



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson*

Tuesday, July 12, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[16-131](#) Reminders, Calendars and General Correspondence

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

[Public Works Update.pdf](#)

[Letter to Senator Sullivan.pdf](#)

V. CEREMONIAL MATTERS

[16-125](#) Service Awards - Don Jones, Grant Miller, and Marijuana Advisory Committee Members

Attachments: [Service Awards.pdf](#)

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

[16-126](#) Sitka Comprehensive Plan Update - Maegan Bosak

Attachments: [Special Report - Comprehensive Plan.pdf](#)

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** [16-127](#) Approve the minutes of the June 28 Assembly meetings
Attachments: [Consent and Minutes.pdf](#)
- B** [RES 16-11](#) Approving submittal and execution of a Municipal Harbor Facility grant application to the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in the amount of \$5,000,000 for the project entitled Crescent Harbor Float Replacement - Phase I
Attachments: [Res 2016-11 rotated.pdf](#)
- C** [RES 16-12](#) Approving submittal and execution of a Municipal Harbor Facility grant application to the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in the amount of \$1,500,000 for the project entitled Eliason Harbor Electrical Replacement
Attachments: [Res 2016-12.pdf](#)
- D** [ORD 16-22](#) Adjusting the FY16/FY17 Budgets (first reading)
Attachments: [Motion Ord 2016-22.pdf](#)
[Ord 2016-22.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- E** [16-128](#) Appoint Hugh Bevan to an unexpired term on the Gary Paxton Industrial Park Board of Directors
Attachments: [Bevan.pdf](#)

XI. UNFINISHED BUSINESS:

- F [ORD 16-06S](#) Renaming and amending Chapter 4.40 of the Sitka General Code, "Uncollectable Accounts and Bad Debt Write-Offs" and amending Sections 4.40.010 "Definitions", 4.40.020 "Policies", and 4.40.030 "Records and Reporting" and adding Sections 4.40.040 "Write-Off of Uncollectable Accounts", 4.40.050 "Utility Debts Remain with Real Property", and 4.40.060 "Authority to Offset"
- Attachments: [Ord 2016-06S.pdf](#)

XII. NEW BUSINESS:

New Business First Reading

- G [ORD 16-23](#) Amending Chapter 4.19 "Sitka Permanent Fund" by adding a new Section 4.19.020 "Annual Transfer to Permanent Fund"
- Attachments: [Motion Ord 2016-23.pdf](#)
[Ord 2016-23.pdf](#)
- H [ORD 16-24](#) Amending Chapter 4.28 "Investment Policy" by replacing Section 4.28.120 "Assets Mix Policy for the Permanent Fund", with 4.28.120 "Assets Mix Policy"
- Attachments: [Motion Ord 2016-24.pdf](#)
[Ord 2016-24.pdf](#)

Additional New Business Items

- I [16-129](#) Approve the standard marijuana cultivation facility license for Green Leaf, Inc.
- Attachments: [Green Leaf marijuana cultivation facility license.pdf](#)
- J [16-130](#) Discussion/Direction of a draft ballot proposition to increase the millage rate
- Attachments: [Draft ballot proposition.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

*Sara Peterson, CMC
Municipal Clerk
Publish: July 8*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-131 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 7/7/2016 **In control:** City and Borough Assembly

On agenda: 7/12/2016 **Final action:**

Title: Reminders, Calendars and General Correspondence

Sponsors:

Indexes:

Code sections:

Attachments: [Reminders and Calendars.pdf](#)
[Public Works Update.pdf](#)
[Letter to Senator Sullivan.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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REMINDERS

| <u>DATE</u> | <u>EVENT</u> | <u>TIME</u> |
|------------------|-----------------|-------------|
| Tuesday, July 12 | Regular Meeting | 6:00 PM |
| Tuesday, July 26 | Regular Meeting | 6:00 PM |



Municipal Election Reminders

| | |
|--------------------|--|
| Monday, July 18 | First day to file candidate petitions |
| Tuesday, July 26 | Last scheduled meeting to introduce ordinance charter changes and ballot measures |
| Friday, August 5 | 5pm deadline for filing candidate petitions |
| Tuesday, August 9 | Last scheduled meeting to adopt ordinances for charter changes and ballot measures |
| Tuesday, October 4 | Municipal Election |

Expiring Terms:

Assembly
Mayor Mim McConnell
Ben Miyasato
Aaron Swanson

School Board
Jennifer McNichol

Assembly Calendar

2015 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017
July 2016

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|----------------------|--|---|---|--|---|-------------------------|
| 26 <u>Jun</u> | 27 | 28 | 29 | 30 | 1 <u>Jul</u> | 2 |
| | | 5:00pm Special Meeting: Millage Increase Discussion/Direction 6:00pm <u>Regular Assembly Mtg</u> | Hunter | Hunter | Hunter | Hunter |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Hunter | Hunter INDEPENDENCE DAY | Hunter Eisenbeisz 7:00pm Planning | Hunter 7:00pm Library Board | Hunter 12:00pm - 1:30pm SEDA Board Meeting | Hunter | Hunter |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| Potrzuski | Potrzuski Eisenbeisz | Potrzuski Eisenbeisz 6:00pm <u>Regular Assembly Mtg</u> | Potrzuski Eisenbeisz 12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation | Potrzuski Eisenbeisz Hunter 12:00pm LEPC 12:00pm Parks & Rec | Potrzuski Eisenbeisz Hunter | Eisenbeisz Hunter |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| Eisenbeisz Hunter | Eisenbeisz Hunter McConnell Candidate filing period opens | Hunter McConnell 12:00pm Tree/Landscape 7:00pm Planning | Hunter McConnell | Hunter McConnell | Hunter McConnell | Hunter McConnell |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| McConnell | McConnell | McConnell 6:00pm <u>Regular Assembly Mtg</u> | McConnell 6:00pm Police and Fire Commission - Fire Hall | McConnell | McConnell | McConnell |
| 31 | 1 <u>Aug</u> | 2 | 3 | 4 | 5 | 6 |
| McConnell | McConnell Eisenbeisz | McConnell Eisenbeisz 7:00pm Planning | McConnell Eisenbeisz 7:00pm Library Board | McConnell Eisenbeisz 12:00pm - 1:30pm SEDA Board Meeting | McConnell Eisenbeisz 5pm Candidate filing period closes | McConnell Eisenbeisz |

Assembly Calendar

2015 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017

August 2016

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

PUBLIC WORKS ASSEMBLY UPDATE
WORK COMPLETED JUNE 2016

Kettleson Memorial Library Expansion (now Sitka Public Library):

Milestones This Period

- Contractor has completed minor changes.
- Building Commissioning completed.
- Physical Completion of construction contract

Future Milestones

- Acquire and Install additional furnishings outside of construction contract
- Final completion of all required contract documentation and warranties.

Background

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

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- Grading and installation of exterior concrete and pavers is nearing completion.
- Installation of casework and wood wainscot and trim in progress.
- Ceiling grid installation is in progress.
- Installation of the new light fixtures is in progress
- Installation of flooring is in progress.
- Installation of theatrical systems in the Auditorium is in progress.
- Installation of mechanical equipment is complete.
- Installation and programming of mechanical controls is in progress.
- Rough in for AV and network in progress.
- Interior and exterior painting in progress.

Future Milestones

- Commissioning of mechanical systems.
- Installation of AV Equipment.
- Bid the Furniture, Fixtures, and Equipment (FF&E) package.
- Substantial completion is contractually required December 20, 2016, but the current project schedule shows the project achieving Substantial Completion before this required date.

Background

The current funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY'10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY'11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Airport Terminal Upgrades:

Milestones This Period

- Executing Change Order to the Professional Services Contract with McCool Carlson Green, Airport Design Consultants for the design of the electronic baggage screening and new bag belt design for TSA and the Airline Carriers.
- Executed \$158,569.25 grant offer from Transportation Security Administration (TSA) to design improvements in the TSA luggage screening area.
- Received Assembly Budget Appropriation Approval for TSA funding.

Future Milestones

- Design improvements to the TSA luggage screening area (with TSA grant) and the airport baggage bay where bags are loaded into the carts for delivery to the airplane. Baggage bay design costs as well as required 5 percent match on TSA improvements will be paid with collected Passenger Facility Charges (PFCs).
- Preliminary Schedule: 30% design due November 30 2016, 100% design and bid ready docs 5/30/2017, bidding June-July 2017. Apply for TSA construction and design CA funding (distributed mid-October 2017). Construction sometime during the period between Jan. 15, 2018 and April 1, 2018.
- TSA intends to fund construction of eligible improvements.
- Implement the resumption of PFD Collection to fund the improvements that are ineligible for TSA funding.

Background

The Assembly-approved Airport Terminal Master Plan called for corrections to three critical deficiencies, including (1) working conditions in the baggage make-up area and (2) working conditions in the TSA baggage screening area. CBS addressed the third deficiency – the lack of hold-area rest rooms –in 2010. Passenger Facility Charges have been collected to accomplish some of this work.

Baranof Warm Springs Dock Replacement:

Milestones This Period

- Submittals reviewed by ADOT&PF.
- Early fabrication of the float components.

Future Milestones

- Submittals and fabrication Summer 2016.
- Turnagain Marine mobilize to site ~September 15, 2016.

Background

The City and Borough of Sitka (CBS) received a \$1,900,000 FY2013 Alaska Legislature Grant to reconstruct the Baranof Warm Springs Dock. The funding was provided with the understanding that CBS would assume ownership and maintenance responsibilities for the dock once it is reconstructed. The Assembly approved the Administrator to execute a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities (ADOT&PF) for completion of the Baranof Warm Springs Dock Reconstruction and Ownership Transfer. ADOT&PF be reimbursed the cost of designing and constructing the improvements from the FY13 Legislative Grant. The State awarded a contract to Turnagain Marine (TM) in the amount of \$1,457,285 for the Basic Bid and Alternate A which will result in a 200-foot long float. TM has contracted with Bellingham Marine Industries to fabricate the floats and Mantle Industries to design and fabricate the gangway.

Sitka Transient Float Replacement:

Milestones This Period

- Contractor completed several minor punch list items.
- Contractor attempted to reinforce a non-conforming pile however it was not successful.

Future Milestones

- Contractor develop plan to address one remaining pile which does not meet contract requirements.
- Final Completion anticipated Summer 2016.

Background

CBS received a FY15 State of Alaska Municipal Harbor Facility Matching Grant, for the Sitka Transient Float Replacement Project, which will cover 50% of eligible construction costs not to exceed 2,700,000 in match funding. CBS has allocated a total of \$3,450,000 from the Harbor Enterprise Fund, ~\$198,000 from unspent ANB Harbor bond proceeds, and \$500,000 from the CBS Electric Fund for the project for a total budget of \$6,848,000. CBS awarded a contract to Northern Construction Service (NCS) in the amount of \$4,986,329 for the Base Bid and all additive alternates.

Seaplane Base:

Milestones This Period

- None.

Future Milestones

- Obtain Corps of Engineers Permit request to allow for float/pile repairs.
- Completion of repairs to existing SPB anticipated September 2016.
- Siting Study Update completion July 2016.

Background

In August 2002, the Sitka Seaplane Base Master Plan was completed and includes a Condition & Needs Assessment and Master Plan Alternatives Report. The plan considered 12 alternative sites for a new seaplane base and found the north end of Japonksi Island, between the Coast Guard Base and the cove behind the SEARHC buildings on Seward Avenue was the best alternative. In February 2009, the Assembly unanimously approved Resolution 2009-35 "Supporting the development of the Sitka Seaplane Base." This approved staff applying for and executing a Federal Aviation Administration (FAA) Airport Improvement Program grant for up to \$500,000 to develop the siting plan, issues resolution, design, environmental, and permitting phases of the project. Utilizing proceeds from that grant, in June 2012, an updated Sitka Seaplane Base Siting Analysis was completed which considered a new site and redevelopment of the existing site in addition to the previously recommended Japonski site. The Japonski site was again selected as the preferred site. The findings of this study were presented to the Port and Harbors Commission on April 11, 2012 where they unanimously approved further study of the Japonski Island site. Due to a decline in the number of based aircraft, FAA requires an update to the Siting Study prior to application for any future grant funds for this project.

Gary Paxton Industrial Park Dock:

Milestones this Period

- Issued Design/Build (D/B) Request for Proposals (RFP) for GPIF floating dock.

Future Milestones

- RFPs due August 2, 2016.
- Contract award September 2016.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, and Division of Community & Regional Affairs. The total amount of the grant is \$7.5 million. The project is administered by Public Works and the GPIIP Director, Garry White. The firm of Moffatt & Nichol (M&N) was previously awarded a contract to provide the design for the GPIIP Dock when it was envisioned as a fixed pier or bulkhead structure. M&N may assist CBS as technical reviewer during D/B proposal evaluation and construction.

Edgecumbe Drive Street Reconstruction:

Milestones This Period

- O'Brien & Sons completed punch list for Summer 2015 construction.

Future Milestones

- none

Background

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

Jeff Davis Street Reconstruction Project:

Milestones This Period

- Opened bids for the project. Issued Notice of Award to low bidder – Coastal Excavation – on July 5, 2016.

Future Milestones

- Host second public meeting on July 7, 2016.
- Issue Notice to Proceed to Coastal Excavation by July 12, 2016.
- Project substantial completion is September 30, 2016.

Background

The project includes replacement of approximately ~50-year old undersized water main with new, large diameter pipe within Jeff Davis Street and replacing the existing storm drainage infrastructure, pavement, curb, gutter and sidewalks. The project will also improve the sewer service to four homes on Jeff Davis Street currently served by a collection main crossing private property. Funding for the project is provided by the following sources; \$644,000 FY2015 ADEC Grant, \$812,000 FY2014 ADEC Water Loan, \$225,000 from 2016 General Fund and \$110,000 from 2017 General Fund (anticipated).

Landfill and Crescent Lift Station Replacement:

Milestones This Period

- Due to the extreme maintenance and repair efforts required at Landfill Lift Station, we decided to divide the design project into consecutive – rather than concurrent – segments. We will design and bid Landfill Lift Station first.

Future Milestones

- Landfill design to be complete in November 2016. Construction complete by mid-February 2017.
- Crescent design to be complete by mid-December 2016. Construction complete by mid-May 2017

Background

The project includes replacement the Landfill Lift Station and force main pipe at the end of Tilson Street and the Crescent Lift Station adjacent to the Sitka Sound Science Center. The pumps and components of both lift stations are inefficient, obsolete and, in the case of the Landfill Lift Station, corroded due to the landfill leachate it is pumping to the wastewater treatment plant. There have also been four force main break within the past 2 years. Funding for the project is provided by ADEC loans and from the General Fund.

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

Milestones This Period

- Advertisement for Bids June 28, 2016

Future Milestones

- Bid Opening August 2, 2016
- Construction is anticipated summer 2016 to spring 2017.

Background

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

Nelson Logging Road Upgrades:

Milestones This Period

- 35% Plans received for review
- Cultural investigation underway

Future Milestones.

- Wetlands evaluation to begin in July 2016
- Advanced Design (65%) due July 2016.
- Final Design (100%) due October 2016.
- Construction is anticipated in early 2017 to align with Katlian Bay Road (ADOT&PF) project.

Background

The project includes replacing both inadequate bridges and upgrading Nelson Logging Road as funding allows. The scope may also include road realignment(s) and widening to accommodate two-way traffic. Funding for the project is provided by \$2,343,000 2013 Commerce Community and Economic Development Grant.

Ultra Violet (UV) Disinfection Facility:

Milestones This Period

- Warranty inspections completed.
- SCADA upgrades by Boreal Controls, Inc. and flow controls valves for final system upgrade to address the UV Disinfection Facility and the new higher dam elevation.

Future Milestones

- Final Completion July 2016.

Background

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

\$4,000,000 FY 2011 ADEC Loan (Includes \$2,500,000 financed with \$1,500,000 subsidized)

\$2,550,000 FY 2012 ADEC Loan

\$3,500,000 FY 2012 ADEC Grant (30% local match requirement).

\$2,061,000 FY 2013 ADEC Grant (30% local match requirement).

\$12,111,000 Total Project Funding

Sitka 2016-17 Paving Project:

Milestones This Period

- Preliminary design and project survey underway

Future Milestones

- Advertisement for bids late 2016/early 2017.
- Construction is anticipated in spring/summer 2017.

Background

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

\$ 500,000 CBS Capital Improvement Lincoln Street – Jeff Davis to SNHP FY16

\$1,130,000 CBS Capital Improvement Katlian Avenue FY16

\$ 310,000 CBS Capital Improvement Gavin Street – Brady to Cascade FY15 & FY16

\$1,940,000 Total Project Funding

North Kramer Debris Removal and Repair:

Milestones This Period

- Bid opening June 9, 2016
- Southeast Earthmovers low bidder
- Debris removal began July 2016

Future Milestones

- Construction completion July 2016

Background

The Assembly passed Ordinance 15-44 on August 21, 2015 which declared a local government disaster declaration as a result of the slides of August 18, 2015, authorized the expenditure of local emergency funds, and requested the Governor declare a Disaster Emergency to exist as described in AS 26.23 and provide State assistance to the CBS. Governor Walker authorized up to \$1,000,000 from State Disaster Relief Funds to assist with the cleanup and recovery. These funds can be utilized to remove the debris from the right-of-way and restore municipal infrastructure to its pre-disaster condition. On October 27, 2015 the Assembly approved a total authorized budget of \$1,500,000 for all costs related to the disaster declaration and authorized the Administrator to award all bids and execute all.

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

Milestones This Period

- Memorandum of agreement between The City and Borough of Sitka and Western Federal Lands has been executed.

Future Milestones

- Hire a consulting company for planning, design, and complete environmental and permitting sometime in July 2016.
- The completion date is estimated around October 2016.

Background

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

Water

Water and sewer staff performed a number of locates around town for various contractors and homeowners.

Three customer side water leaks were identified.

Water locates were performed at various locations throughout the distribution system.

The annual Consumer Confidence Report was prepared and mailed ahead of schedule to all residents.

Maintenance staff completed the chlorine pump installation at the Blue Lake Water Treatment Plant. These new pumps are needed to handle the higher pressures caused by the dam being raised. The staff did a fantastic job pulling this project together.

The water and wastewater divisions have been performing locates, televising pipes, and doing investigative work ahead of the surveyors for future paving/utility projects around town.

Wastewater

Wastewater staff attended an OSHA 10 hour training compliments of SEARHC. This is a 10 hour general industry safety training course.

Wastewater operators worked with the public works streets division to repair a leak in the 6 inch ductile iron force main at the landfill lift station. A force main is a sewer line that uses pumps to push the sewerage when gravity flow is not achievable. The landfill lift station and

pipings are scheduled to be replaced in the coming months, however the leaks needed to be repaired in the interim.

Sewer locates were performed at various locations throughout the wastewater collection system.

Wastewater crews used the Camel to clean the storm water catch basins on Edgumbe Drive.

Water and wastewater crews located water valves, determined pipe size, and locations for the upcoming development of the property on the inside of Alice Loop.

Water and wastewater staff attended portable generator training given by our electrician.

Wastewater staff performed a CCTV inspection of the sewer lines at the old city shops property in preparation for the new development.

The Hazard Communication Program has been updated to reflect current operations.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Office of Senator Sullivan
Attn: Erik Elam, Legislative Director
Tyler Roberts, Legislative Assistant
United States Senate
702 Hart Senate Office Building
Washington, DC 20510

RE: Support for Alaska's small ports in the 2016 WRDA bill

Dear Mr. Elam and Mr. Roberts,

Funding for the Army Corps of Engineers and the ports in Alaska is critical to our economy and to the ability of our ports to continue to provide economic development benefits to the state and the nation. In particular, consistent and dependable funding to maintain the navigation channels and jetties at smaller ports such as ours is imperative to ensuring that our fishermen and commercial tenants have access to the open ocean.

WRRDA 2014 authorized 10% of annual Harbor Maintenance Trust Fund spending be directed to small ports. This provision, however, expires in FY2022. We would like to see this made permanent in the next WRDA bill, so that ports like ours and many others in Alaska can have access to a consistent stream of funding to keep our navigation channels open and our jetties repaired.

Oregon Senator Ron Wyden is sponsoring an amendment to make this set-aside permanent in WRDA 2016. We request that Sen. Sullivan join him in co-sponsoring this amendment, to recognize how important our small ports in Alaska and throughout the nation are to our local, regional and national economies. The contact at Sen. Wyden's office is Malcom McGeary, and he can be reached at malcolm_mcgeary@wyden.senate.gov.

Please let me know if you have any questions.

Sincerely,

Stan Eliason
Harbormaster



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-125 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Service Awards - Don Jones, Grant Miller, and Marijuana Advisory Committee Members

Sponsors:

Indexes:

Code sections:

Attachments: [Service Awards.pdf](#)

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

Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Grant Miller

*this expression of grateful acknowledgment for your over 16 years of
valued service rendered in the public interest while serving on the
Gary Paxton Industrial Park Board of Directors. Thank you!*

Signed and sealed this 12th day of July 2016

Sara Peterson

ATTEST: Municipal Clerk, Sara Peterson

Mim McConnell

Mayor Mim McConnell



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Don Jones

*this expression of grateful acknowledgment for your almost 4 years of
valued service rendered in the public interest while serving on the
Police and Fire Commission and
almost 3 years on the Local Emergency Planning Committee. Thank you!*

Signed and sealed this 12th day of July 2016

Sara Peterson

ATTEST: Municipal Clerk, Sara Peterson

Mim McConnell

Mayor Mim McConnell



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Levi Albertson

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016

Mim McConnell

Mayor Mim McConnell

Sara Peterson

ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Andrew Hames

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Darrell Windsor

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to


Joseph D'Arienzo

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Pamela Ash

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Lindsay Evans

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Jay Stelzenmuller

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Bob Potrzuski

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Steven Eisenbeisz

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Marijuana Advisory Committee. Thank you!*

Signed and sealed this 12th day of July 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-126 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 7/6/2016 In control: City and Borough Assembly
On agenda: 7/12/2016 Final action:
Title: Sitka Comprehensive Plan Update - Maegan Bosak
Sponsors:
Indexes:
Code sections:
Attachments: [Special Report - Comprehensive Plan.pdf](#)

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

Special Report - Maegan Bosak
Planning and Community Development Director



Sitka
COMPREHENSIVE PLAN



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-127 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 7/6/2016 In control: City and Borough Assembly
On agenda: 7/12/2016 Final action:
Title: Approve the minutes of the June 28 Assembly meetings
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes.pdf](#)

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

CONSENT AGENDA

POSSIBLE MOTION

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

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
June 28 Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson*

Tuesday, June 28, 2016

5:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A. 16-121 Discussion/Direction/Decision on a ballot proposition for a millage increase

Municipal Administrator, Mark Gorman, told of the budget shortfall situation and went over the timeline.

Assessor, Wendy Lawrence, spoke of the deficit, reappropriation and reductions of FY16, FY17 and FY18. She spoke of recommendations from the Citizens' Taskforce, revenue options, and told of risks of further funding cuts from the State. She went over three mill rate types: budget-driven, capped, revenue-capped and told of statewide trends. She told of similar communities noting that Sitka was the lowest in all areas of taxes. Ms. Lawrence referenced the Homestead Exemption. She answered questions and clarified the difference of capped and budget-driven types.

Gorman suggested parameters of a capped amount and would continue discussion in a special meeting prior to the July 12 regular meeting. Eisenbeisz inquired of impact to renters.

VI. ADJOURNMENT

A motion was made by Hunter to ADJOURN. Hearing no objections, the meeting adjourned at 5:55 p.m.

ATTEST: _____
Melissa Henshaw
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson*

Tuesday, June 28, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

IV. CORRESPONDENCE/AGENDA CHANGES

16-124 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

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

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Mayor - Attended Yes In My Back Yard conference through a scholarship. She was

able to receive answers from questions of the Planning and Community Development Department, and joined their panel. Had a teleconference with AML Board of Directors and the Governor's Chief of Staff noting the need to create a sustainable State budget, she encouraged community to support it and AML would also. She attended the Chamber committee meeting.

