



# 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*

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Tuesday, July 26, 2016

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

**I. CALL TO ORDER**

**II. FLAG SALUTE**

**III. ROLL CALL**

**IV. CORRESPONDENCE/AGENDA CHANGES**

[16-135](#) Reminders, Calendars and General Correspondence

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

**V. CEREMONIAL MATTERS**

[16-134](#) 1) Service Award - PJ Ford Slack 2) Citation - U.S. Coast Guard Day

Attachments: [Service Award Ford Slack.pdf](#)  
[Citation U.S. Coast Guard Day.pdf](#)

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

[16-138](#) Update on Municipal Attorney hire process - Mark Danielson

Attachments: [Municipal Attorney hire process.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**     [16-132](#)     Approve the minutes of the July 12 Assembly meeting  
  
          **Attachments:** [Consent and Minutes.pdf](#)
- B**     [16-133](#)     Approve a new seasonal liquor license (Restaurant/Eating Place) for Trinity Business Services, LLC dba Halibut Point Crab & Brew at 4513 Halibut Point Road  
  
          **Attachments:** [Liquor License Trinity Business Services LLC Redacted.pdf](#)
- C**     [RES 16-13](#)     Increasing permanent and temporary moorage rates (first and final reading)  
  
          **Attachments:** [Res 2016-13.pdf](#)
- D**     [ORD 16-25](#)     Amending Title 15 of the Sitka General Code to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees", Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees" (first reading)  
  
          **Attachments:** [Motion Ord 2016-25.pdf](#)  
                          [Ord 2016-25.pdf](#)

**X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

*None.*

**XI. UNFINISHED BUSINESS:**

- E**     [ORD 16-22](#)     Adjusting the FY16/FY17 Budgets  
  
          **Attachments:** [Motion Ord 2016-22.pdf](#)  
                          [Ord 2016-22.pdf](#)
- F**     [ORD 16-23](#)     Amending Chapter 4.19 "Sitka Permanent Fund" by adding a new Section 4.19.020 "Annual Transfer to Permanent Fund"  
  
          **Attachments:** [Ord 2016-23.pdf](#)

- G**      [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](#)

**XII.      NEW BUSINESS:**

- H**      [16-136](#)      Update and Discussion/Direction/Decision of a ballot proposition to increase the millage rate and create a residential real-property home-owners exemption of up to \$50,000

**Attachments:** [Discussion Direction Ballot Prop.pdf](#)

[Spreadsheet FY18 General Fund Budget Decision Points.pdf](#)

- I**      [16-137](#)      Update and Discussion/Direction of the bulk water contracts with Alaska Bulk Water Inc. and Arctic Blue Waters (Canada) Inc.

**Attachments:** [Discussion Direction bulk water.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 22*



# CITY AND BOROUGH OF SITKA

## Legislation Details

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**File #:** 16-135      **Version:** 1      **Name:**

**Type:** Item      **Status:** AGENDA READY

**File created:** 7/20/2016      **In control:** City and Borough Assembly

**On agenda:** 7/26/2016      **Final action:**

**Title:** Reminders, Calendars and General Correspondence

**Sponsors:**

**Indexes:**

**Code sections:**

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

Date	Ver.	Action By	Action	Result
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# **REMINDERS**

<b><u>DATE</u></b>	<b><u>EVENT</u></b>	<b><u>TIME</u></b>
Tuesday, July 26	Regular Meeting	6:00 PM
Tuesday, August 9	Regular Meeting	6:00 PM
Tuesday, August 23	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 Jun	27	28	29	30	1 Jul	2
		5:00pm Special Meeting: Millage Increase Discussion/Direction 6:00pm Regular Assembly Mtg	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 Regular Assembly Mtg	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 Regular Assembly Mtg	McConnell 6:00pm Police and Fire Commission - Fire Hall	McConnell	McConnell	McConnell
31	1 Aug	2	3	4	5	6
McConnell	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 Regular Assembly Mtg	McConnell 12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation	McConnell 12:00pm LEPC 12:00pm Parks & Rec	McConnell	McConnell
14	15	16	17	18	19	20
McConnell	McConnell	McConnell PRIMARY ELECTION 12:00pm Tree/Landscape 7:00pm Planning	McConnell	McConnell	McConnell	
21	22	23	24	25	26	27
		6:00pm Regular Assembly Mtg	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	



# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: 16-134 Version: 1 Name:  
Type: Item Status: AGENDA READY  
File created: 7/19/2016 In control: City and Borough Assembly  
On agenda: 7/26/2016 Final action:  
Title: 1) Service Award - PJ Ford Slack 2) Citation - U.S. Coast Guard Day  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Service Award Ford Slack.pdf](#)  
[Citation U.S. Coast Guard Day.pdf](#)

Date	Ver.	Action By	Action	Result
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# Service Award

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

**PJ Ford Slack**

*this expression of grateful acknowledgment for your almost 6 years of  
valued service rendered in the public interest while serving on the  
Library Commission. Thank you!*

Signed and sealed this 26<sup>th</sup> day of July 2016





Deputy Mayor Matt Hunter



ATTEST: Sara Peterson, Municipal Clerk

# CITATION

## HONORING U.S. COAST GUARD DAY

The City and Borough of Sitka recognizes August 4<sup>th</sup> as U.S. Coast Guard Day nationwide and especially wishes to honor all Sitka-based personnel of the U.S. Coast Guard.

**WHEREAS,** Sitka is a Coast Guard City, one of twenty communities in the nation to be so designated, and the City and Borough of Sitka and citizens take this responsibility seriously by making special efforts to acknowledge the professional work of the Sitka Coast Guard men and women and reaching out to these personnel and their families and “making them feel at home at their home away from home”; and

**WHEREAS,** August 4<sup>th</sup> is national U.S. Coast Guard Day, marking the birthday of the United States Coast Guard, which began in 1790 and received its present name in 1915 when Congress supported providing the nation with a single maritime service dedicated to saving life at sea and enforcing the nation’s maritime laws and later added maintaining the country’s aids to maritime navigation and other missions; and

**WHEREAS,** the City and Borough of Sitka and the community of Sitka continue to support and honor the five Sitka Coast Guard units: Air Station Sitka, Cutter Maple, Aids to Navigation Team Sitka, Marine Safety Detachment Sitka, and Electronic Support Detachment Detail Sitka as America’s guardians of the seas.

**NOW, THEREFORE,** the Assembly of the City and Borough of Sitka, in recognition of the 226<sup>th</sup> birthday of the U.S. Coast Guard and Sitka’s status as a Coast Guard City, does hereby recognize the professionalism, skill, and unwavering devotion to duty of all Sitka Coast Guard personnel to provide Sitka with the safety, security, and stewardship of our oceans in an often dangerous world. We thank you and your families for your service.

Signed and sealed this 26<sup>th</sup> day of July, 2016.



A handwritten signature in black ink, appearing to read "Matt Hunter".

Matt Hunter, Deputy Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read "Sara Peterson".

