except by special permission of the harbormaster. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

Chapter 13.09 ANCHORING

Sections:

13.09.010 Anchoring permits.

13.09.020 Anchored vessels and waterborne structures.

13.09.010 Anchoring permits.

A. Any operator or owner of a vessel or waterborne structure that is anchored within the water area in the jurisdictional limits of the harbor master as identified in Section 13.02.040 is required to apply for an anchoring permit from the harbor master within twenty-four hours after anchoring. The anchoring permit shall be effective for no more than seven consecutive days unless an extended anchoring period is approved by the harbor master. The anchoring location shall be specified on the permit application, and is subject to approval by the harbor master.

B. This chapter applies to vessels or waterborne structures that are anchored as defined in Section 13.04.010, but not to those vessels or waterborne structures that are moored as defined in Section 13.04.110.

(Ord. 06-46 § 4 (part), 2006.)

13.09.020 Anchored vessels and waterborne structures.

A. Any anchored vessel must meet vessel seaworthiness requirements under Section 13.04.200, and not be a hazard or nuisance as defined by Section 13.04.120. Any anchored vessel that does not meet the vessel seaworthiness requirements or is a hazard or nuisance is subject to impound under Section 13.04.200(D) and other applicable enforcement actions under Chapter 13.12, is not eligible for any anchoring permit, and any issued anchoring permit shall be cancelled.

B. Any anchored waterborne structure may not be a hazard or nuisance under Section 13.04.120. Any anchored vessel that is a hazard or nuisance is subject to impound under Section 13.04.200(D) and other applicable enforcement actions under Chapter 13.12, is not eligible for any anchoring permit, and any issued anchoring permit shall be cancelled.

(Ord. 06-46 § 4 (part), 2006.)

**The Sitka General Code is current through Ordinance 13-46,
passed December 23, 2013.**

Disclaimer: The City Clerk's Office has the official version of the Sitka General Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

Chapter 13.10 FLOAT REGULATIONS

Sections:

- 13.10.010 Notice to owners.
- 13.10.020 Dead storage.
- 13.10.030 Minimum-maximum length.
- 13.10.040 Vehicles and parking.
- 13.10.045 Vehicles prohibited.
- 13.10.046 Boat launch ramp and trailer parking.
- 13.10.047 Recreational vehicle park rules and regulations.
- 13.10.048 Recreational vehicle/boat trailer winter storage rules and regulations.
- 13.10.050 General requirements.
- 13.10.060 Harbor electrical system.
- 13.10.070 Notices – Billboards.
- 13.10.080 Distribution of commercial handbill and leaflets – Permit required.
- 13.10.090 Skiffs or secondary vessel mooring.
- 13.10.100 Pets within the harbor system.
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- 13.10.120 Fires.
- 13.10.130 Liveaboards in Crescent Harbor.
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- 13.10.160 Grid.
- 13.10.170 Gear/cargo loading float.
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- 13.10.185 Sealing Cove boat trailer area.
- 13.10.190 Airplane float.
- 13.10.195 Regulations for airplanes operating within the Sitka Harbor system.
- 13.10.200 Garbage facilities.
- 13.10.210 Children.
- 13.10.220 Swimming.
- 13.10.230 Restriction on offloading more than five hundred pounds of commercially caught raw fish in the harbor system.

13.10.010 Notice to owners.

By the mooring of any vessel within the Sitka harbor system, the owner, operator, or master of any vessel agrees to all of the provisions contained within this title. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.020 Dead storage.

It is declared that the city and borough of Sitka owned or operated floats, mooring spaces or other facilities have been installed and are operated for the convenience and use of fishermen and

pleasure boat owners and are not for the purposes of providing a source of inexpensive alternative housing or dead storage. Moorage of any type of waterborne structure, houseboat, flatboat or barge is specifically prohibited. This prohibition extends to the entire area of jurisdiction of the harbor system but will exclude those fishing scows specifically owned or operated by on-shore cold storage plants which are brought into Sitka for maintenance or off-season storage only. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.10.030 Minimum-maximum length.

The minimum-maximum length of any boat or ship or any other object which moors at any city and borough of Sitka harbor float, will be based on the length of the stall. For stalls twenty feet to fifty feet in length, the minimum will be three feet under stall length and the maximum will be ten feet in excess of stall length. For stalls less than twenty feet there will be no minimum and the maximum length will be set by the harbormaster depending on the stall in question. This size restriction does not apply to the municipal port development area, Thomsen Harbor floating breakwater or other specific areas where oversize packers, tour vessels or large visiting yachts are specifically permitted. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1394 § 4 (part), 1996: Ord. 96-1366 § 4 (part), 1996.)

13.10.040 Vehicles and parking.

No vehicle will be allowed or permitted to park on the approach to any float so as to obstruct said approach except as a necessary purpose of discharging passengers or freight. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.10.045 Vehicles prohibited.

It is unlawful for any person to ride a bicycle, motor scooter, motorcycle, skateboard, roller skates, roller blades, or other similar device on any municipal float. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.10.046 Boat launch ramp and trailer parking.

A. The city and borough of Sitka boat launch facility shall be open to the public. It is unlawful to block access to either of the launch ramps at Sealing Cove or Crescent Harbor.

B. Short-term parking is available for trailers. There is also a three-day and a ten-day area. The harbor department will issue citations and impound trailers that exceed the time limit.

(Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.10.047 Recreational vehicle park rules and regulations.

The facility is intended to service short-term visitors to Sitka. It is not intended to become a location for permanent occupants.

A. The RV park is open annually from April 1st through September 30th. Occupancy is limited to a maximum of thirty consecutive days.

- B. The registration and fee shall be collected by harbor department personnel or park host and shall be paid in advance. (See Section 13.06.010(l) for fee.)
- C. Each occupant shall be responsible for keeping their assigned space neat and clean.
- D. No tents, wannigans, sheds, additions, or extensions to the RV, camper or trailer occupying the space are allowed.
- E. Recreational vehicles with holding tanks may dump free of charge at the municipal wastewater treatment disposal facility.

(Ord. 04-21 § 4 (part), 2004; Ord. 97-1445 § 4(D), 1997; Ord. 96-1394 § 4 (part), 1996.)

13.10.048 Recreational vehicle/boat trailer winter storage rules and regulations.

- A. The recreational vehicle/boat trailer park at Sealing Cove will be open for winter storage of recreational vehicles, boat trailers, boats on boat trailers, and motor vehicles from October 1st through March 31st of each year.
- B. No recreational vehicle, boat trailer, or motor vehicle may be stored or remain at the recreational vehicle trailer park unless:
 - 1. The recreational vehicle, boat trailer, boat on boat trailer, or motor vehicle has required license plate(s), current vehicle registration, and current license tags; and
 - 2. The recreational vehicle, boat trailer, or motor vehicle is operational.
- C. Any recreation vehicle, boat trailer, boat on boat trailer, or motor vehicle not removed by March 31st will be impounded at the owner's expense.

(Ord. 06-10 (A-1) § 4(B), 2006.)