Administrator - Gorman noted the PSEA contract had been ratified for three years. Attended the change of command for the USCG Maple, told of the new fire truck, mentioned the 2016 PILT was \$663,000 questioning if it would be offset less by Secure Rural Schools funding and told of the revenue short fall from lack of reimbursement of emergency expenditures from the landslides.

Attorney - Brian Hanson, Acting Municipal Attorney, praised the work of the Legal Assistant, Reuben Yerkes, and Contract Attorney Rachel DiNardo Jones.

Clerk - Melissa Henshaw, Acting Municipal Clerk, told of current board/commission vacancies, election precincts, and candidate filing information.

IX. CONSENT AGENDA

A motion was made by Hunter that the Consent Agenda consisting of Item A be APPROVED. The motion PASSED by a unanimous voice vote.

A. 16-118

Approve the minutes of the June 14 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B. RES 16-10

Supporting the City's application to the Statewide Transportation Alternatives Program (TAP) for construction of the Sitka Seawalk Phase II

Gorman clarified the intent of continued operation of the lightering facility was to extend tourists to all sections of downtown, which would allow visitor services to be more comprehensive, safer, and accessible.

Michael Harmon, Public Works Director, told of this phase extension, that he would like to develop an estimated annual or replacement cost, and told of the life span.

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

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

C. 16-123

~~Grant preliminary approval of a proposed land sale of Mineral Survey 1587 to Christopher Lillehoff~~ PULLED

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

D. 16-119

Reappoint 1) Scott Wagner to a two-year term on the Gary Paxton Industrial Park Board of Directors, 2) Charles Howlett to a three-year term on the Local Emergency Planning Committee, and approve Michael Scarcelli (non-voting, ex-officio member) to the Sitka Community Hospital

Board

Eisenbeisz told of the importance of this seat as well as the alternate. Gorman stated recruitment was ongoing for the Deputy Finance Director which may be involved with the Board in the future.

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

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

XI. UNFINISHED BUSINESS:

- E. ORD 16-21** Repealing Chapter 7.20 "Marijuana Advisory Committee", and creating Chapter 7.40 "Local Regulatory Authority", formally dissolving the existing local regulatory authority and its framework and designating the City Assembly as the permanent Local Regulatory Authority, and creating Chapter 7.50 "Licensing", detailing the procedure of the City Assembly in reviewing, approving and protesting marijuana licenses

Gorman introduced contract Attorney, Rachel DiNardo.

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

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

XII. NEW BUSINESS:

- F. 16-122** Approve the standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC

Guevin noted that the Planning Commission had reviewed and unanimously recommended the conditional use permit for this facility. Hunter noted the amount of documents and appreciated the comprehensiveness of the application.

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

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

New Business First Reading

- G. ORD 16-06S** Renaming and amending Chapter 4.40 of the Sitka General Code, "Uncollectable Accounts and Bad Debt Write-Offs" and amending Sections 4.40.010 "Definitions", 4.40.020 "Policies", and 4.40.030 "Records and Reporting" and adding Sections 4.40.040 "Write-Off of Uncollectable Accounts", 4.40.050 "Utility Debts Remain with Real Property", and 4.40.060 "Authority to Offset"

Gorman mentioned this ordinance was before the Assembly February 23 and was postponed for changes. Hunter noted the city does not currently have a comprehensive credit and collection policy. He told of the vast instances of cross

debt accounts, the challenges for the city to collect on them, and that this ordinance would allow policy to be in code.

Gorman noted the ability to write off uncollectable accounts. Potruzski wondered of the impact on rental properties. Chief Finance and Administrative Officer, Jay Sweeney, stated this ordinance sets the framework for staff and that it stemmed from the Municipal Solutions recommendation. He told of challenges to collecting information and advocated for payment in advance. Discussion on including phone calls in the ordinance occurred. Gorman recommended to keep procedure out of Code. Although staff collect utility service information that is detailed, Hunter noted that services other than utilities do not have a form for collecting information. Eisenbeisz was in support of payment in advance. Gorman mentioned possible future implementation of automated payment or pay as you go options.

Potruzski spoke in support of the ordinance. Guevin was not in support without a plan in place for residents that would not be able to pay due to Sitka's high cost of living and had concerns with advertising of individual's names. Sweeney stated that a program of voluntary donated funds for utility accounts was close to being implemented. Hunter pointed out the "shall" to "may" change and stated as a citizen he would not support a business that was not paying their taxes or other accounts. Sweeney informed that current Code allowed a judgement to advertise sales tax and property tax debt.

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

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Potruzski

No: 1 - Guevin

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

H. 16-120 Legal matter - Baranof Island Brewing Company loans

A motion was made by Potruzski to go into Executive Session with Chief Finance and Administrative Officer Jay Sweeney under the statutory categories of discussing subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in when ready: Suzan Hess and Rick Armstrong of Baranof Island Brewing Company and John Emmi, Lisa Laudon and Scott Laudon.

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

The Assembly went into Executive Session from 7:10 p.m. to 8:57 p.m.

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

A motion was made by Potrzuski to authorize staff to negotiate with the Armstrong's and their investors on the restructuring of their loan. The motion PASSED by the following vote.

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

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:59 p.m.

ATTEST: _____
Melissa Henshaw
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 16-11 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Approving submittal and execution of a Municipal Harbor Facility grant application to the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in the amount of \$5,000,000 for the project entitled Crescent Harbor Float Replacement - Phase I

Sponsors:

Indexes:

Code sections:

Attachments: [Res 2016-11 rotated.pdf](#)

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

Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-11 on first and final reading.

MEMORANDUM

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

From: Dan Tadic, P.E., Municipal Engineer *DT*
Stan Eliason, Harbormaster *CH "Act 4 and 6"*

Reviewed: Michael Harmon, P.E., Public Works Director
Jay Sweeney, Chief Finance and Administrative Officer *7/6/16*

Date: July 6, 2016

Subject: ADOT&PF Municipal Harbor Facility Tier I Grant Application
Crescent Harbor Float Replacement – Phase I

Background

Crescent Harbor was designed and constructed by the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in several phases, beginning in 1965. The first phase of construction consisted of floats 1 and 2 and a portion of the headwalk float. A second construction phase occurred in 1966 which included construction of floats 3 and 4 and additional headwalk float. In 1969, the third phase of construction included installation of the gangway access to float 4 and construction of concrete floats 5 and 6 and corresponding additional headwalk float. The final expansion took place in 1970 consisting of installation of float 7 and its access from float 6.

Crescent Harbor has undergone numerous repair projects in the past 50 years. Approximately 50 percent of the timber finger floats on floats 1, 2 and 3 were replaced in 2002. The electrical system was renovated in 2005. In spite of these repair projects, the facility is near the end of its safe and useable life.

Crescent Harbor was evaluated as a part of the Harbor System Master Plan in late 2011 and was included in the Capital Improvement Project (CIP) Plan with a proposed two-phase replacement. The Master Plan concluded that due to the numerous repair and expansion phases that the harbor has undergone during its lifespan, some components are in fair to good condition. However, the majority of the facility, and many critical structural components, has exceeded its life expectancy and is in need of replacement. The Master Plan went on to state that the 1965 harbor facilities (i.e. concrete floats) have a remaining safe and useable service life of approximately 5 years and that the 2002 improvements (i.e. timber floats) have a safe and useable life of approximately 15 years.

Analysis

The Alaska Legislature established the State of Alaska Municipal Harbor Facility 50/50 Grant Program in 2006 to provide financial assistance up to \$5,000,000 per project for municipally-owned harbor facilities. The grant program is funded on an annual basis at the discretion of the Governor and Legislature. Applications for the grant program are competitively scored based on ten weighted criteria.

The 50/50 Grant Program is comprised of two tiers: Tier I applications are for repair/replacement of formerly State-owned facilities and Tier II applications are for expansion, new construction, or repair/replacement of facilities that were not formerly State-owned. Tier I applications are given the higher priority, whereas Tier II applications are seldom funded. Each

eligible facility is permitted only one Tier I grant after which time, any further repairs or replacements would fall under a Tier II application. Since Crescent Harbor was at one time State-owned, it is eligible for a Tier I grant.

The updated cost estimate puts the replacement cost of the entire facility to be approximately \$18,000,000 (2017 dollars). Under the Master Plan, the concrete floats (floats 5, 6 and 7) at Crescent Harbor were to be replaced in 2016 with a second phase consisting of replacement of the timber floats occurring in 2026. However, Harbor Staff has concerns with this plan and feels that it is more critical to replace the timber floats now as opposed to the concrete floats. While supplemental floatation can be added to the concrete floats to extend their service life, once the timbers floats rot, the addition of supplemental floatation can force the floatation up through the rotten timber damaging the float and cable tray. Following that line of thinking, Public Works and Harbor Staff modified the CIP to include a more robust Crescent Harbor project for 2018 to include replacement of the timber floats or as much scope as can be accomplished for \$13,500,000 total project cost. A \$13,500,000 project will maximize the value of the one-time Tier I grant. Since the program covers only up to \$5,000,000 in eligible construction costs, the City and Borough cost of the project would be \$8,500,000 to cover the remainder of construction and design, permitting, management and contingencies. It is assumed that a future Phase II project will replace the remainder of the harbor (i.e. concrete floats) in 2026.

Crescent Harbor is the next grant-eligible Tier I project for the CBS Harbor Department under the Harbor System Master Plan CIP. Staff applied for this grant for FY16 and FY17, however the project scored in third place both years and funding was not provided. Securing grant funding for this project would allow the City and Borough to replace a portion of this aging facility with a significant subsidy from the State. Furthermore, modifying the scope identified in the Master Plan as proposed by Staff will allow the City and Borough to fully optimize its one chance at a Tier I grant for Crescent Harbor. A resolution of support from the Assembly is not required for the application, however would provide the City and Borough the best possible chance of securing funding for this project.

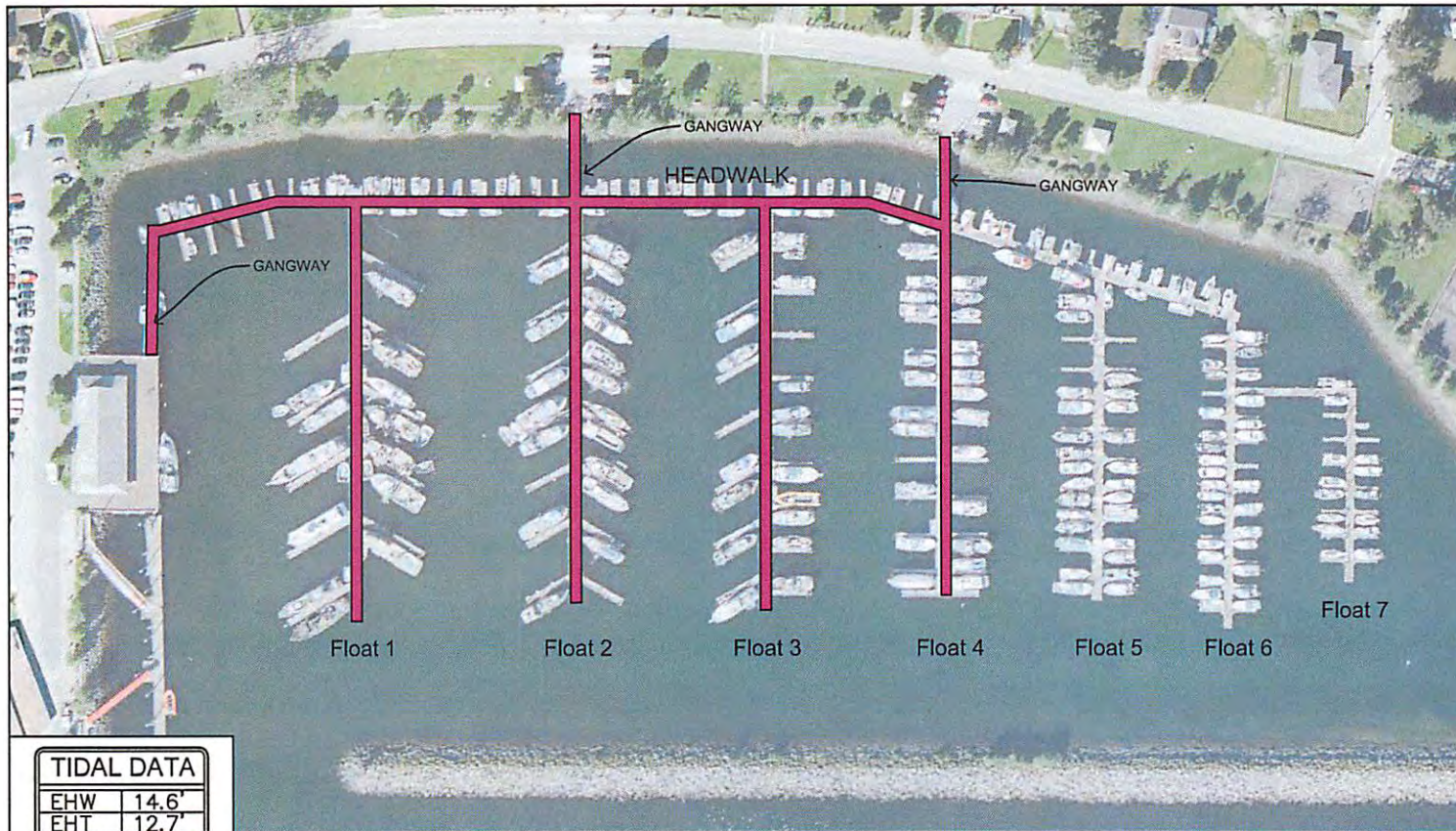
Fiscal Note

Replacement of Crescent Harbor is a scheduled improvement contained within the Sitka Harbor Master Plan (2012). The City's portion of the project funding, if approved, would be provided for by some combination of undesignated working capital of the Harbor Fund and/or by the proceeds of loans or bonding. The Harbor Master Plan anticipated bonding for this project.

In order to finance the required match through either working capital or debt, implementation of multi-year moorage rate increases is necessary.

Recommendation

Approve Resolution 2016-11 and authorize the Administrator to submit an ADOT&PF Municipal Harbor Facility Tier I Grant Application for the Crescent Harbor Float Replacement – Phase I project and to execute the grant if received.



TIDAL DATA

| | |
|------|-------|
| EHW | 14.6' |
| EHT | 12.7' |
| MHHW | 9.9' |
| MHW | 9.1' |
| MLLW | 0.0' |
| ELW | -4.0' |

0 150 300 Feet



City and Borough of Sitka
DEPARTMENT OF PUBLIC WORKS
100 LINCOLN STREET • SITKA, ALASKA 99835
TEL (907) 747-1804 FAX (907) 747-3158

CRESCENT HARBOR FLOAT REPLACEMENT PHASE 1

OPTION 2 FLOATS 1-4

DRAWN: JJH SCALE: = 150'
CHECKED: D.TADIC DATE: 07.15.14
DRAWING NAME: CrescHarbFloats.dwg
SHEET NO. 2 / 3

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-11

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA,
APPROVING SUBMITTAL AND EXECUTION OF A MUNICIPAL HARBOR FACILITY GRANT
APPLICATION TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND
PUBLIC FACILITIES (ADOT&PF) IN THE AMOUNT OF \$5,000,000 FOR THE PROJECT
ENTITLED CRESCENT HARBOR FLOAT REPLACEMENT - PHASE I**

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities administers the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka owns and maintains Crescent Harbor and Crescent Harbor is eligible for a Municipal Harbor Facility Grant which, if awarded, will pay 50 percent of the eligible construction costs of this project; and

WHEREAS, the City and Borough of Sitka will provide the required 50 percent in local matching funds for construction of the Crescent Harbor Float Replacement – Phase I project per the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka is capable of completing the Crescent Harbor Float Replacement – Phase I project within eighteen (18) months after award of a Municipal Harbor Facility Grant; and

WHEREAS, Crescent Harbor is critical to the City and Borough of Sitka;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the City and Borough of Sitka supports the project entitled Crescent Harbor Float Replacement – Phase I and agrees, subject to available Alaska Legislative funding and selection by ADOT&PF, to enter into a grant agreement with the State of Alaska, Department of Transportation and Public Facilities for a Municipal Harbor Facility Grant;

BE IT FURTHER RESOLVED by the Assembly that the Administrator is authorized to apply for the grant and to execute the grant if received.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 12th day of July, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 16-12 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Approving submittal and execution of a Municipal Harbor Facility grant application to the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in the amount of \$1,500,000 for the project entitled Eliason Harbor Electrical Replacement

Sponsors:

Indexes:

Code sections:

Attachments: [Res 2016-12.pdf](#)

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

Should this item be pulled from the consent agenda the following motion is suggested:



POSSIBLE MOTION

I MOVE TO approve Resolution 2016-12 on first and final reading.

MEMORANDUM

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

From: Dan Tadic, P.E., Municipal Engineer *DT*
Stan Eliason, Harbormaster *CFI "Acting"*

Cc: Michael Harmon, P.E., Public Works Director
Jay Sweeney, Chief Finance and Administrative Officer 
Bryan Bertacchi, Electrical Utility Director 

Date: July 6, 2016

Subject: ADOT&PF Municipal Harbor Facility Tier II Grant Application
Eliason Harbor Electrical Replacement

Background

Eliason Harbor, once referred to as New Thomsen Harbor, was designed by the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) and constructed in two phases. Phase I construction began in 1996 and Phase II construction was completed in 1999.

Eliason Harbor was evaluated as a part of the Harbor System Master Plan in late 2011. While the overall harbor facility was deemed in good condition with a remaining safe and useable life of approximately 20 years, the consultants noted that the electrical system required substantial rehabilitation within the next five years. Significant issues within the Eliason electrical system include feeder cable abrasion/failure and rusting panels and load centers to the point of structural failure. In addition, new electrical code requirements mandate ground fault protection be provided when any significant work is done to the system.

Analysis

The Alaska Legislature established the State of Alaska Municipal Harbor Facility 50/50 Grant Program in 2006 to provide financial assistance up to \$5,000,000 per project for municipally-owned harbor facilities. The grant program is funded on an annual basis at the discretion of the Governor and Legislature. Applications for the grant program are competitively scored based on ten weighted criteria.

The 50/50 Grant Program is comprised of two tiers: Tier I applications are for repair/replacement of formerly State-owned facilities and Tier II applications are for expansion, new construction, or repair/replacement of facilities whether formerly State-owned or not. Since Eliason Harbor was never State owned, the Eliason Harbor Electrical Replacement project would fall under a Tier II grant application.

Crescent Harbor is the next grant-eligible project for the CBS Harbor Department under the Harbor System Master Plan CIP. Unfortunately, Crescent Harbor Phase I has not received grant funding in two prior application cycles which has resulted in a deferral of Eliason Harbor Electrical which was originally planned to be completed in 2017. In recent years, no large Tier I grant requests have not been funded, however multiple smaller Tier I and Tier II requests have

been funded. With that in mind, Staff has decided to pursue both a Tier I (Crescent Harbor) and Tier II (Eliason Electrical) request to maximize the opportunity for the CBS to obtain grant funding for these critical infrastructure projects. Harbor, Electric and Public Works Staff have worked to develop a scope of work that includes the replacement of the components of the harbor which are in the worst condition: main service equipment, main distribution panelboard and load centers on the floats, and the main cables between these components and the new pedestals. The total estimated cost of this scope is approximately \$3,760,000 to include construction, design, permitting, management and contingencies. The State grant would cover 50% of construction cost or \$1,500,000.

Securing Tier II grant funding for this project would allow the City and Borough to complete the necessary electrical replacement with State of Alaska cost sharing thereby reducing the burden on the local rate payers. A resolution of support from the Assembly is not required for the application, however would provide the City and Borough the best possible chance of securing funding for this project.

Fiscal Note

The Eliason Harbor Electrical Replacement project is a scheduled improvement contained within the Sitka Harbor Master Plan (2012). The City's portion of the project funding, if approved, would be provided for by some combination of undesignated working capital of the Harbor Fund and/or by the proceeds of loans or bonding. The Harbor Master Plan anticipates bonding for this project.

In order to finance the required match through either working capital or debt, implementation of multi-year moorage rate increase is necessary.

Recommendation

Approve Resolution 2016-12 and authorize the Administrator to submit an ADOT&PF Municipal Harbor Facility Tier II Grant Application for the Eliason Harbor Electrical Replacement project and execute the grant if received.

Sponsor: Administration

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-12

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA,
APPROVING SUBMITTAL AND EXECUTION OF A MUNICIPAL HARBOR FACILITY GRANT
APPLICATION TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND
PUBLIC FACILITIES (ADOT&PF) IN THE AMOUNT OF \$1,500,000 FOR THE PROJECT
ENTITLED ELIASON HARBOR ELECTRICAL REPLACEMENT**

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities administers the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka owns and maintains Eliason Harbor and Eliason Harbor is eligible for a Municipal Harbor Facility Grant which, if awarded, will pay 50 percent of the eligible construction costs of this project; and

WHEREAS, the City and Borough of Sitka will provide the required 50 percent in local matching funds for construction of the Eliason Harbor Electrical Replacement project per the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka is capable of completing the Eliason Harbor Electrical Replacement project within eighteen (18) months after award of a Municipal Harbor Facility Grant; and

WHEREAS, Eliason Harbor is critical to the City and Borough of Sitka;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the City and Borough of Sitka supports the project entitled Eliason Harbor Electrical Replacement and agrees, subject to available Alaska Legislative funding and selection by ADOT&PF, to enter into a grant agreement with the State of Alaska, Department of Transportation and Public Facilities for a Municipal Harbor Facility Grant;

BE IT FURTHER RESOLVED by the Assembly that the Administrator is authorized to apply for the grant and to execute the grant if received.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 12th day of July, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-22 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 7/6/2016 In control: City and Borough Assembly
On agenda: 7/12/2016 Final action:
Title: Adjusting the FY16/FY17 Budgets (first reading)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-22.pdf](#)
[Ord 2016-22.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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Should this item be pulled from the consent agenda, the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-22 on first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-22

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY16/FY17 BUDGETS

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 FY16/FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY16 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, 2015 and ending June 30, 2016 is hereby adjusted as follows:

| <u>Account Number</u> | <u>Account</u> | <u>Increase</u> | <u>Decrease</u> |
|---|----------------|-----------------|-----------------|
| <u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u> | | | |
| <u>GENERAL FUND</u> | | | |
| Municipal Clerk – Personnel: The Municipal Clerk is requesting that the \$50,000 that was budgeted in the Temporary Wages for FY16 be rolled over to FY17 for the transfer of paper records at the CBS Records Center into our newly purchased Document Management System. | | | |
| Police Department – Operations: The Police Chief is requesting that an amount of \$74,417 be rollover from FY16 to FY17 for the Justice Center Design Project. | | | |
| Recreation Department – Operations: The Public Works Director has requested to rollover from FY16 to FY17 in the amount of \$4,500 for the Baranof Warm Springs Shelter Maintenance. | | | |
| Contingency Fund – Operations: The Public Works Director has requested to rollover the remaining funds in the amount of \$651,999 from FY16 to FY17 for the Disaster Declaration Work. | | | |
| <u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u> | | | |
| Central Garage Fund – Fixed Assets: The Maintenance & Operations Superintendent has requested to rollover funds in the amount of \$140,484 from FY16 to FY17 for Vehicles that was budgeted but not purchased in FY16. The funds will be to replace vehicle #320 in the amount of \$38,333; Vehicle #336 in the amount of \$36,500; Vehicle #321 in the remaining amount of \$2,526; Vehicle #337 in the amount of \$47,769; and Vehicle #424 for the remaining \$15,356. | | | |

| <u>Account Number</u> | <u>Account</u> | <u>Increase</u> | <u>Decrease</u> |
|---|----------------|-----------------|-----------------|
| <u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u> | | | |
| | | | |
| ENTERPRISE AND INTERNAL SERVICE FUNDS (cont) | | | |
| | | | |
| Wastewater Fund – Fixed Assets: The Environmental Superintendent has requested to rollover funds in the amount of \$12,900 from FY16 to FY17 for the Lift Station Pump Replacements. | | | |
| | | | |
| Building Maintenance Fund – Operations: The following are projects that were budgeted, but were not completed and are requested to be rolled over from FY16 to FY17: City Hall exterior paint (\$65,000); City Hall dryvit repair (\$25,000); paint soffits at Fire Station (\$5,000); repair rear deck at Senior Center (5,000); exterior paint at Senior Center (\$16,000); front door and coverings at Senior Center (\$20,000); install toilet supports at Senior Center (\$5,500); replace Blue Lake water plant doors (\$13,000); repaint thickener room ceiling & girders at Wastewater Treatment Plant (\$50,000); replace compressor at Marine Service Center (\$4,200) | | | |
| | | | |
| Harbor Fund – Operations: The Public Works Director has requested to rollover funds in the amount of \$77,763 from FY16 to FY17 for the Seaplane Base Study. | | | |
| | | | |
| Management Information Systems Fund – Travel/Training: Due to the merger of New World Systems and Tyler Technologies and their efforts to consolidate their user conferences, the IT Director has requested a re-appropriation of funds in the amount of \$9,909 from FY16 to FY17 for him and his staff to attend 2 scheduled conferences. This opportunity will effect serious changes and process improvements for the City. | | | |
| | | | |
| Management Information Systems Fund – Fixed Assets: The IT Director has requested to rollover funds from FY16 to FY17 in the amount of \$46,923 for the completion of the Data Center and the Property/Sales Tax migration projects. | | | |