Sara Peterson, CMC  
Municipal Clerk



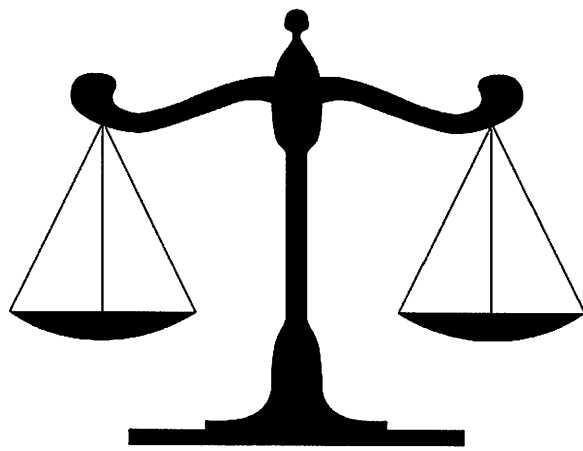
# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: 16-138 Version: 1 Name:  
Type: Item Status: AGENDA READY  
File created: 7/21/2016 In control: City and Borough Assembly  
On agenda: 7/26/2016 Final action:  
Title: Update on Municipal Attorney hire process - Mark Danielson  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Municipal Attorney hire process.pdf](#)

Date	Ver.	Action By	Action	Result
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# Update from HR Director, Mark Danielson on the hire process for Municipal Attorney





# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

Date: Thursday, July 21, 2016  
To: Madam Mayor and members of the Assembly  
From: Mark Danielson – Human Resources Director  
Re: Attorney hire process and applications

Below are some notes for your consideration regarding the next steps of our process in choosing a new Attorney: Review of applications, final interviews, offer, and transition.

## **I. Review of applications:**

Following are some of the ICMA (International City/County Management Association) suggested guidelines for reviewing applications:

- Has the applicant had experience working in a local government of comparable size?
- Has the applicant had experience with the variety of services delivered by the local government? Has the experience been comparable in terms of budget size and number of employees?
- Has the applicant worked in a similar geographic area? Is the applicant likely to be comfortable in a rural or urban setting and familiar with the usual problems faced by the local government?
- What specific responsibilities has the applicant had, and what has the applicant accomplished? How does this compare with the objectives and the priorities of the local government?
- Has the applicant worked directly with the City and Borough of Sitka in the past? Does the applicant have experience working with municipalities, citizen and other groups?
- What is the employment history of the applicant? Does it suggest a pattern of broad experience and increasing responsibility? Does the applicant have good tenure with each employer, or is there a pattern of frequent movement from one position to another?
- How have the resume and letter of interest been prepared? Do they suggest a real interest in the position? What does the resume itself tell about the person?

After the Assembly reviews applications we need an agenda item at a meeting to select the top candidates. Generally, each Assembly member lists the candidates with whom they would like to continue the process and the candidates garnering the most interest are granted interviews.

## **II. Final or first interviews**

The structure for the in-person interviews we've done in the past is for the Assembly to have one interview session with each candidate at the Centennial Hall. In addition to this formal interview, there may be a tour possibly accompanied by Assemblypersons to give candidates more information regarding the community and for the Assembly to see how the candidates are "on their feet" and walking around.

## **III. Other**

- Possible Schedule:
  - August 9: Agenda item - Finalize short list of candidates – Schedule interviews (Skype or in-person)
  - August 10 - 21: Reference checks and questions – Finalize interview questions - HR generally has done reference checks.
  - August 22-26: Interviews (finalists or selection) Community Meet and Greet
  - October 1 Or TBD: New attorney starts
- Format of Centennial Hall/in-town interviews – (Who asks questions, which questions? Visit and meeting arrangements, and reimbursement)
- Salary/terms of employment, Starting Date, Hiring announcement/method, Transition plan.

I'm looking forward to working with you in the selection process for our new Attorney. Please feel free to contact me if you have any questions.

Sincerely,



Mark

747-1816 w 747-4761 h 738-0438 c



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 16-132      Version: 1      Name:

Type: Minutes      Status: AGENDA READY

File created: 7/19/2016      In control: City and Borough Assembly

On agenda: 7/26/2016      Final action:

Title: Approve the minutes of the July 12 Assembly meeting

Sponsors:

Indexes:

Code sections:

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

Date	Ver.	Action By	Action	Result
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# **CONSENT AGENDA**

## **POSSIBLE MOTION**

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**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  
July 12 Assembly meeting.



# 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*

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Tuesday, July 12, 2016

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 5 - McConnell, Hunter, Swanson, Miyasato, and Guevin

**Absent:** 2 - Eisenbeisz, and Potrzuski

#### IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

**16-131** Reminders, Calendars and General Correspondence

#### V. CEREMONIAL MATTERS

**16-125** Service Awards - Don Jones, Grant Miller, and Marijuana Advisory Committee Members

Mayor McConnell presented certificates for Don Jones, Grant Miller, Levi Albertson, Andrew Hames, Darrell Windsor, Joseph D'Arienzo, Pamela Ash, Lindsay Evans, Jay Stelzenmuller, Bob Potrzuski, and Steven Eisenbeisz.

#### 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

Maegan Bosak, Planning and Community Development Director, briefed the

Assembly on the progress and schedule of the Comprehensive Plan update.

## VII. PERSONS TO BE HEARD

Ken Sprague, of StartUp Sitka, announced an event would be held July 25 providing small businesses with the opportunity to engage with local professionals and learn about business development tools.

Michelle Putz thanked the Assembly for their service and encouraged members to not be afraid to make tough decisions.

Alene Henning expressed concern that the newly passed ordinance prohibiting cell phone use while driving was not being enforced.

## VIII. REPORTS

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

Mayor - McConnell announced she was meeting with Lt. Governor Mallott while he was visiting Sitka on July 15.

Administrator - Gorman relayed, due to a warmer winter, electric consumption had decreased by 2.5%; announced the utility assistance donation component of utility bills was active; and shared Governor Walker's decision to reduce school bond debt would cost Sitka approximately \$620,000.

Clerk - Peterson reminded of upcoming election dates, precinct locations, and filing period for Assembly and School Board candidacy.

## IX. CONSENT AGENDA

A motion was made by Guevin that the Consent Agenda consisting of items A, B, C & D be APPROVED. The motion PASSED by the following vote.

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

Absent: 2 - Eisenbeisz, and Potrzuski

**A 16-127** Approve the minutes of the June 28 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

**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

This item was APPROVED ON THE CONSENT AGENDA.

**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

This item was APPROVED ON THE CONSENT AGENDA.

**D     ORD 16-22**     Adjusting the FY16/FY17 Budgets (*first reading*)

This item was APPROVED ON THE CONSENT AGENDA.

**X.     BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

**E     16-128**     Appoint Hugh Bevan to an unexpired term on the Gary Paxton Industrial Park Board of Directors

Assembly members thanked Bevan for applying.

