HOME RULE CHARTER
of the
CITY AND BOROUGH OF SITKA

City and Borough of Sitka, Alaska
100 Lincoln St., Sitka, Alaska 99835

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PREAMBLE

We, the people of the Greater Sitka area, in order to form an efficient and economical government with just representation, do hereby ordain and establish this Charter of the City and Borough of Sitka.

ARTICLE I
NAME, BOUNDARIES AND POWERS

Section 1.01 Name

The municipal corporation shall be known as "Sitka." Whenever it deems it in the public interest to do so, the municipality may use the name "City and Borough of Sitka."

Section 1.02 Boundaries

The boundaries of the municipality shall be the same as the boundaries of the Greater Sitka Borough as they exist on the date of ratification of this Charter or hereafter are legally modified.

Section 1.03 Powers

The municipality may exercise all powers of home rule cities or boroughs not prohibited by law or by this Charter.

ARTICLE II
THE ASSEMBLY

Section 2.01 Composition

The assembly elected by the qualified voters of the municipality shall be composed of seven assembly members, one of whom shall be the mayor.

Section 2.02 Powers

The governing body of the municipality shall be the assembly. Except as otherwise provided by law or this charter, the assembly shall exercise all powers of the municipality and shall provide for the performance of all duties and obligations imposed upon the municipality.

Municipal policy shall be set and stated upon a majority vote of the assembly. No elected or appointed municipal official shall advocate, as municipal policy, any position not authorized by the assembly.

Section 2.03 Terms and Representation

(a) **Term.** The Term of office of all assembly members except the mayor shall be three years. The term of office of the mayor shall be two years. Beginning in the year 2000, mayoral terms will begin and end in even-numbered years. Consequently, the mayor elected in 1999 will be elected for a one-year term.

(b) **Representation at First Election.** At the first election under this charter, six assembly members and a mayor shall be elected. Two assembly members and the mayor shall be elected at large by the qualified voters of the municipality. Four shall be known as district assembly members; two each from Districts A and B. They shall be nominated and elected by the qualified voters of their respective districts which shall be as follows: The boundaries of District A shall be the same as the boundaries of the City and Borough of Sitka as they existed immediately prior to ratification of this charter. District B shall consist of all the area within the municipality excepting that in District A.

(c) **Terms of First Assembly Members.** At this first election, two at large Assembly members shall be elected for a term of one year each. The one district Assembly member shall serve a three-year term, and the one district Assembly member from each district receiving the next highest number of votes shall be elected for a two-year term.

(d) **Representation at Subsequent Elections.** At all subsequent regular elections, the election to fill positions of assembly members and mayor as their terms expire shall be at large and they shall be elected by the qualified voters of the municipality at large for three and two-year terms respectively.

Section 2.04 Qualifications

Only a qualified voter of the municipality who has been a resident of the municipality for a least one year immediately preceding his/her election or appointment to office shall be qualified for elective municipal office. A district assembly member shall be a resident of the district from which he/she is elected at the time of his/her election and during his/her term.

The assembly shall be the judge of the election and qualifications of its members and of the grounds for forfeiture of their office and for that purpose shall have power to subpoena witness, administer oaths and require production of evidence. A member charged with conduct constituting grounds for forfeiture of office shall be entitled to a public hearing on demand. Decisions made by the assembly under this section shall be subject to review by the courts.

Section 2.05 Vacancies and Forfeiture of Office

The office of an elected municipal official shall become vacant upon death, resignation, removal from office in any manner authorized by law or by this charter, or by forfeiture of his/her office.

An elected municipal official shall forfeit his/her office if he/she:

1. Is convicted of a felony or crime involving moral turpitude.
2. Fails to comply with all qualifications prescribed by this Charter.
3. Knowingly violates any prohibitions of this charter.
4. Fails to attend three consecutive regular meetings of the assembly without being excused by the assembly.

The assembly shall by ordinance provide the procedures for filling of vacancies.

A vacancy shall be filled by the assembly which shall elect a qualified person within 20 days after the vacancy occurs to be acting Assembly member until the next regular election and until a successor is elected and qualified to fill the remainder of the unexpired term.

Section 2.06 Organization and Officers

The mayor shall preside at meetings of the assembly, shall be recognized as head of the municipal government for all ceremonial purposes and by the governor for purposes of military law, but shall have no administrative duties. The mayor shall be a member of the assembly with all the powers and duties of that office.

The assembly shall meet immediately following certification of the election. At such meeting or within several days thereafter, the assembly shall elect from its membership a deputy mayor who shall act as mayor during the absence or disability of the mayor and if a vacancy occurs, shall become mayor for the remainder of the unexpired term. The assembly shall provide by ordinance for the interim order of succession of its members to the offices of mayor and deputy mayor.

Section 2.07 Salaries and Compensation

The assembly by ordinance shall determine the salary of the mayor and other assembly members. An increase in salary shall not take effect until the assembly meeting following the regular election after the ordinance has been adopted. With the approval and authorization of the assembly, assembly members shall also receive their actual and necessary expenses incurred in the performance of their duties of office.

Mayors and assembly members elected or appointed for the first time after November 1, 1997 shall not accrue or receive municipal retirement or health benefits as a result of their service as mayor or assembly members.

Section 2.08 Meetings

The assembly shall meet regularly at least twice in every month at such times and places as shall be prescribed by rule. Special meetings may be held on the call of the mayor or of four or more members and, whenever practicable, upon no less than six hours notice to each member.

No action by the assembly shall have legal effect unless the motion for the action and the vote by which it is disposed of take place at proceedings open to the public.

Section 2.09 Rules and Record

The assembly shall by ordinance determine its own rules and order of business and shall maintain a journal of its proceedings as a permanent public record.

Section 2.10 Voting

Four members of the assembly shall constitute a quorum, but a smaller number may adjourn from time to time and may compel the attendance of absent members in the manner and subject to the penalties prescribed by the rules of the assembly. No assembly action shall be valid or binding unless adopted by an affirmative vote of four or more members.

A roll call vote shall be taken on authorizations for the expenditures of funds and on the passage of ordinances. Upon request of an assembly member, a roll call vote shall be taken on any question, and a record of the ayes and nays shall be entered in the journal.

A vote by secret ballot shall be taken only to elect assembly officers and fill assembly vacancies.

Unless otherwise prohibited by this charter, each assembly member shall vote on each question before the assembly for consideration unless excused by an affirmative vote of all remaining assembly members able to vote on the question.

Section 2.11 Prohibitions

(a) **Other Public Office or Employment.** After December 2, 1971 no elected municipal officer shall hold any other elective public office, municipal office, or municipal employment during his/her term of office, nor shall he/she hold any compensated appointive municipal office or municipal employment for a period of one year after vacating his office, other than membership on a board or commission. The relationship of independent contractor for goods or services established through competitive bidding does not constitute municipal employment for the purposes of this section.

(b) **Relationship with Employees.** The assembly shall not recommend or direct the appointment or removal of any officer or employee of the municipal administration except as otherwise provided by this charter. Except for the purpose of inquiry, neither the assembly nor an individual assembly member may give, either publicly or privately, orders on administrative matters to a subordinate to the administrator.

(c) **Representation of Client.** No assembly member may represent any client before any municipal department or agency.