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>Account Number</u> | <u>Account</u> | <u>Increase</u> | <u>Decrease</u> |
|---|----------------|-----------------|-----------------|
| <u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u> | | | |
| <u>GENERAL FUND</u> | | | |
| Personnel: At the June 28 th meeting the Assembly approved the PSEA and the ASEA Union Contracts. There will be an appropriation in the FY17 Budget for each union employee for the \$500 lump sum as follows: General Fund will be \$32,000; Water Fund will be \$1,500; Wastewater Fund will be \$4,000; Harbor Fund will be \$3,000; MIS Fund will be \$1,000; Central Garage Fund will be \$1,000 and the Building Maintenance Fund will be \$1,000. | | | |
| Municipal Clerk – Personnel: A re-appropriation in the amount of \$50,000 in temporary wages for the transfer of paper records at the CBS Records Center into our newly purchased Document Management System. | | | |
| Police Department – Operations: A re-appropriation in the amount of \$74,417 for the Justice Center Design Project. | | | |
| Recreation Department – Operations: A re-appropriation in the amount of \$4,500 for the Baranof Warm Springs Shelter Maintenance. | | | |
| Contingency Fund – Operations: A re-appropriation in the amount of \$651,999 for the Disaster Declaration Work. | | | |
| <u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u> | | | |
| Central Garage Fund – Fixed Assets: A re-appropriation in the amount of \$140,484 for the following vehicles: to replace vehicle #320 in the amount of \$38,333; Vehicle #336 in the amount of \$36,500; Vehicle #337 in the amount of \$47,769; Vehicle #321 in the amount of \$2,526 and Vehicle #424 for the remaining \$15,356. | | | |
| Wastewater Fund – Fixed Assets: A re-appropriation in the amount of \$12,900 for the Lift Station Pump Replacements. | | | |
| Harbor Fund – Operations: A re-appropriation in the amount of \$77,763 for the Seaplane Base Study. | | | |
| Building Maintenance Fund – Operations: A re-appropriation for the following Building Maintenance Projects: City Hall exterior paint (\$65,000); City Hall dryvit repair (\$25,000); paint soffits at Fire Station (\$5,000); repair rear deck at Senior Center (5,000); exterior paint at Senior Center (\$16,000); front door and coverings at Senior Center (\$20,000); install toilet supports at Senior Center (\$5,500); replace Blue Lake water plant doors (\$13,000); repaint thickener room ceiling & girders at Wastewater Treatment Plant (\$50,000); replace compressor at Marine Service Center (\$4,200) | | | |

| <u>Account Number</u> | <u>Account</u> | <u>Increase</u> | <u>Decrease</u> |
|---|----------------|-----------------|-----------------|
| ENTERPRISE AND INTERNAL SERVICE FUNDS (cont.) | | | |
| | | | |
| Management Information Systems Fund – Travel/Training: A re-appropriation of \$9,909 to travel and training. | | | |
| | | | |
| Management Information Systems Fund – Fixed Assets: A re-appropriation of \$46,923 for the completion of the Data Center and Property /Sales Tax migration projects. | | | |

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 26th Day of July, 2016.

ATTEST:

Mim McConnell, Mayor

Sara Peterson, CMC
Municipal Clerk

MEMORANDUM

To: Mark Gorman, Municipal Administrator

From: Michael Harmon, Public Works Director *DT FOR MH*
Tori Fleming, Contract Coordinator *TF*

CC: Jay Sweeney, Finance Director
Janet Schwartz, Budget Officer

Date: July 6, 2016

Subject: Rollover Funds FY16 to FY17

Public Works is requesting funding from the FY16 budget to be carried forward to the FY17 budget to complete the following projects:

Seaplane Base Study

- Public Works is working on an updated siting study as requested by FAA.
- Harbor Fund 240-600-630-5212.000 project #80242 \$78,263

Baranof Warm Springs Shelter Maintenance

- Baranof Warm Springs Shelter Maintenance for upkeep and some needed maintenance on the City and Borough (CBS) of Sitka owned picnic shelter at Baranof Warm Springs. The Baranof picnic shelter is one of the CBS remotely owned recreation facilities. Maintenance is completed by local residents and contractors who visit Baranof Warm Springs.
- Recreation 100-530-034-817-5207.000 \$4,500

Replacement of Lift Station Pumps

- A specific lift station pump was planned to be replaced; the exact duplicate pump is no longer available. The pump manufacturer may retool and produce a compatible model in the near future. WW is waiting to purchase a pump that will fit in existing location without major modification.
- Wastewater Fixed Asset 220-600-670-7106.000 \$12,900

City Hall Exterior paint

- There is water damage to the Dryvit (FY15 - \$25,000) that must be repaired before we can paint the building. The dryvit repair is a specialized skill that must be performed by a Dryvit Contractor who comes up from Washington to work on the school buildings in the summer. Then the building can get painted in the spring of 2015.
- Building Maintenance 320-600-630-5212.000 project #70066 \$65,000

Senior Center rear deck repair

- There is not enough money in this project budget as there is rot behind the deck that needs to be replaced. CBS is working with Catholic Community Services to get United

Way to find a volunteer engineer and /or construction company to supply all the labor and materials to repair the building. There would have to be a MOA in place for this to work.

- Building Maintenance 320-600-630-5212.000 project #70068 \$5,000

Blue Lake Water Plant Replace doors (\$13,000, FY13)

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #31013 \$13,000

Senior Center Exterior paint

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #70070 \$16,000

Senior Center front door and coverings

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #70069 \$20,000

Fire Department – Paint Soffits

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #31024 \$5,000

General Office City Hall – Dryvit repair

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #31004 \$25,000

MSC Replace Compressor

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #31016 \$4,200

Senior Center install toilet supports

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #31008 \$5,500

WWTP Repainting Thickener Room Ceiling & Girders

- Building Maintenance is working on this project but it is not yet complete.
- Building Maintenance 320-600-630-5212.000 project #31010 \$50,000

Replacement of Central Garage Vehicles

- Central Garage is coordinating the purchase for replacement of vehicles #320, #336, #321, #424, #337.
- Central Garage Fixed Asset 310-670-7106.000 \$140,484

Action

Roll over requested funds from the FY16 to FY17 budget.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-128 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Appoint Hugh Bevan to an unexpired term on the Gary Paxton Industrial Park Board of Directors

Sponsors:

Indexes:

Code sections:

Attachments: [Bevan.pdf](#)

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

POSSIBLE MOTION

I MOVE TO appoint Hugh Bevan to an unexpired term on the Gary Paxton Industrial Park Board of Directors.



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

Board/Commission/Committee: Gary Porten Industrial Park
Name: Hugh Bevan Daytime Phone: 747-2709
Address: 720 Pherson St Sitka Evening Phone: 7-2709
Email Address: kbd5itka@gmail.com Fax Number: _____
Length of Residence in Sitka: 17 years Registered to vote in Sitka? ☒ Yes ☐ No
Employer: Retired
Organizations you belong to or participate in: NRA

Explain your main reason for applying: To help complete the dock project and bring bulk water to Fruition.

What background, experience or credentials will you bring to the board, commission, or committee membership?
8 years previous experience with GRIP development.
18 years as City Engineer and Public Works Director
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.

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: 6/25/16 Signature: Hugh Bevan

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

City and Borough of Sitka
Supplemental information for Committee Application

Applicant: Hugh Bevan

- Alaska resident since May 1970
- Registered Alaska professional engineer
- 4 seasons employed by US Forest Service Alaska
- 8 seasons employed State DOT
- 8 years employed by construction contractors as engineer
- 3 years employed as Director of SEDA in Sitka
- 18 years employed as city engineer, public works director, city manager in Alaska
- Served on Sitka's Long Range Planning Commission
- Served on board of SCDC Sitka
- Served on board of SE Conference
- Served on 2015 Citizens' Task Force
- Married to Tama 21 years
- One son Sean is a mechanical engineer working the space exploration industry.
- Owner of Dillon the Danger Dog

Hugh Bevan
6/25/16



GARY PAXTON INDUSTRIAL PARK BOARD OF DIRECTORS

| NAME | CONTACT NUMBERS | TERM STARTS | EXPIRES | CATEGORY |
|--|---|----------------------------------|----------------------------------|---------------------------------------|
| SCOTT WAGNER 304 Nicole Drive | 747-6850 w 747-3791 h scott_wagner@nsraa.org | 11/25/14 | 6/24/16 | CHAIR <i>Eisenbeisz's term</i> |
| DAN JONES 719 Sirstad Street | 738-6998 c 747-6373 h danielgjonespe@gci.net | 10/11/11 10/22/13 10/27/15 | 10/11/13 10/22/15 10/27/17 | VICE- CHAIR |
| | | | | |
| CHARLES HORAN 403 Lincoln Street | 747-6666 w 747-7417 fax charles@horanappraisals.com | 3/24/15 | 7/9/15 | <i>Fondell's term</i> |
| | | | | |
| | | | | |
| Garry White 329 Harbor Drive, #212 | 747-2660 w 747-7688 fax garrywhite@gci.net | | | GPIP Director |
| Mark Gorman City & Borough of Sitka 100 Lincoln Street | 747-1808 w 747-7403 fax mark.gorman@cityofsitka.org | | | Municipal Administrator |
| Steven Eisenbeisz 208 Lincoln Street | 738-9075 c assemblyeisenbeisz@cityofsitka.org | | | Assembly Liaison |
| Linda Wilson 329 Harbor Drive, #212 | 747-2660 w 747-7688 fax sedasitka@gmail.com | | | Secretary |

Established by Ordinance 00-1568

Five members appointed by the Assembly for 2-year terms, one designated At-Large

Revised: June 27, 2016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-06S Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/16/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Renaming and amending Chapter 4.40 of the Sitka General Code, "Uncollectable Accounts and Bad Debt Write-Offs" and amending Sections 4.40.010 "Definitions", 4.40.020 "Policies", and 4.40.030 "Records and Reporting" and adding Sections 4.40.040 "Write-Off of Uncollectable Accounts", 4.40.050 "Utility Debts Remain with Real Property", and 4.40.060 "Authority to Offset"

Sponsors:

Indexes:

Code sections:

Attachments: [Ord 2016-06S.pdf](#)

| Date | Ver. | Action By | Action | Result |
|-----------|------|---------------------------|--------|--------|
| 6/28/2016 | 1 | City and Borough Assembly | | |

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-06S on
second and final reading.

Memo

Thru: Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Financial and Administrative Officer 

Date: June 22, 2016

Re: Credit and Collection Policy

Mayor McConnell and Assembly Members,

Issue: The Sitka General Code (SGC or “Code”) does not presently contain a comprehensive credit and collection policy applicable to all aspects of the Municipality; bits and pieces of such policy are scattered through Titles 4, 13 and 15 of the Code. As a result, there is no comprehensive set of policies which set forth how the Municipality extends credit to its customers, how and when such credit is revoked, and how and when the Municipality will seek to collect past due amounts from its customers. The attached credit and collection policy, presented to you in the form of an ordinance, seeks to remedy the problem by establishing a comprehensive set of regulations.

Background:

The lack of a comprehensive Municipal credit and collections policy has been a long-standing problem which has manifested itself in inefficient operations; inconsistent procedures; and staff, Assembly, and citizen frustration with the inability of the Municipality to prudently manage its fiscal operations.

As a general business policy, the Municipality extends credit to all of its customers. While not apparent, this is intuitive; in almost every sense, the Municipality provides a service, then bills the customer for the service. The provision of services before payment, based on the customer’s commitment to eventual payment, is the act of extending credit. If credit is not extended, then business is conducted on a cash basis wherein payment is tendered before goods or services are provided or sold.

Most organizations which extend credit to their customers have some type of official credit policy. Such a policy usually specifies when and how credit will be granted, how much credit will be granted, normal trade terms under which customers are expected to remit payment in full for goods or services sold on credit, circumstances under which credit may be revoked, what transpires when credit is revoked, and how revoked credit may be restored. The Municipality has no such comprehensive credit policy. The closest the Municipality comes is in the Electric Utility Policies contained in SGC 15.01.030.

In addition, most credit policies either contain procedures pertaining to collections of past due amounts, or, exist in tandem with a separate collection policy. Collection policies detail when and how past due balances owed by customers are subject to various collection procedures. Such policies often detail exactly when past due balances are turned over to collection agencies; the levying of fees for collection efforts, and the reporting of delinquencies to credit bureaus. Collection policies are usually tied closely to collection policies, as a normal collection tool is the revocation of credit. Again, this makes intuitive sense, as it is fiscally imprudent to continue to advance credit to a customer who can't pay. Again, the Municipality has no such comprehensive collections policy. The closest the Municipality comes is, again, in the Electric Utility Policies contained in SGC 15.01.030, and, in Title 4 of the SGC, Chapters 4.35 and 4.40.

Ramifications:

As a result of not having a comprehensive credit and collections policy, the Municipality operates inefficiently and inconsistently. Credit is often extended to customers in one respect who have past due accounts owed to the Municipality in another respect. Collection efforts have been piecemeal, with different staff elements of the Municipality having responsibility during different parts of the collections process.

Efforts by the Municipality to collect large debts owed have been hampered by the lack of procedures which would allow for both rapid collection efforts, and, the ability to limit the degree to which a customer or business could build up past due balances owed the Municipality.

Finally, efforts to manage credit and collections has been hampered by the absence of defining law in the Code which would serve as the underlying legal basis for actions the Municipality might seek to take. More defining policy is needed.

Recommendations And Proposed Actions:

The issue of Municipal credit and collections is complex. We are breaking new ground with our recommendations for establishing a comprehensive credit and collections policy. Thus, staff anticipates that development and implementation of an effective, comprehensive credit and collections policy will be an evolutionary process. The proposed policy is a starting point. We anticipate that much public debate will take place over our recommendations.

The attached credit and collections policy has the following key elements:

- 1) It is comprehensive, in that it defines each customer's over-arching credit relationship with the Municipality as a whole. It moves away from the concept of a customer having separate credit with various elements of the Municipality, such as utilities, harbors, and general government.
- 2) It firmly establishes that all citizens and customers are granted credit, in that the Municipality will bill them for goods and services after providing them. Such credit can be revoked upon approval of the Administrator, however, placing customers and citizens without credit on a cash-only basis.
- 3) It establishes what happens when credit is revoked, and, what actions a citizen or customer must take to restore credit.
- 4) It streamlines and clarifies the collections process, specifying at what point past due balances are turned over to collection services.

- 5) It ties the concepts of extension of credit and collections together, in that credit may be formally revoked at the point in time in which past due balances are turned over to external collection agencies.
- 6) The policy was written in a comprehensive, organized fashion, anticipating that some provisions under consideration might be added later. For this reason, some sections of the Code which are under consideration but not ready for adoption at this time are Reserved.

Summary: A comprehensive credit and collections policy is badly needed by the Municipality, in order to improve its fiscal management. Existing policies are piecemeal and fragmented. Credit and collections are complex topics, however, and development of an effective credit and collections process will be an evolutionary process. Passage of the attached ordinance, containing the initial proposed credit and collections policy for the Municipality would be an important first step.

New Business First Reading**E ORD 16-06**

Renaming and amending Chapter 4.40 of the Sitka General Code, "Uncollectable Accounts and Bad Debt Write-Offs" and amending Sections 4.40.010 "Definitions", 4.40.020 "Policies", and 4.40.030 "Records and Reporting" and adding Sections 4.40.040 "Write-Off of Uncollectable Accounts", 4.40.050 "Utility Debts Remain with Real Property", and 4.40.060 "Authority to Offset"

Ordinance 2016-06 was introduced on first reading and after discussion the Assembly felt the ordinance may need to be reworked and moved to postpone the ordinance. After realizing that if they postponed the ordinance, they would not be able to rework it from its original state they voted down the motion to postpone; simultaneously they withdrew their original motion to pass on first reading. Therefore, if the ordinance as written, comes back, it would be considered first introduction/reading. From conversations at the table an alternate ordinance may be brought forward in its place. It was also expressed that while this ordinance deserved discussion it should occur after a utility subsidization ordinance had been explored.

Additional New Business Items

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-06S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA RENAMING AND AMENDING CHAPTER 4.40 OF THE SITKA GENERAL CODE, "UNCOLLECTABLE ACCOUNTS AND BAD DEBT WRITE-OFFS", AND AMENDING SECTIONS 4.40.010 "DEFINITIONS", 4.40.020 "POLICIES", AND 4.40.030 "RECORDS AND REPORTING" AND ADDING SECTIONS 4.40.040 "WRITE-OFF OF UNCOLLECTABLE ACCOUNTS", 4.40.050 "UTILITY DEBTS REMAIN WITH REAL PROPERTY", AND 4.40.060 "AUTHORITY TO OFFSET"

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 purposes of this ordinance are to rename and expand Chapter 4.40 of the Sitka General Code into a Municipal Credit and Collections Policy, which will include and revise existing Municipal uncollectable accounts and bad debt write-off procedures; authorize the Municipality to offset past due debts owed to the Municipality against future payments to be made; and to establish a framework for additional credit and collection policy guidelines.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby revises Chapter 4.40 of the Sitka General Code as set out below (new language underlined; deleted language stricken):

Chapter 4.40

UNCOLLECTABLE ACCOUNTS AND BAD DEBT WRITE-OFFS
MUNICIPAL CREDIT AND COLLECTIONS POLICY

* * *

Sections:

- 4.40.010 Definitions
- 4.40.020 ~~Policies~~ Municipal Credit Policy
- 4.40.030 ~~Records and Reporting~~ Municipal Collections Policy
- 4.40.040 Write-off of Uncollectable Accounts
- 4.40.050 Utility Debts Remain With Real Property
- 4.40.060 Authority to Offset

4.40.010 Definitions

A. ~~“Bad debt”~~ Uncollectable Accounts refers to any account or debt owed the Municipality which has become overdue by more than ~~one hundred twenty~~ ninety days.

B. “Collection” means any action taken by the Municipality to attempt to collect a debt or account which is overdue.

C. “Credit” means the extension of any services by the Municipality to any person or entity for which a charge or fee is levied, and, for which the charge or service is provided in advance of payment.

~~B D.~~ “Cash Only Basis” means that any goods or services provided to a citizen must be prepaid, either by credit card or by placing cash on accounts in advance of billing.

E. “Debt” means any sum of money which a citizen of the city and borough, or customer of the city and borough Municipality in some capacity, is legally obligated to pay to the city and borough for any purpose.

~~C F.~~ “Overdue” refers to any debt owed to the city and borough of Sitka which has not been paid within thirty days of the date the payment was due. As an exception, debts owed for utility services consumed are considered overdue fifteen days after the date the payment was due. “Good Standing” shall mean that any citizen, business, or other entity doing business with the City and Borough does not have an account which is overdue.

G. “Overdue” refers to any debt owed to the city and borough of Sitka which has not been paid within thirty days of the date the payment was due. As an exception, debts owed for utility services consumed are considered overdue fifteen days after the date the payment was due.

H. “Write Off” refers to any debt for which collection action is no longer pursued.

4.40.020 ~~Polieies~~ Municipal Credit Policy

A. ~~Bad debts are to be accounted for by the city and borough of Sitka finance department until collected or permanently written off.~~ The City and Borough of Sitka shall, as a basic policy, provide goods and services to its citizens in advance of payment, and, bill citizens for amounts owed.

B. ~~The finance department will take ongoing aggressive action to collect all debts owed to the municipality which are not otherwise written off under the provisions of this chapter. These actions may include, but are not limited to, turning over of delinquent accounts to a collection agency for collection; filing of negative credit reports with credit bureaus; and, filing cases with the state of Alaska Small Claims Court.~~ If a citizen, business, or other entity has an unpaid bill which is more than 120 days old, and, is therefore has an overdue debt, the City and Borough of Sitka may require all future all business interactions between a citizen, business, or other entity will be henceforth conducted on a cash-only basis until credit is restored. Any determination to place a citizen, business or entity on a cash-only basis must be approved by the Administrator. For purposes of municipal utilities and moorage, accounts will be required to be prepaid.

C. ~~Bad debts over one hundred twenty days old which are under a cumulative amount of one hundred dollars per customer may be written off immediately upon approval of the finance director, if they are deemed not to be cost efficient to attempt to collect on. Once revoked, credit may be restored by returning to good standing. Good standing would be achieved by both resolving all overdue accounts, and, by written application to the Municipality. The Municipality may, at its discretion, require a deposit as a condition of restoring credit.~~

* * *

4.40.030 Records and reporting Municipal Collections Policy

A. ~~The City and Borough of Sitka finance department shall keep records of all bad debts which have been permanently written off for a period of three years after the year of the write-off shall take lawful actions to collect all debts owed to the Municipality which have become overdue.~~

B. ~~The administrator will submit a report to the assembly, on an annual basis within the first month of the new fiscal year, of all bad debts written off under the provisions of this chapter for the prior fiscal year~~ The City and Borough of Sitka shall employ progressive steps to attempt to collect debts owed to the Municipality. These progressive steps shall may include the following:

1. Mailing of a collection dunning letter to the last known valid address of the debtor;

2. Mailing and physical posting of a utility disconnection notice for failure to resolve any debt owed the Municipality;

3. Physical disconnection of utilities for failure to resolve any debt owed the Municipality;

4. Forwarding of overdue accounts to a collection agency for further collection attempts;

5. Publication on the Municipal website and/or in a local newspaper of the names of residents, businesses and other entities who meet all of the following criteria: (1) have a debt or debts owed to the Municipality which are overdue; (2) to whom a collection/dunning letter has been written; and (3) who has not entered into a payment plan with the Municipality

6. Revocation of all credit by revoking the good standing an individual, business or other entity and placing such an entity on a cash-only basis.

7. Filing of a civil suit in the appropriate legal jurisdiction for both a judgment of indebtedness and a writ of execution.

8. Employment of process servers to execute writs of judgment, taking all appropriate actions afforded by law to include till taps, bank account sweeps, and seizure of other collateral.

9. Filing of foreclosure lawsuits against all real property against which a deed of trust is held.

C. The City and Borough of Sitka may, at its discretion, add collection costs to any overdue balance. As a matter of policy, collection costs will be added to all accounts turned over to a collection agency for further collection attempts.

D. The Administrator shall have the authority to approve payment plans for overdue balances owed the Municipality. This authority may be delegated. This authority shall include the ability to establish repayment terms. The following criteria shall be applicable to all payment plans:

1. A citizen, business, or entity may have only one active repayment plan at any time. Consolidation of multiple debts into repayment plans may occur at the discretion of the Administrator.

165 2. Any payment plan shall be for past due balances only and shall contain a
166 provision that all new balances must be paid in full in addition to required
167 payment per the plan.

168
169 3. Unless unusual circumstances are present, no payment plan shall have a
170 repayment term exceeding 12 months.

171
172 4. For any payment plan exceeding \$5,000, the Municipality shall, as a matter of
173 course, require the debtor to agree to a lien on real property owned by the debtor
174 as a condition; agree to a Confession of Judgment; and, agree to having
175 reasonable legal fees added to any judgment obtained by the Municipality.