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

**Yes:**   5 -   McConnell, Hunter, Swanson, Miyasato, and Guevin

**Absent:**   2 -   Eisenbeisz, and Potrzuski

**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"

Clyde Bright voiced concern that with passage of this ordinance renter debt would be passed along to landlords. In response, Hunter clarified line 204 (Section 4.40.050 Utility Debts Remain With Real Property) of the ordinance only set aside a title for a reserved section if in the future the City wished to develop that area of the Code. As written, the ordinance would not have any debt remain with the property or landlords. Hunter added if an individual moved from Sitka and did not leave a forwarding address, the City was unable to collect that debt. In closing, Hunter noted the reserved section on line 204 was added as a recommendation from the Municipal Solutions Report. Guevin spoke in opposition stating a comprehensive debt collection policy should have a safety net for low income and lower middle income households.

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

**Yes:**   4 -   McConnell, Hunter, Swanson, and Miyasato

**No:**   1 -   Guevin

**Absent:** 2 - Eisenbeisz, and Potrzuski

## **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"**

Administrator Gorman stated this topic had been before the Investment Committee for a couple of years. The overriding concern was the Charter stated the draw down of the Permanent Fund was 6% of the Fund on an annual basis. Investment advisors stated this was not sustainable and recommended a draw down of between 4 to 4.5%. As part of the annual budget submission, the Administrator would include an amount of funds to be transferred from the General Fund to the Permanent Fund during the subsequent fiscal year. The purpose of the transfer would be to reduce the effective take out from the Permanent Fund. The initial transfer would take place in FY2018 and would be .50% of the average market value of the Sitka Permanent Fund for the past three years. The amount of the annual transfer would increase by .50% per subsequent fiscal year, to a maximum of 2.0%. Hunter stated this was a responsible and wise move.

**A motion was made by Miyasato that this Ordinance be APPROVED on FIRST READING.**

**Yes:** 5 - McConnell, Hunter, Swanson, Miyasato, and Guevin

**Absent:** 2 - Eisenbeisz, and Potrzuski

**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"**

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

**Yes:** 5 - McConnell, Hunter, Swanson, Miyasato, and Guevin

**Absent:** 2 - Eisenbeisz, and Potrzuski

### **Additional New Business Items**

**I     16-129     Approve the standard marijuana cultivation facility license for Green Leaf, Inc.**

Hunter stated a considerable amount of detail had been required by the State and he was comfortable with the request. McConnell reminded that in addition to the State requirements, there were local requirements such as the conditional use permit process that had been met.

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

**Yes:** 5 - McConnell, Hunter, Swanson, Miyasato, and Guevin

**Absent:** 2 - Eisenbeisz, and Potrzuski

**J 16-130 Discussion/Direction of a draft ballot proposition to increase the millage rate**

Administrator Gorman introduced the key components of the draft ballot proposition modeled after the Juneau millage rate cap. Gorman stated the Assembly would need to determine what they would like to see the cap increased to and the maximum amount it could be increased each year. Gorman stated the annual millage rate could not exceed an amount determined by the Assembly with the exception of taxes necessary to pay for debt service on new voter approved bonds. If we were at a cap of 9 mills and the voters approved a general obligation bond to repair roads for example and the cost associated with that was determined to average out to an additional 1.7 mills per year, the total mill rate would be 10.7 mills. The draft ballot proposition as written would eliminate the sales tax on groceries (a revenue loss of approximately \$1.2 million), add a \$50,000 homestead exemption (a revenue loss of approximately \$500,000) and make a commitment to funding the School District at a certain percentage of the cap.

Assessor, Wendy Lawrence, reiterated the proposed model was a budget driven mill rate with a cap on the maximum mill rate. Lawrence stated ideally the maximum mill rate should be based on the worst case scenario budget deficit. Using an example of a \$3.5 million budget deficit in FY18, with no reduction in expenditures, Lawrence indicated the mill rate would be 9.26 mills. Gorman reminded this ballot proposition, if approved by the voters, would not cover all of the deficit in FY18. Other funding sources for Public Works (e.g. roads) and electric subsidization would need to be found. The annual millage rate would be determined by the Assembly each year based on budget needs. Lawrence reiterated that voter approved services such as general obligation bonds, paid for with property tax, would be over and above the maximum limit if we were at that capped limit.

**Assembly Discussion:**

Hunter spoke in opposition to setting a cap that was too high, however, realized if the millage rate was kept at 6 mills the City will lose significant services that are valued. Hunter proposed a 10-12 mill rate cap with no more than an increase of 1 to 2 mills each year. In addition, he stated the home owner exemption and school funding was critical to include. Hunter suggested adding verbiage to inflation proof the home exemption. Guevin spoke in support of the overall framework, a cap of 12 mills, and an annual increase not to exceed 2 mills. He noted this was a step in the right direction and an investment in the quality of life for Sitkans. Swanson, Miyasato and McConnell were also supportive of a 12 mill rate cap and an annual increase not to exceed 2 mills. McConnell expressed concern about the continued decline of assistance from the State and the need for the City to plan. Assembly members agreed on funding the School District at a minimum of 95% but doing so over a three or four year period.

Gorman reminded passage of this proposition would not solve all of the City's financial problems. The City would need to continue to grow the economy, be efficient in City services and look at other revenue sources. If the proposition failed, the City would need to continue to spend reserves and most likely exhaust those funds within 4 to 5 years.

Direction to the Administrator was to prepare a ballot proposition for the July 26 meeting with a cap of 12 mills not to increase/decrease 2 mills annually and the school funding to be at a minimum of 95% of the cap within 4 years, starting at 92%. In addition, Gorman stated an ordinance would come forward at the July 26 meeting to appropriate \$40,000 for public advocacy and education of the ballot proposition. It was anticipated the proposition would be placed before voters at the October 4 regular election.

**XIII. PERSONS TO BE HEARD:**

Hugh Bevan noted he had performed an analysis of the FY17 budget and stated between 2000 and 2017 there had been an internal growth rate of 3%. He suggested a 5 year plan to control the growth of the General Fund operating budget.

Clyde Bright expressed a need for a larger tax base and continued economic development.

Mim McConnell, speaking on behalf of the Sitka Community Land Trust, stated there would be a Chamber of Commerce After Hours Open House at 125 Lillian Drive on July 14 at 5pm. McConnell announced this was the first house built by the Sitka Community Land Trust.

**XIV. EXECUTIVE SESSION**

None.

**XV. ADJOURNMENT**

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:39 pm.