Section 2.12 Investigations

The assembly may make investigations into the affairs of the municipality and the conduct of any municipality and municipal department, office or agency and for this purpose may subpoena witnesses, administer oaths, take testimony and require production of evidence. Any person who fails or refuses to obey a lawful order issued in the exercise of these powers by the assembly shall be guilty of a misdemeanor.

Section 2.13 Clerk and Special Advisors

(a) **Clerk.** There shall be a municipal clerk. The clerk shall attend all assembly meetings, unless excused, keep the journal of its proceedings, give notice of assembly meetings to the members and the public and perform such other duties as may be assigned.

(b) **Advisors**. The assembly may appoint special legal and financial advisors for bond issues and shall retain such legal counsel as it requires.

(c) **Municipal Attorney**. There shall be a municipal attorney appointed who shall serve at the pleasure of the assembly.

(d) **Boards and Commissions.** The assembly may appoint and establish by ordinance boards and commissions, which ordinance shall prescribe their duties, purpose and functions; also qualifications and condition of service of the appointed members. A quorum of any board or commission, and the number of members required to approve an action, shall be a majority of its membership.

(e) **Committee of the Whole.** By ordinance the assembly may create, or designate itself to be a board of review, adjustment or equalization.

Section 2.14 Auditor.

The assembly shall provide for an annual independent audit of the accounts and other evidences of financial transactions of the municipality and may provide for more frequent audits as it deems necessary.

The audit shall be made by a certified public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the municipality or any of its departments.

The audit is the primary responsibility of the assembly, and this responsibility may not be delegated to the administrator/ staff.

ARTICLE III
LEGISLATION

Section 3.01 Action Requiring an Ordinance.

In addition to other acts required by law or by this charter to be done by ordinance, those acts of the assembly shall be done by ordinance which:

(1) Adopt or amend an administrative code or establish, alter, or abolish any municipal department, office or agency.

(2) Provide for a fine or other penalty or establish a rule or regulation for the violation of which a fine or other penalty is imposed.

(3) Levy taxes or establish service areas.

(4) Grant, renew or extend a franchise.

(5) Regulate, not to exceed the amount permitted by state law, the rates charged by a municipal or other public utility.

(6) Authorize the borrowing of money.

(7) Convey or lease or authorize the conveyance or lease of any lands of the municipality.

(8) Propose amendments to this charter.

(9) Adopt with or without amendment ordinances proposed under initiative powers.

(10) Fix the compensation of members of the assembly.

(11) Make supplemental appropriations or transfer appropriations as provided in Sections 11.10 and 11.11.

(12) Adopt or modify the official map, platting, or subdivision controls or regulations, or the zoning plan.

(13) Amend or repeal any ordinance previously adopted except as otherwise provided in Section 6.01 with respect to repeal of ordinances reconsidered under the referendum power.

(14) Establish a formal procedure for acquisition from the state of land or rights in land and disposal of those lands or rights in land.

Section 3.02 Ordinances in General.

(a) **Enactment Procedure.** Except as otherwise provided in this Article, the following procedure shall govern the enactment of all ordinances: An ordinance may be introduced by any member of committee of the assembly at any regular or special meeting of the assembly. Upon introduction of any ordinance, sufficient copies shall be furnished to the clerk in order for him/her to immediately distribute at least one copy each to the assembly members. After an ordinance has been introduced, and unless it is rejected at the same meeting by the affirmative votes of not less than a majority of the assembly members, the assembly shall promptly cause the ordinance to be published, together with a notice setting out the time and place for a public hearing on the ordinance and for its consideration by the assembly. The public hearing on any ordinance not rejected shall follow the required publication by at least seven days and it may be held separately or in connection with a regular or special assembly meeting and may be adjourned from time to time. At the public hearing held in accordance with the notice, copies of the ordinance shall be distributed to all persons present who request them, and the ordinance shall be read in full, if requested by an assembly member present at the meeting. All persons interested shall have an opportunity to be heard. After the hearing, the assembly shall consider the ordinance and may adopt it with or without amendment, or reject it. But if upon consideration, the assembly amends the ordinance as to its substance, it may not adopt the amended ordinance until the ordinance or its amended sections have been published and until the ordinance has been subjected to hearing and to all other procedures required

in the case of a newly introduced ordinance. The same procedure shall govern if the amended ordinance is again amended as to its substance.

(b) **Effective Date.** Except as otherwise provided in this article, every adopted ordinance shall become effective at the expiration of 30 days after adoption or at any date specified in the ordinance.

(c) **Meaning of "Publish."** As used in this section, the term "published" means that:

(1) At least the title, which shall be a brief summary of the ordinance or sections concerned, together with any required notice, has been published in one or more newspapers of general circulation in the municipality;

(2) Copies of the ordinance or sections concerned, together with any required notice, have been mailed or faxed to the same newspapers and, in accordance with assembly regulations, to additional newspapers of general circulation in the municipality;

(3) Copies of the ordinance or section concerned, together with any required notice, have been posted conspicuously for public inspection.

Section 3.03 Emergency Ordinances.

To meet a public emergency affecting life, health, welfare or property, the assembly may adopt emergency ordinances; but emergency ordinances shall not be used to levy taxes, to grant, renew or extend a franchise, to acquire or dispose of property, or to regulate the rate charged by any public utility for its services.

Every emergency ordinance shall be designated as such and shall contain, after the enacting clause, a declaration stating that an emergency exists and describing the emergency in specific terms. An emergency ordinance may be adopted with or without amendment or rejected at the meeting at which it is presented. The affirmative votes of at least five assembly members shall be required for adoption of an emergency ordinance. After adoption of an emergency ordinance, the assembly shall have it printed as prescribed for other adopted ordinances. An emergency ordinance shall become effective upon adoption or as otherwise provided in the ordinance. An emergency ordinance shall expire 61 days after the adoption but this shall not prevent re-enactment of the ordinance in the manner specified in this section if the emergency still exists.

Section 3.04 Codes of Technical Regulations

The assembly may adopt any standard code of technical regulations, or may adopt the provisions of any portion of the statutes of the State of Alaska by reference thereto in an adopting ordinance, provided that the matter adopted by reference is made available to the public in the manner prescribed by assembly rule.

Section 3.05 Administrative Code

The assembly shall adopt by ordinance an administrative code which shall include provisions for establishing qualifications for employment and a merit system; establishing a pay plan for all municipal positions; permitting appeal; recognizing employee organizations; protecting municipal employees from arbitrary discharge and safe guarding against nepotism.

Section 3.06 Authentication and Recording; Codification; Printing

(a) **Authentication and Recording**. The mayor and clerk shall authenticate, as ministerial acts, by signature and date all ordinances and resolutions adopted by the assembly and cause them to be bound or recorded in full in properly indexed books, one of which shall be open to the public in the clerk's office during business hours.

(b) **Codification.** Within two years of the effective date of this charter the assembly shall cause a code to be prepared containing all of the ordinances of the municipality which are appropriate for continuation as law. The code shall be kept current through integration of ordinances and resolutions adopted.

(c) **Printing.** The assembly with the advice and assistance of the legal counsel shall cause each ordinance and resolution having the force and effect of law and each amendment to this charter to be printed as promptly as possible following its adoption; each of these to be made available to the public at a reasonable price set by the assembly.

