



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

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

*Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, February 28, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[17-027](#) Reminders, Calendars and General Correspondence

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

V. CEREMONIAL MATTERS

None anticipated.

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

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VIII. REPORTS

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

IX. CONSENT AGENDA

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A** [17-024](#) Approve the minutes of the February 14, 16, and 20 Assembly meetings

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [17-025](#) Appoint: 1) Kim Kirkness to a three-year term on the Tree and Landscape Committee and 2) Kitty Sopow to a three-year term on the Historic Preservation Commission in the category of At-Large.
Reappoint: 1) James Poulson to an unexpired term on the Historic Preservation Commission in the category of Sitka Historical Society

Attachments: [Motion.pdf](#)

[Kirkness application.pdf](#)

[Sopow application.pdf](#)

[Poulson application.pdf](#)

XI. UNFINISHED BUSINESS:

- C** [ORD 17-04](#) Adjusting the FY17 Budget (Finance Department operations, pass-thru grant for Crescent Harbor Playground Renovation Project, Sitka Community Hospital equipment lease)

Attachments: [Ord 2017-04.pdf](#)

[Memo Finance.pdf](#)

[Memo SCH.pdf](#)

XII. NEW BUSINESS:**New Business First Reading**

- D** [ORD 17-05](#) Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates"

Attachments: [Motion Ord 2017-05.pdf](#)

[Ord 2017-05.pdf](#)

- E [ORD 17-06](#) Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates" to allow for a seasonal increase in electrical rates

Attachments: [Motion Ord 2017-06.pdf](#)

[Ord 2017-06.pdf](#)

Additional New Business Items

- F [17-026](#) Adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09.100(P) "Resale. A sale for resale of a product, service or rental to a consumer where the resale is subject to tax is exempt"

Attachments: [Interpretation SGC 4.09.100\(P\).pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

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

Sara Peterson, CMC, Municipal Clerk

Publish: February 24



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-027 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 2/22/2017 **In control:** City and Borough Assembly
On agenda: 2/28/2017 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, February 28	Regular Meeting	6:00 PM
Thursday, March 2	Special Meeting <i>Sitka School District Budget</i>	6:00 PM
Tuesday, March 7	Special Meeting <i>Administrator Candidates</i>	6:00 PM
Thursday, March 9	Special Meeting <i>General Fund Budget</i>	6:00 PM
Tuesday, March 14	Worksession <i>Meeting in a box Comprehensive Plan</i>	5:00 PM
Tuesday, March 14	Regular Meeting	6:00 PM



Assembly Calendar

[2016](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2018](#)
March 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26 Feb	27	28	1 Mar	2	3	4
Potrzuski	Potrzuski Guevin 7:00pm Planning	Potrzuski Guevin Bean 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski Guevin Bean 6:30pm Library Board 7:00pm Health Needs & Human Services Town Hall Meeting	Potrzuski Guevin Bean 12:00pm SEDA Board Meeting 6:00pm <u>Special Budget Meeting: Assembly/School Board</u>	Potrzuski Bean	Potrzuski Bean
5	6	7	8	9	10	11
Potrzuski Bean	Potrzuski Bean	Potrzuski 6:00pm <u>Special Meeting: Municipal Administrator Candidates - writing sample reviews</u> 7:00pm Planning	Potrzuski 12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation	Potrzuski 12:00pm LEPC 6:00pm <u>Special Budget Meeting #1</u>	Potrzuski	Potrzuski
12	13	14	15	16	17	18
Potrzuski	Potrzuski Eisenbeisz	Potrzuski Eisenbeisz 12:00pm Parks & Rec 5:00pm <u>Worksession: Meetings in a Box/Comp Plan</u> 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski Eisenbeisz	Eisenbeisz 6:00pm <u>Special Budget Meeting #2</u>	Eisenbeisz	
19	20	21	22	23	24	25
		12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	6:00pm Police and Fire Commission - Fire Hall	6:00pm Hospital Board Meeting 6:00pm <u>Special Budget Meeting #3</u>		
26	27	28	29	30	31	1 Apr
	Potrzuski	Potrzuski 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski Guevin	Potrzuski Guevin	Potrzuski Guevin	Guevin

Assembly Calendar

[2016](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2018](#)
April 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26 Mar	27	28	29	30	31	1 Apr
	Potrzuski	Potrzuski 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski Guevin	Potrzuski Guevin	Potrzuski Guevin	Guevin
2	3	4	5	6	7	8
Guevin		Guevin 7:00pm Planning	Guevin 6:30pm Library Board	Guevin 12:00pm SEDA Board Meeting	Guevin	Guevin
9	10	11	12	13	14	15
Guevin	Guevin	Guevin 12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u>	Guevin 12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation	Guevin 12:00pm LEPC	Guevin	Guevin
16	17	18	19	20	21	22
Guevin		12:00pm <u>Tree/Landscape</u> 5:30pm <u>Special Meeting at City Hall: Evals - Administrator and Attorney</u> 7:00pm <u>Planning</u>				
23	24	25	26	27	28	29
		6:00pm <u>Regular Assembly Mtg</u>	6:00pm Police and Fire Commission - Fire Hall	6:00pm Hospital Board Meeting		
30	1 May	2	3	4	5	6
	6:00pm <u>Board of Equalization</u>	7:00pm Planning	6:30pm Library Board	12:00pm SEDA Board Meeting		



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-024 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 2/22/2017 In control: City and Borough Assembly
On agenda: 2/28/2017 Final action:
Title: Approve the minutes of the February 14, 16, and 20 Assembly meetings
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

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

I wish to remove Item(s) _____

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

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the February 14th, 16th, and 20th Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
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Minutes - Draft

City and Borough Assembly

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

*Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, February 14, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

17-019 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

17-013 Proclamation - 70th Anniversary of Mt. Edgecumbe High School

Mayor Hunter read a proclamation in recognition of Mt. Edgecumbe High School's 70th anniversary.

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

US Forest Service District Ranger, Perry Edwards, informed the public of upcoming events: Resource Advisory Committee Meeting, Katlian Recreation Plan Open House on March 2nd, National Civilian Community Corp visiting late March through late May.

17-014 Special Reports: 1) Alaska Permanent Capital Management, 2) Sitka

Community Hospital Board Chair: Update on SEARHC/SCH Collaboration Project

Alaska Permanent Capital Management representatives Laura Bruce and Blake Phillips reviewed the performance of the Sitka Permanent fund.

Sitka Community Hospital Board Chair, Bryan Bertacchi, provided an update on the SEARHC/SCH Collaboration Project. In his summary, Bertacchi reported it had been determined that a joint management structure nor a joint ownership structure would be successful. He noted a written assessment would be forthcoming from consultant, ECG, in which a merger acquisition by SEARHC would be likely recommended.

VII. PERSONS TO BE HEARD

Libby Stortz offered ideas for paying down the cost of the dam and assisting those unable to afford utility costs. She suggested a program be modeled after the Nenana Ice Classic.

Michelle Putz informed the public of an upcoming visit from a representative of the Citizens Climate Lobby and the Reusable Bag Roundup event.

Rich McClear offered ideas for use of the Alaska Marine Highway vessel Taku, currently for sale by the State of Alaska.

Charles Horan, member of the Catholic Community Services (CCS) Board of Directors, reported on the services of CCS at the Swan Lake Senior Center.

VIII. REPORTS

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

Mayor - Hunter told of his meeting with Robert Venables of Southeast Conference regarding the proposed reorganization of the Alaska Marine Highway System. Hunter also met with Sitka Community Hospital (SCH) CEO, Rob Allen, to discuss the SEARHC/SCH Collaboration Project.

Administrator - Gorman thanked the Sitka High School shop class for new nameplates, provided a list of five energy projects to Senator Murkowski's Energy Committee for a possible Federal program to create economic growth, and announced a grant in the amount of \$125,000 had been received from land and water conservation agency for the Crescent Harbor Playground project.

Liaisons - Potrzuski, Guevin, Knox, Eisenbeisz, and Hunter offered reports on the following, respectively: Local Emergency Planning Commission, Investment Committee, Planning Commission, Hospital Board, and Port and Harbors Commission.

Clerk - Peterson reminded the Assembly of a special meeting on February 16.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of items A, B, & D be APPROVED. The motion PASSED by a unanimous voice vote.

- A 17-010** Approve the minutes of the January 24 and January 31 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B 17-011** Approve a liquor license renewal application for The Channel, LLC dba Channel Club

This item was APPROVED ON THE CONSENT AGENDA.