ATTEST:

\_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 16-133      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 7/19/2016      In control: City and Borough Assembly

On agenda: 7/26/2016      Final action:

Title: Approve a new seasonal liquor license (Restaurant/Eating Place) for Trinity Business Services, LLC  
dba Halibut Point Crab & Brew at 4513 Halibut Point Road

Sponsors:

Indexes:

Code sections:

Attachments: [Liquor License Trinity Business Services LLC\\_Redacted.pdf](#)

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

## **POSSIBLE MOTION**

**I MOVE TO** approve a new seasonal liquor license (Restaurant/Eating Place) for Trinity Business Services, LLC dba Halibut Point Crab & Brew at 4513 Halibut Point Road and forward this approval to the Alcoholic Beverage Control Board 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 and Assembly Members  
From: Sara Peterson, Municipal Clerk  
Date: July 20, 2016  
Subject: Application for New Seasonal Liquor License (#5510)

---

This office has received notification of the following application for a new seasonal liquor license for:

License #: 5510  
Applicant: Trinity Business Services, LLC  
DBA: Halibut Point Crab & Brew  
Address: 4513 Halibut Point Road  
Type: Restaurant/Eating Place

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

**Recommendation: Approve a new seasonal liquor license for Trinity Business Services, LLC dba Halibut Point Crab & Brew at 4513 Halibut Point Road and forward this approval to the Alcoholic Beverage Control Board without objection.**



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Commerce, Community,  
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

2400 Viking Drive  
Anchorage, Alaska 99501  
Main: 907.263.5900  
TDD: 907.465.5437  
Fax: 907.263.5930

July 14, 2016

City and Borough of Sitka  
Attn: Sara Peterson & Melissa Henshaw

VIA Email: **Municipal Clerk:** [sara.peterson@cityofsitka.org](mailto:sara.peterson@cityofsitka.org)  
**Deputy Clerk:** [melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)

**Restaurant/Eating Place License #5510 DBA: Halibut Point Crab & Brew**

- ☒ New Application      ☐ Transfer of Ownership      ☐ Transfer of Location  
☐ Restaurant Designation Permit      ☐ DBA Name Change

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

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

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

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

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

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 3 AAC 304.145, Local Governing Body Protest.

**Note:** Applications applied for under AS 04.11.400(g), 3 AAC 304.335(a)(3), AS 04.11.090(e), and 3 AAC 304.660(e) must be approved by the governing body.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shilo Senquiz', with a stylized, flowing script.

Shilo Senquiz  
Business Registration Examiner  
Direct line: 907-334-0892  
Email: [shilo.senquiz@alaska.gov](mailto:shilo.senquiz@alaska.gov)

State of Alaska  
Alcoholic Beverage Control Board

Date of Notice: July 14, 2016

Application Type: **NEW**   X  

           **TRANSFER**  
           Ownership  
           Location  
           Name Change

Governing Body: **City and Borough of Sitka**

Community Councils: None

License #: Restaurant/Eating Place  
D.B.A.: Halibut Point Crab & Brew  
Licensee/Applicant: Trinity Business Services, LLC.  
Physical Location: 4513 Halibut Point Rd.  
Mail Address: PO Box 816 Sitka, AK  
Telephone #: 907-623-0622  
EIN: XXXXXXXXXX

Corp/LLC Agent:	Address	Phone	Date and State of Incorporation	Good standing?
Trinity Business Services, LLC.	PO Box 816 Sitka, AK 99835	253-405-0389	03/13/2015 Alaska	Yes

*Please note: the Members/Officers/Directors/Shareholders (principals) listed below are the principal members. There may be additional members that we are not aware of because they are not primary members. We have listed all principal members and those who hold at least 10% shares.*

Member/Officer/Director:	DOB	Address	Phone	Title/Shares (%)
Benjamin T. Hilberg	<span style="background-color: black; color: black;">XXXXXXXXXX</span>	485 Katlan Unite Sitka, AK 99835	907-623-0622	100%

If **transfer** application, current license information:

License #: n/a  
Current D.B.A.: n/a  
Current Licensee: n/a  
Current Location: n/a

Additional comments:

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is “arbitrary, capricious and unreasonable”. Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

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

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

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

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 3 AAC 304.145, Local Governing Body Protest.

**Note:** Applications applied for under AS 04.11.400(g), 3 AAC 304.335(a)(3), AS 04.11.090(e), and 3 AAC 304.660(e) must be approved by the governing body.

Sincerely,

*Shilo Senquiz*  
*Business Registration Examiner*  
*shilo.senquiz@alaska.gov*  
*907-334-0892*

Alcoholic Beverage Control Board  
550 West 7<sup>th</sup> Ave. Suite 1600  
Anchorage, AK 99501

## New Liquor License

(907) 269-0350  
Fax: (907) 334-2285  
<http://commerce.alaska.gov/dnn/abc/Home.aspx>

License is: ☐ Full Year OR ☒ Seasonal List Dates of Operation: 4/1/16 - 9/3/16

SECTION A - LICENSE INFORMATION			FEES <u>14045</u>
Office Use: License Year: <u>2016-17</u>	License Type: <u>Restaurant and Eating Place License</u> <u>(AS 04.11.100)</u>	Statute Reference Sec. 04.11. <u>100</u>	License Fee: <u>\$ 600.00</u>
Office Use: License #: <u>5510</u>			Filing Fee: \$100.00
Local Governing Body: (City, Borough or Unorganized) <u>SITKA</u>	Community Council Name(s) & Mailing Address: <u>see attach.</u>		Rest. Desig. Permit Fee: \$
Name of Applicant (Corp/LLC/LP/LLP/Individual/Partnership): <u>TRINITY BUSINESS SERVICES, LLC</u>	Doing Business As (Business Name): <u>HALIBUT POINT CLUB &amp; BREW</u>	Business Telephone Number: <u>907 623 0622</u>	Fingerprint: <u>\$49.75</u> ( <u>\$49.75 per person</u> )
Mailing Address: <u>PO BOX 816</u>	Street Address or Location of Premises: <u>4513 HALIBUT POINT ROAD</u> <u>SITKA, ALASKA 99835</u>	Fax Number: <u>SAME</u>	TOTAL <u>749.75</u>
City, State, Zip: <u>SITKA ALASKA 99835</u>		Email Address: <div style="background-color: black; width: 150px; height: 20px;"></div>	
SECTION B - PREMISES TO BE LICENSED			
Distance to closest school grounds: <u>Approx 4 mile</u>	Distance measured under: <input checked="" type="checkbox"/> AS 04.11.410 OR <input type="checkbox"/> Local ordinance No. _____	<input type="checkbox"/> Premises is GREATER than 50 miles from the boundaries of an incorporated city, borough, or unified municipality.	
Distance to closest church: <u>Approx 3.5 mile</u>	Distance measured under: <input checked="" type="checkbox"/> AS 04.11.410 OR <input type="checkbox"/> Local ordinance No. _____	<input type="checkbox"/> Premises is LESS than 50 miles from the boundaries of an incorporated city, borough, or unified municipality.	
Premises to be licensed is: <input type="checkbox"/> Proposed building <input checked="" type="checkbox"/> Existing facility <input type="checkbox"/> New building		<input checked="" type="checkbox"/> Not applicable	
		<input type="checkbox"/> Plans submitted to Fire Marshall (required for new & proposed buildings) <input checked="" type="checkbox"/> Diagram of premises attached	



## New Liquor License

### SECTION C - LICENSEE INFORMATION

1. Does any individual, corporate officer, director, limited liability organization member, manager or partner named in this application have any direct or indirect interest in any other alcoholic beverage business licensed in Alaska or any other state?

☐ Yes ☒ No If Yes, complete the following. Attach additional sheets if necessary.