13.10.050 General requirements.

The following rules are intended to minimize adverse effects on neighboring shore side properties adjacent to the harbors:

- A. To the extent allowed by safety considerations, harbor lights, all bright lights, including vessel deck lights will be directed away from the shoreline.
- B. The use of crab lights (sodium, mercury, crab, flood, etc.) is prohibited within the harbors and between the breakwaters and O'Connell Bridge between the hours of eight p.m. and seven a.m.
- C. The use of any sound system, public address and/or paging systems of any sort will be limited to the hours of seven a.m. and eight p.m. The performance of any vessel repairs requiring noisy activities, including the revving of vessel engines will be limited to the same hours. In case of emergencies contact the harbormaster.

(Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.060 Harbor electrical system.

The following regulations govern the use of electricity within the harbor system:

- A. Connections to any vessel moored within the municipal system are under the direction of the harbormaster and are subject to the following:
1. Use of nonmarine battery chargers is strictly prohibited. All chargers used within the system must contain an isolator circuit or be run through an isolator so that no current is discharged into the municipal system.
 2. Use of extension cords, plugs, caps and other components between the vessel's private system and the municipal shore side system will comply with the electrical code of the city and borough and be of a specific marine design recognized and approved by the city and borough of Sitka.
 3. Only heating lamps with porcelain type sockets may be used.
 4. Any onboard heater capable of causing a fire if overturned, must be equipped with a safety switch which will automatically disconnect the electrical power, if so overturned.
 5. Violation of any of the provisions of this section is punishable up to the maximum of five hundred dollars.
- B. The harbormaster will, by permission of vessel owner or agent, have the authority to enter any vessel connected to the municipal electrical system to inspect electrical equipment to assure compliance with this and other applicable codes. If permission is not granted, the harbormaster may disconnect said shore power from the offending vessel.
- C. It is unlawful for any person to interfere, tamper with, or connect any wires, plugs or other devices to any of the electrical wiring or electrical outlets upon any of the docks, floats or gangways maintained, constructed or owned by the city and borough of Sitka without the permission of the harbormaster.
- D. Violation of any of the provisions of this section is punishable up to the maximum of five hundred dollars.

(Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.070 Notices – Billboards.

It is unlawful for any person, firm or corporation to post any matter upon any bulletin board or to create any writing or printed material and post it to any float, piling, dock or any other portion of the municipal harbor system, except in those areas designated by the harbormaster. Any unauthorized material will be immediately removed by the harbormaster and destroyed. All material will be dated and is limited to thirty days. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.080 Distribution of commercial handbill and leaflets – Permit required.

Distribution of commercial handbills and leaflets is forbidden in harbor facility areas and in the adjacent public parking areas except in those locations designated by the municipality for such

distribution. Persons intending to distribute commercial handbills and leaflets in the harbor area will be required to obtain a permit from the municipality. A condition for the issuance of such permits shall be that the permittee agree to clean up any discarded handbills and leaflets in the harbor area and adjacent parking lot areas at the end of each day. Failure to properly clean up the area may result in revocation of such permits by the administrator or his/her agent. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.090 Skiffs or secondary vessel mooring.

No skiff or other secondary vessel will be separately moored to the municipal harbor system except at a berth specifically assigned for moorage to the owner of that skiff and with appropriate fees paid. No floating skiff will be tied or otherwise moored to any other vessel moored to that berth in any way as to protrude into the passage lane to another berth or in such a way as to block passage from any other vessel. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.100 Pets within the harbor system.

Any dog, cat or other pet living aboard any boat in the Sitka harbor system, or crossing the floats to a vessel shall be subject to the entirety of Title 8 as enforcement guidelines and to include "three strikes and you're out" rule. Any person who observes an animal defecating, spraying, exhibiting excessive aggressive behavior or otherwise creating a problem on the floats or another vessel other than where the animal originated which is not immediately corrected by its owner will:

- A. For an animal defecating or spraying, report the incident to the office of the harbormaster. An employee of the harbor department will contact the owner of the animal and explain the offense observed and prepare a written report for the record. In the case of an animal exhibiting excessive aggressive behavior, a "notice of potentially dangerous and dangerous dog" form will be completed by the harbor department and the animal control officer for the city and borough will be notified regarding this action.
- B. For a second incident with the same animal defecating or spraying, the harbormaster will prepare a citation and will inform the owner the pet will be subject to removal from the harbor system if the problem is not corrected. In regards to an animal exhibiting excessive aggressive behavior, a second offense involving such behavior will result in the issuance of a citation and the animal will be banned from the harbor system. The animal control officer for the city and borough of Sitka will also be contacted and provided with all the information in regards to a second violation for exhibiting excessive aggressive behavior.
- C. If the same animal is observed for the third time, defecating, spraying, or otherwise displaying improper behavior within the harbor system, a written letter will be sent to the owner declaring the particular animal is barred from the harbor system. The owner will be granted ten days to remove the animal, if existing on a liveaboard, or be prohibited from accompanying the owner to their vessel through the harbor system floats. Any owner having an animal barred from the harbor system may appeal the harbormaster's decision to the administrator of the city and borough of Sitka. If not resolved, an appeal may be presented to the port and harbors commission, acting as a recommending body for the assembly. The assembly may then hear any additional appeal not

resolved. As with any other appeal of an administrative decision, this may be appealed to a court of competent jurisdiction.

(Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.110 Unlawful disposal in Sitka Harbor system.

It is unlawful to:

- A. Dispose of any fish, shellfish or other animal, or waste parts of fish, shellfish or other animal, into the waters of the Sitka Harbor system or waters within one-half mile of any boat harbor. The fine for any violation is set out in Section 13.12.050(D);
- B. Dump garbage or trash into any boat harbor, harbor uplands or associated tidelands;
- C. Abandon or leave old boats, hulks or wrecks within the Sitka Harbor system;
- D. Spill, dump, discharge or in any other manner dispose of flammable waste such as gasoline, lubricating oil, or other combustible liquids into any boat harbor, uplands, or associated tidelands;
- E. Leave or dispose of spoiled fish, bait, or gear on the city floats. Vessel owners will tend to their gear promptly after each commercial opening. Any failure to provide necessary cleanup action will be considered a nuisance.

(Ord. 09-64 § 4 (part), 2009; Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.120 Fires.

A boat owner is strictly liable for the damages caused by a fire originating in his vessel to any municipal floats or structures. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.130 Liveboards in Crescent Harbor.

Limited liveboards shall be allowed in Crescent Harbor, as permitted by the harbor department, based on criteria recommended by the port and harbors commission. It is also recognized that on an occasional basis, vessels moored in Crescent Harbor may desire to leave very early in the morning due to a fisheries opening. Owners will notify the harbormaster on those times when they feel they must nap on the boat in preparation for an early departure. (Ord. 07-26 § 4, 2007; Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.140 Cleaning fish.

It is unlawful to clean fish on any portion of a city and borough dock or float, except at designated fish cleaning stations. See Exhibit A, set out at the end of this title. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.150 Storage prohibited.

It is unlawful for any person to use any harbor for storage, on any floats, docks or gangways or any other portion of the municipal harbor system, of any pipes, nets, wares, merchandise, or gear of any sort or type without the permission of the harbormaster. Even when permission is given, it is for a specific, short length of time to facilitate gear changing, loading or other necessary activity and not as a convenient place of storage of personal items. Should a skiff or other item having value be found stored on the docks or floats in violation of this section, the harbormaster will impound said items and dispose of them as follows:

- A. They will be stored for thirty days.
- B. The owner will be notified, if known, by certified mail, that the items have been impounded and must be reclaimed within the thirty days, after paying reasonable storage and associated costs, or they will be subject to sale at the end of thirty days with the owner responsible for any unrecovered costs. Public and owner notification shall run concurrently.

(Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.160 Grid.

No boat more than thirty-five tons per bent will be allowed on the south grid. No boat more than six tons per bent will be allowed on the north end grid. If persons wishing to exceed the above limits wish to use the grid, they must contact the harbormaster for special consideration. Maximum time on grid is ninety-six hours. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.170 Gear/cargo loading float.

Unless other arrangements have been made with the harbormaster, the following rules apply to the gear/cargo loading float:

- A. The time limit on the loading float is two hours;
- B. Vehicle access shall be for vessels tied to the gear/cargo loading float only, when there is actual loading between vessel and vehicle;
- C. Parking is not for casual access to vessels tied in the harbor. Improper use of the gear/cargo loading float is unlawful.

(Ord. 04-21 § 4 (part), 2004; Ord. 97-1445 § 4(E), 1997; Ord. 96-1366 § 4 (part), 1996.)

13.10.180 Work float.

A year round work float is available for use and located on Sitka Channel across from ANB Harbor. The intent for this work float is gear work only. This float is equipped with water and electricity. No overnight moorage is permitted without the harbormaster's permission. No storage of any gear, nets or materials is permitted without the harbormaster's permission and only in case of an emergency. The Crescent Harbor, Float 4 work float is available for temporary winter moorage from September 15th until April 15th. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.185 Sealing Cove boat trailer area.

Parking of boat trailers in the Sealing Cove boat trailer area is limited to ten days. Changing parking stalls in the parking area shall not initiate a new ten-day period. A trailer must be removed from the parking lot for forty-eight hours before another ten days of parking may be allowed. The penalties for violation of this section and Section 13.10.180 shall be as specified in Chapter 11.40 for overtime parking. (Ord. 04-21 § 4 (part), 2004; Ord. 99-1537 § 4, 1999.)

13.10.190 Airplane float.

The municipal airplane float shall be administered and enforced by the harbormaster but subject to:

- A. Commercial operations shall be allowed at the municipal airplane float with the harbormaster's approval and proper permitting in place until such time as a new floatplane facility is constructed or December 31, 2006, whichever is earlier. Such operations shall be charged an appropriate user fee.
- B. The municipal plane floats are for the use of active planes.
- C. Only repair and maintenance work of a minor nature shall be allowed on the float, which is defined as that work which would ordinarily be completed in one twenty-four-hour period. The harbormaster shall have discretion in enforcing this provision.
- D. It is unlawful for the owner or person in charge of any boat to moor it at any municipal plane float.

(Ord. 05-18 § 4, 2005; Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.195 Regulations for airplanes operating within the Sitka Harbor system.

Airplanes operating within the Sitka Harbor system shall:

- A. Follow international navigation rules while operating as a vessel (i.e., on the water);
- B. Not taxi on step in the channel except during take-off and landing. This is to be a no wake zone in affect in Sitka Channel from O'Connell Bridge to the rubble mound breakwater north of Thomsen Harbor;
- C. Use the take-off and landing corridor located on the southwest side of Western Anchorage, paralleling Japonski Island, from the government pier (USCG cutter Woodrush), out to the breakwater. Pilots have the option to use other areas when wind and weather conditions require, but must maintain adequate separation from vessel traffic. Approximately eighty percent of seaplane operations will be conducted in the designated area;
- D. Pilots are reminded not to fly within five hundred feet of any structures, except as necessary for take-off and landing. This includes the O'Connell Bridge.

(Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.200 Garbage facilities.

Objects too large to fit into the litter container shall be disposed of at the municipal landfill by the owner at his/her expense. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.210 Children.

Unless walking with or otherwise closely accompanied by parents or a responsible adult, it is unlawful for any child under the age of twelve to be on the city and borough owned floats, docks or wharves unless wearing a life preserver. Parents and guardians shall be responsible for compliance with this regulation. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.220 Swimming.

Swimming and diving (with the exception of authorized commercial scuba diving or snorkeling and special events approved by the administrator) from any city and borough of Sitka owned or managed float, dock, or wharf is prohibited. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.10.230 Restriction on offloading more than five hundred pounds of commercially caught raw fish in the harbor system.

The only place more than five hundred pounds of commercially caught raw fish taken by one vessel on one fishing trip may be offloaded in the harbor system is the city and borough-owned hoist. Anyone committing a violation of this section is liable for a fifty dollar fine unless either of the next two sentences applies. Anyone committing a violation after having been found to have committed a previous violation of this section is liable for a fine of one thousand dollars. Anyone committing a violation after having been found to have committed more than one previous violations of this section is liable for a fine of two thousand five hundred dollars. (Ord. 05-23 § 4, 2005; Ord. 04-48 § 4(B), 2004.)

**The Sitka General Code is current through Ordinance 13-46,
passed December 23, 2013.**

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**Chapter 13.12
ENFORCEMENT**

Sections:

- 13.12.010 General.
- 13.12.015 Prohibited acts.
- 13.12.020 Negligent operation.
- 13.12.030 Reckless operation.
- 13.12.035 Speed limits.
- 13.12.040 Written warning.
- 13.12.050 Fines.
- 13.12.060 Impoundment.
- 13.12.065 Penalties for emission of soot from an oil stove in a vessel.
- 13.12.070 Notice to owner.
- 13.12.080 Right to hearing.
- 13.12.090 Hearing procedure.
- 13.12.100 Assembly oversight.

13.12.010 General.

A. The harbormaster has the authority to order vessels, occupants or visitors to leave the harbor for violations of any portion of this title. Moorage and berthing is a privilege which may be revoked for violations of this title. The harbormaster is granted the authority to issue citations, impound vessels and remove vessels from the harbor system either temporarily or permanently under the provisions of this title. The owner of record and/or the person in charge of the vessel will be responsible for any and all infractions charged against his/her vessel.

B. Persons utilizing the harbor facilities shall obey all municipal, state and federal laws and regulations, as well as those generally accepted safety standards, as well as refrain from engaging in prohibited acts under Section 13.12.015. (Ord. 13-21 § 4 (part), 2013; Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.12.015 Prohibited acts.

In addition to certain other actions noted within other chapters, the following actions are also prohibited:

- A. Generating loud or boisterous noises that disturb the reasonable peace and privacy of others;
- B. Obstructing or interfering with the harbormaster and/or harbor staff in the performance of their duties or refusing to comply with a lawful order of the harbormaster;
- C. Challenging or intending to provoke another to fight, or engaging in fighting;
- D. Consuming alcohol, except on licensed premises or private vessels, or engaging in the use of, or being an instrument in the exchange of, illicit drugs or narcotics; and

E. Anyone violating this section may be ordered verbally by the harbormaster, or designee, to leave the harbor immediately. (Ord. 13-21 § 4 (part), 2013.)

13.12.020 Negligent operation.

It is unlawful for any person in charge of a vessel to operate or propel the boat in a negligent manner. A person who operates a vessel in a manner which creates an unjustifiable risk of harm to any person or property and who, as a result of the creation of that risk actually endangers a person or property is guilty of negligent operation. That a defendant actually endangered a person or property is established by showing that, as a result of the defendant action, an accident occurred or evasive action was required or a person was forced to dramatically slow down or stop to avoid an accident or a person or property was otherwise endangered. The offense of negligent operation is a lesser offense than, and is included in the offense of reckless operation. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.12.030 Reckless operation.