ARTICLE IV
ADMINISTRATOR – EXECUTIVE

Section 4.01 Appointment, Qualifications, Compensation

The assembly shall appoint a municipal administrator for an indefinite term and fix his compensation. The administrator shall serve at the pleasure of the assembly and be appointed solely on the basis of his executive and administrative qualifications. He/she need not be a resident of the municipality or state at the time of his/her appointment.

Section 4.02 Removal; Suspension

The assembly may remove the administrator from office in accordance with the following procedures:

(a) **Preliminary Resolution.** The assembly shall adopt by affirmative vote of a majority of its members a preliminary resolution which must state the reasons for removal; and may suspend the administrator for a period of not to exceed 30 days. A copy of the resolution shall be delivered promptly to the administrator.

(b) **Public Hearing.** Within five days after a copy of the resolution is delivered, the administrator may file with the assembly a written request for a public hearing. The hearing shall be held at an assembly meeting not earlier than 10 days or later than 20 days after the request is filed. The

administrator may file with the assembly a written reply not later than five days before the hearing.

(c) **Final Resolution.** If the administrator has not filed a request for public hearing, the assembly may adopt a final resolution of removal, which may be made effective immediately, by an affirmative vote of a majority of its members, at any time after five days from the date when a copy of the preliminary resolution was delivered to the Administrator. If a public hearing is requested, final resolution may be adopted any time thereafter.

(d) **Continuation of Salary.** The administrator shall continue to receive his/her salary until the effective date of a final resolution of removal. The action of the assembly shall not be subject to review by any court or agency.

Section 4.03 Acting Municipal Administrator

If the administrator is absent from the municipality or is unable to perform his/her duties; if the assembly suspends the administrator; or if a vacancy in the office of the administrator, the assembly may appoint an acting administrator to serve until the administrator returns, until his disability or suspension cease, or until another administrator is appointed. The assembly shall replace the acting administrator with a permanent administrator within a reasonable time, and in no case may he/she serve as acting administrator for more than one year.

Section 4.04 Powers and Duties of Administrator

The administrator shall be the chief administrative officer of the municipality and shall be responsible to the assembly. He/she shall execute the provisions of this charter, all ordinances of the municipality and all applicable laws. Without limiting the foregoing or excluding other or broader powers consistent therewith, the administrator shall:

(1) Except as otherwise provided by this charter, with the approval of the assembly appoint or remove all heads of administrative departments, subject to such personnel regulations as the assembly may adopt;

(2) Direct the care and custody of all municipal property;

(3) Direct and supervise the construction, maintenance and operation of municipal public works;

(4) Prepare from departmental submission annual budget and capital improvements program and submit them to the assembly;

(5) Keep the assembly fully advised on the financial condition and needs of the municipality;

(6) At the beginning of each fiscal year, submit to the assembly a report on the financial and administrative activities of the municipality for the preceding fiscal year;

(7) Unless excused, attend all assembly meetings and shall have the right to take part in the discussion of all matters, but may not vote.

ARTICLE V
NOMINATIONS – ELECTIONS

Section 5.01 General Requirements

(a) **Regular Elections.** A regular election shall be held annually on the first Tuesday in October.

(b) **Special Elections.** The assembly shall provide by ordinance for special elections.

(c) **Notice of Elections.** At least 60 days published notice shall be given of a regular or special election. The notice shall state the purpose of the election.

(d) **Qualifications of Voters.** To be eligible to vote at any municipal election, at the time of the election a person shall be:

(1) Qualified to vote in state elections;

(2) A resident of the municipality for at least 30 days immediately preceding the election.

(e) **Nomination.** Candidates for elective office shall be nominated by a petition signed by at least 25 qualified voters of the municipality. All nomination papers comprising a petition shall be assembled and filed in person with the clerk during office hours as one instrument not earlier than 80 or later than 60 days before the election. No nominated petition may be accepted unless accompanied by a signed acceptance of nomination.

(f) **Election Procedures.** All elections shall be nonpartisan. The assembly shall prescribe the general rules for the conduct of municipal elections as set forth by the Alaska Election Code.

(g) **Determination of Election Results.** The candidates for assembly receiving the greatest number of votes shall be declared elected to vacancies. In case of a tie, the election shall be determined by lot from among the candidates tying, at a meeting of the assembly and under its direction. However, starting in the year 2000, if no candidate for mayor receives more than forty percent (40%) of the votes cast for mayor, there shall be a runoff election between the top two vote getters at the state/national general election for that year.

(h) **Election Districts.** There shall be two election districts known as A and B, as provided by Section 2.03 of this charter.

(i) **Absentee Voting.** The assembly shall provide by ordinance for absentee voting.

ARTICLE VI
INITIATIVE, REFERENDUM AND RECALL

Section 6.01 Initiative and Referendum

The powers and rights of the initiative and referendum are reserved to the people of the municipality as prescribed by law. The assembly, by ordinance, shall regulate the procedure for their exercise but such regulations shall require that a petition to initiate or repeal an action be signed by qualified voters of the municipality equal in number to at least twenty percent of the total number of electors voting at

the last regular annual election and the subject of the petition shall be submitted to the voters at the next previously scheduled municipal special or regular election that will be held at least 40 days after certification of the petition. However, a special election must be scheduled not less than 40 days or more than 90 days after filing of a petition containing the signatures of not less than 1/3 of the total number of electors voting at the last regular annual election.

A vote of a majority of the electors who vote on the question shall be required. An ordinance adopted by the initiative procedure may not be amended or repealed by the assembly for a period of one year after the date of the election at which it was adopted, and should two or more ordinances adopted at the same election have conflicting provision, the one receiving the largest affirmative vote shall prevail. Ordinances repealed by referendum shall be null and void from the day following the day of the election.

Section 6.02 Recall

(a) **Elected Officials Subject to Recall.** All elected public officials of the municipality are subject to recall by the voters of the municipality. Procedures and grounds for recall shall be as prescribed by state statutes and this charter.

(b) **Petition.** Any five qualified municipal voters may commence recall proceedings by petition. The petition shall be signed by a number of qualified municipal voters equal to at least twenty per cent of the votes cast in the municipality at the preceding regular municipal election.

(c) **Election.** There shall be an election on a recall petition within 40 days of the certification of the petition. If a vacancy occurs in the office in question after a recall petition is filed, the petition shall not be submitted to the voters.

(d) **Subsequent Recall.** If an official is not recalled at the recall election, a petition to recall the same official shall not be filed sooner than one year after the recall election, unless grounds for recall occur subsequent to the date of the filing of the last recall petition.

(e) **Filling of Vacancy**. If the voters recall an official the vacant office shall be filled in the manner prescribed by Section 2.05 of this charter.

ARTICLE VII
POLICE AND FIRE COMMISSION

Section 7.01 Police and Fire Commission

(a) **Membership.** The Police and Fire Commission shall consist of five members who shall be appointed by the assembly.

(b) **Term.** The Police and Fire Commission shall be appointed for three year terms with staggered expiration dates.

(c) **Procedure.** The commission shall establish rules of procedure for the conduct of its business.

(d) **Duties.** The Police and Fire Commission shall advise the assembly concerning police and fire department matters, make recommendations concerning public safety, and undertake such other duties as the assembly may assign.

(e) **Retention.** Not earlier than one year nor later than three years following unification of the municipality there shall be a municipal referendum to determine whether the Police and Fire Commission shall or shall not be retained in this charter.