- C 17-015** Approve the Health Needs and Human Services Commission goals for 2017

Assembly members Eisenbeisz and Bean spoke in opposition to the goals (raising the age for tobacco purchases to 21 and imposing a tax on sugar-sweetened beverages) stating they took away from personal choices and freedoms. Other Assembly members spoke in support of the process and reminded approval of the goals would give the Commission an opportunity to reach out to the public for input before coming back to the Assembly for further debate and decision.

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

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

No: 3 - Swanson, Eisenbeisz, and Bean

- D 17-016** Approve Health Needs and Human Services Commission member, Anthony Treas, to serve as an official City and Borough of Sitka liaison to the H.O.P.E. Coalition

This item was APPROVED ON THE CONSENT AGENDA.

- E RES 17-03** Adopting an alternative allocation method for the FY17 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 18: Central Southeast

Jay Sweeney, Chief Finance and Administrative Officer, explained the City had participated in this program for a number of years and applied by way of resolution; the alternative method listed. Sitka was expected to received a little over \$30,000.

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

F RES 17-04 Supporting the Affordable Care Act

Wendy Alderson spoke in support of the Affordable Care Act.

Eisenbeisz, while aware of both sides of the issue, cautioned the Assembly in taking a stand on national politics. Guevin stated decisions being made at the Federal levels were having huge impacts on communities and cited the numbers of Alaskans receiving care. He also stated the Affordable Care Act (ACA) was helping Sitka Community Hospital financially. Potrzuski noted it was important to recognize that while the ACA was beneficial to people it was also critical to note that there were some aspects of ACA that were hurting others, e.g., cost and access. Guevin requested the resolution be sent to the Congressional Delegation and the Department of Health and Human Services.

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

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

No: 1 - Eisenbeisz

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

G 17-012 Appoint Nicole Filipek to a term on the Library Commission and reappoint Charles Horan to fill a term on the Gary Paxton Industrial Park Board through July 2017

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XI. UNFINISHED BUSINESS:

H 17-008 Approve sending either an Assembly member or City and Borough of Sitka staff representative to attend the Seatrade Cruise Global event in Fort Lauderdale, FL

Chris McGraw of the Old Sitka Dock urged the Assembly to send a representative. McGraw stated cruise ship passenger numbers had doubled in the last five years since attending Seatrade. He added that every Alaska port was competing for cruise ships and it was important to stand out from other communities. McGraw proceeded to explain that he had never seen a government representative from other communities attend and cruise ship officials had been impressed in past years to see a local government official present.

A motion was made by Bean to approve sending Assembly member Eisenbeisz to the Seatrade Cruise Global event in Fort Lauderdale, FL with expenses to be paid from the Visitor Activities Enhancement Fund. The motion PASSED by the

following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

I ORD 17-03

Amending Sitka General Code Chapter 4.09 "Sales Tax" at Section 4.09.100 "Exemptions" at (N) "Over Three Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over Three Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis"

Mayor Hunter explained this ordinance would raise the sales tax cap from \$3,000 to \$12,000.

Bean, a charter fisherman, asked for clarification on sales tax due on 2018 reservations that had been booked before October 1, 2017.

Jay Sweeney, Chief Finance and Administrative Officer, stated the sales tax due would be at the rate in effect at the time the service was provided. For example, if a customer in the summer of 2017, paid for an excursion in the summer of 2018, the amount of tax due by the provider would be subject to the \$12,000.

Assembly member Bean wondered if there might be a way to remedy this issue and amend the code. Assembly members Knox, Potrzuski, Hunter, Guevin and Eisenbeisz spoke in support of approving the ordinance as written and recognizing the complexity of the sales tax code recommended any amendments be brought back at a later date rather than making amendments at the table which could have unintended consequences.

An AMENDMENT was made by Bean to make this Ordinance effective October 1, 2017. All sales made prior to October 1, 2017 are subject to the \$3,000 tax cap even if services are rendered after October 1, 2017. The amendment FAILED by the following vote.

Yes: 1 - Bean

No: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Administrator Gorman anticipated an additional \$800,000 in revenue from the sales tax cap increase.

J ORD 17-02

Amending Sitka General Code Section 4.19.020 "Annual Transfer of Permanent Fund"

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XII. NEW BUSINESS:

New Business First Reading

- K ORD 17-04** Adjusting the FY17 Budget (Finance Department operations, pass-thru grant for Crescent Harbor Playground Renovation Project, Sitka Community Hospital equipment lease)

Guevin recognized the work of the Community Playground group.

Steve Hartford of Sitka Community Hospital (SCH) explained the equipment lease would be a liability of the hospital and would be treated as such if a merger were to happen between SEARHC and SCH.

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Additional New Business Items

- L 17-017** Discussion/Direction on electric utility rate increases

Utility Director, Bryan Bertacchi, summarized the key rate issues for FY18: 1) approximately \$2.2 million/year needed for FY18 and forward, 2) residential rate increase of 13 to 15 cents/kwhr needed, 3) the load was the variable - leveling to 103-105 million kwhr/yr.

Bertacchi presented options to balance the enterprise fund: 1) ballot initiative to increase the property tax, 2) increase summer sales tax from 6% to 7%, 3) severance tax on fish and gravel, 4) rate increase of 15%, 5) impose early rate increase to help FY17 electric fund deficit of approximately \$589,000.

Assembly members expressed a desire to consider two ordinances, 1) that would look at seasonal rates and 2) a flat rate (no tiers) including what would be needed for the next few years, with the exception of an annual CPI adjustment. Assembly members commented citizens were quickly tiring of frequent rate discussions. Guevin added he would like to see a subsidy for low income households.

- M 17-018** Discussion/Direction/Decision on extending an invitation to President Donald Trump to the Sesquicentennial Commemoration in October 2017

Wendy Alderson spoke in opposition to extending an invite to President Trump stating it would create further divisiveness within the community.

The Assembly discussed the pros and cons of extending an invitation however after deliberating took no action.

XIII. PERSONS TO BE HEARD:

Loyd Platson of the Health Needs and Human Services Commission provided an update to the Assembly on the activities of the Commission.

Chris Brewton urged the Assembly to explore implementing an agricultural electric rate.

Alexander Allision voiced concern of rising electric rates and urged the Assembly to explore ideas for economic growth.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:36pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



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ASSEMBLY CHAMBERS
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Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, February 16, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 17-020

Discussion/Direction to 1) short-list Municipal Administrator candidates for in-person and/or videoconferencing interviews with the Assembly, and, 2) schedule interview date(s), time(s) and location(s)

Assembly members Hunter and Eisenbeisz disclosed they were volunteers at the Fire Department, operating under officers who reported to the Fire Chief, an applicant for the Municipal Administrator position. Both felt they could be impartial to discussions. Deputy Mayor Potrzuski ruled there was not a conflict with either participating and thanked the two for their disclosure.

Mark Danielson, Human Resources Director, provided an overview of the process. Of the 48 applicants, Assembly members named those individuals who they were

interested in interviewing. Those receiving two or more votes were:

- Bryan Bertacchi
- Dan Bishop
- Dianne Blumer
- Ann Capela
- Jade Goroski
- Rick Hohnbaum
- Linda Hopper
- Patrick Jordan
- Carey Meyer
- David Miller
- Kevin Opple
- Cynthia Rogers
- Michael Scott
- Harry Staven
- Tony Stobbe
- Thomas Williams

The Assembly decided to meet on February 20, 2017 at 6pm to further discuss the above applicants and reduce the short-list to approximately 10 applicants.

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:45pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



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ASSEMBLY CHAMBERS
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City and Borough Assembly

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Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Monday, February 20, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. PERSONS TO BE HEARD

None.

V. UNFINISHED BUSINESS:

A 17-021

Further Discussion/Direction to 1) short-list Municipal Administrator candidates for in-person and/or videoconferencing interviews with the Assembly, and, 2) schedule interview date(s), time(s) and location(s)

For the next step in the review process, Assembly members expressed a desire to request candidates submit writing samples to be reviewed at a special meeting on March 7 at 6pm. Supplemental questions to be asked: 1) Please describe your management style, including communication and interpersonal relationship skills that you would utilize to enhance working relationships with Department Heads, other City staff and the public, 2) What have you learned about the Municipal Administrator position with the City and Borough of Sitka and why is now a good time in your career to consider this position? Why is now a good time to move to and live in Sitka?

A motion was made by Swanson to remove Bishop and Hohnbaum from the list of candidates to be considered. The motion PASSED by unanimous consent.

Of the remaining 14 candidates, Assembly members named those candidates whom they wished to further consider. Those receiving three or more votes were:

1. Bryan Bertacchi
2. Patrick Jordan
3. Carey Meyer
4. David Miller
5. Kevin Opple
6. Michael Scott
7. Harry Staven
8. Tony Stobbe

Human Resources Director, Mark Danielson stated he would contact each applicant and inform them of the writing assignment due March 3 for consideration at a special meeting on March 7 at 6pm.