It is unlawful for any person in charge of operating or propelling any boat within the Sitka Harbor system to do so in a reckless manner. A person who operates a vessel in a manner which creates a substantial and unjustifiable risk of harm to a person or property is guilty of reckless operation. A substantial and unjustifiable risk of harm to a person or property is a risk of such a nature and degree that the conscious disregard of it or a failure to perceive it constitutes a gross deviation from the standards of conduct a reasonable person would observe in the situation. Any damage to other boats moored at floats in the harbor system will be prima facie evidence of reckless operation. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.12.035 Speed limits.

A. It is unlawful for any person to operate any vessel or taxiing aircraft, except during takeoff and landing, in excess of the following speed limits:

1. No person shall operate a vessel within the area between the Crescent Harbor breakwater entrance to the south tip of Aleutski Island to the south tip of Love Island and the north end of the channel at the rubblemound breakwater at a speed which produces a wake, wash, or wave action which may or could reasonably be expected to damage any other vessels or harbor facilities or create discomfort to an occupant by causing such other boats to yaw, pitch, shear or heave because of such wake, wash or wave.
2. Three miles per hour within the inner harbors of ANB Harbor, Sealing Cove Harbor, Crescent Harbor, and Thomsen Harbor.

(Ord. 04-21 § 4 (part), 2004; Ord. 98-1484 § 4, 1998; Ord. 97-1445 § 4(H), 1997; Ord. 96-1383 § 4, 1996.)

13.12.040 Written warning.

If, at the discretion of the harbormaster, an infraction of the rules of the harbor system may be resolved with a written warning to the offending vessel owner, he may do so, with a copy for the

harbor files. Said written warning will specifically spell out the infraction and notify the owner that further action will be taken if the offense is repeated or does not cease immediately. Any such written warning will be hand delivered or mailed by certified mail so proof of delivery is assured. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.12.050 Fines.

The maximum penalty will be five hundred dollars. Bail schedule and a standard penalty for violations will be as follows:

- A. Negligent operation of vessel: minimum penalty of one hundred dollars;
- B. Reckless operation of vessel: minimum penalty of two hundred dollars;
- C. The bailable amount for violations of the vehicle loading and unloading area regulations, not otherwise specified, shall be ten dollars for the first violation, twenty dollars for the second violation, and fifty dollars for the third and subsequent violations.
- D. Violation of Section 13.10.110(A):

First offense	Written warning
Second offense	\$100.00
Third offense	\$200.00
Fourth offense and subsequent offenses	\$400.00

- E. All other violations: minimum penalty of fifty dollars. A person cited for a third violation of speeding, negligent operation or reckless operation shall be required to appear in court and if convicted shall be subject to a minimum fine of five hundred dollars.

(Ord. 09-64 § 4 (part), 2009; Ord. 04-21 § 4 (part), 2004; Ord. 97-1445 § 4(F), 1997; Ord. 96-1366 § 4 (part), 1996.)

13.12.060 Impoundment.

The harbormaster is authorized to impound a vessel under any of the following circumstances: the vessel is a derelict, nuisance or abandoned as defined in this title; the moorage or other fees imposed by the municipality are delinquent; the vessel is improperly located in violation of this title or the vessel is improperly or incorrectly identified. Impounded vessels will be processed by the harbor department as follows:

- A. The vessel will be stored.
- B. Notice will be given to the owner, if known, as impounded and that unless the vessel is reclaimed within thirty days of such notice by paying the impound storage and other costs in full, it will be sold and the owner or operator will be responsible for any unrecovered costs.

C. After the expiration of the required notice period, the vessel will be sold at auction with the proceeds to be applied to impound, storage, and other associated costs. The owner or operator shall be liable for any unrecovered costs.

(Ord. 04-21 § 4 (part), 2004; Ord. 97-1445 § 4(G), 1997; Ord. 96-1366 § 4 (part), 1996.)

13.12.065 Penalties for emission of soot from an oil stove in a vessel.

Each owner and operator of a vessel in the harbor system shall take all reasonable measures to prevent the emission of soot from oil stoves. If a vessel's oil stove emits soot that settles onto or touches another vessel, the owner or operator of the vessel from which the soot came shall face a correctional citation, and if not corrected shall pay a fine of fifty dollars for the first offense and a fine of one hundred dollars for the second offense within a one-year period. For a third or subsequent offense within a one-year period, the owner or operator shall pay a fine of three hundred dollars. The first and second offenses shall be bailable. A person cited for a third offense of emission of soot from an oil stove shall be required to appear in court. (Ord. 04-21 § 4 (part), 2004; Ord. 01-1655 § 4, 2001.)

13.12.070 Notice to owner.

The notice will contain: the name and/or official number of the vessel; the name and address, if known, of the owner, operator, master or managing agent; the reason for the impoundment, the actual date of impoundment and the reserved moorage space that will be forfeited when the vessel is impounded. The notice will be hand delivered or mailed, by certified U.S. Mail, return receipt requested, to the last known address. In addition, a copy of the same notice of impoundment will be physically placed on the subject vessel at the most logically appearing point of entry to the inside of the boat. A third copy will be posted in the harbormaster's office on a visible bulletin board. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.12.080 Right to hearing.

The owner, operator, master or managing agent in lawful possession of a vessel given notice for impoundment has the right to an administrative hearing to determine whether there is just cause to impound the vessel. Any person desiring such an appeal must file a written request with the municipal clerk within ten days after mailing and posting of said notice. (Ord. 04-21 § 4 (part), 2004; Ord. 96-1366 § 4 (part), 1996.)

13.12.090 Hearing procedure.

The hearing will be conducted by the port and harbors commission, acting as a board of inquiry on behalf of the municipality and will be held at its next meeting following receipt of said request. The person will have the right to submit written evidence or provide a list of witnesses or persons who will speak on his or her behalf. The harbormaster will likewise prepare written material outlining previous steps taken to resolve this issue, earlier correspondence, and reasoning leading up to the impoundment. Following the hearing, the port and harbors commission will cause to have prepared a

written decision outlining the rationale and results of its findings. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

13.12.100 Assembly oversight.

As with any administrative action, if the owner, operator or master of said vessel involved in the hearing, still disagrees with the decision to impound, they may file a formal appeal, through the administrator, to the assembly of the city and borough of Sitka. The report or findings, prepared by the port and harbors commission, along with all written or presented oral or visual testimony, will be forwarded to the assembly, who will review the report and uphold or overturn the recommendation. (Ord. 04-21 § 4 (part), 2004: Ord. 96-1366 § 4 (part), 1996.)

The Sitka General Code is current through Ordinance 13-46, passed December 23, 2013.

Disclaimer: The City Clerk's Office has the official version of the Sitka General Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.



Legislation Details

File #: ORD 14-08 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 3/19/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Revising Chapter 4.09 of the SGC, at Subsection 4.09.110 entitled "Residence Construction Tax Refund" to extend the time period for applying for the refund to two years after the issuance of the building permit, and, to clarify that only one refund per building permit will be issued

Sponsors: Administrator's Office

Indexes:

Code sections:

Attachments: [ORD 2014-08 Residence Const](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

**I MOVE TO approve Ordinance 2014-08 on
first reading.**

Ordinance 2014-08

A proposed ordinance is attached.