176
177 5. Any uncured default on a payment plan shall constitute a reason for revocation
178 of good standing and allow the Municipality, at its discretion, to place the debtor
179 on a cash-only basis.

180
181 **4.40.040 Write-Off of Uncollectable Accounts.**

182 A. Unpaid debts for which more than 120 days has elapsed since the date of the bill or
183 invoice, and which are under a cumulative amount of two hundred dollars per customer,
184 may be written off immediately upon approval of the Finance Director, if they are
185 deemed not to be cost efficient to attempt to collect on.

186
187 B. Unpaid debts for which more than 120 days has elapsed since the date of the bill or
188 invoice,, and which are under a cumulative amount of one thousand dollars per customer,
189 may be written off immediately upon approval of the Administrator, if they are deemed
190 not to be cost efficient to attempt to collect on.

191
192 C. Unpaid debts for which more than 120 days has elapsed since the date of the bill or
193 invoice, and which are over cumulative amount of one thousand dollars per customer,
194 may be written off immediately upon approval of the Assembly.

195
196 D. Any overdue debt which is not collected within 90 days shall, as a matter of
197 accounting policy be recorded against the allowance for uncollectable accounts when
198 applicable under governmental accounting guidelines. Collection actions shall not cease,
199 however, until the debt is collected, a statute of limitations is reached, or the debt is
200 written off. Any debt recorded against the allowance for uncollectable accounts, which is

subsequently recovered, shall as a matter of accounting policy, be recorded as a recovery of bad debt.

4.40.050 Utility Debts Remain With Real Property (Reserved)

4.40.060 Authority To Offset

A. If a resident, business, vendor, or other entity has an overdue balance owed to any department of the Municipality (excluding Sitka Community Hospital), the Municipality shall have the authority to offset such overdue balances against any payment to be made to such resident, business, vendor, or other entity unless otherwise prohibited by law.

B. No offset of an overdue balance shall occur unless the resident, business, vendor, or other entity is notified in writing of the overdue balance and afforded a minimum period of 10 business days to remit the overdue balance. During this 10 business day period, the Municipality will withhold payments otherwise due.

EFFECTIVE DATE. This ordinance shall become effective thirty days after the date of passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th day of July, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-23 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Amending Chapter 4.19 "Sitka Permanent Fund" by adding a new Section 4.19.020 "Annual Transfer to Permanent Fund"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-23.pdf](#)
[Ord 2016-23.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-23 on
first reading.

Memo

Thru: Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Finance and Administrative Officer *JS 7/5/16*

Date: July 1, 2016

Re: Changes to Sitka General Code Regarding Annual Transfer to the Permanent Fund

Mayor McConnell and Assembly Members,

During its past several meetings, the Investment Committee has also engaged in lengthy discussion regarding the requirement embedded in the Home Rule Charter ("the Charter, or SHC") to transfer 6% of the average market value to the Fund annually to the General Fund, and, its effect on limiting the growth of the corpus of the Permanent Fund.

Per the Charter, the stated purposes of the Permanent Fund are to provide an ever-increasing income stream to the Sitka General Fund in perpetuity, and, to reduce the tax burdens on the citizens of Sitka (Section 11.16 SHC). The Charter also, however, mandates that 6% of the average market value of the Permanent Fund be annually appropriated for transfer to the General Fund. The combined effect of these provisions however, especially in periods of sustained low investment returns, can lead to the achievement of the purpose of reducing tax burdens, but at the expense of reducing the income stream (by transferring too much out of the Permanent Fund.)

Analysis by the Investment Committee noted that, while increasing, the market value of the Permanent Fund had not maintained its purchasing power when adjusted for inflation. This was as a result of the mandated annual 6% transfer being too high. Members of the Investment Committee noted that, had the transfer of the Permanent Fund been reduced in prior years, the resulting larger corpus of the Fund would have provided a larger transfer at 4% in FY17 than will actually take place at 6%.

The Investment Committee deliberated for over 6 months on the best way to address the problem of unsustainably high transfers out of the Permanent Fund. Significant consideration was given to recommending a Charter amendment. Ultimately, however, the Investment Committee opted to recommend an annual transfer back to the Permanent Fund to reduce the effective percentage of the transfer and grow the value of the Permanent Fund to maintain its inflation-adjusted purchasing power.

The advice of the Municipality's Permanent Fund Manager, Alaska Permanent Capital Management (APCM) was that a transfer rate between 4% to 4.5% was optimal and could be sustained over the long run, given the current investment climate. As a result, the Investment Committee chose an effective transfer rate of 4% as a target withdrawal rate.

To reduce to budgetary shock of any transfer back to the Permanent Fund, the Investment Committee voted to recommend that the movement towards an effective transfer rate of 4% be gradual, progressing in annual increments of 0.5%. This would result, for example, in 1/12th of the annual transfer mandated by the Permanent Fund being transferred back in FY2017, 1/6th in FY2018, 1/4th in FY2019 and 1/3rd in FY2020.

Given its deliberations, the Investment Committee voted to request that the Administrator prepare an ordinance which would enact its recommendations.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-23

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING CHAPTER
4.19 "SITKA PERMANENT FUND" BY ADDING A NEW SECTION 4.19.020
"ANNUAL TRANSFER TO PERMANENT FUND"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. **PURPOSE.** The purpose of this ordinance is to establish procedures within the Sitka General Code which provide for an annual transfer of funds from the Sitka General Fund to the Permanent Fund in order to offset the effects of inflation and to help sustain the purchasing power of the Permanent Fund.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that a new Section 4.19.020 is added to the Sitka General Code as follows (old or repealed language stricken, new language underlined):

Chapter 4.19
SITKA PERMANENT FUND

Sections:

4.19.010 Fund established

4.19.020 Annual transfer to permanent fund

* * *

4.19.020 Annual Transfer To Permanent Fund.

As part of the annual budget submission to the Assembly, the Administrator will include an amount of funds to be transferred from the General Fund to the Permanent Fund during the subsequent fiscal year. The purpose for the transfer will be to reduce the effective take out from the Permanent Fund so that the purchasing power of the Permanent Fund is maintained as much as possible. The initial transfer will take place in FY2018 and will be 0.25% of the average market value of the Sitka Permanent Fund for the past three years, as measured on December 31st of each year. The amount of the annual transfer will increase by 0.25% per subsequent fiscal year, to a maximum of 2.0%.

* * *

48
49 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the
50 date of its passage.

51
52 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough
53 of Sitka, Alaska this 26th day of July, 2016.

54
55
56 _____
Mim McConnell, Mayor

57 **ATTEST:**

58
59 _____
60 Sara Peterson, CMC
61 Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-24 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Amending Chapter 4.28 "Investment Policy" by replacing Section 4.28.120 "Assets Mix Policy for the Permanent Fund", with 4.28.120 "Assets Mix Policy"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-24.pdf](#)
[Ord 2016-24.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-24 on
first reading.

Memo

Thru: Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Finance and Administrative Officer *JS 7/5/16*

Date: July 1, 2016

Re: **Changes to Sitka General Code Regarding Permanent Fund Asset Mix**

Mayor McConnell and Assembly Members,

The Investment Committee has discussed appropriate mix of assets within the Permanent Fund, and, what the governing language in the Sitka General Code regarding this mix. Currently, the maximum amount of equity assets within the Permanent Fund should not exceed 65% of the market value of the Fund. The Municipality's Permanent Fund Manager, Alaska Permanent Capital Management (APCM) recommends that a target benchmark be established, and, that language be added to allow for equity assets to fall within a range of the benchmark. APCM also recommends that a similar benchmark and range be established for the minimum amount of equity assets in the Fund. APCM also recommends that existing language directing equity investments to fall within certain sub-thresholds be revised. APCM feels that the language limits its ability to optimally manage the fund.

The Investment Committee concurs with APCM recommendations.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-24

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING CHAPTER 4.28
"INVESTMENT POLICY" BY REPLACING SECTION 4.28.120 "ASSETS MIX POLICY FOR
THE PERMANENT FUND", WITH 4.28.120 "ASSETS MIX POLICY"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. **PURPOSE.** The purpose of this ordinance is to revise the assets mix policy of the Sitka General Fund.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Section 4.28.120 of the Sitka General Code replaced in its entirety by the following (new language underlined, deleted language stricken):

Chapter 4.28
INVESTMENT POLICY

Sections:

- 4.28.010 Scope.
- 4.28.020 Standards of care.
- 4.28.030 Safekeeping and custody.
- 4.28.040 Reporting.
- 4.28.050 General objectives—Pooled investments.
- 4.28.060 Suitable and authorized investments for pooled investments.
- 4.28.070 Investment parameters.
- 4.28.100 General objectives—Permanent fund.
- 4.28.110 Suitable and authorized investments for the permanent fund.
- 4.28.120 Assets mix policy ~~for the permanent fund.~~
- 4.28.130 Policy considerations.

* * *

~~4.28.120 Assets mix policy for the permanent fund.~~

~~Investment of the permanent fund assets shall be made in accordance with the minimum and maximum range for each assets category as indicated below:~~

| Asset Category | Minimum % | Target % | Maximum % |
|-----------------------|------------------|-----------------|------------------|
| Cash equivalents* | 0 | 5 | 25 |
| Fixed income | 25 | 35 | 45 |
| Equities: | | | |
| Growth | 20 | 25 | 30 |
| Value | 20 | 25 | 30 |
| Foreign | 0 | 10 | 15 |

*Cash equivalents are defined as less than one-year maturities. Fixed income investments can be invested in cash equivalents as necessary.

4.28.120 Assets Mix Policy. The Investment Managers of the Sitka Permanent Fund shall employ a total return investment strategy in their choice of investments for the Permanent Fund and shall have discretion to change the asset mix and composition of the Portfolio to maximize return, subject to the following broad restrictions:

A. The overall benchmark percentage of equities contained in mutual funds, or exchange traded funds, owned by the Permanent Fund shall be 65% of the total market value of the Fund and shall fall within a range of 55% to 75% of the total market value of the Fund.

B. The overall benchmark percentage of debt and cash equivalent investments owned by the Permanent Fund shall be 35% of the total market value of the Fund and shall fall within a range of 25% to 45% of the total market value of the Fund.

C. Sub-allocations within asset classes shall be determined by the Investment Committee, as necessary and appropriate, and shall be recommended to the Assembly for adoption by Resolution.

D. No prohibited investments as defined and set forth in Section 4.28.110 of the Sitka General Code shall be made.

* * *

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th day of July, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-129 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Approve the standard marijuana cultivation facility license for Green Leaf, Inc.

Sponsors:

Indexes:

Code sections:

Attachments: [Green Leaf marijuana cultivation facility license.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve the standard marijuana cultivation facility license for Green Leaf, Inc. and forward this approval to the Alcohol and Marijuana Control Office without objection.



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 McConnell and Assembly Members
From: Sara Peterson, Municipal Clerk
Date: July 6, 2016
Subject: Application for New Marijuana Cultivation Facility License

Attached you will find a notification, and additional information, from the Alcohol and Marijuana Control Office of an application for a new marijuana cultivation facility license for the following applicant:

| | |
|---------------------|---|
| License #: | 10066 |
| License Type: | Standard Marijuana Cultivation Facility |
| Licensee/Applicant: | Green Leaf, Inc. |
| D.B.A.: | GREEN LEAF |
| Physical Address: | 4614 Halibut Point Road C-2, C-3; Sitka, AK |

The applicant was granted a conditional use permit for a cultivation facility by the Planning Commission on May 17, 2016. The motion passed unanimously by a 5-0 vote.

A notice was published in the local newspaper and posted to the establishment. In addition, a memo was circulated to the various municipal departments who may have a reason to protest. No departmental objections were received.

Recommendation: Approve the standard marijuana cultivation facility license for Green Leaf, Inc. and forward this approval to the Alcohol and Marijuana Control Office without objection.

L

Public hearing and consideration of a conditional use permit request for marijuana cultivation at 4614 Halibut Point Road, in the C-2 general commercial and mobile home zone. The property is also known as Lot 3 of Carlson Resubdivision. The request is filed by Green Leaf, Inc. The owners of record are Connor K. Nelson and Valerie L. Nelson.

Scarcelli explained the request for a cultivation facility. The applicant has worked with staff to mitigate staff concerns. Cultivation tends to have lower traffic than other manufacturing uses. Staff have received public comment about noise from the fans; however, the property is commercially zoned. The applicant has proposed extensive ventilation. Staff recommends approval.

Aaron Bean asked that the application be amended to list Green Leaf, Inc. as the applicant. Spivey asked if the applicant plans to do retail in the future. Bean stated that he hopes to eventually do retail on a different lot at the same site. Spivey thanked the applicant for the thorough application.

Hughey/Pohlman moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.

2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

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

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.

2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.

3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Hughey/Parker Song moved to APPROVE approve the conditional use permit request filed by Green Leaf, Inc. for marijuana cultivation at 4614 Halibut Point Road, in the C 2 General Commercial and Mobile Home zone, subject to conditions of approval. The property is also known as Lot 3 of Carlson Resubdivision. The owners of record are Connor K. Nelson and Valorie L. Nelson.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved Conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where practical.
9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. The Planning Commission may, at its discretion and upon receiving

meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.



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



Memorandum

To: Planning Department
Collections - Mary
Municipal Billings – Lindsey
Sales Tax/Property Tax – Hannah
Utility Billing Clerk – Diana
Public Works Department – Mark and Shilo
Fire Department
Police Department
Electric Department
Building Official

From: Melissa Henshaw, Acting Municipal Clerk

Date: June 22, 2016

Subject: New Marijuana Cultivation Facility License

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a new marijuana cultivation facility license submitted by:

License #: 10066
License Type: Standard Marijuana Cultivation Facility
Licensee/Applicant: Green Leaf, Inc.
D.B.A.: GREEN LEAF
Physical Address: 4614 Halibut Point Road C-2, C-3; Sitka, AK
Designated Licensee: Aaron Bean

Please notify me **no later than noon on Thursday, June 30th** of any reason to protest this request. This license will be scheduled to go before the Assembly on July 12th.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

June 21, 2016

City & Borough of Sitka

Attn: Sara Peterson
Melissa Henshaw
Maegan Bosak
Michael Scarcelli
Robin Schmid
Reuben Yerkes

VIA Email: sara.peterson@cityofsitka.org
Melissa.henshaw@cityofsitka.org
Maegan.bosak@cityofsitka.org
Michael.scarcelli@cityofsitka.org
Robin.koutchak@cityofsitka.org
Reuben.yerkes@cityofsitka.org
planning@cityofsitka.org

RECEIVED

JUN 21 2016

City & Borough of Sitka-
Clerk's Office

| | |
|----------------------|---|
| License Number: | 10066 |
| License Type: | Standard Marijuana Cultivation Facility |
| Licensee: | Green Leaf, Inc. |
| Doing Business As: | GREEN LEAF |
| Physical Address: | 4614 Halibut Point Rd C-2 C-3 Sitka, AK 99835 |
| Designated Licensee: | Aaron Bean |
| Phone Number: | 907-738-8923 |
| Email Address: | aaronbean28@gmail.com |

☒ New Application ☐ Transfer of Ownership Application ☐ Renewal Application
☐ Onsite Consumption Endorsement

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

A local government may protest the approval of an application(s) pursuant to 3 AAC 306.060 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice. If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200.

3 AAC 306.010(c) provides that the board will not issue a license when a local government protests an application on the grounds that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

At this time, the fingerprints submitted by the applicant cannot be submitted for a criminal history report until a date to be determined by the Department of Public Safety and the Federal Bureau of Investigation based upon the effective date of the act containing enabling statutory language for such criminal history report. On April 27, 2016, the Marijuana Control Board directed me to determine applications complete based solely upon the representations made by the applicant in Form MJ-00.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Franklin', is positioned above the typed name.

Cynthia Franklin, Director

amco.localgovernmentonly@alaska.gov

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Incorporation

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to


Green Leaf, Inc.




IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective February 23, 2016.

A handwritten signature in cursive script, appearing to read "Chris Hladick".

Chris Hladick
Commissioner


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Department of Commerce, Community, and Economic Development
Corporations, Business & Professional Licensing

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- Business License Download
 - Tobacco Endorsement Download
- Professional License Download
 - Guide Use Area Download

NAME(S)

| Type | Name |
|------------|------------------|
| Legal Name | Green Leaf, Inc. |

ENTITY DETAILS

Entity Type: Business Corporation
Entity #: 10036065
Status: Good Standing
AK Formed Date: 2/23/2016
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 215 PETERSON AVE, SITKA, AK 99835
Entity Physical Address: 4614 HPR, SITKA, AK 99835

REGISTERED AGENT

Agent Name: Jana Weltzin
Registered Mailing Address: 3003 MINNESOTA DR #201, ANCHORAGE, AK 99503
Registered Physical Address: 3003 MINNESOTA DR #201, ANCHORAGE, AK 99503

OFFICIALS

☐ Show Former

| AK Entity# | Name | Titles | Percent Owned |
|------------|------------|--|---------------|
| | Aaron Bean | Director, President, Shareholder, Secretary, Treasurer | 100 |

FILED DOCUMENTS

| Date Filed | Type | Filing | Certificate |
|------------|-----------------|-------------------------------|-------------------------------|
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Alaska Business License # 1032755

Alaska Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

GREEN LEAF

215 PETERSON AVE SITKA AK 99835

owned by

GREEN LEAF, INC.

is licensed by the department to conduct business for the period

February 23, 2016 through December 31, 2016
for the following line of business:

11 - Agriculture, Forestry, Fishing and Hunting
42 - Trade



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Chris Hladick



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-00: Application Certifications

What is this form?

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

This form must be completed and submitted to AMCO's main office by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | Green Leaf Inc | License Number: | 10066 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | Green Leaf | | | | |
| Premises Address: | 4614 Halibut Point Road, Suites C-2 & C-3 | | | | |
| City: | Sitka | State: | ALASKA | ZIP: | 99835 |

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

| | |
|--------|------------|
| Name: | Aaron Bean |
| Title: | Owner |

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

☒ ☐

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

Standard Marijuana Cultivation Facility 10066
Retail Marijuana Store License 10067



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Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

AB

I certify that I am not currently on felony probation or felony parole.

AB

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

AB

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

AB

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

AB

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

AB

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

AB

I certify that my proposed premises is not located in a liquor licensed premises.

AB

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

AB

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) have been listed on my online marijuana establishment license application.

AB

I certify that all proposed licensees have been listed on my application with the Division of Corporations.

AB

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.

AB



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Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

☐


Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

☒

All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.



Signature of licensee

Subscribed and sworn to before me this 13th day of MAY, 2016.





Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review Title 17.38 of Alaska Statutes and Chapter 306 of the Alaska Administrative Code. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Security
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Waste disposal
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising
- Control plan for persons under the age of 21

Applicants must also complete the corresponding operating plan supplemental forms (Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|---|-----------------|--------------|------|-------|
| Licensee: | Green Leaf, Inc. | License Number: | 10066 | | |
| License Type: | Marijuana Cultivation Facility License | | | | |
| Doing Business As: | Green Leaf, Inc. | | | | |
| Premises Address: | 4614 Halibut Point Rd., Suite C-2 & C-3 | | | | |
| City: | Sitka | State: | ALASKA | ZIP: | 99835 |
| Mailing Address: | 215 PETERSON AVE. | | | | |
| City: | Sitka | State: | ALASKA | ZIP: | 99835 |
| Primary Contact: | Aaron Bean | | | | |
| Main Phone: | 907-738-8923 | Cell Phone: | 907-738-8923 | | |
| Email: | aaronbean28@gmail.com | | | | |



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Security

Review the requirements under 3 AAC 306.710 – 3 AAC 306.720 and 3 AAC 306.755, and identify how the proposed premises will meet the listed requirements.

Describe how the proposed premises will comply with each of the following:

Restricted Access Areas (3 AAC 306.710):

Describe how you will prevent unescorted members of the public from entering restricted access areas:

Maintaining the security of all marijuana products requires that access to the premises be monitored and restricted. All doors leading to restricted access areas will be secured with commercial grade keyless keypad entry with a self-closing and self-locking mechanisms. The facility will be equipped with an alarm system, video surveillance, and an on-site security guard. Security cameras will be installed throughout the facility that allow for monitoring all areas 24 hours each day including, at a minimum: all entrances and exits, all security doors and restricted access areas, all windows, every portion of the office and safe room, and the exterior of the building to monitor and identify all activity adjacent to the facility. All members of the public who are allowed access to the facility will have to check in at the front entrance door and obtain a visitor badge. All entrants must provide state-issued identification with no exceptions. All visitors must be over the age of 21. All visitors must display their visitor badge on their person at all times, with no exceptions. All visitors will be escorted by an employee at all times while on the premises, and the visitor badge will be returned to the employee prior to leaving. A visitor's log will be kept and noted by the escorting employee, including the visitor's name and date, time, and purpose of the visit, and will be made available to the MC Board upon request. The visitor's personal identification card will be kept in security possession the entire time they are within the facility. Not until they have completed their escorted visit will their identification card be returned to them. Given the procedures and processes identified above, the risk of an unescorted person from the public is mitigated by the ability to identify any unauthorized person, and additional safeguard above.

Describe your processes for admitting visitors into and escorting them through restricted access areas:

Upon walking into the front entrance door of the facility each visitor must check in with a facility employee. All members of the public who are allowed access to the facility will have to provide valid or state-issued identification at their entrance, and obtain and display a visitor badge, with no exceptions. A valid form of identification includes: (1) an unexpired, unaltered passport; (2) an unexpired, unaltered driver's license; instruction permit, or identification card of any state or territory of the United States, the District of Columbia, or a province of Canada; and (3) an identification card issued by a federal or state agency authorized to issue a driver's license or identification card. All visitors must display their visitor badge on their person at all times, with no exceptions. The visitors will be escorted by an employee at all times while on the premises, and the visitor badge will be returned to the employee prior to leaving. A visitor's log will be kept and noted by the escorting employee, including the visitor's name and date, time, and purpose of the visit, and will be made available to the MC Board upon request. No visitors will be allowed in unauthorized, confidential, or potentially hazardous areas. The visitor's personal identification card will be kept in security possession the entire time they are within the facility. Not until they have completed their escorted visit will their identification card be returned to them. Once a visitor's escorted visit has concluded, and their identification is returned, they must leave the premises immediately.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your recordkeeping of visitors who are escorted into restricted access areas:

All members of the public who are allowed access to the facility will have to provide valid or state-issued identification at their entrance, with no exceptions. The visitor's personal identification card will be kept in security possession the entire time they are within the facility. Not until they have completed their escorted visit will their identification card be returned to them. The visitors will be escorted by an employee at all times while on the premises, and a visitor's log will be kept and noted by the escorting employee. The escorting employee will record all information related to the visitor's presence, including (1) their name; (2) the date, time, and purpose of the visit; and (3) any reportable activity or behavior the visitor engaged in during the escorted visit. This visitor log will be made available to the MC Board upon request. No visitors will be allowed in unauthorized, confidential, or potentially hazardous areas. Any visitors who attempt entry to such restricted areas will be escorted off the premises immediately, and a record of the event will be noted in the visitor log and law enforcement will be notified. Visitor logs will be stored for the life of the company.

Provide a copy of a sample identification badge to be displayed by each licensee, employee, or agent while on the premises:



This is for top of back

This is a message for back of the card





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Form MJ-01: Marijuana Establishment Operating Plan

Security Alarm Systems and Lock Standards (3 AAC 306.715):

Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

The exterior of the buildings will be well lit. Lights will be positioned to facilitate surveillance of the front and side doors and windows, the building perimeter, and all areas within twenty (20) feet of the building, to ensure maximum visibility and security. All lights will be motion activated and will be checked daily by Management to ensure that each light in the system is operational and well-placed for visibility in security footage and to deter loitering or otherwise unauthorized presence on the premises. The facility plans to install a total of 4 exterior lights to be evenly distributed and affixed to the building.