Name	Name of Business	Type of License	Business Street Address	State

2. Has any individual, corporate officer, director, limited liability organization member, manager or partner named in this application been convicted of a felony, a violation of AS 04, or been convicted as a licensee or manager of licensed premises in another state of the liquor laws of that state?

☐ Yes ☒ No If Yes, attach written explanation.

### SECTION D - OWNERSHIP INFORMATION - CORPORATION

*Corporations, LLCs, LLPs and LPs must be registered with the Dept. of Community and Economic Development.*

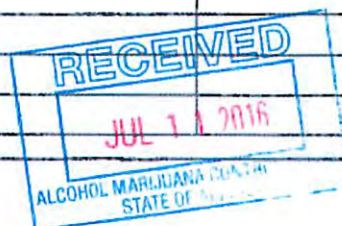
Name of Entity (Corporation/LLC/LLP/LP) (or N/A if an Individual ownership):		Telephone Number:	Fax Number:
TRINITY BUSINESS SERVICES, LLC		907-623-0622	907-623-0622
Corporate Mailing Address	City:	State:	Zip Code:
PO Box 816	SITKA	ALASKA	99835
Name, Mailing Address and Telephone Number of Registered Agent:		Date of Incorporation OR Certification with DCED:	State of Incorporation:
Ben Hilberg PO Box 816 SITKA 99835 253-405-0387		3/13/15	ALASKA

Is the Entity in "Good Standing" with the Alaska Division of Corporations? ☒ Yes ☐ No  
If no, attach written explanation. Your entity must be in compliance with Title 10 of the Alaska Statutes to be a valid liquor licensee.

### Entity Members (Must include President, Secretary, Treasurer, Vice-President, Manager and Shareholder/Member with at least 10%)

Name	Title	%	Home Address & Telephone Number	Work Telephone Number	Date of Birth
BENJAMIN T HILBERG	PRES	100	485 KATLAN UNIT E SITKA 99835 253-405-0387	907-623-0622	

NOTE: If you need additional space, please attach a separate sheet.



Alcoholic Beverage Control Board  
550 West 7th Ave. Suite 1600  
Anchorage, AK 99501

## New Liquor License

(907) 269-0350  
Fax: (907) 334-2285  
<http://commerce.alaska.gov/dnn/abc/Home.aspx>

### SECTION E - OWNERSHIP INFORMATION - SOLE PROPRIETORSHIP (INDIVIDUAL OWNER & SPOUSE)

Individual	ees/Affiliates (The ABC Board defines an "Affiliate" as the spouse or significant other of a licensee. Each Affiliate must be listed.)			
Name:	Applicant <input type="checkbox"/>	Name:	Applicant <input type="checkbox"/>	
Address:	Affiliate <input type="checkbox"/>	Address:	Affiliate <input type="checkbox"/>	
Home Phone:	Date of Birth:	Home Phone:	Date of Birth:	
Work Phone:		Work Phone:		
	Applicant <input type="checkbox"/>	Name:	Applicant <input type="checkbox"/>	
	Affiliate <input type="checkbox"/>	Address:	Affiliate <input type="checkbox"/>	
	Date of Birth:	Home Phone:	Date of Birth:	
		Work Phone:		

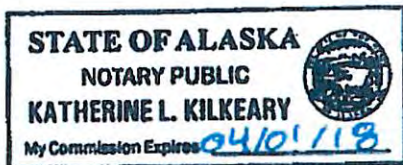
I have read and am familiar with Title 4 of the Alaska statutes and its regulations, and that in accordance with AS 04.11.450, the licensee(s) has any direct or indirect financial interest in the licensed business.

I have examined this application, including the accompanying schedules and statements, and to the best of my knowledge, it is true, correct and complete, and this application is not in violation of any security interest or other contracted

I have read and am familiar with Title 4 of the Alaska statutes and its regulations, and that in accordance with AS 04.11.450, the licensee(s) has any direct or indirect financial interest in the licensed business.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

Signature of Licensee(s)	Signature of Licensee(s)
Signature	Signature
Signature	Signature
Name & Title (Please Print)	Name & Title (Please Print)
BT HIBBERG PRESIDENT	
Subscribed and sworn to before me this	Subscribed and sworn to before me this
11 day of July 2016	day of
Notary Public in and for the State of Alaska	Notary Public in and for the State of
Katherine L. Kilkeary	
My commission expires: 04/01/18	My commission expires:



STATE OF ALASKA  
ALCOHOL BEVERAGE CONTROL BOARD  
Licensed Premises Diagram

**INSTRUCTIONS:** Draw a detailed floor plan of your present or proposed licensed premises on the graph below.  
show all entrances and exits, and all fixtures such as tables, booths, counters, bars, coolers, stages, etc.

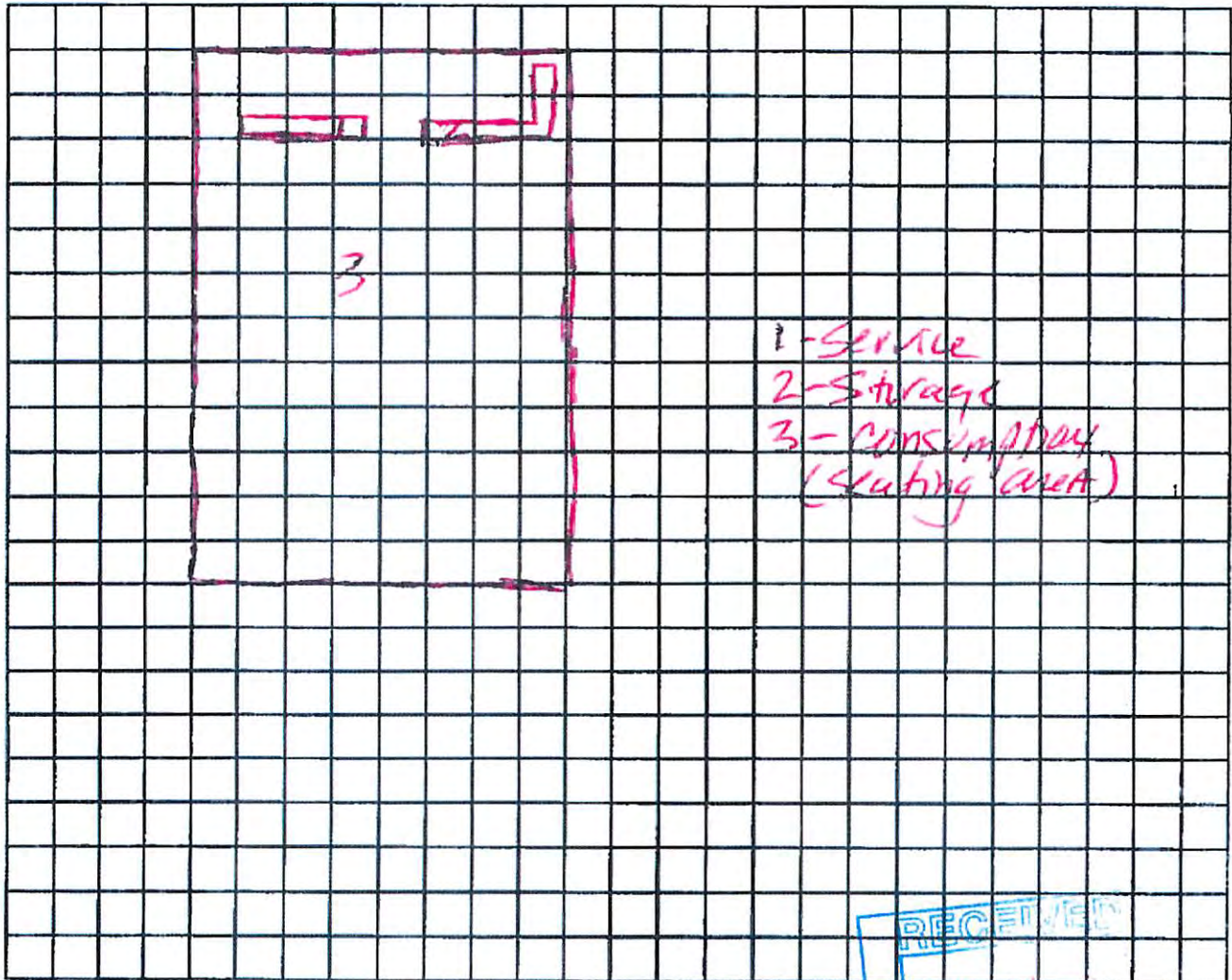
DBA: Malibu Point Crab and Brew  
PREMISES LOCATION: 4513 MALIBU POINT ROAD SITKA 99835