The Administrator has asked that the sales tax code be revised to incorporate a change to the period of time an individual can apply for a residential construction sales tax refund. The reasoning behind the change is that some seasonally-employed individuals take longer than a year to finish their homes, working only in the off season. This change helps bring fairness in regards to the refund. I agree with, and support, the changes.

Note that we put a limitation on the refund. Once you apply for one, you can't apply a second time, even if you pay additional taxes. One refund per building permit only.

This version adds two additional points recommended by Marj:

- 1) Clarifying in a new section 4.09.110 D 3 that the refund can include sales taxes paid on the expenditures made to construct the home or prepare the lot for construction, and
- 2) Putting a provision requiring the invoices to be organized and the amount of the refund totaled. This is to prevent against people bringing a shopping bag of invoices in and expecting CBS to total the taxes for them.

Jay

This second revision of the ordinance addresses the issues William raised, all of which are valid. Please let us know if any other tweaks need to be made.

Jay

A couple of things come to mind.

1. Projects are usually started with a grading permit which is followed by a foundation permit. A building permit is issued after these steps have been completed. Taxes paid on lot prep and concrete would not be eligible for refund since they were paid before building permit was issued.
2. Removing the provision requiring occupancy could allow a non-contractor home builder to sell a house before two years, get a tax refund and the city would receive no taxes. I may be mistaken but I thought a contractor pays no sales tax on products to be resold but there is a one time sales tax paid when the home is "sold" by the contractor to the owner.

William Stortz

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-08

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA REVISING CHAPTER 4.09 SALES TAX OF THE SITKA GENERAL CODE, UNDER SUBSECTION 4.09.110 ENTITLED "RESIDENCE CONSTRUCTION TAX REFUND," TO EXTEND THE TIME PERIOD FOR APPLYING FOR THE REFUND TO TWO YEARS AFTER THE ISSUANCE OF THE BUILDING PERMIT, AND, TO CLARIFY THAT ONLY ONE REFUND PER BUILDING PERMIT WILL BE ISSUED

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

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

3. PURPOSE. The purpose of this ordinance is to revise Section 4.09.110 of the Sitka General Code, Residence Construction Tax Refund, to extend the period to apply for the refund to up to two years after the issuance of the building permit to clarify which permits begin the two year time period, to provide for a mechanism for collecting tax on the sale of a home completed within the two year period, and, to clarify that only one refund per building permit will be issued.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby revises Section 4.09.110 of the Sitka General Code (eliminated language is struck through and new language is in bold and underlined).

Chapter 4.09 Sales Tax

* * *

4.09.110 Residence construction tax refund.

36 Upon proper application the city and borough will refund sales tax paid on the construction of an
37 owner-occupied single-family dwelling or duplex.

38 A. The dwelling must be a new dwelling unit, not merely an extension of an existing unit.

39 B. At the time of refund application, ~~applicant must be residing in the dwelling, the dwelling~~
40 ~~must be certified ready for occupancy by the building official and less~~ **no more than one two**
41 **years** shall have passed since the issuance **of either a grading permit, foundation permit, or**
42 **building permit. The applicant may choose which permit issuance date begins the two year**
43 **period.** No refund shall be made for items purchased prior to the issuance of the ~~building~~ permit
44 **selected by the applicant.** No sales tax paid to businesses outside of the city and borough shall
45 be refunded.

46 C. The refund shall be the amount of sales tax actually paid for materials and services used in
47 the construction of the dwelling. This shall include lumber, building materials, electrical and
48 plumbing supplies or services, furnace and other heating apparatus and permanent carpeting and
49 major appliances, such as kitchen stove, refrigerator, washer, dryer and freezer. Items not
50 included are throw rugs, televisions, furniture, drapery, pictures and minor appliances, not built
51 into the building. Also not included are tools and machinery purchased to use in the construction
52 of the dwelling, nor shall it include spare material(s) not used.

53 D. Upon application for a refund the applicant shall certify, under penalty of perjury:

54 1. The sales tax requested to be refunded has actually already been paid to the
55 supplier;

56 2. That all items for which a refund is requested were consumed in the
57 construction of the dwelling or have actually been installed in the dwelling.

58 **3. That all services were used to prepare the lot for construction, construct the**
59 **dwelling, or install materials in the dwelling.**

60 E. Applications for refund shall be made to the finance director and shall be supported by
61 detailed invoices. **Such invoices must be presented in an orderly fashion with the total**

62 **amount of refund being applied for totaled.** The finance director will disallow unsupported
63 application or portions thereof. Appeals may be made to the assembly.

64 **F. Only one refund will be issued in conjunction with the same building permit. If a**
65 **builder chooses to apply for a refund prior to completion of construction during the two**
66 **year period commencing with the issuance of the building permit and subsequently incurs**
67 **additional construction costs after the issuance of a refund, sales taxes paid on those**
68 **additional costs will not be refunded, even if incurred within two years after the issuance of**
69 **the building permit.**

70 **G. If a non-contractor home builder completes and sells a home prior to the end of the**
71 **two-year time period for refunds, the amount of ninety dollars (\$90.00) will be deducted**
72 **from the amount of the refund. This is the amount of sales tax applicable to the sale of the**
73 **home.**

74
75 **EFFECTIVE DATE.** This ordinance shall become effective the day after the date of passage.
76

77 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
78 Alaska this 8th day of April, 2014.
79

80

81

Mim McConnell, Mayor

82

ATTEST:

83

84

Colleen Ingman, MMC

Municipal Clerk

86



Legislation Details

File #: 14-056 Version: 1 Name:

Type: Appointment Status: AGENDA READY

File created: 3/19/2014 In control: City and Borough Assembly

On agenda: 3/25/2014 Final action:

Title: Re-Appointment/Appointments: 1) Jennifer Robinson; 2) Mary Stephenson; and 3) Judith Johnstone to terms on the Tourism Commission

Sponsors:

Indexes:

Code sections:

Attachments: [Tourism Appointments](#)

Date	Ver.	Action By	Action	Result
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SUGGESTED MOTION(S)

I MOVE TO Appoint the following to the Tourism Commission:

- 1) Jennifer Robinson**
- 2) Mary Stephenson**
- 3) Judy Johnstone**

OR

I MOVE TO defer these appointments until the Administrator, Tourism Chair and an *Assembly Representative have had an opportunity to meet to discuss and make a recommendation to the Assembly as a whole on whether to continue or dissolve this commission.