VI. EXECUTIVE SESSION

None.

VII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:38pm.

ATTEST: _____

**Sara Peterson, CMC
Municipal Clerk**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-025 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/22/2017 In control: City and Borough Assembly

On agenda: 2/28/2017 Final action:

Title: Appoint: 1) Kim Kirkness to a three-year term on the Tree and Landscape Committee and 2) Kitty Sopow to a three-year term on the Historic Preservation Commission in the category of At-Large.
Reappoint: 1) James Poulson to an unexpired term on the Historic Preservation Commission in the category of Sitka Historical Society

Sponsors:

Indexes:

Code sections:

Attachments: [Motion.pdf](#)
[Kirkness application.pdf](#)
[Sopow application.pdf](#)
[Poulson application.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO appoint Kim Kirkness to a three-year term on the Tree and Landscape Committee, Kitty Sopow to a three-year term on the Historic Preservation Commission in the category of At-Large, and, reappoint James Poulson to an unexpired term on the Historic Preservation Commission in the category of Sitka Historical Society.



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

Board/Commission/Committee: Tree & Landscape
 Name: Kim Kirkness Daytime Phone: 738-1569
 Address: 1205 Georgeson Loop Evening Phone: _____
 Email Address: kimalyn@alaska.com Fax Number: _____
 Length of Residence in Sitka: 16 yrs Registered to vote in Sitka? Yes No
 Employer: SEARCH

Organizations you belong to or participate in:
Currently work almost fulltime + belong to the organization of grandma's who play with/help out with their grandkids.

Explain your main reason for applying: *Looking to retire in the next year, + want to find active ways to contribute to the community other than health care.*

What background, experience or credentials will you bring to the board, commission, or committee membership?
Moved here to a home with no real landscaping, + worked hard to get yard up to speed. Also share a large vegetable garden with a friend.

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

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
 - An immediate family member employed within the scope of this appointment.
- My son works for city in parks + Rec department, but don't imagine any conflict with this.*

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: 2/15/17 Signature: Kim Kirkness

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

2-17-2017

To Whom It May Concern:

I am interested in becoming a member of the Tree & Landscape Committee for several reasons.

Since moving here in 2002, I have seen so much growth in gardening and landscaping here. I would like to be part of the work that contributes to this great work.

I also just like being outdoors & working with plants. I'm always seeking new ways to deal with the rainforest environment here, and like learning about plants, and trees from fellow Sitkans.

I have a good friend on the committee who has encouraged me to apply for several years. I've decided now is a good time to be looking for opportunities to give back to the community, as well as spend time doing things I enjoy with a great group of people.

Thank you for your consideration.

Sincerely,

Kim Kirkness



TREE AND LANDSCAPE COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
JOE D'ARIENZO 2219 SMC	747-7448 delsenzo@live.com		7/24/04 7/13/07 7/10/10 6/22/13 11/12/16 11/22/19	CHAIR
LISA MOORE Box 2943	747-5534 moorelisa@aol.com		7/24/04 7/13/07 9/25/10 10/26/13 11/12/16 11/22/19	SECRETARY
DEB MILLER 708 Lake St.	738-1175 c sitkadjm@gmail.com	10/22/13 10/25/16	10/22/16 10/25/19	
<i>CHRIS GALE Box 906</i>	<i>747-5163 ctgale@gci.net</i>	<i>4/13/10 1/28/14</i>	<i>11/28/09 4/13/13 1/28/17</i>	<i>Resigned 7/25/16</i>
CORA NISBET 722 Lake St.	738-5147 coranisbet@gmail.com	11/10/14	11/10/17	
LIZ MCKENZIE PO Box 144	752-7046 c liz.creativeworks@gmail.com	12/8/15	12/8/18	
MAT TURNER 112 Shotgun Alley	747-7205 h matthew.g.turner@uscg.mil	1/12/16	12/9/17	Hennessy's term
BOB POTRZUSKI 2013 Kainulainen Drive	747-3260 assemblypotrzuski@cityofsitka.com			Assembly Liaison

MUNICIPAL STAFF SUPPORT

Jud Kirkness 100 Lincoln Street	747-4037 747-7668 fax	jud.kirkness@cityofsitka.org	Parks & Ground Maintenance Specialist
Michael Colliver 100 Lincoln Street	747-4039	michael.colliver@cityofsitka.org	Building, Grounds and Parks Supervisor

Established by Ord. 01-1625; revised by Ord. 03-1718
 7 members 3-year terms
 Meets: 3rd Tuesday, Noon, Harrigan Centennial Hall

Revised: November 23, 2016

Melissa Henshaw

From: Kitty Sopow <kittysopow@gmail.com>
Sent: Tuesday, February 21, 2017 10:36 AM
To: Melissa Henshaw
Subject: Historic Preservation Commission Application
Attachments: Historic Preservation application.docx; 2016resume.docx

Attached you will find my resume and application to serve on the Historic Preservation Commission

Thank you,

Kitty

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

Board/Commission/Committee: Name: Kitty Sopow

Address: 3414 Halibut Point Rd

Email Address: kittysopow@gmail.com

Length of Residence in Sitka: 4 years

Employer: Student

Organizations you belong to or participate in: n/a

Daytime Phone: 9075452850

Evening Phone:

Fax Number:

Registered to vote in Sitka? Yes No

Explain your main reason for applying:

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

I am interested in becoming part of the process of Historic Preservation in Sitka. I have a degree in Anthropology from Southern Illinois University and am currently studying applied anthropology online through University of North Texas' online masters program. There I am learning more about the consultation process between different government agencies and private entities.

During my time in Sitka I have attended a few of these meetings and participate in public comment. Diverse public input is something I am passionate about throughout the consultation process.

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

N/A

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: 1/15/17 Signature: Catherine Sopow

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

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however,

Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ___Yes ___x_ No

Return to:

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

OBJECTIVE	Utilize anthropological concepts and theory to solve practical problems and improve people's lives		
EDUCATION			
2006-2010	Southern Illinois University – College of Liberal Arts B.A. Anthropology		
2016-Present	University of North Texas - On track for M.S. in Applied Anthropology		
WORK EXPERIENCE			
	Sitka Tribe of Alaska	37.5 hrs	Sitka, Alaska
<i>Department of Defense Lands Investigator NAGPRA Coordinator Research Assistant</i>	2016		March 2015 – September
	<ul style="list-style-type: none"> Write grants to fund the mitigation of environmental impacts to Alaska Native Claims Settlement Act (ANCSA) conveyed properties including site evaluations and assessment processes Staff for Kayaani Commission, working closely with other state and federal governmental agencies to honor the Traditional Ecological Knowledge of the Tlingit 		
	Sea Level Consulting	2-3 hours	Sitka, Alaska
			May 2014
	<ul style="list-style-type: none"> Research World War II Searchlights in Sitka Sound, including local field surveys, evaluations, and travel to state archives for creation of brochure for Department of Defense for publication. Conduct archival research and oral interviews on Katlian Bay for proposed road project, funded through LEI Engineering. Managed paperwork associated with writing reports 		
<i>Office Manager</i>	The Daily Sitka Sentinel	40 hrs	Sitka, Alaska
			Jan 2014-Feb 2015
	<ul style="list-style-type: none"> Oversee 45 home distribution routes and 35 employees, and all subscriber accounts Organize office operations and procedures including payroll, general correspondence, reviewing and approving supply requisition 		
<i>Subsistence Resource Specialist</i>	AK Department of Fish & Game	As needed seasonally	Sitka, Alaska
			July 2013-Present
<i>Local Research Assistant</i>	<ul style="list-style-type: none"> Compile existing data and conduct studies to gather new information, including data from subsistence users, on all aspects of the role of subsistence hunting and fishing in the lives of the residents of the state Assist the department, the Board of Fisheries and the Board of Game in determining which uses of fish and game, as well as what users and what methods, should be termed subsistence users, uses, and methods 		
<i>AmeriCorps Volunteer</i>	Sitka Tribe of Alaska	37.5 hours	Sitka, Alaska
			Aug 2012-July 2013
	<ul style="list-style-type: none"> Civic engagement involving tribal citizens' food security Assisted in the revitalization of the Traditional Ethnobotany (Kayaani) commission Staff Support with Environmental Protection Agency, Herring Committee, Customary, Cultural & Tradition Committee Assisted with Department of Defense's (DoD) Native American Lands Environmental Mitigation Program, (NALEMP) restoring/remediating DoD sites within the Sheet'ka Kwaan Used GAP Online to record progress of awarded grants. 		
<i>Receptionist</i>	Portland Parks and Recreation	30 hours	Portland, Oregon
			Jan 2012-July 2012
	<ul style="list-style-type: none"> Key holder for clients' confidential information Register clients for various classes Russian and Spanish translator 		
<i>Visitor Member Services Specialist</i>	St. Louis Art Museum	25 hours	St. Louis, Missouri
			Fall 2010-2011
	<ul style="list-style-type: none"> Used knowledge of art history and anthropology to discuss exhibits with patrons. Processed monetary donations as well as memberships Managed audio devices for rental to special exhibit ticket holders. 		