An alarm system is required for all license types. Describe the security alarm system for the proposed premises:

The alarm system will be monitored by the alarm company at a central location twenty four (24) hours a day seven (7) days a week to detect unauthorized intrusion and notify local law enforcement, if needed. The alarm system will monitor all exterior doors, windows, and roof penetrations, should any roof penetrations or windows be installed in the future. Motion detectors will monitor all areas of the building including the roof and attic areas. Any unauthorized intrusion or attempted intrusion will send an automatic electronic alert to Ownership and local law enforcement. Additionally, the facility will be equipped with strategically-placed panic buttons to provide easy and central access by employees in an emergency. At all hours of the day or night these buttons, if pressed, will trigger the alarm system. At a minimum, the buttons will be located at the front entrance and in the office and safe room. All employees will be aware of the locations of the panic buttons and taught proper use prior to beginning work. Ownership and Management will be educated on the security and alarm systems by the security and alarm system installers. Education on the security and alarm systems will include proper use, troubleshooting, police response, measures, and controls. Management or Ownership will be the first to arrive to the facility each morning to enter a predetermined code into the security device next to the front door to disable the alarm system. All security cameras and tapes will be checked each morning at opening to ensure they are functioning. The last agent to leave the facility each night will be required to activate all overnight security devices, and lock all doors and windows. Activation of security devices will be done on site using the alarm system keypad. All doors that are not self-locking will be locked using a key, and sensors on windows will be activated at that time.

The alarm system must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe how the security alarm system meets this requirement:

The alarm system will be rigged to each exterior door in the facility-there are no windows- so that any intrusion will initiate the alarm response. Each morning, Ownership will enter a predetermined code into the security device next to the front door to disable the alarm system. The opening employees will check all security cameras and tapes to ensure they are functioning. The last employee to leave at close will activate all security devices and lock all doors and windows. Activation of security devices will be done on site using the alarm system keypad. All doors that are not self-locking will be locked using a key, and sensors on windows will be activated at close to monitor intrusions.



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Form MJ-01: Marijuana Establishment Operating Plan

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Describe your policies and procedures for preventing diversion of marijuana or marijuana product:

In the event that an employee is caught stealing or illegally distributing marijuana, Green Leaf, Inc. will pro-actively cooperate with and notify the appropriate law enforcement agencies in the City of Sitka and/or the State of Alaska. Employees found to be diverting marijuana could be arrested and punished to the fullest extent of the law, and Green Leaf, Inc. will cooperate with all law enforcement directives and immediately notify the AMCO Director and/or designated staff member of the incident. All employees will be trained to recognize potential theft, and are required to notify Ownership or Management if they suspect such activity is occurring. All reports and documentation concerning a suspected or actual theft will be maintained by the company for five (5) years and made available to AMCO, and its agents and representatives, upon request. If any suspected or actual theft occurs, Ownership will contact local law enforcement immediately. Additionally, Ownership will take such steps appropriate and necessary to ensure that an employee's illegal conduct does not compromise or otherwise present a risk to the facility's license and legitimate business operations. Once a theft is reported to law enforcement, Ownership will update the product records in the marijuana inventory control tracking system to maintain an accurate and comprehensive accounting for all marijuana inventory activity. Ownership will also comply with any and all directives, inquiries, and investigations lodged by AMCO.

Describe your policies and procedures for preventing loitering:

The facility will have a single and secure entrance for all regular ingress and egress from the building and for all visitors. The entrance and perimeter of the building will be monitored by an on-site security guard and security cameras at all times. Loitering in and around the facility will not be permitted, and security guards will have a regular and noticeable presence around the property to deter unauthorized entrance. Managers will work with the security guard and local law enforcement, if necessary, to secure the premises, prevent business practices which could entice or allow loitering, and escort all loitering individuals off the premises as soon as possible.

Describe your policies and procedures regarding the use of any additional security device, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm to enhance security of the proposed premises:

The facility will be equipped with strategically-placed panic buttons with easy and central access for employees in an emergency. At all hours of the day or night these buttons, if pressed, will trigger the alarm system. At a minimum, the buttons will be located at the front entrance and in the office and safe room. All employees will be aware of the locations of the panic buttons and taught proper use prior to beginning work. Motion detectors will monitor all areas of the building including the roof and attic areas. Any unauthorized intrusion or attempted intrusion will send an automatic, electronic alert to Ownership and local law enforcement.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security:

In the event that a dangerous, threatening, or unauthorized situation arises in or around the facility, employees shall cooperate with local law enforcement and meet local police or fire department at the premises in a safe location. All visitors present in the building will be asked to leave immediately and escorted to the nearest exit in a safe and organized manner. If an emergency occurs in or around the facility during operation that threatens the facility, or the safety of employees and visitors, Management will evacuate the building of all people, including themselves, and await the arrival of the local police or fire department in a safe and accessible location. Law enforcement representatives for the City of Sitka will be invited to tour the facility and meet the employees in an effort to help the agency further understand the business operations and the building layout. Should any situation arise where law enforcement needs to contact Green Leaf, Inc. Owner and Manager Aaron Bean directly, they will be given a company phone number, as well as direct phone numbers to Ownership, to ensure a good working relationship continues.

Video Surveillance (3 AAC 306.720):

All licensed marijuana establishments must meet minimum standards for surveillance equipment. Applicants should be able to answer "Yes" to all items below.

| Video surveillance and camera recording system covers the following areas of the premises: | Yes | No |
|--|-------------------------------------|--------------------------|
| Each restricted access area and each entrance to a restricted access area | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Both the interior and exterior of each entrance to the facility | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Each point of sale area | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Each video surveillance recording: | Yes | No |
| Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Clearly and accurately displays the time and date | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated | <input checked="" type="checkbox"/> | <input type="checkbox"/> |



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

All security cameras will be positioned in such a manner as to get the best facial image of anyone present within the building and within 20 feet of the exterior walls. Security cameras will be installed throughout the facility that allow for monitoring all areas including, at a minimum: all entrances and exits, all security doors and restricted access areas, all windows, the check-in area, every portion of the office and safe room, and the exterior of the building to monitor all activities adjacent to the facility. The front entrance door of the facility as well as the exterior emergency exit door will have cameras documenting the face of anybody going in or out of the building. All restricted access doors and the check-in area will have coverage to clearly identify the face of anybody present. All exterior entrances and restricted access rooms will have video coverage documenting the face of the individual entering the room. All entrances and exits of the building will be monitored by security cameras. All exterior corners of the space will have cameras installed to facilitate monitoring of all activity on each side of the building. The parking lot and entrance will have video coverage. All security cameras will be of high quality, will have a recording resolution of at least 704x480, and will have the ability to see at night using infrared technology. Footage from security cameras will be accessible remotely, allowing Ownership to view operations from anywhere. A failure notification system will be installed to provide audible and visual notification of any failure in the electronic monitoring system. Any time a camera fails, a loud, beeping notification and a visual alert of the camera screen going black will alert employees of the failure. During a power outage all video cameras and recording equipment will be run on emergency power with a battery backup system to ensure that they will continue to operate for at least one (1) hour.

Describe the locked and secure area where video surveillance recording equipment and records will be housed and stored and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the board:

A nineteen (19) inch or greater call-up monitor will be located in the restricted access Manager's office and safe room to house all surveillance feeds and recordings. Only Ownership, Management, and authorized agents will have access to the office and safe room. Reinforced security walls will be used to separate the office and safe room from the rest of the facility. The office and safe room will feature a solid core fire with a minimum fire rating of ninety (90) minutes, a steel door frame with self-closing and self-locking mechanism, a commercial grade dead bolt lock, and a commercial grade fingerprint entry lock. A high quality video printer capable of immediately producing a still photo from any video camera image will be located alongside the monitor in the office and safe room. All video camera footage will be stored for a minimum of forty (40) days. The surveillance will be stored in the secured office and safe room on a digital video recorder, and any recordings not stored electronically will be kept on CD or flash drive and locked in a safe. Recordings will be stored for at least forty (40) calendar days and will be available to the MC Board and local law enforcement upon request.

Location of Surveillance Equipment and Video Surveillance Records:

Yes No

Surveillance room or area is clearly defined on the premises diagram

☒ ☐

Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area

☒ ☐

Surveillance recording equipment access is limited to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board

☒ ☐

Video surveillance records are stored off-site

☐ ☒



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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Business Records (3 AAC 306.755):

All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records. Applicants should be able to answer "Yes" to all items below.

| Business Records Maintained and Kept on the Licensed Premises: | Yes | No |
|---|--------------------------|--------------------------|
| All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises | <input type="checkbox"/> | <input type="checkbox"/> |
| A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment | <input type="checkbox"/> | <input type="checkbox"/> |
| The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises | <input type="checkbox"/> | <input type="checkbox"/> |
| Records related to advertising and marketing | <input type="checkbox"/> | <input type="checkbox"/> |
| A current diagram of the licensed premises including each restricted access area | <input type="checkbox"/> | <input type="checkbox"/> |
| A log recording the name, and date and time of entry of each visitor permitted into a restricted access area | <input type="checkbox"/> | <input type="checkbox"/> |
| All records normally retained for tax purposes | <input type="checkbox"/> | <input type="checkbox"/> |
| Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed | <input type="checkbox"/> | <input type="checkbox"/> |
| Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f) | <input type="checkbox"/> | <input type="checkbox"/> |



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

A marijuana establishment is required to exercise due diligence in preserving and maintained all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

All business and regulatory documents, recordings, surveillance, logs, and communications will be stored at the facility and backed up. Records within the facility will be stored in the office and safe room in a secure safe, separate from all storage of marijuana products and currency. Only Ownership, Management, and authorized agents will have access to the office and safe room, and all safes inside. Reinforced security walls will be used to separate the office and safe room from the rest of the facility. The office and safe room will feature a solid core with a minimum fire rating of ninety (90) minutes, a steel door frame with self-closing and self-locking mechanism, a commercial grade dead bolt lock, and a commercial grade fingerprint entry lock. Employees managing facility records will be trained in standard retention policies to ensure that all records are maintained and filed in a consistent and searchable fashion until they may be destroyed.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 3 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730, and identify how the proposed establishment will meet the listed requirements.

All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with the system the board implements to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

Applicants should be able to answer "Yes" to all items below.

Marijuana Tracking and Weighing:

Yes No

A marijuana inventory tracking system, capable of sharing information with the system the board implements to ensure tracking for the reasons listed above, will be used

☒ ☐

All marijuana delivered to a marijuana establishment will be weighed on a scale certified in compliance with 3 AAC 306.745

☒ ☐

Describe the marijuana tracking system that you plan to use and how you will ensure that it is capable of sharing information with the system the board implements:

Green Leaf, Inc. will use the electronic marijuana inventory tracking and control system, Metrc, to increase product security, track the cultivation and movement of all marijuana products, and minimize diversion and illegal practices. The facility will install Metrc and fully integrate the system into its standard business practices. All employees will be trained in using the tracking system to ensure that: (1) all marijuana propagated, grown, or cultivated on the premises is identified and tracked from the time the marijuana is propagated through either its transfer to another licensed marijuana establishment, or its destruction; (2) all establishments transacting to purchase or otherwise receive marijuana or marijuana products from the facility are licensed facilities; and (3) any loss or theft of marijuana products is promptly reported. Employees will record data at several stages of the cultivation process, including: (1) during cultivation; (2) during sale, sample, and transport; (3) during disposal, destruction, and theft. The facility will assign a tracking number to each plant over eight (8) inches tall and enter all inventory into Metrc. Each harvest batch will be given an inventory tracking number and entered into Metrc. All clones or cuttings will be limited to fifty (50) or fewer plants and identified by a batch tracking number. After harvest and processing, employees will record all sales in Metrc as they are processed. All marijuana used to prepare and package samples for the purpose of testing or for negotiating sales will also be recorded, including: (1) the amount of each sample; (2) the facility that received the sample; and (3) the disposal of any expired or outdated promotional sample returned to the facility. For each batch, employees will record all transportation arrangements and will generate a transport manifest to accompany the batch in transit. Employees will use Metrc to verify each prospective sale or sample shipment is being delivered to a licensed marijuana establishment, and the identity and handling permit of all individuals who arrive at the facility to conduct business. In the event that marijuana or marijuana products are flagged for disposal, the facility will record the disposal in Metrc at least three (3) days prior to taking any disposal action. In addition to notifying the appropriate local and/or state authorities, any destruction, loss, or theft of marijuana will be promptly recorded in Metrc to give notice to AMCO Director and/or designated staff or agents.



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700, and identify how the proposed establishment will meet the listed requirements.

A marijuana establishment and each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

Applicants should be able to answer "Yes" to all items below.

Marijuana Handler Permit:

Yes No

Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment

☒ ☐

Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

☒ ☐

Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired

☒ ☐

Describe how your establishment will meet the requirements for employee qualifications and training:

Qualified candidates will be hired on a three (3) month probationary period during which time they will receive training and evaluation specific to their position. Training will include marijuana industry topics: safety precautions and procedures, legal issues, and state, local, and federal regulations. Training will take place throughout the year, as well as when topics arise that need further explanation. Ownership will personally present training and education to employees. Within the probationary period, all new employees will be required to meet with Ownership to learn the company's business approach and to adopt the standard of service. Educational packets will be provided to each cultivation employee to be read and reviewed. The educational packets will discuss relevant cannabinoids in the marijuana plant, strain ratios, marijuana benefits and risks, and general Alaska marijuana law. Packets will also include safety procedures that specifically address the facility's security measures and controls for the prevention of diversion, theft, and loss of marijuana such as emergency response procedures and state and federal statutes regarding confidentiality. As proper safety and security procedures are of the utmost importance to Ownership, the most up-to-date reading materials will be available to employees at all times. Management will conduct quarterly staff meetings with the purpose of updating all employees on new state and local regulations, ensuring that each employee is performing within company procedure, assessing any procedural changes that are needed, and addressing any comments or concerns from the staff. Prior to beginning work, employees will be expected to understand: (1) Alaska laws, regulations, and codes governing the marijuana industry and marijuana establishments; (2) all of the licensing requirements to act as a marijuana handler (including obtaining a Marijuana Handler card from state approved course provider prior to commencing employment) and to work in a marijuana establishment; (3) Green Leaf, Inc. standards, operations, protocol, and best practices with regard to all phases of the cultivation and sale of marijuana; (4) general safety procedures and security protocol; (5) how to think defensively if threatening situations occur, and how to recognize the signs of impairment, drug abuse, and instability; (6) in-depth information about our particular strains and marijuana related products; (7) in-depth information on the requirements of each room, task, and system; (8) the general federal, state, and local employment regulations by which Green Leaf, Inc. is governed; and (9) cultivation-specific education. To ensure full coverage for each position, all employees will be cross-trained on the requirements of each job. Employees will also be required to attend a general security class taught by the hired security company. Green Leaf, Inc. will encourage staff to attend seminars, conferences, and workshops, and Management will maintain a library of resources on marijuana topics, available to employees at all times. The state and local marijuana regulations and laws will be posted in spaces frequently occupied by staff, like the break room, for reference. All new hires will be required to meet with Ownership to go over employment documents, specific tasks, educational materials, facility features, security, position-specific training, and to receive their uniform and supplies.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Waste Disposal

Review the requirements under 3 AAC 306.740, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to the statement below.

Marijuana Waste Disposal:

Yes No

The marijuana establishment shall give the board at least 3 days notice in the marijuana inventory tracking system required under 3 AAC 306.730 before making the waste unusable and disposing of it

☒ ☐

Describe how you will store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation, production, process, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations:

Green Leaf, Inc. has prepared a disposal plan for disposing of all marijuana that does not meet state testing requirements and Green Leaf, Inc.'s internal quality standards for any reason, including, but not limited to, disease, infestation, and mishandling. The following is a list of the expected waste that Green Leaf, Inc. will be disposing of: (1) waste from marijuana flowers, trim, and solid plant materials; (2) marijuana that is identified as infected or fails to meet quality testing; (3) marijuana plant waste; (4) run off water from the plants during cultivation; and (5) medium used for cultivation and root matter. Rendering marijuana unusable before disposal will ensure that marijuana and marijuana products are safely kept away from the public. Green Leaf, Inc. will ensure that all marijuana is rendered unusable prior to leaving the facility. The Manager will maintain a log on the status of all marijuana waste, tracking the type of waste, the date of disposal, the date it was rendered unusable, and the date that it was picked up by the disposal company. All marijuana marked for disposal will be stored in a secured bin, separated from all other products and materials, until it can be rendered unusable. Marijuana waste will be rendered unusable a minimum of once per day, before the facility closes. Once rendered unusable, marijuana will be securely stored in locked containers located on the premise. All locks will comply with the highest UL standards. Only authorized personnel will have access to the keys that lock and unlock the disposal containers. The disposed marijuana will not be stored outside the facility at any time. Twice a week, a waste truck will collect the waste and dispose of it. To ensure tracking and to ensure that no diversion occurs, a manager will meet with the waste truck driver and collect a signature and the name of the waste truck driver, the date, time, and the type of marijuana waste being collected. This information will be entered into a log by the manager, which will be securely stored and made available to the MC Board upon request. The manager will make arrangements with the disposal company if ever the dumpsters are full prior to pick-up.

Describe what material or materials you will mix with the ground marijuana waste to make it unusable:

The non-compostable solid wastes that Green Leaf, Inc. will use to render marijuana unusable include: (1) paper waste; (2) plastic waste; (3) cardboard waste; and (4) soil. The compostable solid wastes that Green Leaf, Inc. will use to render marijuana unusable include: (1) food waste; (2) yard waste; and (3) vegetable-based grease or oils.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves the marijuana establishment. Describe the process or processes that you will use to make the marijuana plant waste unusable:

To render marijuana unusable, Green Leaf, Inc. will grind and incorporate the marijuana waste with either non-compostable or compostable solid wastes so that the resulting mixture is at least fifty percent (50%) non-marijuana waste. The facility will use paper waste, plastic waste, cardboard waste, soil, food waste, yard waste, and/or vegetable-based grease or oils. The Manager will ensure that the resulting mixture is composed of no more than fifty percent (50%) marijuana by volume, and will log the composition of the mixture, available to the AMCO upon request. All marijuana waste will be secured in waste storage within the facility, separate from all other marijuana products, storage, and waste, until such time it is picked up by the waste disposal company under the Manager's supervision.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 6 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to all items below.

Marijuana Transportation:

Yes No

The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700

☒ ☐

The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle

☒ ☐

The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport

☒ ☐

During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport

☒ ☐

Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment

☒ ☐

When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received

☒ ☐

The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest

☒ ☐



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment:

All marijuana packaging will be uniform with labels secure and prominently displayed. No packaging products or materials can be used in the cultivation, storage, and/or sale process unless accepted into the facility by a member of the quality control unit. All packaging deliveries will be inspected, accepted or rejected, and recorded in QCU log. All packaging materials that will be sold to marijuana establishments for sale to consumers will be child-proof and not be appealing to children. All plastic packaging will be four (4) millimeters or more in thickness and will be heat-sealed without an easy-open tab, dimple, corner, or flap so that it is difficult for a child to open as a tamperproof measure. The QCU will check all packages to make sure that they will keep all marijuana from contamination and will check to make sure that the packages will not impart any toxic or deleterious substance to the marijuana. Only usable marijuana will be packaged at the facility, and all packaging will not be tampered with. Any packaging done at the facility will be performed in an area specifically set aside for packaging. All necessary sanitation will be executed to ensure the cleanliness of the product and packaging. The facility will package marijuana for sale to other marijuana establishments in standard units in accordance with the Alaska Administrative Code and the AMCO regulations. If the facility is selling usable marijuana in bulk for repackaging and sale to the consumer by the other marijuana establishment, the wholesale standard unit will not exceed five (5) pounds. If the usable marijuana is being packaged for retail sale at a dispensary, the standard unit will not exceed one (1) ounce. Facility agents will create unit-size loose flowers, rolls, or other forms of unit-sized usable marijuana. Unit packaging for marijuana flower will be done in accordance with industry standards, in 1/8 oz. and 1/4 oz. zip seal stand-up pouches from a reputable vendor, as determined in Ownership's discretion. After agents package bulk flower into units, they will be placed in sanitized, air-tight containers, labeled with all compliant labeling information, and given a barcode for the Metrc inventory control system. After all usable marijuana has been placed in bins and labeled, it will be moved to the secure storage area. For all commercial weighing and measuring equipment used at the facility, the commercial device will be licensed pursuant to the Alaska Administrative Code. The facility will use certified scales in compliance with the Alaska Weights and Measures Act, and will maintain registration and inspection reports at the facility. Upon request by the AMCO, Ownership will provide a copy of the registration and inspection reports of the certified scales for review. Labeling materials purchased for resale will be labels that are at least 2 1/4" high by 4" wide and all text printed on the label will be at least 10-point, non-italicized and will be in English. All usable marijuana sold to any marijuana establishment will be labeled with the following information: (1) the name and license number of the cultivation facility; (2) the date the marijuana was harvested; (3) the harvest batch number assigned to the marijuana; (4) the date the marijuana was packaged; (5) the net weight and the quantity of usable marijuana packaged in a standard of measure compatible with the inventory tracking system; (6) a complete list of all pesticides, fungicides, and herbicides used in the cultivation of the marijuana; and (7) the date of expiration, if perishable. If the facility transports marijuana to a retail or manufacturing establishment, a label must be affixed to the shipping container showing that a licensed marijuana testing facility has tested each harvest batch in the shipment. The label will list: (1) the date of final testing; (2) the cannabinoid potency profile, expressed as a range of percentages that extends from the lowest percentage to highest percentage of concentration for each cannabinoid listed from every test conducted on that strain of marijuana from the same marijuana cultivation facility within the last three months; (3) a statement listing the results of microbial testing; (4) a statement listing the results of residual solvent testing, as applicable; and (5) a statement listing the contaminants for which the product was tested, including molds, mildew, filth, herbicides, pesticides, fungicides, and harmful chemicals. Prior to departure, the manager will ensure all marijuana is in sealed packages, and locked in a safe, and secure storage compartment in the vehicle that will be transporting the marijuana.

Describe the type of locked, safe, and secure storage compartments that will be used in any vehicles transporting marijuana or marijuana product:

Any vehicle transporting marijuana products will be unmarked and inconspicuous. Vehicles that will be used for transportation of marijuana products will contain a secure and sanitary area affixed to the inside of the transportation vehicle that will lock and will ensure the marijuana products cannot be seen by anyone from outside of the transportation vehicle. The secure storage area within the transportation vehicle will be sanitized before and after each use. Prior to departure, the manager will ensure all marijuana is in sealed packages, and locked in the safe and secure storage compartment in the transport vehicle. All employees will be trained and will understand that under no circumstances (absent instruction from a duly authorized law enforcement officer) shall a sealed package containing marijuana be opened during transportation. The vehicle storage box will be a rectangular box arranged for mounting in a standard pickup truck bed to extend there across, and will include an two independent storage compartments. There will be a first larger storage compartment and a second smaller storage compartment which is locked within the interior of the first storage compartment. The structures will be formed of steel, or like materials. The second storage compartment is adapted for holding elongated, flat articles such as tools, guns, fishing rods, or other appropriate items. The second storage compartment will be hinged to the interior of the lid of the larger storage compartment, and the second storage compartment will be accessed only when the first storage compartment is opened and the second storage compartment is unlocked.

The main storage compartment- manufactured by Lund Inc- will be 16 gauge steel, flush mounted and bolted to the transportation vehicle. Dimensions: 20.75"x15"x25". A retrofitted false bottom will be fabricated by a local aluminum fabricator. In the hidden compartment will be two Pelican 1600 King cases.

Approved



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 7 – Signage and Advertising

Describe any signs that you intend to post on your establishment with your business name, including quantity and dimensions:

The facility will fix and display all required postings on, around, and within the facility, and maintain the visibility and quality of such postings, with up to date information, including: (1) operating hours, (2) certificate of occupancy from the city and/or borough, (3) the State of Alaska marijuana establishment license certificate (to be displayed prominently), (4) approval to operate a cultivation facility, (5) "No Loitering" sign on the front door, (6) "Surveillance Cameras in Use" sign, (7) "Restricted Access" signs, and (8) any required postings by the local jurisdiction such as Exit and Fire Extinguisher signs. The operating hours are from 10:00 AM until 7:00 PM every day, except on nationally recognized holidays when the premises will be closed. The operating hours will be posted on the front door of the facility. All planned signage, required postings, logos, and advertisements are to be developed by Ownership and submitted to the MC Board prior to being used. At no times will Green Leaf, Inc. utilize any signs, postings, or advertisements that are not approved. With that, please see page 19 of 19 of this form for Green Leaf's signage that will be no greater than 4800 square inches.