ARTICLE VIII
PLANNING

Section 8.01 Planning Commission

(a) **Membership.** There shall be a Planning Commission, consisting of five members who shall be appointed by the assembly from among the qualified voters of the municipality and who shall serve at the pleasure of the assembly. Members shall hold no other municipal office.

(b) **Term.** The assembly shall prescribe the terms of office of the members of the Planning Commission, and shall provide for the selection of its officers and technical advisors.

(c) **Compensation.** Members of the Planning Commission shall serve without compensation, but shall receive their necessary expenses incurred in the performance of their duties.

(d) **Powers and Duties.** The Planning Commission shall:

(1) Report its recommendation and advice to the assembly on all proposals submitted to it by the assembly and on such other matters pertaining to planning and zoning as the commission may desire or the assembly may request.

(2) Formulate and develop planning proposals for submission to the assembly whenever requested to do so by the assembly or upon its own motion.

(3) Keep informed on all matters pertaining to planning and hold hearings concerning such matters whenever necessary.

(4) Promote public interest in, and understanding of, municipal comprehensive plan and related matters.

(5) Perform such other advisory functions and duties and exercise such other powers as the assembly may establish or are prescribed by law.

Section 8.02 Comprehensive Plan

(a) **Planning Commission Recommendation.** Upon receipt from the administrator of a proposed comprehensive plan or proposed modification of the existing plan, the assembly shall refer such proposal to the Planning Commission which shall within a time specified by the assembly report its recommendations thereon.

(b) **Hearing and Adoption.** After receipt of the recommendations of the Planning Commission, the assembly shall hold a public hearing on the proposed comprehensive plan, the assembly shall refer such proposal to the Planning Commission which shall within a time specified by the

assembly report its recommendations thereon.

(c) **Purpose.** The comprehensive plan shall serve as a guide to all future assembly action concerning land use and development regulations, urban renewal programs and expenditures for capital improvements.

(d) **Implementation.** The assembly shall by ordinance adopt land use and development, rehabilitation, conservation and renewal programs for:

(1) The alleviation or prevention of slums, obsolescence, blight or other conditions of deterioration.

(2) The achievement of the most appropriate use of land.

(3) Before acting on any proposed ordinance concerning land use and development regulations, urban renewal or expenditures for capital improvements, where such ordinance refers to a matter covered by the comprehensive plan, the assembly may refer the proposal to the Planning Commission, which shall within a time specified by the assembly and prior to the public hearing on the proposed ordinance, report its recommendations thereon.

(4) Upon adopting any such ordinance, the assembly shall make findings and report on the relationship between the ordinance and the comprehensive plan, and in the event that the ordinance does not accord with the comprehensive plan, the plan shall be deemed to be amended in accordance with such findings and report.

ARTICLE IX
MUNICIPAL UTILITIES

Section 9.01 Operating Standards

Each municipal utility shall be operated in accordance with the general standards common to utilities providing the same utility service.

Section 9.02 Accounting

Each municipal utility shall have a separate budget within the annual municipal budget and the accounts of the utilities shall be separately kept and classified in accordance with the uniform accounts generally prescribed for public utilities providing the same utilities service.

Section 9.03 Management

The operating and administrative manager of each municipal utility shall be chosen solely on the basis of demonstrated training and experience in utility operations. The administrator shall insure that the utilities are operated in accordance with rules and regulations approved by the assembly.

ARTICLE X
EDUCATION

Section 10.01 Public School System

There shall be a system of public education for the municipality conducted in a manner prescribed by Title 14 "Education" of the Alaska Statutes. It shall be operated by a school board of five elected members or such a number required of home rule municipalities by law.

Section 10.02 School Board

(a) **Qualifications.** To be eligible for nomination for the office of school board member and to serve in that capacity, a person shall have the qualifications of municipal voter under Section 2.04 of this charter and shall reside in the municipality.

(b) **Term.** The term of a school board member shall be three years, and said terms shall be staggered to allow for the uninterrupted continuation of the school board functions.

(c) **Continuity.** School board terms shall expire in the same sequence as those of the Greater Sitka Borough School Board in office at the time of unification. Board members in office at the time of unification may continue to hold office until expiration of the term for which they were elected.

(d) **Vacancies.** The office of school board member shall become vacant upon death, resignation, or removal from office in any manner authorized by law or by this charter, or by forfeiture of office as prescribed for assembly member in Section 2.05 of the Charter. Vacancies shall be filled in a manner prescribed by Title 14 of the Alaska Statutes.

(e) **Powers and Duties.** The powers and duties of the school board shall be those set forth in Title 14 AEducation@ of the Alaska Statutes.

Section 10.03 Budget

The superintendent of schools shall submit an annual budget which shall first be approved by the school board; and public hearings shall be held prior to the submission of said budget to the assembly. The budget shall be submitted to the assembly at a date no later than that prescribed by state law, in order for the assembly to determine the amount to be made available from local sources for school purposes.

ARTICLE XI
FINANCE

Section 11.01 Fiscal Year

The fiscal year of the municipality shall begin on the first day of July and end on the thirtieth day of June of the following year. The assembly may change the fiscal year provided that the ordinance doing so is adopted not less than one year before the beginning of the first fiscal year affected.

Section 11.02 Submission of Budget, Capital Improvements Program and Message

Not later than 60 days before the end of the current fiscal year, the administrator shall submit to the assembly a budget for the following fiscal year, a capital improvements program and an accompanying explanatory message of both. The assembly may grant an extension of not to exceed 30 days if compelling reasons exist.

Section 11.03 Scope of Budget

(a) **Complete Financial Plan.** The budget shall be a complete financial plan for all the operations of the municipality, showing all reserves, all estimated revenues from all sources, and all proposed expenditures for all purposes.

(b) **Form.** The budget shall contain at least the following:

(1) A comparative statement of actual expenditures and actual revenues for the preceding fiscal year for each fund excluding capital project funds.

(2) Estimated expenditures and estimated revenues for the current fiscal year for each fund excluding capital project funds.

(3) A brief explanation of each item.

(4) An analysis of working capital, excluding capital project funds.

(c) **Balanced Budget.** Proposed expenditures shall not exceed total estimated revenues and reserves.

Section 11.04 Scope of Capital Improvements Program

The Capital Improvements Program shall be a plan for capital improvements proposed for the following six fiscal years, together with the estimated cost of each improvement and the proposed method of financing it. It shall contain at least the following:

(1) A summary of current capital improvements which are unfinished.

(2) A simple, clear summary of the detailed contents of the detailed contents of the program, separating all proposed acquisitions of new fixed assets from repairs, maintenance, upgrades, and replacements of existing assets.

(3) Capital improvements pending or proposed to be undertaken within the ensuing fiscal year, together with the estimated cost of each improvement and the proposed method of financing it.

Capital improvements to be financed in the following fiscal year shall be included in the budget as well as in the capital improvements program.

(4) A summary of needed capital improvements which are deferred.

Section 11.05 Scope of Message

The administrator=s message shall contain an explanation of the budget both in fiscal terms and in terms of work to be done, a description of the important features of the budget, an outline of the proposed financial policy of the municipality for the following fiscal year, and an explanation of each capital improvement to be undertaken within the following six fiscal years.

Section 11.06 Hearing

Not later than 15 days before the end of the current fiscal year, a public hearing shall be held on the budget and capital improvements program. All persons interested shall have an opportunity to be heard. At least 10 days prior to the hearing the assembly shall:

(1) Publish in a newspaper of general circulation in the municipality a summary of the budget and capital improvements program and a notice setting out the time for a public hearing.