HISTORIC PRESERVATION COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ANNE POLLNOW PO Box 6326	738-0794 sealevelanne@gmail.com	4/28/15	4/22/17	CHAIR At large
ANA DITTMAR 217 Marine Street Unit B	623-7537 anadittmar1@hotmail.com	4/10/12 5/27/15	4/10/15 5/27/18	Vice-Chair At large
ROBERTA LITTLEFIELD 4102 Halibut Point Road	738-4004 c 747-3444 h robbylittlefield@gci.net	7/13/10 4/24/12 5/27/15	01/27/12 4/24/15 5/27/18	SECRETARY Native community
JAMES POULSON 1610 Sawmill Creek Rd	747-3219 w 747-6567 h sitka@operamail.com	2/22/11 2/25/14	2/22/14 2/25/17	At large
SCOTT SALINE PO Box 3183	738-7889 c shsaline@gci.net	4/26/16	4/26/19	At large
ROBERT SAM 456 Katlian Street	623-7097 bob.sam@sitkatriben-sn.gov	2/24/15	2/24/18	STA
CLARA GRAY PO Box 401	752-7880 clara.gray@sitkatriben-sn.gov	4/12/16	2/24/18	STA (alternate) <i>Miller's term</i>
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Staff Liaison/ Secretary
Aaron Swanson 1410 C Sawmill Creek Rd	747-5499 h 623-7869 c assemblyswanson@cityofsitka.org			Assembly Liaison

7 members from selected categories 3-year terms
 Sitka Historical Society (1), Native Community (2) - one representing Sitka Tribe of Alaska), At-Large (4)
 Established by Ordinance 92-1075, Amended by Ordinance 93-1150, Addition by Ordinance 97-1409
 Second Wednesday, 6:00 p.m. – Harrigan Centennial Hall, 330 Harbor Drive
 Quorum is met when 4 Commission members are present

Revised: February 13, 2017



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

Board/Commission/Committee: Historic Preservation Commission

Name: JAMES POULSON Daytime Phone: 747-3219

Address: 1610 SMC Evening Phone: 747 6567

Email Address: Sitka@operamail.com Fax Number: _____

Length of Residence in Sitka: _____ Registered to vote in Sitka? Yes ___ No

Employer: _____

Organizations you belong to or participate in: Sitka Community Land Trust
Alaska Arts Southeast - Sitka Fine Arts camp

Explain your main reason for applying: I am interested in preservation

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

I'm in the second year of a masters program in historic preservation @ Boston Architectural College

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

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

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: 2-2-17 Signature: [Signature]

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

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

Return to:

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



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

Historic Preservation Commission

Board/Commission/Committee: _____
Name: **James Poulson** Daytime Phone: **747-3219**
Address: **1610 Sawmill Creek Road** Evening Phone: **747-6567**
Email Address: **photo@sitkasentinel.com** Fax Number: _____
Length of Residence in Sitka: **42** Registered to vote in Sitka? Yes No
Employer: **Sitka Sentinel**

Organizations you belong to or participate in:

Community Schools Soccer program coach, Sitka Maritime Heritage Society volunteer, Sitka Fine Arts Camp SJ building committee, Alaska Arts Southeast board member, Sitka Community Development Corp. board member.

Explain your main reason for applying:

I am interested in finishing the historic preservation plan that we have been working on.

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

I've been on the commission since 2011. I have worked to restore a number of historic buildings in town.

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: **Feb. 6, 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

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

Dear Assembly member,

I am submitting an application for renomination to the historic preservation commission. My interest in preserving the town's unique history has only increased since joining the commission in 2011.

There are several projects that I would like to continue working on. Seeing the completion of the historic preservation plan is one of them.

Working on bettering the permitting process with the planning department when historic buildings, or buildings in historic neighborhoods are affected is another area of interest.

Thank you for your consideration,

James Poulson



HISTORIC PRESERVATION COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ANNE POLLNOW PO Box 6326	738-0794 sealevelanne@gmail.com	4/28/15	4/22/17	CHAIR At large
ANA DITTMAR 217 Marine Street Unit B	623-7537 anadittmar1@hotmail.com	4/10/12 5/27/15	4/10/15 5/27/18	Vice-Chair At large
ROBERTA LITTLEFIELD 4102 Halibut Point Road	738-4004 c 747-3444 h roblylittlefield@gci.net	7/13/10 4/24/12 5/27/15	01/27/12 4/24/15 5/27/18	SECRETARY Native community
JAMES POULSON 1610 Sawmill Creek Rd	747-3219 w 747-6567 h sitka@operamail.com	2/22/11 2/25/14	2/22/14 2/25/17	At large
SCOTT SALINE PO Box 3183	738-7889 c shsaline@gci.net	4/26/16	4/26/19	At large
ROBERT SAM 456 Katlian Street	623-7097 bob.sam@sitkatriben-sn.gov	2/24/15	2/24/18	STA
CLARA GRAY PO Box 401	752-7880 clara.gray@sitkatriben-sn.gov	4/12/16	2/24/18	STA (alternate) <i>Miller's term</i>
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Staff Liaison/ Secretary
Aaron Swanson 1410 C Sawmill Creek Rd	747-5499 h 623-7869 c assemblyswanson@cityofsitka.org			Assembly Liaison

7 members from selected categories 3-year terms

Sitka Historical Society (1), Native Community (2) - one representing Sitka Tribe of Alaska), At-Large (4)

Established by Ordinance 92-1075, Amended by Ordinance 93-1150, Addition by Ordinance 97-1409

Second Wednesday, 6:00 p.m. – Harrigan Centennial Hall, 330 Harbor Drive

Quorum is met when 4 Commission members are present

Revised: February 13, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-04 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/8/2017 In control: City and Borough Assembly

On agenda: 2/28/2017 Final action:

Title: Adjusting the FY17 Budget (Finance Department operations, pass-thru grant for Crescent Harbor Playground Renovation Project, Sitka Community Hospital equipment lease)

Sponsors:

Indexes:

Code sections:

Attachments: [Ord 2017-04.pdf](#)
[Memo Finance.pdf](#)
[Memo SCH.pdf](#)

Date	Ver.	Action By	Action	Result
2/14/2017	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-04 on second and final reading.

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CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-04

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET (FINANCE DEPARTMENT OPERATIONS, PASS-THRU
GRANT FOR CRESCENT HARBOR PLAYGROUND RENOVATION PROJECT, SITKA
COMMUNITY HOSPITAL EQUIPMENT LEASE)**

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

- 1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
- 2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
- 3. **PURPOSE.** The purpose of this ordinance is to adjust the FY17 budgets for known changes.
- 4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
GENERAL FUND
Finance – Operations: The Finance Director has requested to re-appropriate funds in the amount of \$30,000 from personnel to contracted/purchased services. An outside accounting firm will help to finalize the FY16 CAFR due to the Deputy Finance Director position being vacant.
Other – Operations: This is to recognize a Grant from the Land & Water Conservation Fund in the amount of \$124,999 for the Crescent Harbor Playground Renovation Project. This is a pass –thru Grant where the revenue and appropriations will be recorded through the General Fund in equal amounts.
Sitka Community Hospital- Capital: In the FY17 Budget, the Hospital budgeted \$130,000 for the Omnicell med-dispense system. They are requesting that this equipment be leased over a 5 year period. The total cost would come to \$160,000 and is requesting an additional appropriation of \$30,000 from the Hospital Working Capital.

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EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 28th Day of February, 2017.

ATTEST:

Matthew Hunter, Mayor

Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 2/14/17
2nd reading 2/28/17

MEMORANDUM

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

From: Jay Sweeney, Chief Financial and Administrative Officer

Date: February 7, 2017

Subject: Finance-related Adjustments in Supplemental Budget Ordinance

Mayor Hunter and Members of the Assembly,

The accompanying supplemental budget ordinance contains two finance-related appropriations/reappropriations.

The first is a request to reappropriate \$30,000 from wages and benefits in the Finance Department to contracted and purchased services. The Finance Department has experienced a vacancy in the Deputy Finance Director role since June, 2016; a new employee has accepted an employment offer but will not begin work until March 20th. To obtain professional assistance in preparing for external audit, the Finance Department previously requested a portion of the budgeted salary for the Deputy be reappropriated to purchased services. As the fiscal calendar is turning towards annual budget preparation requiring attention of the CFAO to shift, the Finance Department is requesting resources to obtain additional professional assistance in finalizing the 2016 CAFR. The draft 2016 CAFR is complete and has been posted on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA), as required by loan agreements with the Alaska Municipal Bond Bank Authority. Additional work, however, is needed to finalize the MD&A and statistical sections of the document. The additional amount of \$30,000 represents an estimated top-end amount required to complete all audit-related services including audit fees and professional assistance; if the appropriation is not fully spent (which is likely) the unspent portion will lapse on June 30th into the General fund balance. As of February 7th; the Finance Department had expended \$425,096, 44.49%, of its FY2016 salaries appropriation of \$868,104; normal expenditure by this date in the fiscal year would be 58.3% of the appropriation, or \$506,394. The Finance Department has also spent \$121,670, or 78%, of its FY2016 appropriation for contracted purchases and services of \$156,200 to date, and additional outlays are expected to finalize the audit and the CAFR. Assembly approval is required to transfer appropriations from wages and benefits to contracted and purchased services.

The second is an appropriation request to expend a grant from the Land and Water Conservation Fund for the Crescent Harbor Playground Renovation project. Even though 100% of the funding for the appropriation will come from the grant, an appropriation is required to expend public funds. As the ordinance indicates, this is a pass-through grant. No non-grant funds will be expended through this appropriation and the effect on the General Fund is \$0, as all expenditures will be matched by grant funds.



MEMORANDUM

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

Cc: Bryan Bertacchi, Hospital Board Chair
Rob Allen, CEO

From: Steven Hartford, SCH Director of Operations

Date: November 2, 2016

Subject: Request for supplemental budget ordinance for Medical Equipment Lease

The Hospital had included \$130,000.00 for the acquisition of a medication dispensing system in its current year capital budget. The process for reviewing the product options available to the Hospital led to a decision to lease the equipment from a company known as Omnicell. This lease will be for a 60 month or 5 year period at a cost to the Hospital of \$2645.02 per month for a total of \$160,041.64 over the 5 year period.

Jay Sweeney has recommended that we seek an ordinance allowing us to supplement our current fiscal year capital budget by \$30,000 in order to cover the difference and ensure authority to expend the total amount over the 5 year period.

For your information I am attaching the memo and other materials we provided to our Board last month when they approved the project.



MEMORANDUM

To: Board of Directors and Rob Allen, CEO

From: Steve Hartford, Director of Operations

Date: January 19, 2017

Re: **Recommendation for acquisition and lease financing of Omnicell Med-dispense system**

As you may recall, SCH made a determination last year that a high priority for medical equipment upgrades was to acquire a medication dispensing system also known as a dispensing cabinet. An "automated dispensing cabinet" (ADC) is a computerized drug storage device or cabinet designed for hospitals. ADCs allow medications to be stored and dispensed near the point of care while controlling and tracking drug distribution.

Hospital pharmacies have traditionally provided medications for patients by filling patient-specific cassettes of unit-dose medications that were then delivered to the nursing unit and stored in medication cabinets or carts. ADCs, which are designed to replace non-automated floor stock storage, were introduced in hospitals in the 1980s and have facilitated the transition to alternative delivery models and more decentralized medication distribution systems. These systems have become commonplace in our industry.

SCH's clinical leaders firmly believe that implementing automated dispensing cabinets as part of a decentralized or hybrid medication distribution system will improve patient safety and the accountability of the inventory, streamline certain billing processes, and ultimately, lead to increased nursing and patient satisfaction.

Because automated dispensing cabinets track user access and dispensed medications, their use can improve control over medication inventory. Furthermore, by restricting individual drugs – such as high-risk medications and controlled substances – to unique drawers within the cabinet, overall inventory management, patient safety, and medication security can be improved.

Automated cabinets can also enable providers to record medication charges upon dispensing; reducing the billing paperwork pharmacy is responsible for. In addition, nurses can note returned medications using the cabinets' computers, enabling direct credits to patients' accounts. Since the cabinet will be located in the medication room near the nurses' station, nurses will have speedier access to a patient's medications. Decreased wait time for medication can lead to less frustration for nursing staff and prevent conflict between the pharmacy and nursing staff. Also, shorter waiting time ensures improved patient comfort and care. This particular unit will allow us to integrate the system with our new EHR.



The selection of the product was made by a team of nurses led by our Acute Care Manager Kat Richards and which solicited input from our I.S. department, pharmacy and biomed. The process included selecting 3 of the top rated vendors for Critical Access Hospitals and with onsite and offsite demonstrations of each product. Ultimately Omnicell was determined to be the best fit for our operation and is highly rated by the industry led medical technology review association known as KLAS.

In December the Board approved the acquisition of this equipment by approving an allocation of \$130,000.00, leadership is recommending a plan to finance this acquisition using a 60 month financing vehicle offered by the vendor. The payments for this plan will come from our current capital budget and ensuing capital budgets over the next 5 years.

We are requesting approval of the 60 month financing plan. It is our understanding that the Assembly will also have to approve this as it is a multi-year commitment.

For your information I have attached the following:

- Vendor comparison analysis and recommendation prepared by Kat Richards;
- Term sheet from Omnicell including costs and financing details;
- Omnicell product information.

Master Agreement ID 20417-01

Summary By Product

Start Date 12/15/16

Pricing Supplement ID 5227465

Expiration Date 03/15/17

Quote: 5227465 Initial Automation with 3rd Carrier

Price List USA List

Ship To ID 20417

Sitka Community Hospital
209 Moller Avenue
Sitka AK 99835-7145

Bill To ID 20417

Sitka Community Hospital
209 Moller Avenue
Sitka AK 99835-7145

Support Services Term / Level 60 Months/Advantage

Lease Term 60 Months

		Product				Monthly Services	
Product	Description	Qty	Contract List Price	Unit Price	Extended Price	Unit Services	Extended Services
MED-CSD-001	XT CONTROLLED SUBSTANCE DISPENSER	1	\$393.19	\$137.62	\$137.62	\$65.00	\$65.00
MED-DRW-001	XT 48-BIN OPEN CONFIGURABLE DRW	5	\$49.15	\$3.09	\$15.45		
MED-DRW-003	XT MED 6-BIN DBL DEEP METAL LOCKING DRW	2	\$100.26	\$35.09	\$70.18		
MED-DRW-004	XT MED 10-BIN METAL LOCKING LID DRW	2	\$100.26	\$35.09	\$70.18		
MED-DRW-005	XT MED 18-BIN METAL LOCKING LID DRW	4	\$100.26	\$35.09	\$140.36		
MED-DRW-006	XT MED 27-BIN METAL LOCKING LID DRW	6	\$100.26	\$35.09	\$210.54		
MED-DRW-007	XT MED 36-BIN METAL LOCKING LID DRW	2	\$100.26	\$35.09	\$70.18		
MED-FRM-101	XT MED 1-CELL CABINET	1	\$685.15	\$239.81	\$239.81	\$105.00	\$105.00
	Solution Includes: * XT MED 1-CELL CABINET * SW LICENSE- SCHEDULED MEDS * SW LICENSE- PROFILE OPTION * XT SCANNER, WIRED (1,2,3 CELL) * XT CONSOLE- BIOID, MED LBL & RCPT PRNTR						
MED-FRM-102	XT MED 2-CELL CABINET	1	\$842.43	\$294.86	\$294.86	\$120.00	\$120.00
	Solution Includes: * XT MED 2-CELL CABINET * SW LICENSE- SCHEDULED MEDS * SW LICENSE- PROFILE OPTION * XT SCANNER, WIRED (1,2,3 CELL) * XT CONSOLE- BIOID, MED LBL & RCPT PRNTR						

		Product				Monthly Services	
Product	Description	Qty	Contract List Price	Unit Price	Extended Price	Unit Services	Extended Services
MED-OPT-002	XT EXTERNAL RETURN BIN, WIRED CAB MOUNT	2	\$64.88	\$22.71	\$45.42		
MED-OPT-009	XT MED PRINTER LABELS- BOX (6 ROLLS)	1	\$1.97	\$0.69	\$0.69		
MED-OPT-011	XT CSD STANDARD CASSETTE KT-32 LINE ITEM	1	\$58.98	\$20.64	\$20.64		
OMC-BDL-010	CAH BASE RACK SERVER BUNDLE	1	\$589.79	\$589.79	\$589.79	\$230.00	\$230.00
OMC-SCN-003	2D SAFETYSTOCK SERVER SUITE(SCANNER)	1	\$119.83	\$41.94	\$41.94		
SRD-OPT-012	XT FLEXLOCK WITH 50 FT CABLE,INSTALLED	2	\$77.66	\$27.18	\$54.36	\$20.00	\$40.00
SRD-SUB-001	TRAINING SUBSCRIPTION (5 YR)	1	\$83.33	\$83.00	\$83.00		
	Prices are calculated based on 60 month subscription term						
	Total Monthly Product		\$2,085.02				
	Total Monthly Support Services		\$560.00				
	Grand Total Monthly		\$2,645.02				
			Total Product		\$125,101.20		
			Total Support Services		\$33,600.00		
			Total Shipping & Handling		\$1,340.44		
			Grand Total		\$160,041.64		
Discount Included Above: \$169,478.40							

		Product				Monthly Services	
Product	Description	Qty	Contract List Price	Unit Price	Extended Price	Unit Services	Extended Services
	<p>A purchase order for Support Services in the amount shown as Total Service Fees is included with this Pricing Supplement.</p> <p>The pricing being offered within this Pricing Supplement is contingent upon execution by Customer of the applicable Omnicell Master Agreement.</p> <p>The pricing being offered within this Pricing Supplement is contingent upon execution by Customer of the applicable Sole Source Letter Agreement.</p> <p>The pricing and terms being offered within this Pricing Supplement are contingent upon approved credit for Customer as received from the applicable credit entity.</p>						

Master Agreement ID 20417-01**Supplement****Start Date** 12/15/16**Pricing Supplement ID** 5227465**Expiration Date** 03/15/17**Quote:** 5227465 Initial Automation with 3rd Carrier**Price List** USA List**Ship To ID** 20417Sitka Community Hospital
209 Moller Avenue
Sitka AK 99835-7145**Bill To ID** 20417Sitka Community Hospital
209 Moller Avenue
Sitka AK 99835-7145**Support Services Term / Level** 60 Months/Advantage**Lease Term** 60 Months

1. This Pricing Supplement is subject to and incorporates by reference all of the terms and conditions as set forth within the Master Agreement identified above.
2. Any terms and conditions on any Purchase Order issued in conjunction with this Pricing Supplement shall be for reference purposes only and shall not become a part of the terms and conditions of this Pricing Supplement.
3. Customer acknowledges and agrees that it is Customer's obligation to pay the amounts as set forth on this Pricing Supplement and that such payment obligations are governed by the terms and conditions of the above referenced Master Agreement including all applicable scheduled, attachments and exhibits.
4. The undersigned hereby acknowledges that he/she has the authority to sign this Pricing Supplement and bind the Customer to the terms and conditions of this Pricing Supplement.

OMNICELL, INC: Signature: _____ Print Name: _____ Title: _____ Date: _____	CUSTOMER: Signature: _____ Print Name: _____ Title: _____ Date: _____
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**** Please fax all document pages to (650) 251-6240**

Attn: Sales Operations
 Omnicell, Inc.
 590 E. Middlefield Road
 Mountain View, CA 94043
 Phone: (650) 251-6000
 Fax: (650) 251-6240

Omniceil Automated Medication Dispensing Cabinets



Omniceil

Take on Tomorrow

Achieve Safer, More Efficient

HOW CAN YOU BETTER MANAGE MEDICATIONS IN TODAY'S ENVIRONMENT?

Omnicell understands nursing and pharmacy challenges, and we design our automated medication dispensing cabinets to address them.

- Clinician-preferred ease of use
- Durable, reliable hardware
- Lowest cost of ownership
- Regular software upgrades included with industry-leading service program
- Seamless integration with health care information systems
- Advanced security and diversion prevention
- Innovations that improve workflow and compliance

Nurses are interrupted approximately once every 5 minutes.¹

Patient safety and quality of care are tied to nurse satisfaction.²

Nearly \$1 billion paid to hospitals in the next year will be based in part on patient satisfaction.³

"We found that Omnicell's advanced technology is unparalleled in the market. Omnicell's interoperability, user-friendly interface and forward-thinking approach to medication management set them apart in our search."

Jeff St. Clair, President and CEO
Springhill Medical Center

Highest KLAS Honors for 10 Consecutive Years

#1 Overall pharmacy automation equipment vendor (2013 - 2015)⁴

Best in KLAS:

- Automated Medication Dispensing Units: 2010-2015

Category Leader:

- Automated Medication Dispensing Units: 2006-2011⁵

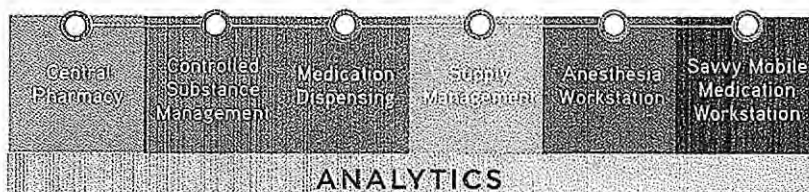


Integration That Saves Time, Prevents Errors

As part of the Unity enterprise platform, Omnicell automated medication dispensing systems share a single medication database. This integration helps to save time, simplify user account management, reduce errors, and minimize system maintenance and IT involvement.

Interoperability—Integration between the Omnicell automated dispensing cabinet and electronic health record (EHR) saves clinicians steps in medication workflow.

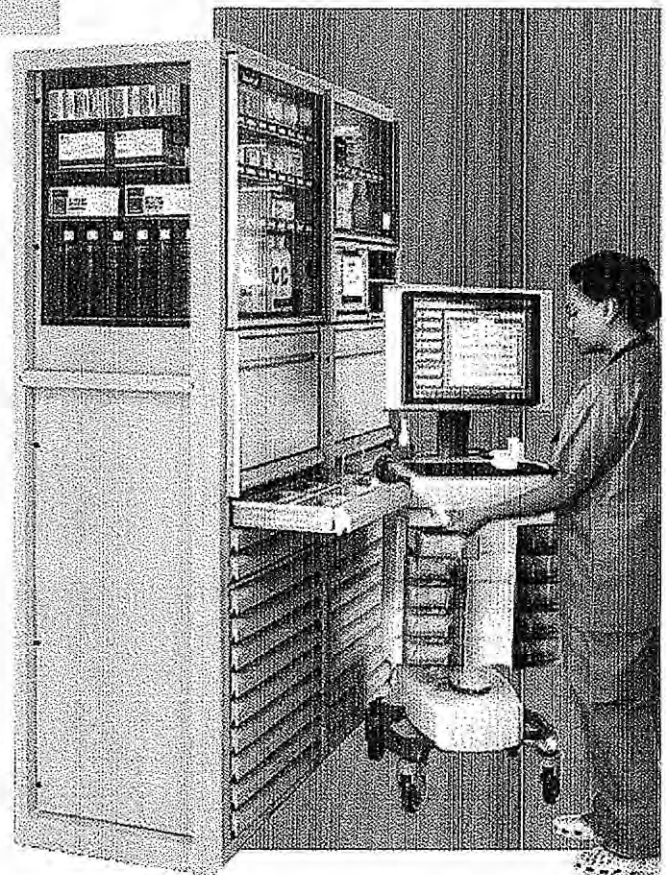
Unity Enterprise Platform



Leading Technology Fits Enterprises of All Sizes

The scalable, enterprise-class OmniCenter[®] server centrally manages your Omnicell medication and supply dispensing systems.

- Holds up to seven years of data
- Remote access from any PC connected to the hospital's network
- Comprehensive array of reports for inventory and clinical management
- Supports multiple sites and multiple time zones — up to 1,000 cabinets on a single server
- Choice of physical or virtual platforms
- Employs the latest technology
- EHR Modular Certification supports meaningful use
- Enterprise analytics improve inventory management and diversion detection



¹ Brixey JJ, Robinson DJ, Tang Z, et al. Interruptions in workflow for RNs in a level one trauma center. *AMIA Annu Symp Proc.* 2005;86-90. ² Aiken LH, Sermeus W, Van den Heede K. Patient safety, satisfaction, and quality of hospital care: cross sectional surveys of nurses and patients in 12 countries in Europe and the United States. *BMJ.* March 20, 2012;344:e1717. ³ Adamy J. U.S. ties hospital payments to making patients happy. *Wall Street Journal.* October 14, 2012. Accessed online 2/5/13. ⁴ Best in KLAS Awards: *Medical Equipment report*; 2006-2015. ©2015 KLAS Enterprises, LLC. All rights reserved. www.KLASresearch.com ⁵ This Category Leader award was discontinued in 2012 and combined with Best in KLAS. ⁶ Joint Commission 2013 Hospital National Patient Safety Goals (NPSG.03.04.01 relates to labeling medications). ⁷ Cohen H, Robinson ES, Mandrack M. Getting to the root of medication errors: survey results. *Nursing* 2003. 2003;33(9):36-45. ⁸ Monegan B. Nurse interrupted: South Jersey Hospital uses technology to reduce disruptions, avoid errors. *Healthcare IT News.* June 2010. Accessed online 2/14/13. ⁹ Data collection from cabinet log file analysis. ¹⁰ Omnicell beta customer data on file.

Workflow

SATISFIED NURSES, SAFER PATIENTS

How are you complying with National Patient Safety Goal 03.04.01?⁶

Unlabeled medications pose a patient safety hazard and a Joint Commission compliance issue.

Solution: Omnicell offers a Medication Label Printer integrated within the automated dispensing cabinet (ADC), allowing nurses to print patient-specific labels during medication issue.

How often are your nurses interrupted while preparing for medication passes?

Interruptions during medication administration were cited as the top reasons for medication errors.⁷

Solution: Anywhere RN™ remote medication management software allows nurses to remotely manage medications in quieter areas with fewer distractions.

- 54% of nurses reported reduced interruptions in the medication administration process.⁸
- ADC medication removal time decreased 33%.⁹

Anywhere RN now integrates within the Epic and Cerner electronic health record (EHR) systems.

How do you manage patient-specific medications?

Patient-specific items not stored in the ADC must be managed manually, increasing the risk of loss, diversion, missing doses, and other medication errors.

Solution: SinglePointe™ patient medication management software enables up to 100% of a patient's medications to be managed via the ADC.

- Missing doses decreased 30%¹⁰
- Returns/credits decreased 80%¹⁰

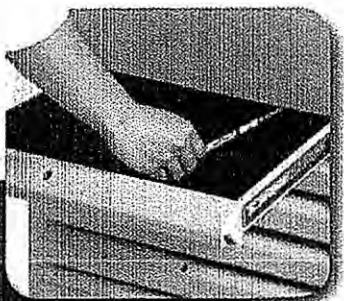
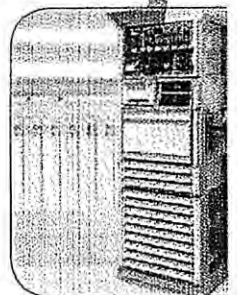
How much time are nurses spending on narcotic countbacks?

Tedious narcotic counts at the ADC—and the inevitable recounts to resolve discrepancies—take time away from patients.

Solution: The OmniDispenser™ single-dose dispensing module secures medications in a separate location in the ADC and dispenses each dose individually, virtually eliminating the need for countbacks.



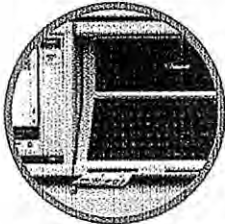
Anywhere RN



Workflow

Work Smarter With Omnicell Cabinets

Select items for each patient via touch screen computer interface



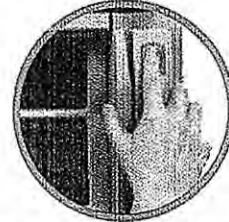
Print patient-specific labels with integrated Medication Label Printer

Dispense each dose individually with OmniDispenser



Identify location of selected items with guiding lights

Omnicell One-Cell Cabinet With OmniDispenser Module

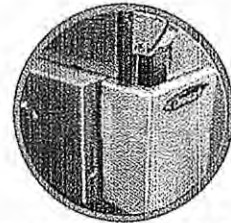


Have fast yet secure access with advanced Touch & Go™ biometric ID system

Confirm correct item with SafetyStock® bar code scanning



Secure unused medication in the external return bin



Secure refrigerated medications and monitor temperature to meet CDC guidelines with FlexLock

To learn more about Omnicell medication management systems, please contact your Omnicell representative or visit www.Omnicell.com.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-05 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/22/2017 In control: City and Borough Assembly

On agenda: 2/28/2017 Final action:

Title: Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2017-05.pdf](#)
[Ord 2017-05.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-05 on
first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-05

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE CHAPTER 15.01 ENTITLED "ELECTRIC UTILITY POLICIES" BY AMENDING
SECTION 15.01.020 ENTITLED "ELECTRICAL RATES"

- 1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
- 2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
- 3. **PURPOSE.** The purpose of this ordinance is to amend the rates section of the electric utility policies. In addition, this ordinance provides for an automatic annual adjustment to the electric rates based on the Consumer Price Index for Anchorage.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Chapter 15.01 "Electric Utility Policies" section 15.01.020 "Electrical rates" is amended as follows (new language underlined; deleted language stricken):

**Chapter 15.01
ELECTRIC UTILITY POLICIES**

* * *

Sections:
15.01.020 Electrical rates.

* * *

- 15.01.020 Electrical rates.**
- A. All billings electrical rates are subject to sales tax if applicable. These rates are effective for all electricity billed after April 1, 2017, regardless of when electricity was consumed.
- The electrical rates may be adjusted annually, at the discretion of the administrator, by the Consumer Price Index. An adjustment, if any, shall be based on the prior year annual report for the municipality of Anchorage, Alaska, from the United States Department of Labor and Workforce Development, Consumer Price Index, and determined to be the percent change to the current year from the percent change of the prior year, and will be effective July 1st of any year applied. The first such adjustment date may be July 1, 2018.
- B. Residential Services.
 - 1. Applicable to all residential customers for all uses in the home or residence, subject to the rules and regulations and customer services policies of the city and utility.

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2. Energy Charges.

First 1,000 <u>All</u> kWh	\$0.1203 <u>0.150</u> per kWh
Over 1,000 kWh	\$0.1370 per kWh
Customer charge is \$20.48 per month	

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C. General Service—Small.

1. Applicable to all nonresidential customers for all uses, including lighting, heating and power, when the electricity consumed in the preceding twelve months is less than one hundred thousand kWh and has a measured demand of less than fifty kW, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: restaurants, retail vendors, churches, fueling stations, and service industries.

2. Energy Charges.

First 500 <u>All</u> kWh	\$0.1860- 0.147 per kWh
501 kWh to 10,000 kWh	\$0.1308 <u>0.1504</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1279 0.1471 per kWh
Over 100,001 kWh	\$0.1250 0.1438 per kWh
Customer charge is \$40.95 per month	

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3. Demand Charges.

First 25 kW	No charge
Over 25 kW	\$5.88 per kW

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D. General Service—Large.

1. Applicable to all nonresidential customers for all uses, including lighting, heating and power, when the electricity consumed in the preceding twelve months is equal to or greater than one hundred thousand kWh or has a measured demand equal to or greater than fifty kW, subject to the rules, regulations and customer service policies of the utility

and the city. Typical customers in this class could include: grocery stores, industrial users, and seafood processing facilities.

2. Energy Charges.

First 500 <u>All</u> kWh	\$0.1860 0.1450 per kWh
501 kWh to 10,000 kWh	\$0.1303 <u>0.1498</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1274 <u>0.1465</u> per kWh
Over 100,001 kWh	\$0.1244 0.1431 per kWh
Customer charge is \$63.00 per month	

3. Demand Charges.

First 25 kW	No charge
Over 25 kW	\$5.88 per kW

E. General Service—Public Authority.

1. Applicable to all noncommercial and nonresidential customers for all uses, including lighting, heating and power, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: schools, tribal governments, and other public government buildings.

2. Energy Charges.

First 500 <u>All</u> kWh	\$0.1860 0.1470 per kWh
501 kWh to 10,000 kWh	\$0.1309 <u>0.1504</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1279 <u>0.1471</u> per kWh
Over 100,001 kWh	\$0.1250 <u>0.1438</u> per kWh
Customer charge is \$47.25 per month	

96 3. Demand Charges.

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First 25 kW	No charge
Over 25 kW	\$5.88 per kW

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99 F. Boat Service.

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101 1. Applicable to separately metered boats, lights, heaters, pumps or other uses.

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103 2. Energy Charges.

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First 150 <u>All</u> kWh	\$0.1420 0.150 per kWh
All additional kWh	\$0.1420 <u>0.1576</u> per kWh
Customer charge is \$20.48 per month	

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108 5. **EFFECTIVE DATE.** Ordinance 2017-05 shall become effective on the first billing cycle
109 after April 1, 2017.

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111 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
112 Alaska this 14th day of March, 2017.