If you are not applying for a retail marijuana store license, you do not need to complete the rest of Section 7, including Page 17.

Restriction on advertising of marijuana and marijuana products (3 AAC 305.360):

All licensed retail marijuana stores must meet minimum standards for signage and advertising.

Applicants should be able to answer "Agree" to all items below.

No advertisement for marijuana or marijuana product will contain any statement or illustration that:

Agree Disagree

Is false or misleading

☒ ☐

Promotes excessive consumption

☒ ☐

Represents that the use of marijuana has curative or therapeutic effects

☒ ☐

Depicts a person under the age of 21 consuming marijuana

☒ ☐

Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana

☒ ☐



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

Within one thousand feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21

☒ ☐

On or in a public transit vehicle or public transit shelter

☒ ☐

On or in a publicly owned or operated property

☒ ☐

Within 1000 feet of a substance abuse or treatment facility

☒ ☐

On a campus for post-secondary education

☒ ☐

Signage and Promotional Materials:

Agree Disagree

I understand and agree to follow the limitations for signs under 3 AAC 306.360(a)

☒ ☐

The retail marijuana store will not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage sale of marijuana or marijuana products

☒ ☐

All advertising for marijuana or any marijuana product will contain the warnings required under 3 AAC 306.360(e)

☒ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Alcohol and Marijuana Control Office

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Anchorage, AK 99501

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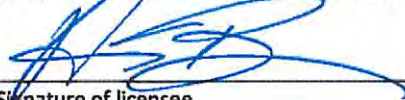
Phone: 907.269.0350

Section 8 – Control Plan for Persons Under the Age of 21

Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

The facility will refuse entrance to any person who does not produce a form of valid photo identification showing that person is twenty one (21) years of age or older. A valid form of identification includes: (1) an unexpired, unaltered passport; (2) an unexpired, unaltered driver's license; instruction permit, or identification card of any state or territory of the United States, the District of Columbia, or a province of Canada; and (3) an identification card issued by a federal or state agency authorized to issue a driver's license or identification card. At no time will a person under the age of twenty one (21) be permitted to remain on the premises. If at any time an employee suspects that a person is a minor, the employee will refuse access and have the individual escorted off the premises.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

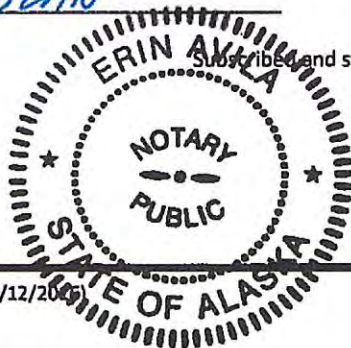


Signature of licensee

ARLEN BEAN

Printed name

Subscribed and sworn to before me this 10th day of MAY, 20 16.



Erin Akka

Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Alcohol and Marijuana Control Office

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(Additional Space as Needed):





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Alaska Marijuana Control Board

Form MJ-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). Your diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas, and dimensions. For those applying for a limited marijuana cultivation license, the proposed area(s) for cultivation must be clearly delineated.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached, and submitted to any supplemental premises diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be submitted to AMCO's main office before any license application will be considered complete.

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

☒ ☐

Section 1 - Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | |
|--------------------|---|-----------------|--------|
| Licensee: | Green Leaf Inc. | License Number: | 10066 |
| License Type: | Marijuana Cultivation Facility License | | |
| Doing Business As: | Green Leaf Inc. | | |
| Premises Address: | 4614 Halibut Point Road, Suites C-2 & C-3 | | |
| City: | Sitka | State: | ALASKA |
| | | ZIP: | 99835 |



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Alaska Marijuana Control Board
Form MJ-02: Premises Diagram


Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances, walls, partitions, counters, windows, areas of ingress and egress, restricted access areas, and storage areas. Include dimensions in your drawing. Use additional copies of this form or attached additional documents as needed.

Scaled Site Plan
4612 HPR
Sitka, Alaska
Green Leaf Inc.
Wyatt-Cox
Resub.#2 Lot 2



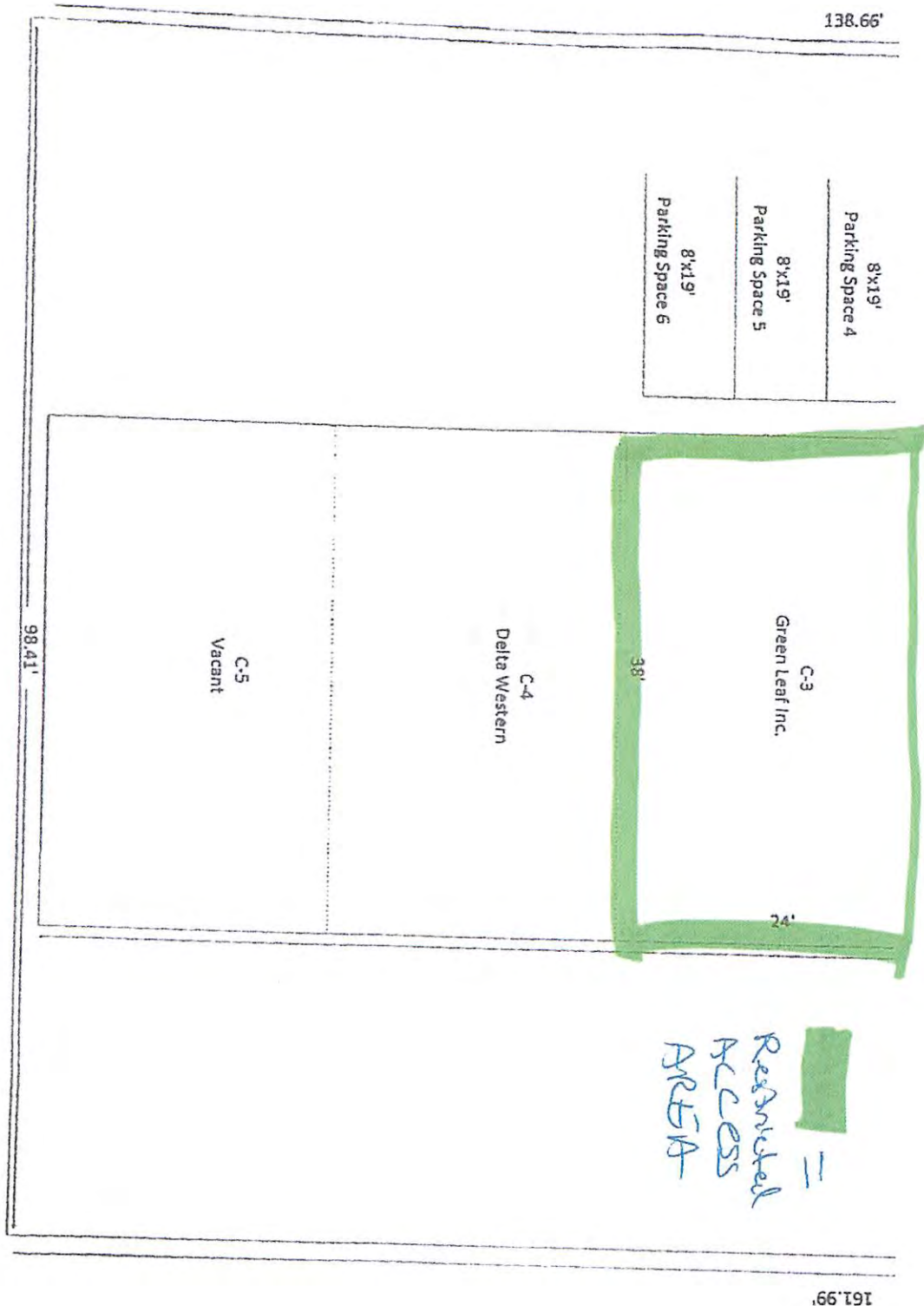
96.60'

 = Restricted
ACCESS
AREA



138.66'

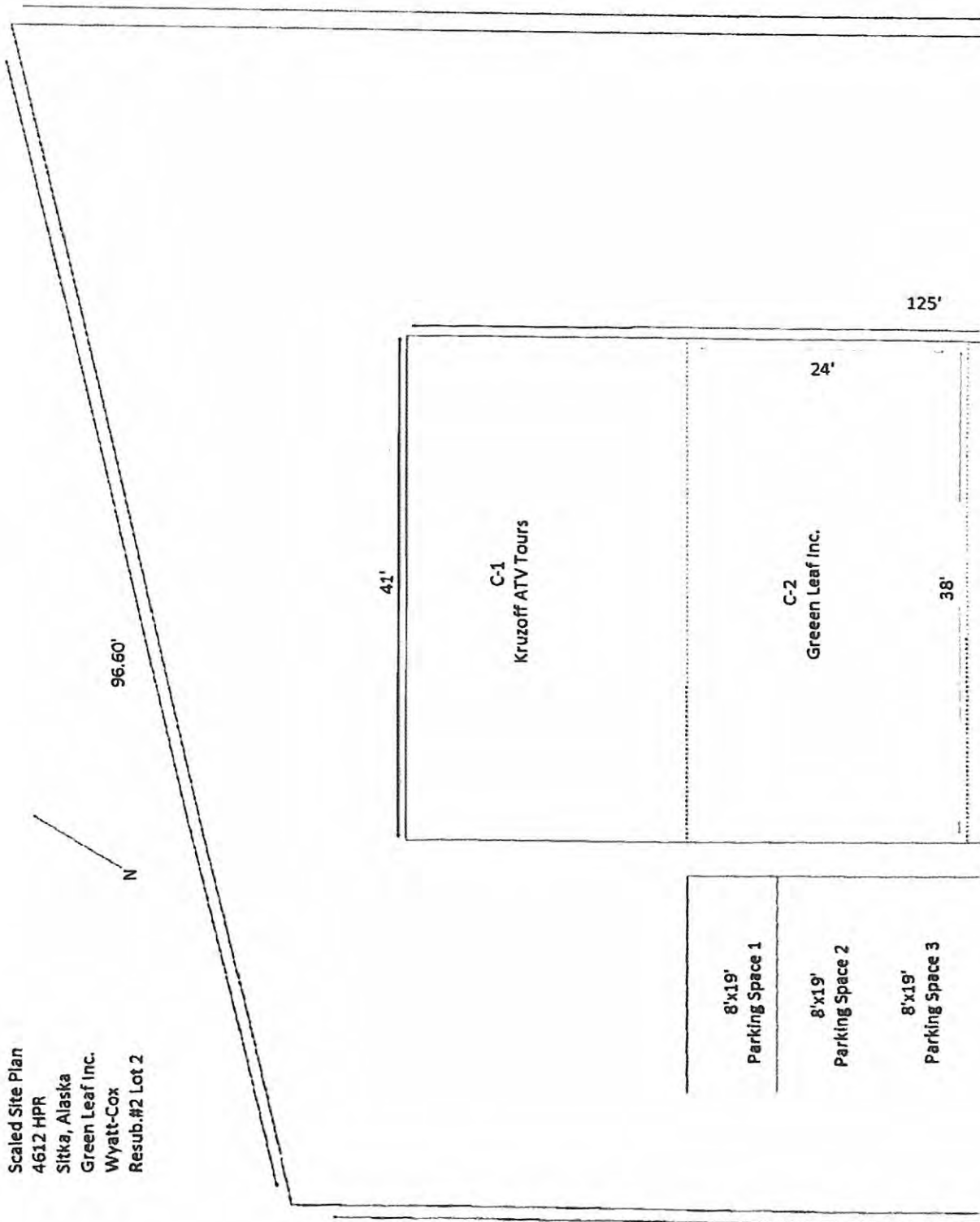
| | |
|--------|-----------------|
| 8'x19' | Parking Space 4 |
| 8'x19' | Parking Space 5 |
| 8'x19' | Parking Space 6 |



RESTRICTED
ACCESS
AREA

161.99'

Scaled Site Plan
4612 HPR
Sitka, Alaska
Green Leaf Inc.
Wyatt-Cox
Resub.#2 Lot 2



161.99'

8'x19'
Parking Space 4

8'x19'
Parking Space 5

8'x19'
Parking Space 6

138.66'

C-3
Green Leaf Inc.

24'

38'

C-4
Delta Western

C-5
Vacant

98.41'

Scaled Site Plan
4614 HPR
Sitka, Alaska
Green Leaf Inc.
Wyatt-Cox
Resub.#2 Lot 2



96.60'

41'

Kruzoff ATV Tours

9'x18'
Parking Space 1

9'x18'
Parking Space 2

9'x18'
Parking Space 3

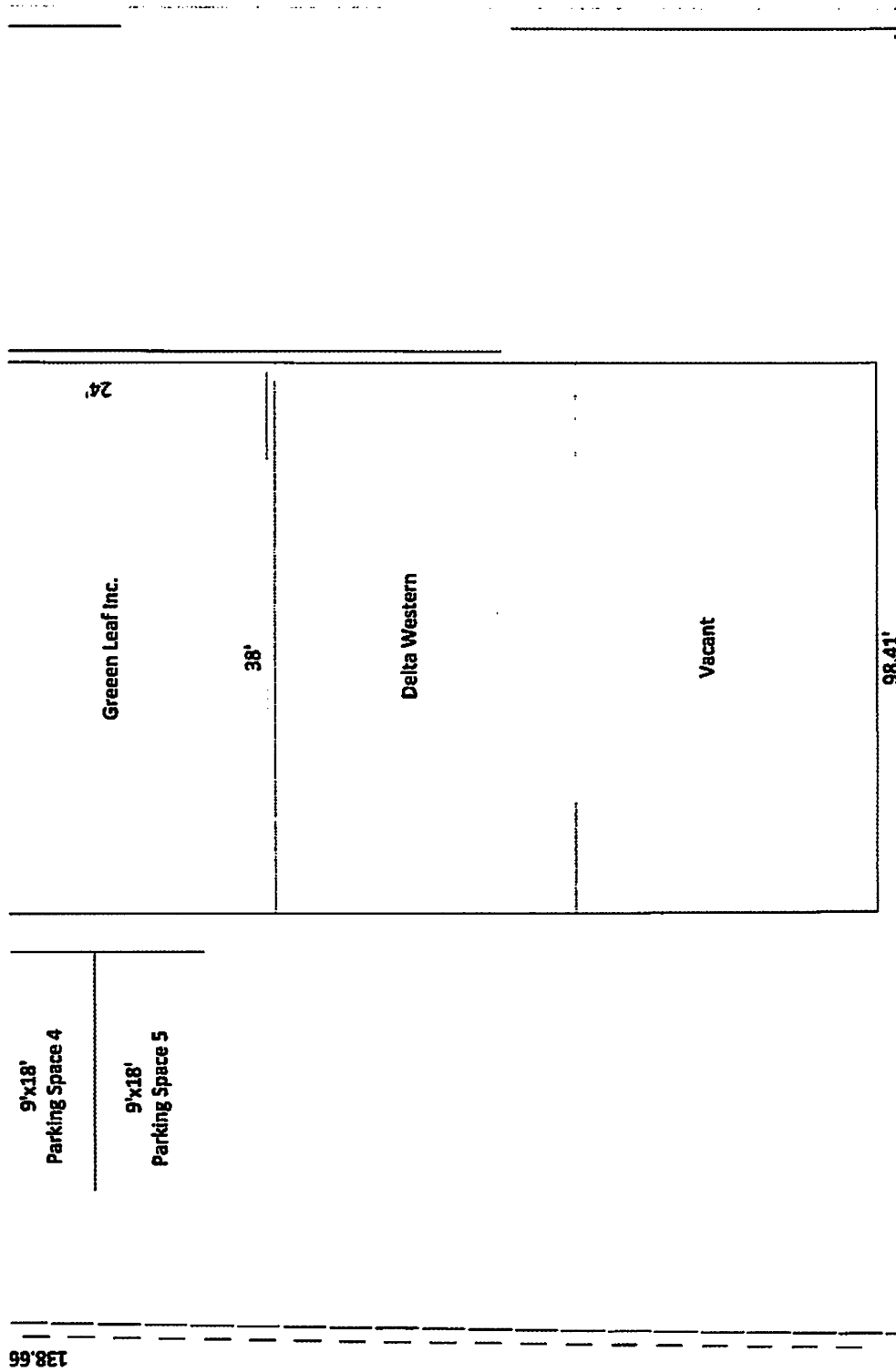
Green Leaf Inc.

24'

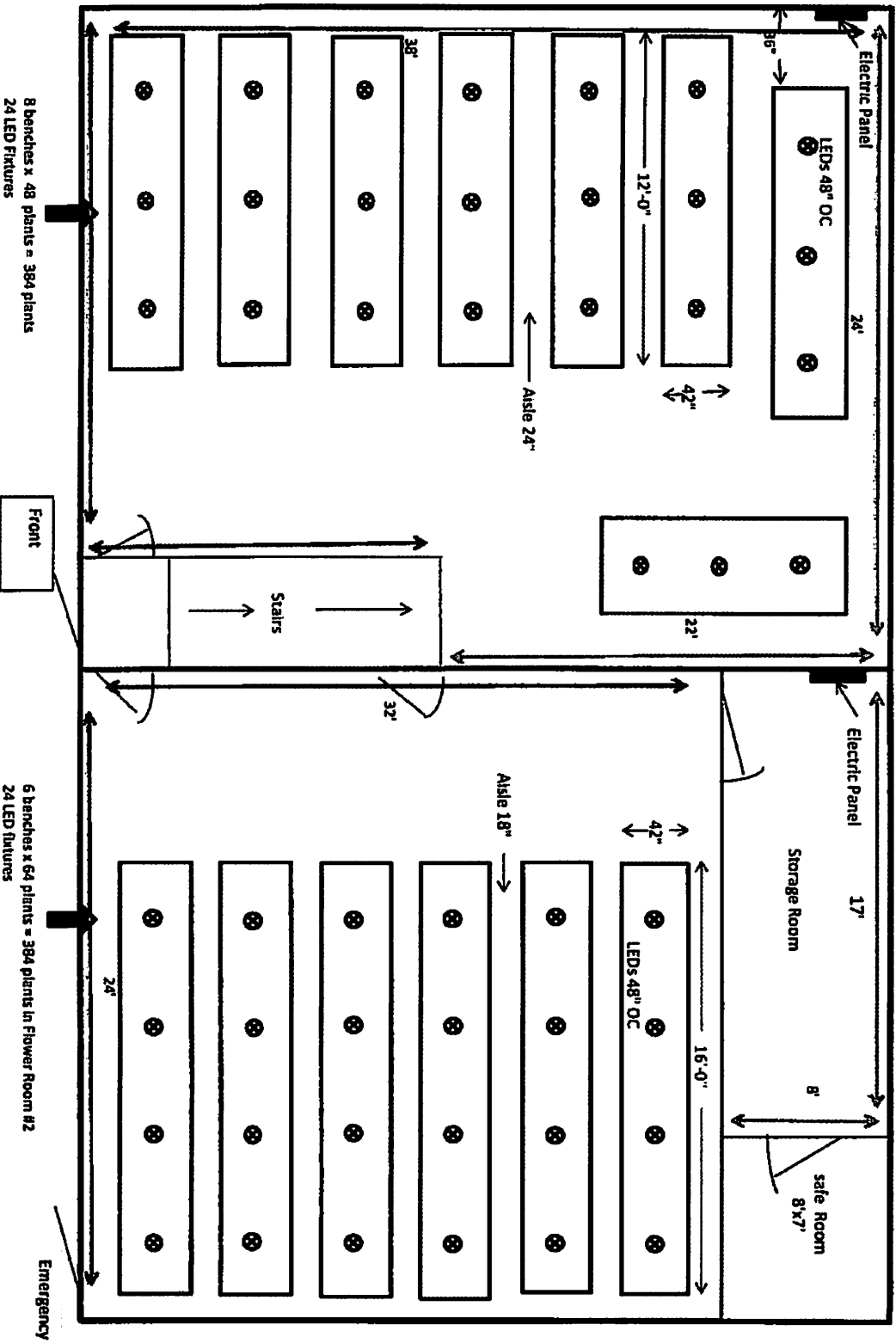
38'

125'

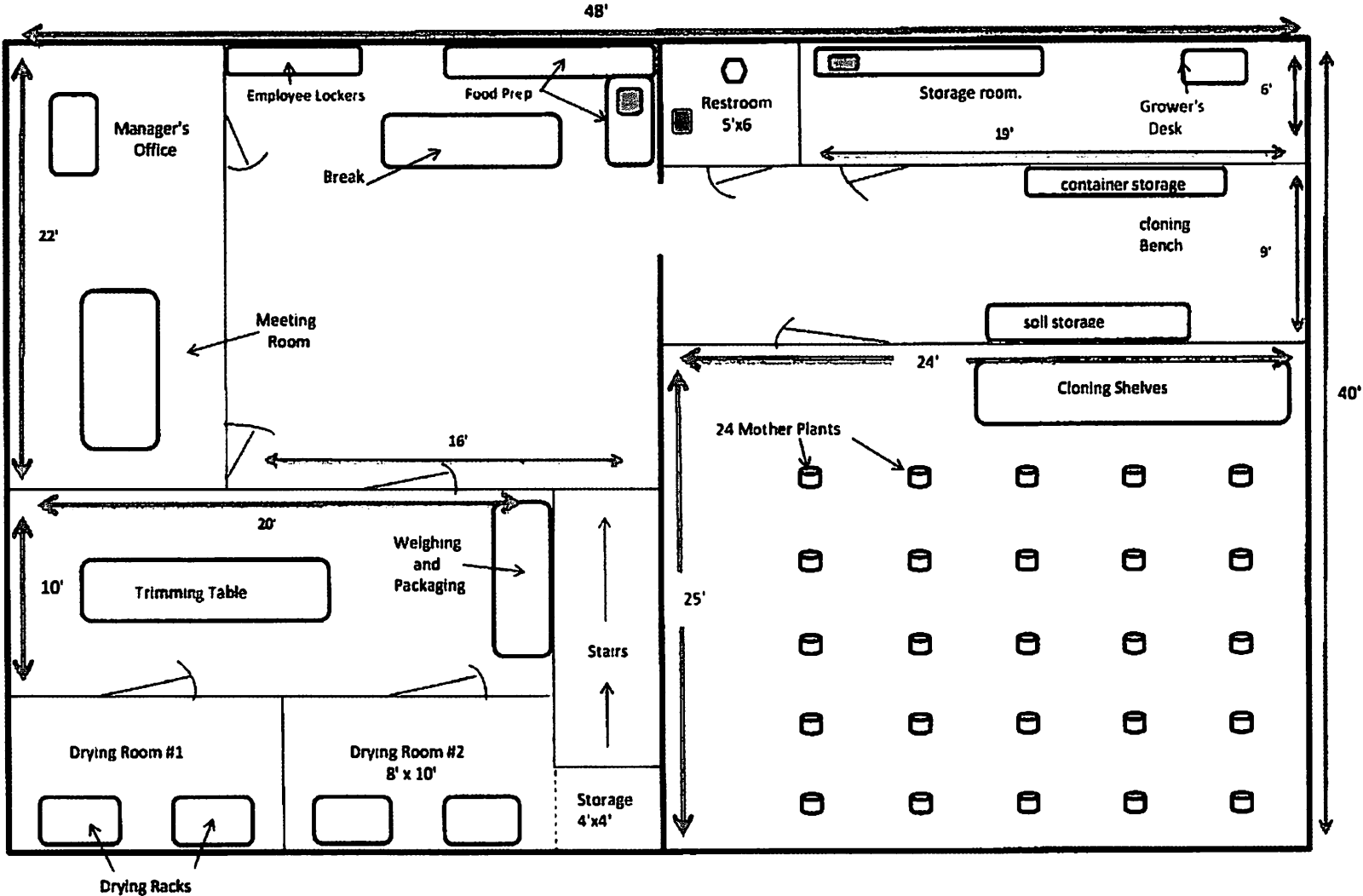
161.99'



Green Leaf Floor Layout - Initial
 capacity is 384 x 2 = 768 plants in flower rooms
 assuming 9 week cycle, production would be about 85 plants per week
 assuming yield is 1.75 oz per plant, total weekly output would be 148 oz/week
 = 9.25 lbs. per week



Green Leaf Floor 2nd Floor Layout - final





Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

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What is this form?