(2) Make the budget, the capital improvements program and message a public record available for public inspection and for distribution at such reasonable price as the assembly may direct.

(3) Deliver copies of the notice and summary of the budget and capital improvements program and the message to newspapers of general circulation in the municipality and to the commercial radio and television stations operating in the municipality.

Section 11.07 Assembly Action on Budget

(a) **Budget Adoption.** The assembly by ordinance shall adopt a budget not later than 10 days before the end of the current fiscal year. If it fails to do so, the budget submitted by the administrator shall be deemed adopted by the assembly as the budget for the following year.

(b) **Tax Levies.** Prior to the end of the current fiscal year, the assembly shall make the tax levies deemed necessary to finance the budget for the ensuing fiscal year. Shall it fail to do so the expenditures proposed in the budget shall become the appropriations for that year.

Section 11.08 Assembly Action on Capital Improvements Program

The assembly by resolution shall adopt a capital improvements program not later than 10 days before the end of the current fiscal year. If it fails to do so, the capital improvements program submitted by the administrator shall be deemed adopted by the assembly.

Section 11.09 Certification and Distribution

(a) **Certification.** The budget and capital improvements program as adopted shall be certified by the mayor and clerk and shall be a public record.

(b) **Distribution.** Copies of the budget and capital improvements program as so certified shall be made available at the clerk=s office for distribution to the public at such reasonable process as the assembly may direct.

Section 11.10 Supplemental and Emergency Appropriations

(a) **Supplemental Appropriations.** If during any fiscal year there are available revenues received from sources not anticipated in the budget for that year or revenues received in excess of budget estimates, the assembly by ordinance may make supplemental appropriations for the year up to the amount of the additional revenues.

(b) **Emergency Appropriations.** Upon declaration by the assembly that a public emergency exists and describing the

emergency in clear and specific terms, the assembly may make emergency appropriations. Such appropriations may be made by emergency ordinance. If there are no available funds to meet such appropriations the assembly may provide for supplemental tax levies by an ordinance which shall be introduced at the same meeting at which the emergency appropriations are approved and enacted under the procedures outlined in Section 3.02 of this charter.

Section 11.11 Reduction and Transfer of Appropriations

(a) **Reduction of Appropriations.** If during the fiscal year it appears that revenues available will be insufficient to meet the amount appropriated, the administrator shall report to the assembly without delay. The assembly by resolution may reduce any appropriation, except for debt service. No appropriation may be reduced by more than the amount of the unencumbered balance.

(b) **Transfer of Appropriations.** The administrator may transfer part or all of any unencumbered balance between classification of expenditures within a department, sub-department, internal service fund, or enterprise fund except for:

(1) Transfer of appropriations for debt service, support payments, fixed assets, or transfers to other funds.

(2) Transfer of appropriations to or from personnel costs and travel/training costs.

All transfers of appropriations will be documented and submitted to the assembly by the next regular assembly meeting.

The assembly by ordinance may transfer part or all of any unencumbered balance from one division, department, or sub-department to another. No transfer may be made from appropriations for debt service.

Section 11.12 Lapse of Appropriations and Surpluses

Every unencumbered surplus of the general fund or a service area shall lapse at the close of the fiscal year to the general fund or service area, respectively. An appropriation for a capital improvement shall not lapse until its purpose has been accomplished or abandoned.

Section 11.13 Administration of Budget

(a) **Budget Authority.** The administrator shall be responsible for execution of the budget, with oversight by the assembly. No monies shall be spent other than as authorized by the budget or in excess of budgeted amounts unless specifically authorized by the assembly.

The administrator shall provide the assembly with detailed information on budget execution and the assembly shall have the power to change or revoke any authorization.

(b) **Signatures Required.** All checks and orders, except for those concerned with administration of the school budget, shall be signed by the mayor or other elected officer designated by the assembly, and the administrator, finance officer or other administrative officer designated by the assembly.

(c) **Appropriations and Unencumbered Balance Required.**

No payment may be made and no obligation incurred against the municipality except in accordance with appropriations duly made. No payment may be made and no obligations incurred against any appropriation unless the administrator ascertains that there is a sufficient unencumbered balance in the appropriation and that sufficient funds are or will be available to cover the obligation.

(d) **Illegal Acts**. Every obligation incurred and every authorization of payment in violation of this charter shall be void. Every payment made in violation of the provisions of this charter shall be illegal. All officers or employees of the municipality who authorize or make such payments shall be jointly and severally liable to the municipality for the full amount so paid. The administrator shall proceed forthwith to collect the indebtedness unless otherwise directed by the assembly.

(e) Notwithstanding Section 11.13(c) of this charter, the assembly by ordinance may authorize payment of funds in later fiscal years for a contract, lease or federal or state program or grant that the municipality might not otherwise be able to participate in.

(f) **Central Treasury**. Except as otherwise provided by the assembly by ordinance, the assembly shall provide that all funds of the municipality from whatever source shall be deposited in a central treasury.

(g) **Centralized Accounting.** Except for the school accounting system and the Community Hospital accounting system, the assembly shall provide for centralized accounting for the municipality. However, at the request of the school board, the assembly shall incorporate the school accounts in the centralized system. The assembly may choose, upon request of the hospital board or upon its own motion to incorporate hospital accounts in the centralized system.

(h) **Centralized Purchasing**. The assembly may provide for centralized purchasing, storage, and distribution of any supplies, materials, and equipment for the municipality and its departments if the associated costs and related benefits warrant such procedures.

Section 11.14 Competitive Bidding

The assembly by ordinance shall provide for competitive bidding.

(a) **Purchases**. Contracts for public improvements and whenever practicable other purchase of supplies, materials, equipment and services, except professional services and services of officers and employees of the municipality, shall be by competitive bid and awarded to the lowest qualified bidder. All contracts and purchases exceeding an amount to be established by ordinance shall require prior assembly approval.

(b) **Disposals**. The municipality may sell, lease, or otherwise dispose of municipal property. Such disposal shall

be by competitive bid and awarded to the highest qualified bidder, unless the assembly finds that competitive bidding is inappropriate due to the nature of the property or the circumstances surrounding its disposal, to include possible unjust results with regard to adjacent or neighboring property owners. The assembly shall enact ordinances governing property disposals.

Section 11.15 Enterprise Funds

Revenues from a municipal enterprise whether established before or after the ratification of this charter shall be first used for debt retirement, construction, acquisition, operation, maintenance, repair and capital improvement of the enterprise. Other uses of such revenues shall be only as authorized by ordinance or by budgetary action.

Section 11.16 Sitka Permanent Fund

(a) **Purpose.** A permanent fund is hereby created from appropriations to be made by assembly by ordinance. The permanent fund shall be maintained separate and apart from all other funds and accounts of the City and Borough. The purpose is to grow the principal of the permanent fund to provide an ever-increasing income stream to the Sitka general fund in perpetuity. The intent of the income stream is to reduce the tax burden on the citizens of Sitka.

(b) **Flow of Money into the Sitka Permanent Fund.** The net proceeds from the sale of any municipal real property shall be deposited into the Sitka Permanent Fund. If the property was an active lease immediately prior to its sale by the City and Borough, for the next three years immediately after the sale the proceeds of the sale shall not be used in the distribution calculation described in subsection (c) of this section. For those properties described in the previous sentence, the value used for the distribution calculation shall for those first three years immediately after the sale be the amount of the lease payment that the sold property generated during the last year that the City and Borough owned the property.