**Initially the mayor was invited to this meeting, but a conflict of interest with her daughter serving as Commission Chair has been expressed. Therefore, one of the Deputy Mayors will be requested to participate.*



Tourism Commission

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
JENNIFER ROBINSON PO Box 901	747-8604 w 738-2664 c jen@sitkachamber.com	3/27/12	2/22/14	CHAIR <i>Weiser's term</i>
BRUCE CONINE 718 A Street	752-0006 conine@gci.net	10/27/09 11/12/13	10/27/12 11/12/16	
JOHN C. STEIN 101 Cedar Beach Road	747-7811 john.c.stein@gmail.com	2/14/12	2/14/15	
KRISTY CREWS 327 Seward St. Ste 2	747-4704 w 738-8626 c 747-4706 f kristyc@aurorabusinesssupplies.com	3/26/13	3/26/16	
<i>JOHN W. SHAW 408 E. DeA... (illegible)</i>	<i>747-3838 johnshaw@johnshaw.com</i>	<i>8/25/14</i>	<i>10/20/16</i>	<i>At-Large</i>
<i>MARY STEPHENSON PO Box 275</i>	<i>752-1522 marystephenson@alaska.com</i>	<i>3/10/12</i>	<i>3/10/15</i>	<i>Resigned 2015</i>
<i>WESLEY WILSON 1111... (illegible)</i>	<i>747-1125 wesleywilson@alaska.com</i>	<i>2/22/11</i>	<i>7/12/14</i>	<i>At-Large</i>
Melissa Henshaw Municipal Clerk's Office	747-1826 melissa@cityofsitka.com			Secretary
Pete Esquiro 108 Sand Dollar Drive	747-6874 h assemblyesquiro@cityofsitka.com			Assembly Liaison

Established by Ordinance 2007-21, 2011-28S, 2011-52
7 members 3-year terms (*except for first commission*)

Recommended member categories: 1) Sitka Tribe of Alaska, 2) SEDA/Chamber of Commerce, 3) Sitka Conservation Society/Sitka Trail Works, 4) Sitka Charter Boat Association, 5) Commercial fishing industry worker, manager, owner, 6) Sitka Convention and Visitors Bureau Board, 7) At-Large.

Meeting schedule: 3rd Monday of the month; noon at Harrigan Centennial Hall – Meetings are to be held no less than four times per year.

Revised: March 13, 2014



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

Board/Commission/Committee: Tourism Commission

Name: Jennifer Robinson Daytime Phone: (907) 747-8604

Address: PO Box 901, Sitka Evening Phone: (907) 738-2664

Email Address: jen@sitkachamber.com Fax Number: _____

Length of Residence in Sitka: 6 years Registered to vote in Sitka? Yes No

Employer: The Great Sitka Chamber of Commerce

Organizations you belong to or participate in:

- Alaska Chamber
- Sitka School Board
- Southeast Conference
- Alaska Travel Industry Association

Explain your main reason for applying:

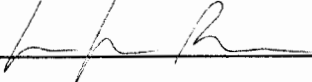
I consider Sitka my home. I love this community and feel that I have a vested interest in its success. I have two children and would love to see them make Sitka their home when they grow up, but for them to be successful in Sitka, we need to have a strong and healthy economy that can provide for their needs. One of our largest economic drivers is tourism and I believe that a seat on the Tourism Commission is one way that I can make a positive contribution to our community.

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

- I have owned my own photography business for years and can relate to small business owners.
- I have spent most of my life in Southeast Alaska and feel a very strong connection to our community.
- My current position with the Sitka Chamber of Commerce has me immersed in the business community that depends on a thriving tourism industry in Sitka.

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: March 19, 2014 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. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

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

Jennifer Robinson

March 2012



PO Box 901
222 Lance Drive Apt 3
Sitka, AK 99835

907.738.2664 cell
jenann75@gmail.com

OBJECTIVE

To obtain a seat on the Tourism Commission for the City and Borough of Sitka.

QUALIFICATIONS

- Utilize strong leadership qualities and creative problem solving skills to work effectively with others, both as a team member and independently.
- Efficiently apply strong computer skills and software knowledge to organize and manage multiple aspects of a project as well as basic daily tasks.
- Creatively execute multiple tasks with strong initiative, a willingness to learn, and a finely tuned attention to detail.

EDUCATION

University of Alaska Southeast | Juneau, AK

Currently enrolled in the School of Management as I work toward my Bachelor of Business Administration with an emphasis on Marketing.

University of Alaska Anchorage | Anchorage, AK

Graduated with Honors earning an Associate of Arts, Liberal Arts Degree.

Business Computer Training Institute | Vancouver, WA

Completed a 36-quarter credit hour Office Skills and Word Processing course.

EXPERIENCE

Branch Office Administrator | Edward Jones

Responsible for effectively executing office administrative duties while growing strong relationships with clients by providing excellent service. Functions include setting and preparing for appointments, processing of transactions, trades and accounts, managing phone calls and walk-ins, ordering supplies and processing office expenses, organization of marketing and mailing campaigns, coordinating client seminars and classes, keeping current with system and regulatory changes, and maintaining organized records.

Owner & Photographer | JI Photography

Developed and maintained quality relationships with clients, created and implemented

effective advertising campaigns, designed marketing materials, maintained bookkeeping and client management records, conducted product research and purchasing, interviewed, hired and trained employees, designed and maintained multiple websites, mastered advance use of Adobe and Microsoft software, creatively executed all photography assignments.

Artisans Market Coordinator | Sitka Chamber of Commerce

Responsible for, and acted as lead in coordinating all activities associated with the market. Achieved a high level of vendor and shopper satisfaction, executed effective marketing campaigns, creatively developed marketing materials, wrote and edited business correspondence, integrated multiple computer applications into most tasks, organized and managed vendor files and information, effectively met timelines and project objectives.

President | Live Oak Middle School PTO

Prepared and ran all meetings, set agendas, delegated tasks, planned and organized both fundraisers and student activities, rewrote organizations bylaws, designed and maintained online forum, represented the PTO at School Board Meetings, attended additional training on own initiative to further educate myself about state and federal education laws and programs, helping me to become a more effective leader.

Consultant | At Home America

Achieved a consistently high level of customer satisfaction, developed and executed effective marketing campaigns, achieved a successful sales record, trained and motivated a team of consultants, maintained well organized customer records, attended training conferences across the country.

Owner | Tender Moments Childcare

Organized and operated a home childcare business. My marketing materials and parent information folders were used by the Elmendorf Air Force Base childcare coordinators as samples to teach other providers.

Editor in Chief | UAS Sitka Student Paper

Helped to restart The Compass, the student newspaper at UAS Sitka campus. Wrote and edited articles, designed paper layout, and assisted in distribution.

Member Service Representative | ALPS Credit Union

Maintained excellent member relations, acted as vault teller, prepared night depository, assisted members with transactions, conducted research, composed business correspondence, answered multi-line phones.

Assistant Manager | Leeds Shoe Store

Provided excellent customer care, oversaw opening and closing of store, designed creative merchandise displays, prepared bank deposits, supervised employees.

REFERENCES

Available upon request.



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

Board/Commission/Committee: Tourism Commission
 Name: Mary L. Stephenson Daytime Phone: 752-7520
 Address: PO Box 215 Evening Phone: -
 Email Address: MaryStep@ISERK.net Fax Number: -
 Length of Residence in Sitka: 24 years Registered to vote in Sitka? Yes No
 Employer: Sitka Taxi Company

Organizations you belong to or participate in:
Tourism Commission - public arena

Explain your main reason for applying:
provide continuity As an advisory board to the Assembly and ensure accountability to the process.

What background, experience or credentials will you bring to the board, commission, or committee membership?
See resume. Knowledgeable in marketing, leisure travel industry.