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany the Marijuana Establishment Operating Plan (Form MJ-01), per 3 AAC 306.020(b)(11). Applicants should review Chapter 306: Article 4 of the Alaska Administrative Code. This form will be used to document how an applicant intends to meet the requirements of those regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.420(2).

What additional information is required for cultivation facilities?

Applicants must identify how the proposed establishment will comply with applicable regulations regarding the following:

- Prohibitions
- Cultivation plan
- Odor control
- Testing procedure and protocols
- Security

This form must be submitted to AMCO's main office before any marijuana cultivation facility license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | Green Leaf, Inc. | License Number: | 10066 | | |
| License Type: | Marijuana Cultivation Facility License | | | | |
| Doing Business As: | Green Leaf, Inc. | | | | |
| Premises Address: | 4614 Halibut Point Rd, Suites C-2 & C-3 | | | | |
| City: | Sitka | State: | ALASKA | ZIP: | 99835 |



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Section 2 – Prohibitions

Applicants should review 3 AAC 306.405 – 3 AAC 306.410 and be able to answer “Agree” to all items below.

The marijuana cultivation facility will not:

Agree Disagree

Sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation

☒ ☐

Allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on its licensee's premises or within 20 feet of the exterior of any building or outdoor cultivation facility

☒ ☐

Treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana

☒ ☐

Section 3 – Cultivation Plan

Review the requirements under 3 AAC 306.420, and identify how the proposed premises will meet the listed requirements.

Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including dimensions and overall square footage. Provide your calculations below:

The proposed facility will be approximately 3,640 square feet, with cultivation areas measuring approximately 2,250 square feet. The facility will have one front door for all regular ingress and egress from the building, and one emergency exit door. The facility will have an entrance and check-in area, one office and safe room, one veg room, two flower rooms, one mother and one cloning room, two rooms for marijuana harvesting/drying and processing, rooms for marijuana packaging and storage, two rooms for storage of all other facility products and materials, 1 room for disposal activity and waste storage, one restroom, and one break room.

Please see attached diagrams for First Floor and Second Floor for further clarification.



Alaska Marijuana Control Board

Operating Plan Supplemental

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Describe the marijuana cultivation facility's growing medium(s) to be used:

The facility will be outfitted with an automatic irrigation system utilizing hydroponic tables designed in conjunction with a nutrient management system to maximize production yield. All flowering plants will be grown in a 6"x6" rockwool cubes on a drip system using a timed water pump. Closed loop feeding system using recycled water from a reservoir filled with nutrients mixed ratio of 200PPM to 1200PPM. The growing medium for all mother plants will be on a proprietary 18-24 hour drip system. The system will consist, in part, of three gallon buckets inside five gallon buckets growing in clay pellets. 4 to 8 plants will be on 24-30 closed loop reservoir systems.

Describe the marijuana cultivation facility's fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used:

The cultivation delivery system will consist of a proprietary closed water pump system. The system will consist of black vinyl tubing of various sizes with plastic elbows that attach into the rockwool 6"x6" cubes. The water shed from the rockwool will be recirculated back into the reservoir. A CO2 system will be used to be flowing into and installed in conjunction with state and municipal code and size installed by a licensed contractor.

The following chemicals will be used:

Name: pH Perfect Base Blend Part B
Chemicals: K-1 (Folic Acid), Wet Bulb (Non-Ionic Surfactant), Potassium Nitrate, Monopotassium Phosphate, Urea, Potassium Sulfate, Potassium Ammonium Chloride, Nitrogen Ammonium Chloride, L-Alanine, L-Arginine, L-Aspartic Acid, L-Cysteine/Cystine, L-Glutamine, L-Glutamic Acid, L-Glutamine, L-Histidine, L-Hydroxyproline, L-Isoleucine, L-Leucine, L-Lysine, L-Methionine, L-Phenylalanine, L-Proline, L-Serine, L-Threonine, L-Tryptophan, L-Tyrosine, L-Valine, Proprietary Blend of Osmotic Ca/Factor Plant Extracts, Proprietary Blend of pH Balancing and pH Buffering Compounds.

Name: pH Perfect Base Blend Part A
Chemicals: K-2 (Humic Acid), Wet Bulb (Non-Ionic Surfactant), Calcium Nitrate, Magnesium Nitrate, Magnesium Ammonium Chloride, Iron EDTA, Iron Ammonium Chloride, Iron DTPA, Iron EDDHA, Manganese EDTA, Calcium Ammonium Chloride, Manganese Ammonium Chloride, Zinc EDTA, Zinc Ammonium Chloride, Boron Ammonium Chloride, Copper EDTA, Copper Ammonium Chloride, Molybdenum Ammonium Chloride, Cobalt Ammonium Chloride, Free-Amino EDTA, Calcium Ammonium Chloride, L-Alanine, L-Arginine, L-Aspartic Acid, L-Cysteine/Cystine, L-Glutamine, L-Glutamic Acid, L-Glutamine, L-Histidine, L-Hydroxyproline, L-Isoleucine, L-Leucine, L-Lysine, L-Methionine, L-Phenylalanine, L-Proline, L-Serine, L-Threonine, L-Tryptophan, L-Tyrosine, L-Valine, Proprietary Blend of Osmotic Ca/Factor Plant Extracts, Proprietary Blend of pH Balancing and pH Buffering Compounds.

Name: pH Perfect Commercial Blend Part A
Chemicals: K-3 (Humic Acid), Wet Bulb (Non-Ionic Surfactant), Calcium Nitrate, Urea, Magnesium Nitrate, Magnesium Ammonium Chloride, Iron EDTA, Iron Ammonium Chloride, Iron DTPA, Iron EDDHA, Manganese EDTA, Manganese Ammonium Chloride, Zinc EDTA, Zinc Ammonium Chloride, Boron Ammonium Chloride, Copper EDTA, Copper Ammonium Chloride, Molybdenum Ammonium Chloride, Cobalt Ammonium Chloride, Free-Amino EDTA, Calcium Ammonium Chloride, L-Alanine, L-Arginine, L-Aspartic Acid, L-Cysteine/Cystine, L-Glutamine, L-Glutamic Acid, L-Glutamine, L-Histidine, L-Hydroxyproline, L-Isoleucine, L-Leucine, L-Lysine, L-Methionine, L-Phenylalanine, L-Proline, L-Serine, L-Threonine, L-Tryptophan, L-Tyrosine, L-Valine, Proprietary Blend of Osmotic Ca/Factor Plant Extracts, Proprietary Blend of pH Balancing and pH Buffering Compounds.

Name: Big Bud Liquid
Chemicals: Potassium Sulfate, Monopotassium Phosphate, Molybdenum Nitrate, L-Alanine, L-Arginine, L-Aspartic Acid, L-Cysteine/Cystine, L-Glutamine, L-Glutamic Acid, L-Glutamine, L-Histidine, L-Hydroxyproline, L-Isoleucine, L-Leucine, L-Lysine, L-Methionine, L-Phenylalanine, L-Proline, L-Serine, L-Threonine, L-Tryptophan, L-Tyrosine, L-Valine, Ascorbic Acid, Citric Acid.

Name: B-53
Chemicals: Potassium Nitrate, Urea, Monopotassium Phosphate, Magnesium Sulfate, Seaweed Extract Powder, Humic Acid, Folic Acid, Thiamine Mononitrate, B-1, Macronutrients, B-2, Calcium D-Pentanoate (B-5), Pyridoxine Hydrochloride (B-6), Riboflavin (B-2), Folic Acid.

Name: OverOne
Chemicals: Potassium Nitrate, Magnesium Phosphate, Monopotassium Phosphate, Magnesium Nitrate, Ascorbic Acid, Folic Acid, L-Alanine.

Describe the marijuana cultivation facility's irrigation and waste water systems to be used:

The facility will be outfitted with an automatic, computer-controlled irrigation and water filtration system. The cultivation will use city of Sitka's waste water system. Green Leaf attended local committee meetings discussing commercial marijuana cultivation effects on municipal waste water systems, and according to representatives from Sitka's Public Works department there will be none.



Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office
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Anchorage, AK 99501
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<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Describe the marijuana cultivation facility's waste disposal arrangements:

Green Leaf, Inc. will implement a thorough Deposed Plan to safeguard marijuana consumers, Green Leaf, Inc.'s employees, and the community from the potential hazards presented by marijuana waste. The expected waste that Green Leaf, Inc. will be disposing of includes: (1) waste from marijuana flowers, trim, and solid plant materials; (2) marijuana that is identified as infested or fails to meet quality testing; (3) marijuana plant waste; (4) run off water from the plants during subculture; and (5) medium used for cultivation and root matter. Green Leaf, Inc. will ensure that all marijuana waste is rendered unusable prior to leaving the facility. The manager will maintain a log on the status of all marijuana waste, tracking the type of waste, the date of disposal, the date it was rendered unusable, and the date that it was picked up by the disposal company. To render marijuana unusable, Green Leaf, Inc. will grind and incorporate the marijuana waste with other non-compostable or compostable solid wastes so that the resulting mixture is at least fifty percent (50%) non-marijuana waste. Non-compostable solid wastes include paper waste, plastic waste, cardboard waste, and pet. Compostable solid wastes include food waste, yard waste, and vegetable-based grasses or oils. The manager will ensure that the resulting mixture is composed of no more than fifty percent (50%) marijuana by volume, and will log the composition of the mixture in the disposal log, which will be made available to the AMCO upon request. The disposal log will be kept as part of Green Leaf, Inc.'s business records. Marijuana waste will be rendered unusable using this method a minimum of once per day, before the facility closes. Once rendered unusable, marijuana will be securely stored in locked containers located on the premises. All locks will comply with the highest UL standards, and only authorized personnel will have access to the bins. Once locked and unlocked the disposal containers. The disposed marijuana will not be stored outside the facility at any time. Once a week, a waste truck will collect the waste and dispose of it. To ensure tracking and to ensure that the diversion occurs, the manager will meet with the waste truck driver and collect a signature and the name of the waste truck driver, the date, time, and the type of marijuana waste being collected. This information will be entered into the disposal log, which will be securely stored and made available to the AMCO upon request. The manager will make arrangements with the disposal company if ever the dumpsters are full prior to pick-up.

Section 4 – Odor Control

Review the requirements under 3 AAC 306.430, and identify how the proposed premises will meet the listed requirement.

Describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

The facility will be constructed and outfitted to maximize odor control efforts through the strategic use of climate control, air filtration, ventilation, and exhaust. The air filtration and circulation systems will be essential to controlling heat buildup and eliminating exhaust odors. The air circulation in the facility will be designed in conjunction with the grow lights to counteract the heat emission from the lighting system. Exhaust fans will be fixed to eliminate heat and excess oxygen. Green leaf has calculated the following water removal calculations, which will play a crucial role in removing with odor from exhausted air via HVAC.

Green Leaf Drying Room Specifications

VOLUME CALCULATIONS

7 sq ft of shelf required for 20 oz wet product
7.5 sq ft per shelf (30" x 36")

9.25 lbs dried per week
148 oz dried yield per week
370 oz wet yield per week (2.5 x 1)
20 oz wet per shelf
18.5 shelves required for drying
9 inches between shelves
9 shelves per rack
2 racks per week
15 sq ft of floor area per week for racks

Note: shelves are constructed of five metal screens

WATER REMOVAL CALCULATIONS

assumes: 20 oz wet product yields =>
8 oz dried product = 2.5cl

9.25 lbs dried per week
148 oz dried yield per week =>
370 oz wet yield per week
222 oz of water removed
16 oz per pound
34 pounds of water removed
8.34 pounds per gallon
1.66 gallons removed
128 fl. oz per gallon
213 fl. oz removed
16 fl. oz per pint
13.3 pints removed per drying cycle



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Section 5 – Testing Procedure and Protocols

Review the requirements under 3 AAC 306.455 and 3 AAC 306.465, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer "Agree" to the item below.

I understand and agree that:

Agree Disagree

The board will or the director shall from time to time require the marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks

☒ ☐

Describe the testing procedure and protocols the marijuana cultivation facility will follow:

Green Leaf, Inc. understands and will comply with all testing regulations to ensure our product exceeds the testing requirements. Immediately before packaging, a random sample from each batch of marijuana cultivated will be selected for testing at an independent testing lab. The remainder of the batch will be packaged for storage and stored in a secure, cool, and dry place in the quarantine area where it will remain until the testing lab returns the results of the testing to the facility. A designated employee within the quality control unit will collect a random, homogenous sample for testing by segregating the harvested marijuana into batches of individual strains of bud, flower, and trim. From those collections, the employee will select a random sample from each batch. The employee will prepare a signed statement declaring the selection of the sample was done randomly, and the facility will provide the original signed statement to the testing lab and keep a copy as a business record. The sample will be transported in full compliance with 3 AAC 306.750 and the facility's transportation plan. The facility will segregate the entire batch from which the testing sample was taken from, from any other marijuana on site, and will not sell or deliver any marijuana (including trim, flower, leaves) until the marijuana sample from that specific batch number has been tested and the results are received in writing. All testing reports on batches of marijuana will be secured and kept in the business books and records. Green Leaf, Inc. will fully comply with any request from the Director of AMCO for a random sample from any medium used for growing, soil amendments, fertilizers, crop production aids, pesticides, or water, and shall bear the expense for all such requests.



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Operating Plan Supplemental
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Phone: 907.269.0350

Section 6 – Security

Review the requirements under 3 AAC 306.430 and 3 AAC 306.470 – 3 AAC 306.475, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer “Agree” to the two items below.

The marijuana cultivation facility applicant has:

Agree Disagree

Read and understands and agrees to the packaging of marijuana requirements under 3 AAC 306.470

☒ ☐

Read and understands and agrees to the labeling of marijuana requirements under 3 AAC 306.475

☒ ☐

Restricted Access Area (3 AAC 306.430):

Yes No

Will the marijuana cultivation facility include outdoor production?

☐ ☒

If “Yes”, describe the outdoor structure(s) or the expanse of open or clear ground fully enclosed by a physical barrier:

[N/A]



Alaska Marijuana Control Board

Operating Plan Supplemental

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Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility cannot be observed by the public from outside the facility:

The facility will be outfitted with reinforced security walls to separate all public areas of the premises from all cultivation areas, marijuana processing and storage areas, and restricted access areas. No individuals will be permitted on the premises without checking in with and being escorted by an authorized employee. All movement, transport, or otherwise ingress or egress of marijuana products will be discrete, utilizing the designated loading platform. All marijuana products will be securely packaged, labeled, and organized for transport within the facility before being moved out of the buildings.

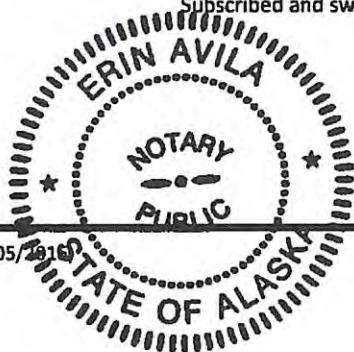
I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.


Signature of licensee

ARON BEAN
Printed name

Subscribed and sworn to before me this 11th day of MAY, 20 16.



Erin Avila

Notary Public in and for the State of Alaska.

My commission expires: 05/12/19



Alaska Marijuana Control Board

Operating Plan Supplemental

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Phone: 907.269.0350

(Additional Space as Needed):



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Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-07: Public Notice Posting Affidavit

What is this form?

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by posting a copy of the application (produced by the board's application website) for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

This form must be submitted to AMCO's main office before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | Green Leaf Inc | License Number: | 10066 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | Green Leaf | | | | |
| Premises Address: | 4614 Halibut Point Road | | | | |
| City: | Sitka | State: | ALASKA | ZIP: | 99835 |

Section 2 – Certification

I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

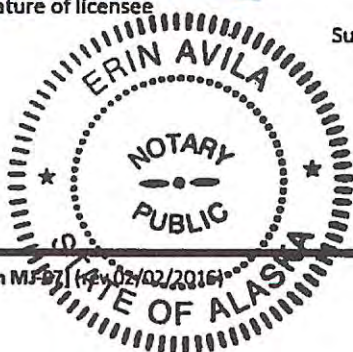
Start Date: 3/17/16 End Date: 3/27/16

Other conspicuous location: Post office, local grocery store

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee

Subscribed and sworn to before me this 18th day of MAY, 2016.



URin Air
Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019



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550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-07: Public Notice Posting Affidavit

What is this form?

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by posting a copy of the application (produced by the board's application website) for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

This form must be submitted to AMCO's main office before any license application will be considered complete.

Section 1 - Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | Green Leaf Inc. | License Number: | 10066 | | |
| License Type: | Standard Marijuana Cultivation Facility License | | | | |
| Doing Business As: | Green Leaf | | | | |
| Premises Address: | 4614 C-2 C-3 Halibut Point Road | | | | |
| City: | Sitka | State: | Alaska | ZIP: | 99835 |

Section 2 - Certification

I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

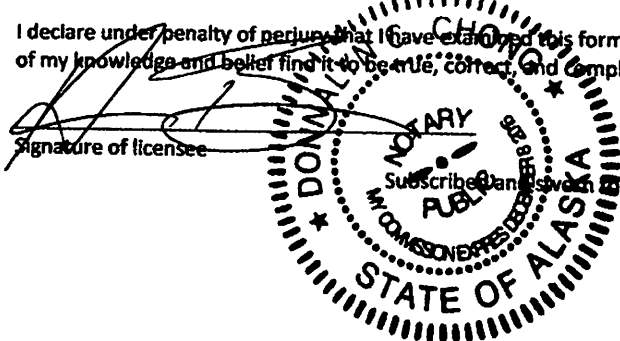
Start Date: 6-10-16

End Date: 6-15-16

Other conspicuous location: A/C Lakeside and local post office

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee



Subscribed and sworn to before me this 15 day of JUNE, 2016.

Notary Public in and for the State of Alaska.

My commission expires: 12-08-2016



Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application (produced by the board's application website) to the local government and any community council in the area of the proposed licensed premises.

This form must be submitted to AMCO's main office before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|--|-----------------|---------------|------|--------------|
| Licensee: | <u>Green Leaf Inc.</u> | License Number: | <u>10066</u> | | |
| License Type: | <u>Standard Marijuana Cultivation Facility</u> | | | | |
| Doing Business As: | <u>Green Leaf</u> | | | | |
| Premises Address: | <u>4614 Halibut Point Road</u> | | | | |
| City: | <u>Sitka</u> | State: | <u>ALASKA</u> | ZIP: | <u>99835</u> |

Section 2 – Certification

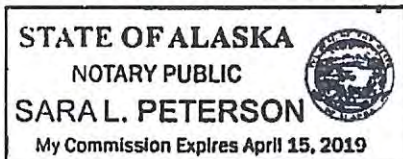
I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government and community council (if applicable):

Local Government: City and Borough of Sitka Date Submitted: 4-18-2016
Community Council: _____ Date Submitted: _____
(Municipality of Anchorage and Matanuska-Susitna Borough only)

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

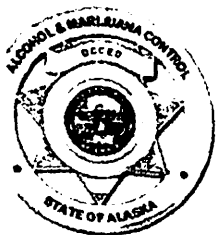
[Signature]
Signature of licensee

Subscribed and sworn to before me this 18 day of April, 2016.



Sara L Peterson
Notary Public in and for the State of Alaska.

My commission expires: 4-15-2019



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
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Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit

What is this form?

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application (produced by the board's application website) to the local government and any community council in the area of the proposed licensed premises.

This form must be submitted to AMCO's main office before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | Green Leaf Inc. | License Number: | 10066 | | |
| License Type: | Standard Marijuana Cultivation Facility License | | | | |
| Doing Business As: | Green Leaf | | | | |
| Premises Address: | 4614 C-2 C-3 Halibut Point Road | | | | |
| City: | Sitka | State: | Alaska | ZIP: | 99835 |

Section 2 – Certification

I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government and community council (if applicable):

Local Government: City and Borough of Sitka

Date Submitted: 6-10-16

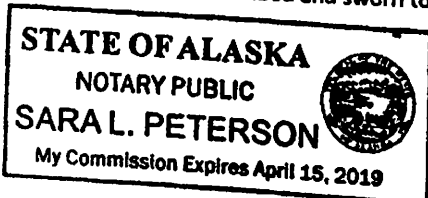
Community Council:
(Municipality of Anchorage and Matanuska-Susitna Borough only)

Date Submitted: _____

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee

Subscribed and sworn to before me this 10 day of June, 2016.



Sara L. Peterson
Notary Public in and for the State of Alaska.

My commission expires: 4-15-2019



Public Notice

Application for Marijuana Establishment License

License Number: 10066

License Status: Initiated

License Type: Standard Marijuana Cultivation Facility

Doing Business As: GREEN LEAF

Business License Number: 1032755

Email Address: aaronbean28@gmail.com

Latitude, Longitude: 57.689050, -135.233500

Physical Address: 4614 C-2 C-3 Halibut Point Rd
Sitka, AK 99835
UNITED STATES

Owner #1

Owner Type: Entity

Alaska Entity Number: 10036065

Alaska Entity Name: Green Leaf, Inc.

Phone Number: 907-738-8923

Email Address: aaronbean28@gmail.com

Mailing Address: 215 Peterson Ave
Sitka, AK 99835
UNITED STATES

Affiliate #1

Owner Type: Individual

Name: Aaron Bean

Date of Birth: 06/06/1979

Phone Number: 907-738-8923

Email Address: aaronbean28@gmail.com

Mailing Address: 215 Peterson Ave
Sitka, AK 99835
UNITED STATES

Interested persons should submit written comment or objection to their local government, the applicant and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 not later than 30 days after this notice of application.

POSTING DATE 6/10/16 - 6/15/16



Alcohol and Marijuana Control Office
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Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) and affiliate (as defined in 3 AAC 306.990(a)(1)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee or affiliate before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

| | | | | | |
|--------------------|--|-----------------|--------|------|-------|
| Licensee: | Green Leaf Inc | License Number: | 10066 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | Green Leaf Inc | | | | |
| Premises Address: | 4614 Halibut Point Road, Suite C-2 & C-3 | | | | |
| City: | Sitka | State: | ALASKA | ZIP: | 99835 |

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

| | |
|--------|------------|
| Name: | Aaron Bean |
| Title: | Owner |
| SSN: | [REDACTED] |



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Marijuana Control Board

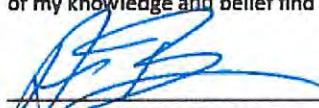
Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.



Signature of licensee/affiliate



Subscribed and sworn to before me this 13th day of MAY, 2016.



Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019



Aaron Bean <aaron.bean@greenleafalaska.com>

RE: Financial interest question 1032755

Kelly, Alicia D (CED) <alicia.kelly@alaska.gov>
To: Aaron Bean <aaron.bean@greenleafalaska.com>

Mon, May 2, 2016 at 10:41 AM

Hello Aaron,

Currently, you are on record as the sole director and shareholder, holding all officer positions. Therefore, you have the sole financial interest. In, in the future, you should opt to add additional directors and/or officers, or shareholders, you would then file a *Notice of Change of Officials* to put them on record; alternatively if a Biennial Report is due, you would use that filing instead. If you remain the 100% shareholder, you will retain the sole financial interest in the company.

More information on the powers and responsibilities of these positions may be found in Alaska law under Sec. 10.06.020. *Limitations on powers of shareholders, officers, and directors*, and in 10.06.450 – 490, which lays duties of out Directors, Officers, Employees, And Agents. Those can be viewed online, here:

<https://www.commerce.alaska.gov/web/portals/5/pub/CorporationsStatutesandRegulations.pdf>

Alicia Kelly

Registration Examiner, Corporations Section

Division of Corporations, Business, and Professional Licensing

State of Alaska

PO Box 110806

Juneau, AK 99811

Fax: 907.465.2974

From: Aaron Bean [mailto:aaron.bean@greenleafalaska.com]
Sent: Monday, May 02, 2016 10:26 AM
To: Kelly, Alicia D (CED)
Subject: Financial interest question

Alicia,

I have a question about who could be said to have a financial interest in my corporation- Green Leaf 1032755- I am the only share holder, and I've appointed a board of directors in accordance with Green Leaf's bylaws. My question is: does my board of directors have a financial interest in my company? If so, can you please share the code with me?