(c) **Appropriations from the Sitka Permanent Fund to the Sitka General Fund.** The assembly shall annually appropriate to the Sitka general fund six percent of the average market value of the Sitka Permanent Fund for the past three years. Such appropriation shall occur on July 1st of each year. The market value of the Sitka Permanent Fund for each year shall be that value as of December 31. Notwithstanding the first sentence of this subsection, the dollar amount appropriated each year shall not be greater than one hundred fifteen percent nor less than ninety percent of the previous year=s appropriation from the Sitka Permanent Fund. No funds in excess of the three-year average described in this subsection=s first sentence shall be distributed out of or appropriated from the Sitka Permanent Fund=s income or principal unless that distribution or appropriation is specifically authorized by a majority of the qualified voters voting at a general or special election. Nothing in the previous sentence shall affect the obligations of the City and Borough under any present or future bond covenants.

(d) **Management of Sitka Permanent Fund.** The Sitka Permanent Fund shall be managed on a total rate of return basis, with all dividends and capital gains reinvested into the Sitka Permanent Fund. The assembly shall adopt an ordinance setting out an investment policy governing the management of the Sitka Permanent Fund.

ARTICLE XII
BORROWING

Section 12.01 Authority

The municipality may borrow money and issue such evidence thereof (herein called Aobligation@) as the assembly may determine necessary.

Section 12.02 Restrictions on Borrowing

(a) **General Obligations of the Municipality.** No general obligation bonded indebtedness may be incurred unless authorized for capital improvements by the assembly and ratified by a majority vote of those in the municipality voting on the question.

(b) **General Obligations of Service Areas.** No obligation secured by a pledge of taxes to be levied in a service area may be issued unless authorized for capital improvements by the assembly and ratified by a majority of the qualified voters in the service area voting on the question. In a service area where there are no qualified voters to vote on the question, voter ratification shall not be required. Obligations secured by a pledge of taxes to be levied in a service area may be additionally secured by a pledge of the full faith and credit of the municipality when so provided by the assembly and ratified by a majority of the qualified voters voting on the question.

Section 12.03 Notice of Bond Election

In calling any election required by this article, the assembly shall cause a notice to be published at least once a week for at least three consecutive weeks in a newspaper of general circulation in the municipality. The notice shall contain the following information:

(1) The amount of the bonds, purpose of their issuance, and length of time within which the bonds shall mature.

(2) The estimated annual debt service on the proposed bonds.

(3) The current total general obligation indebtedness of the municipality, including authorized but unsold general obligation bonds.

(4) The current year=s debt service on the outstanding general obligation bonds of the municipality.

(5) The current total assessed valuation within the municipality.

For bonds secured by a pledge of taxes to be levied in a service area the notice shall also contain the information

required in (3), (4) and (5) relative to the service area. Errors contained in information required in (2), (3), (4) and (5) with regard to the municipality or a service area shall not invalidate any election unless such errors are substantial. Actions challenging the sufficiency of any notice of election must be brought within the time provided in Section 12.06 of this charter.

Section 12.04 Manner of Sale

General obligation bonds and bonds secured by a pledge of taxes to be levied in a service area must be sold at public sale. Notice of the public sale shall be given at such time and in such manner as the assembly shall prescribe. All other obligations may be sold in such manner as the assembly shall provide. Nothing in this section shall be construed to prevent a negotiated purchase by the state or federal government of municipal bonds or notes, provided that the fact of the negotiation is made public; and nothing in this section shall be construed to prohibit the negotiated sale to private parties in the event that a public sale produces no bids acceptable to the assembly.

Section 12.05 Sale to Financial Consultants Prohibited

No person retained by the municipality to perform services relating to financial programming or the issuance and sale of obligations may bid on such obligations, directly or indirectly. Violation of the provisions of this section shall not invalidate the obligations.

Section 12.06 Actions Challenging the Validity of Obligations

No action challenging the authority or proceedings for or the validity of, the issuance of obligations, a bond ratification election, or the levy of taxes to pay obligations, may be commenced or maintained unless instituted within thirty days from the date of certification of the results of the election ratifying the issuance, or of the adoption of the ordinance or resolution authorizing the issuance when ratification is not required.

Section 12.07 Interest and Profits from Investments

All interest and profits derived from the investment of the proceeds from the sale of any obligations shall be used solely for the purposes for which such obligations were issued, or for their retirement.

ARTICLE XIII
TAXATION

Section 13.01 Tax Procedures

The assembly shall prescribe by ordinance the procedures for tax assessment and collection.

(a) **Property Assessment**. Such procedures shall provide for the assessment of property at its full and true value and for notice of assessment, administrative appeal, and judicial review.

(b) **Property Tax First Lien**. Any property tax, together with collection charges, penalties, and interest, is a first lien on that property.

(c) **Sales and Use Tax**. Any sales or use tax or change in rate thereof shall be by ordinance ratified by a majority of the qualified voters voting on the question.

Section 13.02 Private Interests Taxable

Private leaseholds, contracts or interests in land or property owned or held by the United States, the state, or other political subdivisions, shall be taxable to the extent of the interests. This paragraph shall have no effect on the right of the municipality to tax other property and no lien provided for in this article shall be construed as an exclusive remedy for the collection of taxes.

Section 13.03 Property Tax Limit

The property tax levy shall not exceed six tenths (0.006) of one per cent (6 mill) of the assessed valuation of the property to be taxed. The voters may raise this limit by an affirmative vote of the majority of the voters participating in a special or regular election.

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

ARTICLE XIV
SERVICE AREAS

Section 14.0 Purpose

Service areas may be established to provide services not provided on an area-wide basis or to provide a higher level of service than that provided on an area-wide basis.

Section 14.02 Establishment

(a) **By Ordinance**. The assembly by ordinance may establish, alter, consolidate, or abolish service areas. The assembly by ordinance may add or eliminate services to a service area. The ordinance shall contain the following:

(1) Boundaries and area to be included;
(2) Service to be provided or eliminated; and
(3) Other provisions the assembly includes.

(b) **By Petition**. Procedures for the establishment by petition, or in protest, of a service area shall be in accordance with Section 6.01 of this charter as it would apply to the area in question. If a petition of protest is filed, the ordinance is suspended until ratified by a majority of those in the service area voting on the question. Each new service or each service to be eliminated shall be placed separately on the ballot.

Section 14.03 Criteria

Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area to which the services shall be provided. A new service area shall be established only after assembly determination that such services cannot be provided reasonably by an existing service area or by alteration of an existing service area.

Section 14.04 Financing

The assembly may levy taxes, assessments, or other charges within a service area to finance the services, and funds thereby raised shall not be used for any purpose outside of the service area.

ARTICLE XV
LOCAL IMPROVEMENT DISTRICTS

Section 15.01 Purpose

Local improvement districts may be established in a limited and determinable area to confer the special benefits of any municipal improvement. All or any part of the costs of the improvement may be paid out of the proceeds of special assessments levied against the benefited property.

Section 15.02 Local Improvement Procedure

The assembly by ordinance shall prescribe procedures for establishment of local improvement districts and for agreements for furnishing capital improvements and the extension thereof in lieu of assessments.