Indicate scale by x after appropriate statement or show length and width of premises.

SCALE A: ☒ 1 SQ. = 4 FT. SCALE B: ☐ 1 SQ. = 1 FT.

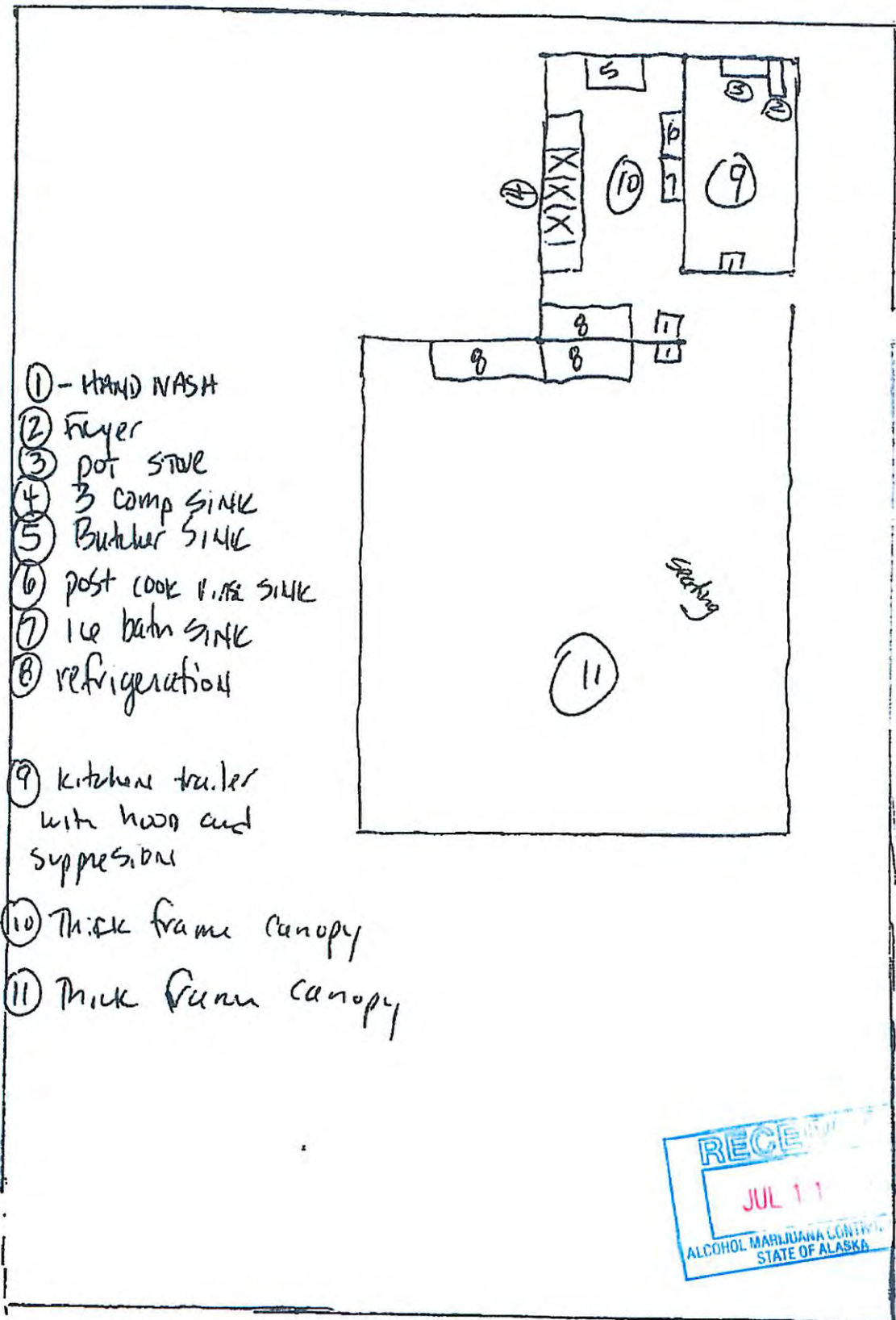
Length and width of premises in feet:

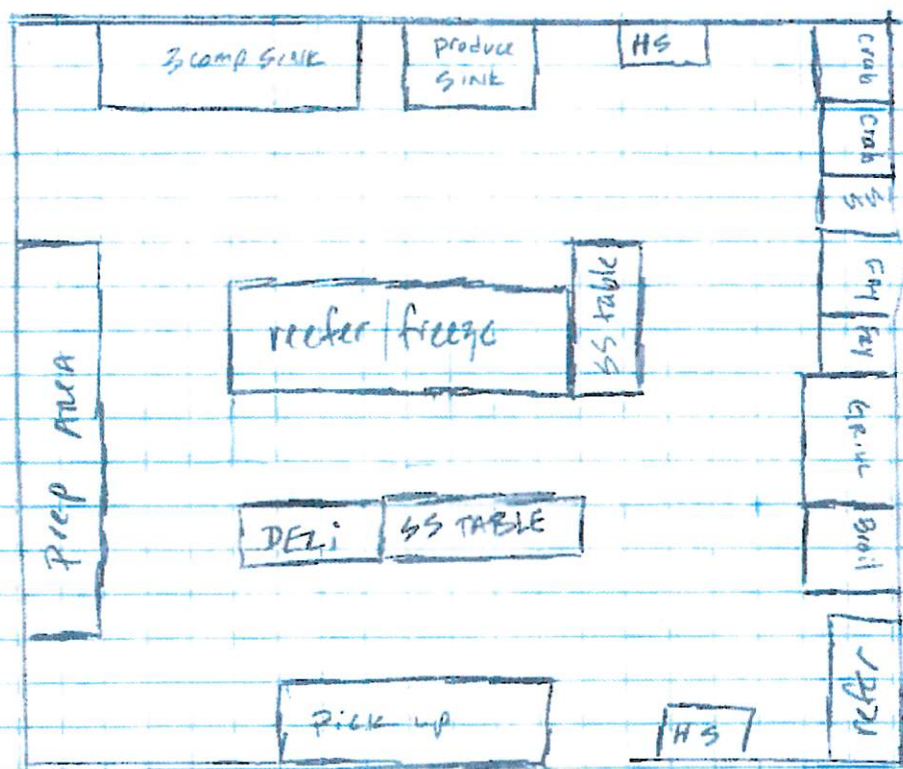
Outline the area to be designated for sale, service, storage, and consumption of alcoholic beverages in red.  
**DO NOT USE BLUE INK OR PENCIL ON THIS DIAGRAM.**