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Matthew Hunter, Mayor

117 ATTEST:

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121 Sara Peterson, CMC
122 Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-06 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/22/2017 In control: City and Borough Assembly

On agenda: 2/28/2017 Final action:

Title: Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates" to allow for a seasonal increase in electrical rates

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2017-06.pdf](#)
[Ord 2017-06.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-06 on
first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-06

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE CHAPTER 15.01 ENTITLED "ELECTRIC UTILITY POLICIES" BY AMENDING
SECTION 15.01.020 ENTITLED "ELECTRICAL RATES" TO ALLOW FOR A SEASONAL
INCREASE IN ELECTRICAL RATES

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

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

3. **PURPOSE.** The purpose of this ordinance is to amend the rates section of the electric utility policies to allow for a seasonal increase in electrical rates. In addition, this ordinance provides for discretionary annual adjustment to the electric rates based on the Consumer Price Index for Anchorage.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Chapter 15.01 "Electric Utility Policies" is amended by amending section 15.01.020 "Electrical rates" (new language underlined; deleted language stricken):

**Chapter 15.01
ELECTRIC UTILITY POLICIES**

* * *

Sections:

15.01.020 Electrical rates.

* * *

15.01.020 Electrical rates.

A. All billings electric rates are subject to sales tax if applicable. These rates are effective for all electricity billed after October 1, 2017, regardless of when electricity was consumed.

The electrical rates may be adjusted annually, at the discretion of the administrator, by the Consumer Price Index. An adjustment, if any, shall be based on the prior year annual report for the municipality of Anchorage, Alaska, from the United States Department of Labor and Workforce Development, Consumer Price Index, and determined to be the percent change to the current year from the percent change of the prior year, and will be effective July 1st of any year applied. The first such adjustment date may be July 1, 2018.

50 B. Residential Services.

- 51
- 52 1. Applicable to all residential customers for all uses in the home or residence, subject
- 53 to the rules and regulations and customer services policies of the city and utility.
- 54 2. Energy Charges.
- 55

First 1,000 <u>All kWh from the first billing cycle in October through the last billing cycle in March</u>	\$0.1203 0.120 per kWh
Over 1,000 kWh <u>All kWh from the first billing cycle in April through the last billing cycle in September</u>	\$0.1370 0.192 per kWh
Customer charge is \$20.48 per month	

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57 C. General Service—Small.

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- 59 1. Applicable to all nonresidential customers for all uses, including lighting, heating and
- 60 power, when the electricity consumed in the preceding twelve months is less than
- 61 one hundred thousand kWh and has a measured demand of less than fifty kW,
- 62 subject to the rules, regulations and customer service policies of the utility and the
- 63 city. Typical customers in this class could include: restaurants, retail vendors,
- 64 churches, fueling stations, and service industries.
- 65
- 66 2. Energy Charges.
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First 500 <u>All kWh kWh from the first billing cycle in October through the last billing cycle in March</u>	\$0.1860 0.1180 per kWh
<u>All kWh from the first billing cycle in April through the last billing cycle in September</u> 501 kWh to 10,000 kWh	\$0.1880 \$0.1308 0.1504 per kWh
10,001 kWh to 100,000 kWh	\$0.1279 0.1471 per kWh
Over 100,001 kWh	\$0.1250 0.1438 per kWh
Customer charge is \$40.95 per month	

71 3. Demand Charges.

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First 25 kW	No charge
Over 25 kW	\$5.88 per kW

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74 D. General Service—Large.

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76 1. Applicable to all nonresidential customers for all uses, including lighting, heating and
 77 power, when the electricity consumed in the preceding twelve months is equal to or
 78 greater than one hundred thousand kWh or has a measured demand equal to or greater
 79 than fifty kW, subject to the rules, regulations and customer service policies of the utility
 80 and the city. Typical customers in this class could include: grocery stores, industrial
 81 users, and seafood processing facilities.

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83 2. Energy Charges.

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First 500 <u>All</u> kWh	\$0.1860 0.1450 per kWh
501 kWh to 10,000 kWh	\$0.1303 <u>0.1498</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1274 <u>0.1465</u> per kWh
Over 100,001 kWh	\$0.1244 0.1431 per kWh
Customer charge is \$63.00 per month	

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86 3. Demand Charges.

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First 25 kW	No charge
Over 25 kW	\$5.88 per kW

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89 E. General Service—Public Authority.

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91 1. Applicable to all noncommercial and nonresidential customers for all uses, including
 92 lighting, heating and power, subject to the rules, regulations and customer service
 93 policies of the utility and the city. Typical customers in this class could include: schools,
 94 tribal governments, and other public government buildings.

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2. Energy Charges.

First 500 <u>All</u> kWh	\$0.1860 <u>0.1470</u> per kWh
501 kWh to 10,000 kWh	\$0.1309 <u>0.1504</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1279 <u>0.1471</u> per kWh
Over 100,001 kWh	\$0.1250 <u>0.1438</u> per kWh
Customer charge is \$47.25 per month	

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3. Demand Charges.

First 25 kW	No charge
Over 25 kW	\$5.88 per kW

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F. Boat Service.

1. Applicable to separately metered boats, lights, heaters, pumps or other uses.
2. Energy Charges.

<u>First 150 All kWh from the first billing cycle in October through the last billing cycle in March</u>	\$0.1420 <u>0.120</u> per kWh
<u>All additional kWh All kWh from the first billing cycle in April through the last billing cycle in September</u>	\$0.1420 <u>0.1576</u> per kWh \$.1920 per kWh
Customer charge is \$20.48 per month	

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5. **EFFECTIVE DATE.** Ordinance 2017-06 shall become effective on the first billing cycle after October 1, 2017.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 14th day of March, 2017.

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ATTEST:

Sara Peterson, CMC
Municipal Clerk

Matthew Hunter, Mayor



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-026 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/22/2017 In control: City and Borough Assembly

On agenda: 2/28/2017 Final action:

Title: Adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09.100(P)
"Resale. A sale for resale of a product, service or rental to a consumer where the resale is subject to
tax is exempt"

Sponsors:

Indexes:

Code sections:

Attachments: [Interpretation SGC 4.09.100\(P\).pdf](#)


Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09.100(P) "Resale. A sale for resale of a product, service or rental to a consumer where the resale is subject to tax is exempt".

MEMORANDUM

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

From: Jay Sweeney, Chief Financial and Administrative Officer 

Date: February 15, 2017

Subject: Sales Tax Interpretation 17-01

Mayor Hunter and Members of the Assembly,

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

The SGC citation is as follows:

4.09.400 Rules and regulations

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

In response to a question raised as to the applicability of sales tax exemption P, Resale (SGC 4.09.100 P), described in the attached Interpretation, I have interpreted the meaning and intent of the Sitka General Code to be that purchases of products in the City and Borough of Sitka, where delivery by the seller to the buyer of the products is accomplished in Sitka, but wherein the products are transported outside of the City and Borough of Sitka and resold, is not exempt from sales taxation.

In accordance with SCG 4.09.400, this interpretation is hereby submitted to the Assembly with a request for adoption.



Sales Tax Interpretation 17-01

Additional Clarification of Resale Tax Exemptions pertaining to resale outside of the City and Borough of Sitka

Per the City and Borough of Sitka General Code (SGC) 4.09.100, Exemptions, states:

P. Resale. The sale for resale of a product, service, or rental to a consumer where the resale is subject to tax is exempt.

A question has arisen as to whether or not purchases of products within the City and Borough of Sitka, with delivery of the products to the purchaser in Sitka, but resold outside of the City and Borough of Sitka in an adjacent unincorporated borough, qualify for exemption from sales tax on the purchase transaction.

The interpretation of the intent of the exemption set forth in SGC 4.09.100 P, Resale, centers on two key points:

- The physical location of the resale transaction, and,
- whether or not the follow-on retail transaction is subject to sales tax.

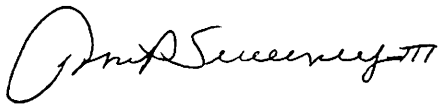
It is my interpretation of the meaning and intent of the exemption set forth in SGC 4.09.100 P that two conditions must be met for the exemption to be applicable:

- The physical location of the resale transaction must take place within the City and Borough of Sitka, and,
- The follow-on retail transaction must be subject to sales tax.

In the situation presented for interpretation, neither of the above conditions are met. The items purchased in Sitka are transported outside of the City and Borough Sitka for resale, and, the resale is not subject to sales tax. The situation would be no different than if the items purchased in Sitka and transported and resold in another state with no state sales tax, such as Oregon or Montana.

It is my decision, under the authority granted to me by SGC 4.09.400, that the purchase of products within the City and Borough of Sitka, with delivery of the products within Sitka to the purchaser, but subsequently transported and sold outside of the City and Borough for subsequent resale, are not exempt from sales taxation under the provisions of SGC 4.09.100 P, Resale. This decision shall effective until either affirmed or reversed by the Assembly of the City and Borough of Sitka.

February 15, 2017

A handwritten signature in black ink, appearing to read "John P. Sweeney III". The signature is fluid and cursive, with a large initial "J" and "P".

John P. Sweeney III
Chief Financial and Administrative Officer