Section 15.03 Assessment in Proportion to Benefit

The assembly by ordinance shall establish the method of apportioning and assessing the cost of improvements upon benefited real property. Costs shall be assessed against real property specially benefited in proportion to the benefits.

Section 15.04 Lien

A special assessment, together with collection and interest charges, is a lien on the property assessed second in priority only to property taxes and prior special assessments. The assessment lien shall be enforceable in the same manner as a lien for municipal taxes.

Section 15.05 Protests

If protests as to the necessity for any local improvement are made within the time allowed by ordinance by the owners of real property that will bear at least fifty percent of the estimated cost to be borne by the benefited property, the improvement shall not proceed until the protests have been reduced below fifty per cent.

Section 15.06 Limitation on Actions

No special assessment procedure may be contested by an action at law or in equity unless commended within sixty days after the confirmation of the special assessment roll.

Section 15.07 Property Liable

All real property, including property exempt from taxation as provided by law, shall be liable for the cost of local improvements unless specifically exempted by ordinance of general effect.

Section 15.08 Receipts

Accounts for local improvement districts shall be kept separate from other municipal accounts. Revenues from a special assessment shall be used solely to pay the cost of the improvements or the principal and interest on indebtedness incurred for the improvements.

ARTICLE XVI
CHARTER AMENDMENT

Section 16.01 Proposal

Amendments to this charter may be proposed:

1. By ordinance of the assembly containing the full text of the proposed amendment, or
2. By report of an elected charter commission created by assembly ordinance or by initiative ordinance, or
3. By initiative petition.

Section 16.02 Election

Proposed amendments shall be submitted to the qualified voters of the municipality at the next regular or special election occurring more than forty-five days after the adoption of the ordinance, the final report of the charter commission, or certification of the initiative petition. A notice containing the full text of each proposed amendment shall be published.

Section 16.03 Effective Date

If a majority of the qualified voters voting on a proposed amendment approve, the amendment shall become effective at the time fixed therein or, if no time is so fixed, thirty days after certification of the election.

ARTICLE XVII
GENERAL PROVISIONS

Section 17.01 Personal Financial Interest

(a) **Prohibition.** No elected official may vote on any question on which he or she has a substantial financial interest. Any municipal officer, employee, or assembly member who has a substantial financial interest in any contract with the municipality or in the sale of any land, material, supplies or services to the municipality or to a contractor supplying the municipality shall make known that interest and shall refrain from participating in his capacity as a municipal officer, employee, or assembly member in the making of such sale or in the making or performance of such contract.

(b) **Punishment.** Any municipal officer, employee or assembly member who conceals such financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office and shall forfeit his/her office or employment. Violation of this section with the knowledge expressed or implied of the person contracting with or making a sale to the municipality shall render the contract or sale to the municipality voidable by the administrator or the assembly.

(c) **Additional Rules.** The assembly by ordinance may prescribe additional rules and penalties to prevent conflicts of interest.

Section 17.02 Prohibitions

(a) **Discrimination.** No person may be discriminated against in any municipal appointment, employment, or promotion because of race, sex, color, political or religious affiliation, or national origin.

(b) **Personnel Regulations.** No person may willfully falsify any test, certification or appointment under the personnel regulations, or in any manner commit or attempt to commit any fraud to prevent the impartial execution of such regulations.

(c) **Undue Influence.** No person may offer, give or receive any money, service, or other valuable thing to influence or attempt to influence any action of an officer or employee in the performance of his municipal duties.

(d) **Solicitation.** No assembly member, municipal officer or administrative employee may directly or indirectly solicit a contribution for any political party or purpose from any person holding a compensated municipal position.

Section 17.03 Surety Bonds

The municipal administrator, the municipal clerk or such other officers and employees as the assembly may designate, before entering upon their duties, shall be bonded, by individual and or group bonds, for the faithful performance of their respective duties, payable to the municipality, in such form and in such amounts as the assembly may prescribe, with a surety company authorized to operate within the state. The municipality shall pay the premiums on such bonds.

Section 17.04 Oath of Office

Every officer of the municipality, before entering upon his/her duties, shall take the oath or affirmation required by Section 5 of Article XII, Constitution of the State of Alaska. The assembly may require designated employees to take such oath before entering upon their employment. Oaths of Office shall be filed with the Municipal Clerk.

Section 17.05 Continued Office

Every officer who is elected or appointed for a term ending at a definite time shall continue to serve until his successor qualifies and takes office, except in the case of death, resignation, or termination by law or this charter.

Section 17.06 Municipal Proceedings

The assembly by ordinance shall establish procedures governing administrative proceedings in which the legal rights, duties, privileges or penalties of persons are to be determined; insure fair and equal treatment of all persons involved in such proceedings; and provide for the conduct of such proceedings in an orderly and uniform manner.

Section 17.07 Records to be Public

All records of the municipality shall be public except as otherwise provided by law. Records shall be available at municipal offices for public inspection and for distribution at such reasonable price as the assembly may direct. Copies certified by the clerk shall be prima facie evidence of their contents.

Section 17.08 Adverse Possession

The municipality may not be divested of title to real property by adverse possession.

Section 17.09 Actionable Claims

Except as provided in Section 17.10 of this charter, provisions of law governing claims against municipal corporations apply to claims actionable against the municipality.

Section 17.10 Claims for Injuries

(a) **Notice of Injury.** The municipality shall not be liable in damages for injury to person or property by reason of negligence or gross negligence unless, within four months after the injury occurs, the person damaged or his representative serves written notice to an officer upon whom process may be served. The notice shall state that the person intends to hold the municipality liable for damages and shall set forth with clarity the time and place of the injury, the manner in which it occurred, the nature of the act or defect complained of, the extent of the injury so far as known, and the names and addresses of witnesses known to the claimant.

(b) **Presentation of Claim.** No person may bring an action against the municipality for damages to person or property by reason of negligence or gross negligence unless the action is brought within the period prescribed by law and he or she has first presented to the administrator a claim in writing under oath setting forth specifically the nature and extent of the injury and the amount of damages claimed. The administrator shall promptly present the claim to the assembly for action.

(c) **Failure Bars Action.** Failure to give notice of injury or to present a claim within the time and in the manner provided shall bar an action upon the claim.

(d) **Defense of Immunity.** This section does not waive any defense of immunity which the municipality may have from claims for damages to persons or property.

Section 17.11 Notice of Lien

When any lien other than for ad valorem taxes or special

assessments is placed by the municipality on any real property, notification of the lien shall be sent by registered or other special mail to the person whose name appears as owner of the property on the most recent tax assessment roll.

Section 17.12 Regulation of Water and Submerged Lands

The assembly may regulate the use and development of all waters and submerged lands which are subject to the jurisdiction of the municipality.

Section 17.13 Severability

If any provision of this charter is held invalid, other provisions shall not be affected. If the application of this or any of its provisions to a person or circumstance is held invalid, the application of this charter or any of its provisions to other persons or circumstances shall not be affected.

ARTICLE XVIII
TRANSITIONAL PROVISIONS

Section 18.01 Effective Date

Except as provided for in Sections 18.02 and 18.03 which shall be effective upon ratification, the newly elected municipal assembly will assume full control of the area unified by this charter on its effective date, December 2, 1971, at which time the former governments shall cease to exist.

No elected positions shall be placed before the electorate by the governments to be unified after ratification of this charter.