1/2  
1/2

WESTERN SIDE





draft kitchen layout



WATER SIDE

RECEIVED

JUL 11 2016

ALCOHOL MARIJUANA CONTROL OFFICE  
STATE OF ALASKA

WATER  
SIDE

## Proposed Menu

Live Dungeness Crab

King Crab Legs

Sourdough Corn Fritters

Crab Cakes

Crab Sandwich

Crab Louie

Cole Slaw

Bottled Soda

Beer (draft and Bottles)





# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: RES 16-13    Version: 1    Name:  
Type: Resolution    Status: AGENDA READY  
File created: 7/19/2016    In control: City and Borough Assembly  
On agenda: 7/26/2016    Final action:  
Title: Increasing permanent and temporary moorage rates (first and final reading)  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Res 2016-13.pdf](#)

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

**POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2016-13 on first and final reading.

Sponsor: Administration

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-13

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA, ALASKA,  
INCREASING PERMANENT AND TEMPORARY MOORAGE RATES**

**WHEREAS**, Sitka General Code Section 13.06.010 Moorage charges and fees, Subsection (A) states, Moorage fees and charges shall be established by resolution and approved by the Assembly; and

**WHEREAS**, the Assembly approved a 5% moorage fee increase in conjunction with its approval of the FY2017 Consolidated Operating Budget; and

**NOW, THEREFORE, BE IT RESOLVED** that the Assembly of the City and Borough of Sitka, Alaska, hereby approves the following permanent and temporary moorage charges, effective as stated:

Permanent Moorage (effective July 26th, 2016):

Vessels 20 feet in length and under \$2.35 per foot per month, if owners pay in advance for one year

All Vessels not paying in advance, \$3.14 per foot per month

Transient Moorage (effective July 26th, 2016):

Vessels up to eighty feet in length \$0.98 per foot per day

Vessels eighty-one feet to one hundred fifty feet in length \$1.67 per foot per day

Any vessel greater than one hundred fifty feet in length \$2.51 per foot per day

Monthly Transient Permit Moorage (effective July 26th, 2016):

Vessels up to one hundred fifty feet in length \$16.74 per foot per month

Vessels over one hundred fifty feet in length \$25.11 per foot per month

Eliason Harbor and Thompson Harbor end ties (effective July 26th, 2016):

All vessels \$2.89 per foot per day

O'Connell Bridge Facility (effective July 26th, 2016):

All vessels \$5.25 per foot per day

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

---

Matthew Hunter, Deputy Mayor

ATTEST:

---

Sara Peterson, CMC  
Municipal Clerk



# CITY AND BOROUGH OF SITKA

## Legislation Details

---

File #: ORD 16-25    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 7/19/2016    In control: City and Borough Assembly

On agenda: 7/26/2016    Final action:

Title: Amending Title 15 of the Sitka General Code to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees", Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees" (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-25.pdf](#)  
[Ord 2016-25.pdf](#)

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

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2016-25 on  
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-25

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE RATES AT CHAPTER 15.04 "SEWER SYSTEM" SECTIONS 15.04.100 ENTITLED "SERVICE CONNECTION CHARGE", 15.04.320 ENTITLED "RATES AND FEES", CHAPTER 15.05 "WATER SYSTEM" SECTIONS 15.05.240A ENTITLED "SERVICE CONNECTION CHARGE", AND 15.05.620 ENTITLED "RATES AND FEES"

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

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

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

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

\* \* \*

Chapter 15.04

SEWER SYSTEM

\*\*\*

**15.04.100 Service Connection Charge.**

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

\* \* \*

**15.04.320 Rates and Fees.**A. Base rate: fifty three dollars and ~~seven~~ sixty cents per unit per month.

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

Notes:

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

B. Sewer Service in Conjunction with Metered Water.

1. General Sewer Service in Conjunction with Metered Water. Minimum charge: One times the unmetered sewer base rate plus two dollars eighty-six nine cents per one thousand metered gallons.

\* \* \*

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

- a. Treated wastewater, metered: three dollars and ~~fourteen~~ seventeen cents per one thousand gallons water use.

C. Connection Fee. Seven hundred ~~twenty-five~~ thirty dollars per connection.

\* \* \*

**Chapter 15.05**  
**WATER SYSTEM**

\*\*\*

**15.05.240. Service Connection Charge.**

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

\* \* \*

**15.05.620 Rates and fees.**

- A. Unmetered Water. Base rate: thirty-eight ~~nine~~ thirty five dollars and ~~ninety-six~~ thirty five cents per unit.

UNIT DESCRIPTION		UNIT
<b>Residential/Dwelling Unit<sup>(1)</sup></b>		1.0 <sup>(2)</sup>
<b>Commercial (General, Miscellaneous)<sup>(3)</sup></b>		1.0
Clubs and lodges without bar or restaurant		
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
<b>Commercial Specifics<sup>(3)</sup> (1 Minimum) Plus</b>	<b>Per Each</b>	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel <sup>(4)</sup>	bed or room	0.3
Dormitory, boardinghouse <sup>(4)</sup>	bed or room	0.3
RV park <sup>(4)(6)</sup>	RV space	0.3
Bed and breakfast <sup>(4)</sup>	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care <sup>(5)</sup>	10 students	0.4
Theater	10 seats	0.2

UNIT DESCRIPTION		UNIT
Car wash (no minimum)	stall	2.0

92

93

Notes:

94

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

95

96

(2) Base rate.

97

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

98

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

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(5) Approximate enrollment—may be reviewed annually.

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

107

## B. Metered Water Service.

108

### 1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1"	15,000	<del>\$55.55</del> <u>\$56.11</u>
2"	50,000	<del>\$121.83</del> <u>\$123.05</u>
3"	100,000	<del>\$182.73</del> <u>\$184.56</u>
4"	250,000	<del>\$365.46</del> <u>\$369.11</u>
6" and above	500,000	<del>\$730.92</del> <u>\$738.23</u>

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

2. Gary Paxton Industrial Park.

a. Metered water: ~~one hundred twenty-one dollars and eighty-three cents~~ one hundred twenty three dollars and five cents per month minimum.

i. Treated water: ~~two dollars and forty-four cents~~ two dollars and forty six cents per one thousand gallons.

ii. Treated water, fish processing use: ~~one dollar and eighty-four cents~~ one dollar and eighty six cents per one thousand gallons.

iii. Raw water for heating: ~~Seventy-seven~~ Seventy-eight cents per one thousand gallons.

iv. Raw water for industrial processing: One dollar and ~~ten~~ eleven cents per one thousand gallons.

v. Raw water for water bottling at Gary Paxton industrial park: in container sizes of five gallons or less: One dollar and ninety-four ~~four~~ six cents per one thousand gallons.

vi. Raw water for bottling at Gary Paxton industrial park in container sizes greater than five gallons: one cent per gallon.

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

D. Fire Hydrant Use Fee. Provided in Section 15.05.590.

E. Connection Fee. ~~Seven hundred twenty five dollars~~ Seven hundred thirty dollars per connection.

\*\*\*

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

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 9th day of August, 2016.

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Matthew Hunter, Deputy Mayor

ATTEST:

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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: 7/26/2016    Final action:  
Title: Adjusting the FY16/FY17 Budgets  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Motion Ord 2016-22.pdf](#)  
[Ord 2016-22.pdf](#)

Date	Ver.	Action By	Action	Result
7/12/2016	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2016-22 on  
second and final 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>
<b><u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u></b>			
<b><u>GENERAL FUND</u></b>			
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.			
<b><u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u></b>			
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>
<b><u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u></b>			
<b>ENTERPRISE AND INTERNAL SERVICE FUNDS (cont)</b>			
<b>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.</b>			
<b>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 &amp; girders at Wastewater Treatment Plant (\$50,000); replace compressor at Marine Service Center (\$4,200)</b>			
<b>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.</b>			
<b>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.</b>			
<b>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.</b>			

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>
<b><u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u></b>			
<b><u>GENERAL FUND</u></b>			
Personnel: At the June 28 <sup>th</sup> 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.			
<b><u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u></b>			
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>
<b>ENTERPRISE AND INTERNAL SERVICE FUNDS (cont.)</b>			
<b>Management Information Systems Fund – Travel/Training: A re-appropriation of \$9,909 to travel and training.</b>			
<b>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.</b>			

**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 26<sup>th</sup> Day of July, 2016.

**ATTEST:**

\_\_\_\_\_  
**Mim McConnell, Mayor**

\_\_\_\_\_  
**Sara Peterson, CMC**  
**Municipal Clerk**

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## MEMORANDUM

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**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

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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 #: ORD 16-23    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

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

On agenda: 7/26/2016    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: [Ord 2016-23.pdf](#)

Date	Ver.	Action By	Action	Result
7/12/2016	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2016-23 on  
second and final reading.

# Memo

**Thru:** Mark Gorman, Municipal Administrator

**To:** City and Borough of Sitka Assembly

**From:** Jay Sweeney, Chief Finance and Administrative Officer *J 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 1/12<sup>th</sup> of the annual transfer mandated by the Permanent Fund being transferred back in FY2017, 1/6<sup>th</sup> in FY2018, 1/4<sup>th</sup> in FY2019 and 1/3<sup>rd</sup> 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 0.50% of the average market value of the Sitka Permanent Fund for the past three years, as measured on December 31<sup>st</sup> of each year. The amount of the annual transfer will increase by 0.50% 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 26<sup>th</sup> day of July, 2016.

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56 \_\_\_\_\_  
Mim McConnell, Mayor

57 **ATTEST:**

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59 \_\_\_\_\_  
60 Sara Peterson, CMC  
61 Municipal Clerk

1<sup>st</sup> reading 7/12/16  
2<sup>nd</sup> reading 7/26/16



# 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: 7/26/2016    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
7/12/2016	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2016-24 on  
second and final 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:~~

<b>Asset Category</b>	<b>Minimum %</b>	<b>Target %</b>	<b>Maximum %</b>
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

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File #: 16-136      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 7/20/2016      In control: City and Borough Assembly

On agenda: 7/26/2016      Final action:

Title: Update and Discussion/Direction/Decision of a ballot proposition to increase the millage rate and create a residential real-property home-owners exemption of up to \$50,000

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction Ballot Prop.pdf](#)  
[Spreadsheet FY18 General Fund Budget Decision Points.pdf](#)

Date	Ver.	Action By	Action	Result
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**UPDATE and**  
**DISCUSSION~DIRECTION~DECISION**  
of a ballot proposition to increase the millage  
rate and create a residential real-property  
home-owners exemption of up to \$50,000.



## FY18 GENERAL FUND BUDGET DECISION POINTS

KEEPING THE WHEELS ON THE  
BUS, TIRES PARTIALLY INFLATED

CITIZENS' TASKFORCE  
RECOMMENDATIONS (in green  
shaded area)

### FUNDS REQUIRED TO BALANCE THE GENERAL FUND in FY2018

Expected Reduction in General Fund Revenues from FY2017

-\$2,500,000

-\$2,500,000

Millage Rate Increase (2 Mills)

\$0

\$2,192,000

Loss of Sales Tax Revenue on Groceries

\$0

-\$1,200,000

Additional Reduction in Expenditures From FY2017

\$0

\$500,000

Additional Reduction in School Support Expenditures From FY2017

\$0

\$200,000

Maintain Public Works Capital Projects Budget at \$1.5M (FY17 Level)

\$0

\$0

Increase Public Works Capital Projects Budget to \$2.25M

\$0

-\$750,000

Subsidy to Electric Department

\$0

-\$1,500,000

Homestead Exemption

\$0

\$0

Funds Required to Balance the FY18 Budget

-\$2,500,000

-\$3,058,000

The Challenge....but do-able

### POTENTIAL REVENUE SOURCES

Millage Increase(per Mil) **requires citizen vote**

\$1,096,000

Maintain year round 6% sales tax **requires citizen vote**

\$667,000

Excise Tax on Bulk Fuel

\$1,200,000

Vehicle Registration Fee

\$450,000

Increase Sales Tax Cap to 10K

\$200,000 to \$400,000

Eliminate Senior Sales Tax Exemption

\$500,000

Eliminate Non Profit Sales Tax Exemption

\$100,000 to \$200,000



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 16-137      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 7/20/2016      In control: City and Borough Assembly

On agenda: 7/26/2016      Final action:

Title: Update and Discussion/Direction of the bulk water contracts with Alaska Bulk Water Inc. and Arctic Blue Waters (Canada) Inc.

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction bulk water.pdf](#)

Date	Ver.	Action By	Action	Result
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**UPDATE and DISCUSSION~DIRECTION**  
of the bulk water contracts with Alaska Bulk Water  
Inc. and Arctic Blue Waters (Canada) Inc.