Thank you,

Aaron Bean

907-738-8923

Alcohol & Marijuana Control Office

License #10066

Initiating License Application

2/24/2016 3:27:51 PM

License Number: 10066

License Status: New

License Type: Standard Marijuana Cultivation Facility

Doing Business As: GREEN LEAF

Business License Number: 1032755

Designated Owner: Green Leaf, Inc.

Email Address: aaronbean28@gmail.com

Latitude, Longitude: 57.689050, -135.233500

Physical Address: 4614 Halibut Point Rd
Sitka, AK 99835
UNITED STATES

Owner #1

Owner Type: Entity

Alaska Entity Number: 10036065

Alaska Entity Name: Green Leaf, Inc.

Phone Number: 907-738-8923

Email Address: aaronbean28@gmail.com

Mailing Address: 215 Peterson Ave
Sitka, AK 99835
UNITED STATES

Affiliate #1

Owner Type: Individual

Name: Aaron Bean

SSN: [REDACTED]

Date of Birth: 06/06/1979

Phone Number: 907-738-8923

Email Address: aaronbean28@gmail.com

Mailing Address: 215 Peterson Ave
Sitka, AK 99835
UNITED STATES

**Agreement to Lease
4612 Halibut Point Road Sitka, Alaska 99835, Suite C-2 & C-3**

AGREEMENT TO LEASE 4612 Halibut Point Road Sitka, Alaska 99835, Suites C-2 and C-3 made effective this day 13th of May, 2016, between: Conner Nelson (hereafter referred to as "Landlord") and Green Leaf, Inc., an Alaskan Corporation (hereafter referred to as "Tenant."). Tenant and Landlord collectively referred to as the "Parties." This Agreement to Lease is referred to throughout the Agreement to Lease as "Lease" and/or "Agreement."

In consideration of acts performed and to be performed, mutual promises made and exchange, monies paid and other good and valuable considerations, receipt of which is hereby acknowledged, and parties agree as follows:

1. LEASED PREMISES.

Landlord hereby leases to Tenant, and Tenant leases from Landlord, on a NNN basis, approximately 3,600 square feet of ground floor retail space, known as Suite C-2 & C-3, at the premises situated in the Sitka Recorded District, Third Judicial District, State of Alaska, more particularly described as: 4612 Halibut Point Road Sitka, Alaska 99835, Suite C-2 & C- 3.

2. OCCUPANCY DATE

Occupancy date shall be May 1, 2016.

3. RATE

For the time period of February 1st, 2016 to February. 2016, the rental rate of the premises shall be totaling a monthly payment of \$1,800.00 plus tax paid by Tenants to Landlord no later than the 5th day of each month..

4. LENGTH OF TERM.

The length of the term of this Lease shall be for 5 years from the date of Commencement of Term unless sooner terminated or extended as herein provided.

5. TENANT'S OPTION TO RENEW LEASE.

Tenant, at Tenant's option, shall have the option to renew Lease for an additional three (3) year term at the same Terms described herein.

6. OPTION TO PURCHASE

Tenant's shall have the Option to Purchase the building at any time during the Term of this lease. In the event Tenant's exercise this Option, Tenant's shall purchase from Landlord the Premises at a purchase price to be negotiated and on terms to be negotiated.

7. FIRST RIGHT OF REFUSAL.

Tenant shall have an ongoing, and exclusive right of first refusal (herein after referred to as "Right of First Refusal") to lease or purchase the area comprising of the entire useable space of 4614 Halibut Point Road Sitka, Alaska 99835. The Right of First Refusal shall be exercisable by Tenant only if no event of default by Tenant under this Lease then exists and is continuing beyond the expiration of any notice and cure periods applicable thereto under the Lease, as of the date of submission of the Offer (as defined below) by Landlord to Tenant.

8. OFFER TO LEASE OR PURCHASE FROM THIRD PARTY.

If Landlord receives a bona fide offer (the "Offer") from a prospective tenant to lease or purchase all or any part of the Right of First Refusal Space at the end of the Three (3) year lease term period provided herein, Landlord shall give Tenant written notice of same setting forth all of the material terms and conditions of such Offer (the "Offer Notice").

Tenant shall have Twenty (20) business days after receipt of the Offer Notice to exercise the Right of First Refusal by written notice to Landlord of its intent to exercise. If Tenant exercises the Right of First Refusal, Tenant shall be required to lease or purchase all of the Right of First Refusal Space that is the subject of the Offer. If Tenant fails to notify Landlord of its election within the aforesaid Twenty (20) business day period, Tenant shall be deemed to have waived the Right of First Refusal with respect to the Offer.

9. SECURITY DEPOSIT.

On the execution of this lease, Tenant shall pay Landlord a refundable security deposit of zero dollars to be held as a security deposit to assure payment of further rent and as security against any default or breach of this lease by tenant. If Tenant defaults with respects to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may use apply or retain all or any part of this security deposit for payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reasons of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reasons of Tenant's default. Tenant shall be entitled to return of deposit, less any damages to the Premises beyond usual wear and tear at the end of this Lease.

10. UTILITIES AND SERVICES.

Tenant shall pay all of Operating Expenses (i.e. Gas, Electric, Refuse, Water/Sewer, Liability Insurance, etc.) for the entire portion of the Premises.

Tenant shall be responsible for establishing the appropriate utility services in their name and for paying the deposits and service charges. Any requirement for services and utilities over and above those customarily used by light retail and/or commercial kitchen use shall be provided by tenant.

11. ADDITIONS, ALTERATIONS or IMPROVEMENTS TO PREMISES.

Any improvements or alterations made to premises by Tenant, valued over \$10,000, must have prior written consent of Landlord, be in accordance with municipal codes and performed by licensed and bonded contractors. Tenant shall accept space as-is, with the exception of the following maintenance and improvements: Landlord shall deliver the property including all mechanical, electrical, plumbing, light fixtures, roof, foundation, etc. in good working order and repair any outstanding issues. The unit shall be delivered in a clean and broom swept condition and shall be considered "turnkey" and move-in ready.

12. MAINTENANCE of PREMISES.

Landlord shall, at his own expense, maintain and keep in good repair foundations, exterior walls, (other than the windows and glass), roof, and other structural portions of the lease premises and all mechanical portions (heating, plumbing, electrical, etc.). Tenant shall, at his own expense, maintain the windows, glass, and interior of the Lease premises at all times in good condition and repair, and shall commit no waste of any kind in, on or about the Lease premises, nor create or suffer a nuisance. Tenant specifically acknowledges that it has inspected the premises prior to entering into Lease and accepts the premises in their present condition without any further repairs or maintenance to be required of landlord. At the expiration of this Lease, Tenant shall surrender the leased premises to the Landlord in good condition, normal wear and tear excepted; and shall pay for any and all damage to the Lease premises, and it's apparatus or appurtenances, the building in which the lease premises are situate, and the personal property of Landlord. If abnormal wear and tear or abuse or waste of the Lease premises is found during the term of this Lease, Tenant shall, upon demand by Landlord, immediately eliminate such abnormal wear and tear or abuse or waste and restore the leased premises to their condition at the beginning of this Lease, normal wear and tear excepted.

13. USE OF PREMISES

Use of the leased premises by tenant is limited to business and commercial use, and the premises shall not be used for any other purpose without the express written consent of the landlord. Landlord is aware and agrees that Tenant shall operate a cultivation marijuana establishment business from the premises. Tenant agree to comply with all municipal borough, state, and other governmental laws, statutes, ordinances, rules and regulations, including, but not limited to, zoning ordinances and health and safety and environmental regulations. With respect to the marijuana retail store establishment, Tenant shall operate its establishment in a manner that respects the COLE Memorandum Priorities and shall not violate said priorities identified below:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- Preventing marijuana possession or use on federal property.

14. PARKING.

Tenant shall have the exclusive use of all of the parking area situated on the described premises. Landlord represents to Tenant that the leased premises has adequate parking under all and any applicable land use codes, regulations and ordinances and that Tenant shall have exclusive use of said parking. If any issues arise relating to parking, and/or inadequacy of parking at leased premises, Landlord shall use best efforts and incur necessary expense to obtain approvals and/or find alternative parking arrangement acceptable to Anchorage Municipality officials. In the event, despite Landlord's best effort attempts to cure any parking inadequacies, both Parties shall be released from this Agreement and Tenant shall be refunded his entire security deposit and any months of rent paid to that date.

15. VEHICULAR INGRESS and EGRESS.

Tenant shall have the right to use all means of common ingress and egress to the leased premises, but shall comply with all reasonable rules and regulations pertaining to the same which have been or may be imposed by landlord to control such means of ingress and egress.

16. LIENS and ENCUMBRANCES.

Tenant and Landlord shall keep the property free and clear of all liens and encumbrances, including mechanics and material liens, mortgages and deeds of trust, arising or growing out of its use, improvements, additions, alterations or occupancy of the premises.

17. INDEMNIFICATION and INSURANCE.

Tenant Indemnification. Tenant agrees to indemnify and save Landlord harmless from and against any and all claims arising from any act of gross negligence of Tenant, it's contractors, licensees, agents, servants, customers, visitors or employees, arising from any accident, injury or damage to any person or connection with any such claim or proceeding brought thereon.

Landlord Indemnification. Landlord agrees to indemnify and save Tenant harmless from and against any and all claims arising from any act of gross negligence of Landlord, it's contractors, licensees, agents, servants, customers, visitors or employees, arising from any accident, injury or damage to any person or connection with any such claim or proceeding brought thereon.

Fire and Extended Coverage Insurance. Landlord shall keep and maintain fire and extended coverage insurance on the building in such amounts as it deems appropriate. Any increase in the

premium (over that in effect prior to the commencement of this lease) resulting from the use of the premises by Tenant shall be paid by Tenant.

General Comprehensive Liability Insurance. Tenant shall keep and maintain general comprehensive liability insurance with single limits coverage in an amount of \$500,000.00 for personal injury, property damage and third party liability throughout the duration of this Lease.

18. EMINENT DOMAIN.

If the premises shall be taken substantially in its entirety by right of eminent domain, this Lease shall cease as of the date possession is taken by the condemning authority and the rent shall be paid through that date. If only part of the premises shall be taken, then the Lease shall continue in effect with a reduction in rent in proportion to the amount of leased area taken at the option of Tenant.

19. FIRE and OTHER CASUALTY.

In the event the premises are destroyed or damaged by fire, earthquake or other casualty to such an extent as to render it untenable in whole or in a substantial part, the monthly rental shall be abated in the proportion of which the untenable portion of the premises bears to the whole of the premises. After the happening of any such casualty, Tenant shall give landlord immediate written notice of such. In the event that the premises shall be destroyed or damaged by fire, earthquake or other casualty to such an extent Tenant deems that operation of its businesses in the premises is not practicable, economical or desirable, then Tenant has the option to terminate this Lease. If Tenant elects to remain in the premises, then Landlord shall commence and use best efforts to complete the work necessary to restore or repair the premises. During the period the premises are being repaired, the monthly rent shall be abated in the proportion of which the untenable portion of the premises bears to the whole thereof.

20. ASSIGNMENT AND SUBLEASE.

Tenant, may, without any prior notice to or approval from Landlord, Sublease the premises or portion of the premises.

21. PROHIBITION of INVOLUNTARY ASSIGNMENT; EFFECTS of BANKRUPTCY or INSOLVENCY.

Neither this lease nor any interest of tenant in the premises shall be subject to involuntary assignment, transfer or sale by operation of law, nor in any other manner whatsoever; and any such attempt at involuntary assignment, transfer or sale shall have the effect of voiding the interest sought to be assigned, transferred or sold, and shall be of no other effect whatsoever. In the event Tenant is adjudged insolvent, or make an assignment for the benefit of creditors, or if a receiver is appointed for a tenant with authority to take possession or control of the property or the business conducted thereon by Tenant, and such receiver is not discharged within a period of thirty (30) days after its appointment, that event shall constitute a material breach of this Lease by Tenant and shall, at the sole and exclusive option of the Landlord, and without the necessity of entry, notice, or other action by landlord, terminate this Lease and all rights of Tenant under this Lease in and to the property, and terminate all rights of any and all persons claiming under

Tenant.

22. NON-WAVER of DEFAULT.

Neither the acceptance of rent nor any other act or omission of Landlord at any time after the happening of any event which would entitle Landlord to terminate this lease or to declare Tenant's interest hereunder forfeited, shall operate as a waiver of any past or future violation, breach default, or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive landlord of its rights to terminate or forfeit this Lease or be constructed to at any future time stop Landlord from promptly exercising any option, right or remedy that it may have under any term or provision of this Lease.

23. HOLDING OVER.

In the event that Tenant remains in possession of the premises after the expiration of the term of this Lease, Tenant shall be deemed to be occupying the premises as a month-month tenant, subject to all of the conditions, provisions, terms and obligations of this lease insofar as they may be applicable to a month-month tenant. Such tenancy may be terminated as provided for by the laws of the State of Alaska.

24. ACCESS and INSPECTION.

Upon no less than twenty-four hours' notice, Tenant will permit Landlord or its agents to enter the Premises during business hours, hereinafter defined as from 9:00 a.m. to 6:00 p.m. on weekdays and from 8:00 a.m. to 1:00 p.m. on Saturdays, excluding legal holidays to inspect, clean, repair, alter, or improve the Premises, or to show the Premises to prospective Purchasers or tenants. In exercising its rights under this section, Landlord will not unreasonably interfere with the conduct of Tenant's business. Landlord's agent or employee shall be over the age of 21 and shall comply with Tenant's visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Tenant agent, comply with and sign into the log in sheet and sign out when leaving the premises, as is required by the Alaska Marijuana Control Board Regulations. At no time shall Landlord have more than five persons enter the premises.

25. LICENSE FEES and TAXES.

Tenant shall pay any and all license or excise fees and occupation taxes covering businesses conducted in, on or about the premises, and any sales taxes which may become due and payment on rentals hereunder. Tenant shall be responsible for paying all real property taxes for the premises. Upon reasonable request, Tenant shall furnish landlord with evidence of payment of personal property, withholding, or other taxes which, if unpaid, might lead to a lien upon the leasehold interest of tenant in the property.

26. DEFAULT.

In the event that either Party should materially violate or breach or fail to perform any covenant, agreement, term or condition of this lease, warranty, representation, including, but not limited to, failure to remit payment of rent, parking adequacy, lien-free unencumbered nature of the premises, the non-defaulting Party may, at its sole and exclusive option, and in addition to any other rights and remedies it may have under the law: (a) terminate this Lease; and/or (b) pursue

legal recourse to recoup damages incurred and monies lost.

27. SIGNS.

Tenant has the right to place signage on the exterior of the building. Any additional signage shall require Landlord's written permission, which shall not be unreasonably withheld. All signs or symbols placed in windows, or doors, or elsewhere in, on or about the premises by Tenant shall meet the requirements of the Municipality of Anchorage and application laws and regulations of the State of Alaska.

28. PARTIES BOUND.

The covenants, terms, and conditions contained herein shall be binding upon the heirs, devisee, administrations, executors, and successors in interest of the parties.

29. SEVERABILITY.

If any provision of this lease shall be declared invalid or unenforceable, the remainder the remainder of the lease shall continue in full force and effect.

30. MODIFICATION.

No modification of this lease shall be effective unless in writing and signed by the parties hereon or their duly authorized representatives.

31. NOTICES.

All notices required under the terms of this lease or by law shall be in writing, shall contain a clear and concise statement setting forth the reasons therefore, and shall be personally delivered or sent by certified mail, return receipt requested, to the appropriate party at the address specified hereafter or such other address as the party may designate in writing to the other party from time to time. In the event that a properly sent notice is returned undelivered, the notice shall nonetheless be effective.

32. CHANGE IN LAW; STATE LICENSURE; FEDERAL POLICY SHIFT

The purposed use of the building is to operate a marijuana retail establishment in one section of the building and a separate and distinct accessory business in a separate section of the premises. In the event Tenant is, despite its best efforts (with the exception of parking adequacy of which Landlord bears that responsibility), unable to obtain state and local licenses and special land use approvals, Tenant shall, at Tenant's option, be released from the terms of this Lease but shall forfeit monies already paid to date, including Security Deposit. In this event, Tenant shall also have the option to sub-lease the premises in whole or part to another marijuana state licensed establishment or a non-marijuana establishment.

In the event state or local law changes in a manner that makes the marijuana establishment illegal under state and/or local law, Tenant shall be released from the remaining terms of the Lease, receive its security deposit back less any charges for damages that are not normal wear and tear, but shall forfeit any rent paid to date.

In the event there is a policy shift in the Federal Government and/or Department of Law, and Tenant's (or other similar establishments in Alaska) become the Target of Federal prosecution or state prosecution, all parties to this Lease will be released from the Agreement entirely.

33. BROKER

Because of Tenants option to be released from lease, real estate commissions due on the lease will be paid on an annual basis.

34. ENTIRE AGREEMENT.

This written agreement constitutes the entire agreement between the parties and supersedes all other prior or contemporaneous agreements, oral or written, not included herein.

Agreed to and understood by the Parties on this 13 day of MAY, 2016, executed by individuals whom represent themselves authorized to bind the Parties to this Lease:

Landlord: Connor Nelson


Connor Nelson

Tenant: Green Leaf, Inc.


Aaron Bean, CEO

Affidavit of Publication

STATE OF ALASKA
FIRST JUDICIAL DISTRICT) ss.
AT SITKA, ALASKA

Travis Smith, being first sworn, says she or he
is the publisher, managing editor or business manager of the DAILY SITKA
SENTINEL, a newspaper printed and published in Sitka, Alaska, and le-
gally qualified as a medium of official and legal publications, and that the

Legal Notice a copy of
which is hereto annexed, was published in the Daily Sitka Sentinel on:

2/26 3/4 3/11

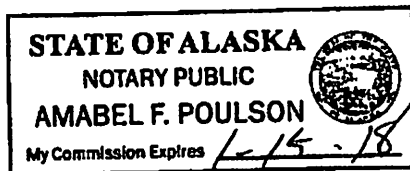
Signature _____

Sworn and subscribed to

before me this 14 day of March, 2016

Notary Public for Alaska

My commission expires _____, 20____



LEGAL NOTICE

Green Leaf, Inc. is applying for a new Standard Marijuana Cul-
tivation Facility License 3 AAC 306.400(1), doing business as
GREEN LEAF located at 4614 Halibut Point Rd, Sitka, AK,
99835, UNITED STATES.

Interested persons should submit written comment or objection
to their local government, the applicant, and to the Alcohol &
Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchor-
age, AK 99501.

Published: February 26, March 4, March 11, 2016

Affidavit of Publication

STATE OF ALASKA
FIRST JUDICIAL DISTRICT) ss.
AT SITKA, ALASKA

Travis Smith, being first sworn, says she or he
is the publisher, managing editor or business manager of the DAILY SITKA
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gally qualified as a medium of official and legal publications, and that the
Legal Notice a copy of
which is hereto annexed, was published in the Daily Sitka Sentinel on:

6/14, _____, _____,
_____, _____, _____,
_____, _____, _____,
_____, _____, _____,

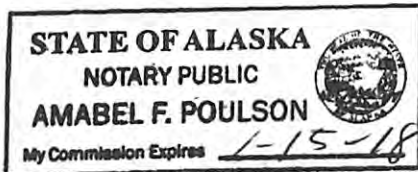
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Sworn and subscribed to

before me this 14 day of June, 2016

Notary Public for Alaska

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Interested persons should submit written comment or objection
to their local government, the applicant, and to the Alcohol &
Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchor-
age, AK 99501.

Published: June 14, 2016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-130 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 7/6/2016 In control: City and Borough Assembly

On agenda: 7/12/2016 Final action:

Title: Discussion/Direction of a draft ballot proposition to increase the millage rate

Sponsors:

Indexes:

Code sections:

Attachments: [Draft ballot proposition.pdf](#)

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

DISCUSSION / DIRECTION

of a draft ballot proposition to increase the
millage rate.



CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-XX

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA TO AMEND THE HOME RULE CHARTER OF THE CITY AND BOROUGH OF SITKA AT ARTICLE 13.03 ENTITLED "PROPERTY TAX LIMIT" TO INCREASE THE MILLAGE RATE LIMIT BY (?) TENTHS OF ONE PERCENT, WHICH WOULD BE (?) TENTHS OF ONE PERCENT, OR (?) MILLS, AND TO LIMIT THE ANNUAL MILL RATE CHANGE TO NOT EXCEED (?) MILLS, AND TO AMEND SITKA GENERAL CODE CHAPTER 4.12.110 ENTITLED "TAX LEVY FIXED BY ASSEMBLY" AND PUT THE QUESTION OF SUCH AMENDMENTS TO THE VOTERS AT A SPECIAL ELECTION ON DECEMBER 6, 2016

1. **CLASSIFICATION.** All sections of this ordinance, except section 5 regarding the ballot proposition, are of a permanent nature, with section 4 intended to become a part of the Home Rule Charter of the City and Borough of Sitka ("Charter") and the Sitka General Code ("Code") if approved by the qualified voters at the December 6, 2016 Special Election.

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

3. **PURPOSE.** This ordinance amends the Charter at Article 13.03 entitled "Property Tax Limit," by raising the property tax millage rate limit 6.0, to (?) mills, limits the annual mill rate change to no more than (?) mills, and adds exceptions to the property tax millage rate limit for voter-approved services.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Sitka Assembly that the Sitka Home Rule Charter at Article 13.03, entitled "Property Tax Limit," as well as the Sitka General Code Chapter 4.12.110, entitled "Tax levy fixed by assembly" are amended to read as follows (new language underlined; deleted language stricken):

* * *

HOME RULE CHARTER
ARTICLE XIII
TAXATION

* * *

Section 13.03 Property Tax Limit

The property tax general fund levy shall not exceed ~~six~~ (?) tenths (~~0.006~~) of one per cent (~~6 mill~~) (? mill rate to be determined by the Assembly) of the assessed valuation of

the property to be taxed, with the annual mill rate (increase/decrease) not to exceed (?) mills. The property tax general fund levy shall be subject to the following exceptions:

1. Taxes necessary to pay for debt service on new voter-approved bonds.
2. Taxes within a service area in order to maintain or obtain services that might otherwise be limited by a tax cap.

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

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

* * *

SITKA GENERAL CODE
Chapter 4.12
PROPERTY TAX

* * *

4.12.110 Tax levy fixed by assembly.

A. Determination of Rate and Levy of Tax. When the final assessment records are completed by the assessor, the assessor shall deliver to the assembly a statement of the total assessed valuation of all real and personal property in the city and borough. The assembly shall then fix the rate of tax levy and designate the number of mills upon each dollar of value of assessed taxable real and personal property that shall be levied and shall levy the tax accordingly for general fund operations and appropriations, separately fixing the levy for school and municipal purposes. The general fund operation and appropriation rate of levy shall be fixed by resolution ordinance and be subject to the voter-approved limitations of the Home Rule Charter Section 13.03 "Property Tax Limit.", but the aggregate thereof may not exceed three percent of the assessed value of the property assessed.

5. **BALLOT QUESTION.** The following question shall be placed before the voters at a special election to be held on December 6, 2016:

Shall the City and Borough of Sitka Charter at Article 13.03, entitled "Property Tax Limit," be amended to increase the property tax general fund levy limit by (?) mills, thus not to exceed (?) tenths (?) of one per cent (? mills) of the assessed valuation of taxable property, and to limit the annual mill rate increase/decrease to no more than (?) mills

☐

YES

☐

NO

Informational:

The Assembly intends to use the additional revenues to balance and restructure budgets with the intention of reducing the tax burden on moderate to lower income households and individuals.

This tax relief will include:

- 1) Elimination of sales tax on groceries
- 2) Residential homeowner exemption not to exceed \$50,000 in assessed valuation

Further, it will use these additional revenues to maintain school district funding at (?) percentile of the state statutory funding cap.

6. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage. The amendment to the Home Rule Charter and City Code of the City and Borough of Sitka set out in Subsection 4 shall only become effective if a majority of the voters voting on this ordinance at the election on December 6, 2016 approve this ordinance, and if a majority of voters so approve then these amendments set out in Subsection 4 shall become effective the day after the election is certified.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this ____ day of July, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk