
Citizens' Taskforce Minutes

Monday, January 4, 2016 6:00PM

Sealing Cove Business Center

Citizens' Taskforce Members: Rob Allen, Maxwell Rule, Lawrence SpottedBird,
Dyan Bessette, Cynthia Gibson, Mary Magnuson, Hugh Bevan
Tristan Guevin (Assembly Liaison)

I. CALL TO ORDER

Chair Allen called the meeting to order at approximately 6:01PM.

II. ROLL CALL

Present: Rob Allen, Maxwell Rule, Dyan Bessette, Cynthia Gibson, Hugh Bevan

Absent: Lawrence SpottedBird (unexcused), Mary Magnuson (excused)

Assembly Liaison: Tristan Guevin (absent)

Staff: Municipal Administrator Mark Gorman, Deputy Clerk Melissa Henshaw, Public Works Director Michael Harmon, Chief Finance and Administrative Officer Jay Sweeney, Acting Assessor Ruth Joens, Fire Chief Dave Miller, Human Resources Director Mark Danielson, Library Director Robb Farmer

III. APPROVAL OF MINUTES

M – Rule/S – Bevan moved to approve the minutes from December 21, 2015. Motion carried unanimously.

IV. REPORTS

Chair – None.

Members – None.

City Staff – None.

Assembly Liaison – None.

Other(s) – None.

V. PERSONS TO BE HEARD/CORRESPONDENCE

School Board President Tim Fulton came forward to speak as his view only, thanked the Taskforce, offered cohesion, told of a long-term strategic plan, talked of engaging the public, and offered a new approach of the budgetary process this year.

Discussion occurred around the school budget. Allen suggested to discuss at a later date the contribution amount and not a line by line item of their budget. Bessette would like to look at all funding including school and hospital. Rule thought that individual line items was beyond the scope for the Taskforce. Gibson thought that an overview would be preferred.

VI. UNFINISHED BUSINESS

None.

VII. NEW BUSINESS

A. Process of Receiving Property Tax Exemptions

Acting Assessor Ruth Joens told of optional exemptions, community purpose and that the process to change would be an ordinance to the Assembly. She spoke to reasoning of

partial exemptions. Rule confirmed that not all appraised values were current and that churches, seniors, disabled Veterans, Federal lands, and State lands were a State law exemption. Discussion occurred around a recommendation to the Assembly.

M - Rule/S - Gibson moved to recommend the City and Borough of Sitka Assembly evaluate and/or eliminate optional community purpose property tax exemptions, establish a criteria of such exemptions with a 3 to 5 year timeframe review of the real property exemptions and consider a payment in lieu of taxes over a certain threshold value. Motion carried unanimously.

Rule thought personal property was time consuming with little return. Acting Assessor Joens told of approximately 5,000 boats on a flat rate of taxes per foot that had been in place since 1985. Sweeney told of the ability to levy a vehicle registration tax that went before the Assembly which failed in the last year and that the State would most likely collect the money then reimburse the City. Gibson questioned the process of changing the boat personal property tax. Acting Assessor Joens told of cost of taxes for boat by length and that airplanes are based on their value. Bevan wondered the possibility of outsourcing the personal property tax. Sweeney told that it is allowed to outsource collection of taxes but that it is costly and there is a loss of control.

B. Prioritize Property and Sales Tax Exemptions

Chair Allen asked for opinions on how to go about prioritizing. Discussion occurred around the complicated sales tax code, exemptions, revenue loss on each exemption, impact of revenue, long-term rentals exemption but must remit being time consuming for staff, exemptions with regards to the Sitka General Code (SGC), the report of exemptions created, that sales are taxed by industry, value added taxation, SGC 4.09.100, food tax, and the sales tax cap.

M - Bevan/S - Rule moved to recommend to the Assembly that they review the tax exemptions in 4.09.100 of the Sitka General Code to determine if they all still apply. Motion carried unanimously.

Sweeney will research Federal and State law with regards to exemptions. Discussion occurred on the thought of a sunset. Sweeney reminded the Assembly of the possible State changes with regards to taxes.

M - Bevan/S - Rule moved to recommend the Assembly hold a public hearing on the elimination of the long-term rental, whole sale, senior, and government supported agencies exemptions. Motion carried unanimously.

Discussion occurred around a possible Town Hall meeting.

M - Rule/S - Bevan moved to recommend the Assembly that they look into requiring all businesses report sales, show exemptions, and pay any tax due. Motion carried unanimously.

Allen explained that all business would have to report. Sweeney asked for clarification with regards to all entities for example churches and other various non-profit entities. Rule stated his intent was if anyone were collecting revenues, they would be subject to sales tax and a report would have to be filed with exemptions justified. Gibson gave the example of requiring a report of someone selling jewelry at a bazaar.

C. CBS Expenditures

Chair Allen showed a spreadsheet of expenditures and thought to discuss Rule and Bevan's figures. He suggested discussing school support at a future meeting. Bevan

proposed a different approach of having a position approved by the Assembly with a hiring freeze and told of costs involved with employees. Gorman stated the turnover rate and each position that becomes vacant is looked at. Rule spoke to his approach, recommendations of privatization and overall reduction to be in a period of time. Chair Allen told of his thought process of equitable, sustainable ways to cut expenditures and what it means as far as quality to life. Bevan reminded the Taskforce of the Enterprise Funds to be looked at also.

VIII. PERSONS TO BE HEARD

Alene Henning told that there could be a lot of money on boat taxes and questioned why they hadn't been raised since 1985.

Molly Kabler thanked the Taskforce and mentioned the audience of an older demographic and thought that younger families need consideration in this process.

IX. ADJOURNMENT

A. Agenda items for the next regular meeting of January 18, 2016

Chair Allen suggested looking at meeting frequency and the timeline for the Taskforce.

Staff reminded the Taskforce to have a focused discussion of the Capital Projects and that Collective Bargaining of three Unions will be taking place this year.

Seeing no objection Rule moved to adjourn. The meeting adjourned at approximately 8:18PM

Attest:
Melissa Henshaw, Deputy Clerk