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: 3/14/2014 Signature: M Stephenson

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. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

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:
 Sara Peterson, Deputy Clerk
 100 Lincoln Street
 Fax: 907-747-7403
 Email: sara@cityofsitka.com

March 14, 2014

Mark Gorman, Administrator

Mim O'Connell, Mayor and Assembly Members

Term: 3/12/12 to 3/13/15

I wish to re-apply and submit the Application for Appointment to the Tourism Commission. I resigned on 2/3/2013 for political reasons. During the year I served, the Commission completed the efforts of identifying the locations and topics for interpretive and directional wayfinding signage; and went before the Assembly for approval to issue a RFQ for a Marketing Consulting company to oversee the next phase.

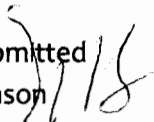
After resigning, I remained very active in the leisure travel issues and attended Commission meetings from the public arena. What leads me to re-apply is the lack of importance some Commissioners have placed on their commitment to serve, and my willingness to ensure continuity as an advisory board to the Assembly. Since December 2012, the Commission did not convene 7 of its 15 meetings due to lack of interest and/or quorum. Adjourning in December 2013, (minutes not available), the Commissioners agreed to review the possibilities of a Tourism Forum. In preparation of the January meeting, a list of Topics for Discussion DRAFT was prepared for review. (See Attached). Cyclical, summer is here and the stakeholders' issues have not been addressed. By being on the Commission, I want their concerns to be held accountable.

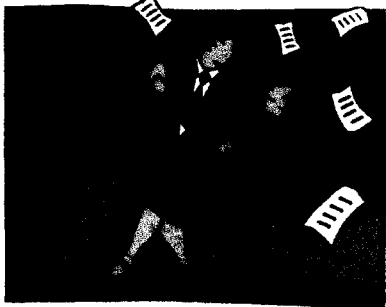
As mentioned, I have remained very busy with projects important to 'change' and efforts continue to reflect my civic responsibilities everywhere I reside.

- ❖ Facilitated the **Historic Art in Sitka** markers for residents who have wonderful stories to share and gatekeepers of their property, family and legacy. It shall enhance efforts to register Sitka and Lincoln Street as a historic city.
- ❖ Ensuring the **HAI**s markers are part of Sitka legacy by working with the Sitka Historical Society and update their 20-year old Historic Walking Tour Map, a great marketing tool (for everyone).
- ❖ Established the Sitka Sign Reference Book as a referral and inventory of signage. Shall be helpful in the Tourism Commission's next phase of marketing and placement of signage.
- ❖ I went before the Fire and Police Commission and requested assistance to install house numbers on properties so that FIRST RESPONDERS and delivery personnel can improve response time and customer service. Huge success with over 600 properties participating in the community effort.
- ❖ Working with SPD and DOT to create additional taxi parking space at the airport.
- ❖ Working with Alaska Rapture Center to create designated parking spaces for tour and taxi services and the importance of keeping the front entrance open for presentation and FIRST RESPONDERS.
- ❖ Quirky as it may sound, my email correspondence are read with 'behind the scenes' results.
 - ✓ I volunteered to be on TC John Stein's Directional Sign committee and within 2 weeks, DPW took over the project and 2013 temporary signs were installed. Mission accomplished!
 - ✓ I 'cast a net' of creative ideas out to the industry for consideration when greeting the 2 cruise ships arriving in May, and within 2 weeks found the topic placed on the Assembly's January 28th agenda. The Assembly approved a committee to be formed; however, the committee chair did not open the planning sessions to the general public (like me) or invite members of the Tourism Commission. I offered to join the SCVB, however, again denied access to public meetings.

In summary, the Tourism Commission is a very valuable Commission that I take very seriously and would continue to be an asset to the process and Sitka's growth in the leisure travel industry.

Respectfully submitted
Mary L. Stephenson





Mary L. Stephenson

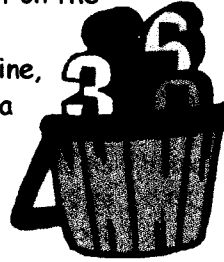
Life's Achievements as of March 2014

*Utilizing my
Self-Employment
Skills & Helping Others*

Updating...THE BUCKET LIST

Young or wiser, everyone should have a list of things they want to accomplish or experience, and hopefully still alive to reflect on the many stepping stones of their failures.

- Traveled to farthest points of the US: UP Michigan, Maine, Hawaii, California, Montana, Florida and Unalaska Alaska
- Got a tattoo ~ mine says... *GITR DONE*
Thanks Larry the Cable Guy...for the sentiment!
- Continue to experience and explore Alaska...



City Songs, Inc.

Music for a place in your heart

Coming up with the idea to produce a collection of songs, sung by the original artists about everyone's favorite city—San Francisco, I put together a team of investors, formed a Corporation and launched City Songs, Inc. in 1989.

By 1997, CSI was coast-to-coast with 3 albums for 3 cities: San Francisco, Southern California and New York City ~ With Fond Memories. Available in cassette tapes and compact discs, the music became a popular gift-souvenir with retail stores, in-bound conventions and mail order for our loyal listeners.

Bringing together my knowledge obtained while working for other companies, I managed the books on QuickBooks, inventory on Excel, and established a website in 1995.

I joined industry organizations and attended gift trade shows to market and sell directly to retailers and meeting planners; designed packaging that would enhance the customized sale and display boxes in multi-languages; and ultimately, CSI crossed over into the retail market with a music product.

In summary, over 180,000 units were sold, I was selected to appear on QVC and Howie Mandel show, and presented the compilations to heads of state, movie stars and to the four corners of this planet!

As any business owner will tell you *'the job'* was 24/7 and several hats of responsibility were worn. A real good lesson in Business 101! City Songs, Inc. closed its doors in 2000. A pioneer setting new limits.

KODIAK TO SITKA

Looking for an island with similar history, my course was charted, first on the MV Kennicott and then the Taku with my new van, "Millie" to the city of Sitka on Baranof Island in October, 2011.

Pro-active with tourism, Sitka played host to 106 cruise ships, independent travelers and cruisers that totaled well over 200,000 in 2011. Now that's what I'm talking about!!!

Get Involved and Find Solutions! Known for volunteering, the City of Sitka takes a can-do approach.

- Historic Art in Sitka markers
- House #'s Project
- Sitka Sign Reference Book
- Leisure Travel Issues

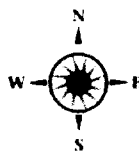
As a taxi driver, I am on the front lines of being the first visitors meet when arriving at the airport or ferry! My 10 Cent tours are great and appreciated!



Mary L. Stephenson
PO Box 215 Sitka Alaska 99835
(907) 752-7520
Email: marystep@iserv.net

Trekking in Alaska brings me onto Kodiak Island in 2007!

Surviving my first Anchorage winter in 2006, I flew into Kodiak on a 3-day weekend to seek employment. My father was in the US Navy during WWII and I was drawn there because of the souvenirs our family grew up with. I met some fishermen who wanted their tour desk managed



for the '07 summer. Perfect timing ~ a job I was suited for ~ selling tickets for charter fishing, bear-viewing, dinner cruises and more! By 2008 it was time to strike out on my own and set up the Kodiak Switchboard for both lodging and charters. My company, Kodiak Lodging and Reservations set up innkeepers and charter operators websites with an 24/7 online reservation system and it worked! Increased visibility filled the seats and beds. Next I started Kodiak's Hop On... Hop Off... Tours & More! and pressed Tillie into service. I offered Meet/Greet service at the airport/ferry along with city, shopping and island tours. Looking for ways to strengthen Kodiak's economic stimulus plan for merchants and residents, the Shopping-Retail Guide and the Café-Restaurant Guide were designed and made available in 2009 and again in 2011. Huge success and well received by all! KODIAK—2007—2011

DISCUSSION - DRAFT

List of possible topics

January 15, 2014

- Crescent Harbor and O'Connell Bridge: permit and non-permit holders, parking system
- Update for design, bids and construction for Centennial Hall and Library
- Working conditions for tour operators at Crescent Harbor and O'Connell Bridge
- Old Sitka Site – McGraw dock follow-up report and ship schedule
- Halibut Point Road and Sawmill Creek Road construction updates for 2014
- Sawmill Creek Industrial Park and Blue Lake Dam project – projects for 2014
- SeaWalk update – any construction planned during 2014 summer
- Update from the Sitka National Historic Park's interpretive signage
- Update from the Alaska State Park's interpretive signage
- Update on the Tourism Commission's Interpretive and Directional Wayfinding signage
- Revitalizing Downtown Sitka follow-up report and finance report
- Merchants taking ownership of maintenance and upgrades to downtown
- Update on Sitka's application for Lincoln Street Historic District
- Update from the Historic Preservation Commission – Drafting a new Plan
- Update on Historic Art in Sitka markers
- Update from the Sitka Historical Society's Historical Walking Tour Map
- Update on Branding-Identity project and RFQ progress, its goal and timeline for completion
- Discussion to hire consultant for feasibility study on infrastructure
- Merchants & tour operators - equal distribution: cruise patrons, Chamber & SCVB representation
- Private yachts (cruisers) and small ships report from Florida trade show; what needs to be done to prepare for arrival; city and operators should have opportunity to send marketing packets
- Cruise Ships 2014 schedule; what is needed to get an increase of participants from each ship
- Ways Sitka can expand the leisure travel industry – Assembly's suggestions of 12/16/2013
- Sitka's Visitor Center – self-service or staffing (with volunteers) the Center 7 days a week
- Review current marketing efforts; trade shows, mailing lists for membership to utilize
- Will minimum wage increase directly affect Sitka's economy (slated for 2014 ballot)
- If the Assembly plans to 'cut' programs – which ones will affect tourism's bottom line?
How is the \$1M (water export project) being allocated and available to 2014 needs?
- Road to the Eastern side of Baranof Island: its objective, timeline and financing by whom
- Delta Airlines (into Juneau) leads to more service by Alaska Airlines into Sitka Alaska
- New migration pattern by pedestrians crossing Harbor Drive to New Archangel Trading Company, The RIDE commuter bus in front of Stereo North and being told '*the downtown stores are in that direction.*' Also a problem with jaywalkers at Lake and Etolin Streets and Castle Hill area. Designated Crosswalks installed and Directional Wayfinding signage will help resolve some of these hot spots.
- The Budget – what is available in General Funds to implement the approved line-items?

Handouts by the presenter will be encouraged to avoid power-point presentations.



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

Board/Commission/Committee: Tourism
 Name: Judith Z. Johnstone Daytime Phone: 907-747-3670
 Address: 306 Peterson Evening Phone: ✓
 Email Address: Judy.ZC@ci.sitka.ak.us Fax Number: none
 Length of Residence in Sitka: 36 yrs Registered to vote in Sitka? Yes No
 Employer: Retired nurse

Organizations you belong to or participate in: Sitka Woman's Club, Sitka Comm. Hosp. Aux, Sitka Historical Society (Treasurer, founding member), Episcopal Church Women, Altar Guild, St. Peter's Episcopal Church, Saints Simeon & Anna Society, Sitka Convention & Visitors Bureau, Friends of Library, Vacation Rental By Owner, Sitka local food network, Sitka Food Coop, Pioneers of Alaska, Cancer Survivors Society, First Homeless
 Explain your main reason for applying: connect

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

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: Mar 18, 2014 Signature: Judith Z. Johnstone

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. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

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:
 Sara Peterson, Deputy Clerk
 100 Lincoln Street
 Fax: 907-747-7403
 Email: sara@cityofsitka.com

Viz a viz our visitors, this town has been divided and divisive since the renaissance of tourism when the ferries and jet planes came in the 1960's. That service providers do not get along, do not collaborate, cooperate, help one another, counsel one another, welcome new providers and mentor them. This is Sitka's biggest failing in my view.

I remember how glorious the streets of New York City were when I was a girl going shopping on 5th avenue. It was breathtakingly beautiful and all shoppers just loved to be there, shopping/buying or not. That holistic effort, the whole avenue, could never have been accomplished without real cooperation of all those many stores along that street. Sitka could learn that lesson: if ALL the shops got together, I dream they could hire a real consultant about their street for Christmas, could even have a consultant (for all) about clever gift wrapping methods.

When I started Sitka Buslines and offered (what I think is) Sitka's first sightseeing effort, I found real, persistent and widespread resistance. The position of the Sitka Counsel was "keep those buses and those tourists off the streets of Sitka" and of my husband, then City Attorney, "you must NEVER cry at a City Counsel meeting". There was no restaurant which would accept the tourists, so in order to get them lunch, Esther Littlefield would make fish (ling cod) 'n' chips for all and I would schedule our visit to totem park at lunch hour and Esther would bring me a bag for each rider (and it was sooo good).

Some folks on the tour cooperated and welcomed them and these places THRIVED.

I could not accept the divisive stance—if nothing else than poor business, it was rude and unwelcoming for our guests—and cooperated with every stop. There were charges all over and I paid the entrance fees and vowed that no tourist would be dinged but once. I paid a proportion of the gross take to each place, whether the folks visited there or not (e.g. because it was closed.)

An example of the effect of this divisive stance: when Hoonah opened its very successful site and cruise ships started to stop there, Sitkans were angry that Hoonah was stealing our market, rather than saying "Way to go, Hoonah and congratulations!" If I had been on the tourism commission I would have moved that we send flowers.

As a member of this commission I would seek, support, look for ways to encourage camaraderie, cooperation, coordination, among the businesses of Sitka, probably with no exceptions because I can't think of any business that is not somehow involved.

I have some relevant background and experience. The very first Visitors Bureau was born at my dining room table. There was quite a gang but my memories are few for it was more than fifty years ago. I do remember the first policy we adopted: there would be no sightseeing tours offered on Sunday morning, for we go to church. A policy of mine that no one objected to was a firm one, there will be no tipping, period. Anyone who worked for Sitka Buslines and accepted a tip would be fired. Another was that bus drivers could never do a tour, their job was to drive safely. There was always a tour guide who was knowledgeable.

I have had several businesses in Sitka besides Sitka Buslines and not sure I can remember all of them. Sitka Arts and Crafts, New Archangel Books (making Sitka the smallest city in America with a full service book store).

I currently run Sprucecot, a vacation rental house (www.sprucecot.com) and have for more than ten years. I tried at first, to no avail whatsoever, to organize folks doing like work. It seemed every person was afraid I would steal a booking and one of the helps I sought was places that would take bookings from me when I was double booked, easier to do than you might think.

You can tell how I volunteer by the organizations I belong to. As for education, I have a BS degree in nursing, masters degrees in public health and anthropology.