Any elections concerning bonds propositions pending prior to ratification of this charter shall be held only under authority of this charter.

Section 18.02 Election

The first election after ratification of this charter shall take place on November 2, 1971 and shall be for the purpose of electing the first assembly and to elect school board members to replace those whose terms ordinarily would have expired in October, 1971. The election shall be held subject to and regulated by Sections 2.03 and 10.02 of this charter. The borough clerk shall act ex-officio as election clerk.

Section 18.03 First Meeting of Assembly

The assembly shall meet and organize within seven days of certification of the election subject to and regulated by Section 2.06 of this charter. From the time of the first meeting of the assembly the provisions of this charter shall be in effect insofar as they are applicable to the selection of an administrator, administration of existing budgets and general organization of the municipality.

Section 18.04 Costs

Costs incurred in the administration of this charter from the date of ratification to December 2, 1971, shall be paid from area-wide funds of the Greater Sitka Borough upon proper verification.

Section 18.05 Cooperation of Local Governments

To provide a period for an orderly transition and for the new municipal government to organize, the governments being unified shall continue to function in their respective areas until December 2, 1971. All officers, employees, departments, offices, committees, boards and commissions of local governments shall cooperate with and assist the assembly to facilitate unification in the most efficient and orderly fashion. All records, files, and other data in possession of both local governments to be dissolved shall be available for inspection by the assembly and shall become the property of and be in the control of the municipality on December 2, 1971.

Section 18.06 Transitional Budgets

Following ratification of this charter, the municipality shall operate under the budgets of the governments to be unified until June 30, 1972.

Before December 2, 1971, the local governments affected by this charter whose fiscal years end on December 31, 1971 shall prepare budgets covering the six-month period from January 1, 1972, to June 30, 1972. The municipal assembly shall provide for tax levies sufficient to meet the requirements of these budgets.

Section 18.07 Transitional Audits

Transitional audits of the local governments to be dissolved shall be performed within 30 days after December 2, 1971, and presented to the municipal assembly on completion. Any audit which would have normally been made at December 31, 1971, shall be postponed until June 30, 1972.

Section 18.08 Continuation of Employment

All employees of governments being unified shall continue in employment until the assembly adopts by ordinance an administrative code; current employees of the former governments may be terminated only for cause. Salaries and benefits enjoyed under their former employment shall continue until the new code is effective.

Current employees of the former governments shall be given preference in municipal employment. Such current employees affected by the unification of duplicative agencies of the former governments are entitled to preference in other municipal employment in comparable capacities, without loss of income. Pension plans, collective bargaining agreements, and other existing employee benefits shall not be diminished by the adoption of this charter.

Section 18.09 Administrative Code and Personnel Policy

By July 1, 1972, the assembly shall adopt by ordinance an

administrative code and personnel policies, subject to and regulated by Section 3.05 of this charter.

Section 18.10 Boards, Committees, and Commissions

Except for those provided for by this charter, all appointed committees, commissions, and boards in effect at the time this charter is ratified shall be dissolved one year after the effective date of this charter unless sooner abolished or specifically continued by ordinance.

Section 18.11 Ordinances and Resolutions

To the extent not inconsistent with the charter, ordinances, resolutions and orders of local governments to be dissolved shall continue in full force and effect in their respective jurisdictions until no later than 2 years after ratification of this charter when they shall expire, unless after substantive review by the assembly, each ordinance, resolution, or order has been expressly reaffirmed, revised, or repealed. The administrator and municipal attorney shall, eighteen months after ratification of this charter, submit a comprehensive substantive study of remaining pre-unification ordinances and resolutions to aid the assembly in the adoption of an integrated code.

Section 18.12 Pre-unification Assets, Liabilities, Sales Taxes, Reserves, and Franchises

(a) **Assets and Liabilities.** The municipality shall succeed to all the assets and liabilities of the local governments. Bonded indebtedness incurred before unification shall remain the tax obligation of the area which contracted the debt, except that the tax obligation shall be spread over a larger area by vote of the assembly if the asset, for which the bonded indebtedness or other liability was incurred, is used for benefit of a larger area.

(b) **Sales and Use Taxes.** All revenues from sales and use taxes in effect at the time this charter goes into effect shall continue to be allocated in accordance with existing ordinances until changed as provided by Section 13.01(c) of this Charter.

(c) **Reserves.** Any pledged reserve accounts of the prior local governments shall remain committed to the purposes for which they were originally dedicated.

(d) **Franchises.** All existing franchises of the governments to be unified shall continue after ratification of this charter until they expire, are extended, renewed, or revoked by the municipal Assembly.

Section 18.13 Functions to Continue

Subject to Article XIV of this charter, service areas and local improvement districts in existence at the time of enactment of this charter shall continue to exist. The area of the City of Sitka shall comprise a service area. The functions of local government and service areas being exercised immediately prior to enactment of this charter may continue insofar as consistent with this charter, except that the assembly may alter, consolidate, or abolish service areas and may add or eliminate services as provided by Article XIV of this charter.

Section 18.14 Continuance of Actions

The adoption of this charter shall not abate or otherwise affect any action, cause of action, claim or proceeding, civil or criminal, by or against a local government to be dissolved and which had accrued at the time of the effective date of this charter. All applications, petitions, hearings, and other proceedings pending on the effective date before a local government to be dissolved shall be continued before the municipality.

Section 18.15 Salaries

Assembly members shall receive an initial monthly salary of $25.00 per regular meeting attended, $4.00 per special meeting attended, and $10.00 per work session attended. In addition to payment for meetings attended, the Mayor shall receive $150.00 per month.

Section 18.16 Penalties

By July 1, 1973, the assembly by ordinance shall prescribe penalties for violations of this charter if no penalty is prescribed by this charter.

ARTICLE XIX
(RESERVED)

ARTICLE XX
SITKA COMMUNITY HOSPITAL

Section 20.01 Sitka Community Hospital Dedicated Fund

A Sitka Community Hospital Dedicated Fund is hereby created. The Sitka Community Hospital Dedicated Fund shall be maintained separate and apart from all other funds and accounts of the City and Borough. The Sitka Community Hospital Dedicated Fund shall only be used to pay for the operating, capital, and debt service needs of Sitka Community Hospital.

Section 20.02 [Reserved.]

Section 20.03 [Reserved.]

Section 20.04 Flow of Money into the Sitka Community Hospital Dedicated Fund from an Excise Tax on Cigarettes and Tobacco Products

Notwithstanding any other provision of law, an amount of money equal to the City and Borough's revenues from

enacting an excise tax on cigarettes and tobacco products shall be deposited each year into the Sitka Community Hospital Dedicated Fund.

We, the duly elected members of the Sitka Charter Commission, having been empowered pursuant to Title 29, Chapter 85 of the statutes of the State of Alaska to prepare a Home Rule Charter, do, on this twelfth day of August, nineteen hundred and seventy one do hereby present the foregoing Charter for the City and Borough of Sitka for adoption by the voters of the Greater Sitka Borough.

(signed)

Ben F. Grussendorf, Chairman	*E..M. Calhoun, Vice-Chair*	
Margaret Ballard	*Justin Fager*	*Judson R. Lanier*
John MacDonald	*Harvey Marvin*	*Kenneth Marvin*
James T. Poulson	*Gordon Whitcomb*	*Virgil J. Wright*