

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-15

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE BY ADDING A NEW CHAPTER 15.15 ENTITLED "COMMUNITY ASSISTED UTILITY SUBSIDIZATION EFFORT"

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 add a new chapter to Title 15 of the Sitka General Code providing a regulatory framework for the subsidization of utility costs for low income households. This ordinance shall set forth how and when utility costs subsidizations shall be authorized, implemented; how long such subsidizations shall continue for; when such subsidizations shall be terminated; and, penalties for obtaining subsidies under false pretenses.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 is amended by adding a new Chapter 15.15 entitled, "Community Assisted Utility Subsidization Effort" to read as follows (new language underlined; deleted language stricken):

Title 15
Public Utilities

- 15.01 Electric Utility Policies
15.02 Watershed Control Program
15.04 Sewer System
15.05 Water System
15.06 Solid Waste Treatment and Refuse Collection
15.07 Storm Drainage
15.08 Utility Poles
15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities
15.15 Community Assisted Utility Subsidization Effort

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Chapter 15.15
Community Assisted Utility Subsidization Effort

47 Sections:

48 15.15.010 Definitions.

49 15.15.020 Municipal Utility Cost Subsidization Policy.

50 15.15.030 Eligibility Criteria.

51 15.15.040 Determining Eligibility.

52 15.15.050 Program Administration.

53 15.15.060 Responsibilities Incumbent Upon Subsidized Households.

54 15.15.070 Penalties For Obtaining Subsidization Under False Pretenses.

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56 **15.15.010 Definitions.**

57 A. “Uncollectable Accounts” refers to any account or debt owed the City which has become  
58 overdue by more than one hundred twenty days.

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

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

63 D. “Debt” means any sum of money which a citizen of the City, or customer of the City in  
64 some capacity, is legally obligated to pay to the City for any purpose.

65 E. “Good Standing” shall mean that any citizen, business, or other entity doing business with the  
66 City does not have an account which is overdue.

67 F. “Overdue” refers to any debt owed to the City which has not been paid within thirty days of  
68 the date the payment was due. As an exception, debts owed for utility services consumed are  
69 considered overdue fifteen days after the date the payment was due.

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

71 **15.15.020 Municipal Utility Cost Subsidization Policy.**

72 A. It shall be the policy of the City and Borough of Sitka that households meeting certain  
73 criteria shall be eligible for subsidization of their municipal utility costs from general  
74 governmental sources.

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76 B. Subsidization shall be in the form of general governmental subsidy payments to municipal  
77 utilities on behalf of eligible households. Under no circumstances shall subsidization be in the  
78 form of reduced utility rates or the provision of free utility services.

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80 C. The amount of annual subsidization by the City shall be in the municipal Administrator’s  
81 annual Consolidated Operating Budget. The annual subsidization shall be further pro-rated  
82 across the months of the fiscal year based on the historic amount of revenue for the month  
83 divided by annual revenue. Applications for subsidization shall be processed on a first-come,  
84 first-served basis for each month; once the monthly subsidization has been dispensed, no  
85 additional subsidizations can be dispensed until the start of the next month.

86 D. Subsidization of utility costs, once extended by the City, shall not be a permanent entitlement  
87 of receiving households. Subsidization for individual households may be revoked at any time by  
88 the Assembly for any reason. Furthermore, failure of receiving households to adhere to program  
89 requirements may be grounds for termination of subsidies.

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91 E. Monies used for utility subsidization shall be accounted for in a separate fund and shall be  
92 used for no other purpose than utility subsidization. The separate fund to be established shall be  
93 funded at inception by a special appropriation from the Assembly.

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95 **15.15.030 Eligibility Criteria.**

96 A. Any household will be eligible to apply which is receiving, or which has a pending  
97 application for any one of the following:

- 98 1. Assistance from the State of Alaska under the Food Stamp Program administered by the  
99 Division of Public Assistance, Alaska Department of Health and Social Services,
- 100 2. The General Assistance Program administered by Sitka Tribe of Alaska,
- 101 3. The Temporary Assistance to Needy Families Program administered by Central Council  
102 Tlingit and Haida Indian Tribes of Alaska and the Alaska Department of Health and  
103 Social Services Division of Public Assistance,
- 104 4. The Women Infant and Children (WIC) Program administered by Southeast Alaska  
105 Regional Health Consortium,
- 106 5. Children in the household qualify for the Free-or-Reduced Lunch Program administered  
107 by the Sitka School District.

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109 B. Termination of assistance from any of the following programs shall discontinue eligibility for  
110 subsidization of City Utility Costs:

- 111 1. The State of Alaska under the Food Stamp Program administered by the Division of  
112 Public Assistance, Alaska Department of Health and Social Services,
- 113 2. The General Assistance Program administered by Sitka Tribe of Alaska,
- 114 3. The Temporary Assistance to Needy Families Program administered by Central Council  
115 Tlingit and Haida Indian Tribes of Alaska and the Alaska Department of Health and  
116 Social Services Division of Public Assistance,
- 117 4. The Women Infant and Children (WIC) Program administered by Southeast Alaska  
118 Regional Health Consortium,
- 119 5. Children in the household cease to qualify for the Free-or-Reduced Lunch Program  
120 administered by the Sitka School District.

121 C. An applying household will be deemed ineligible for assistance if it, or its constituents, have  
122 any past due obligation owed to the City other than utility-related obligations. These other  
123 obligations shall include all unpaid citations and billings for protective custody costs. On a case-  
124 by-case basis, the Administrator may write off past due obligations in order for an applying  
125 household to be eligible for assistance.

127 **15.15.040 Determining Eligibility.**

128 A. The City shall annually contract with an external entity or organization to administer the  
129 utility cost subsidization program. The scope of the contract with the entity or organization will  
130 specify how the program is to be administered and the compensation the contractor is to receive  
131 for its services.

132 B. Any household meeting tentative eligibility criteria and desiring utility cost subsidization  
133 must complete and submit an application, along with required documentation, to the entity or  
134 organization engaged under contract by the City to manage the utility cost subsidization  
135 program.

136 C. The contracting entity administering the utility cost subsidization program shall examine all  
137 submitted applications, determine the eligibility of households requesting subsidization, and,  
138 provide a recommendation to the City on all completed applications submitted to it under the  
139 program.

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141 **15.15.050 Program Administration.**

142 A. Upon determination of eligibility for an applying household, the contract entity administering  
143 the utility cost subsidization program shall submit a recommendation to the City. The  
144 recommendation shall contain the following elements:

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146 (1) Determination of eligibility or ineligibility

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148 (2) Length of subsidization

149 B. Upon receipt of a subsidization recommendation, the City shall credit an amount to the  
150 applying household's account equal to that months allocation divided by the number of  
151 qualifying household's, not including sales tax.

152 C. The Municipal Administrator shall have the authority to reject or modify any  
153 recommendations submitted by the administering entity to the City.

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155 **15.15.060 Responsibilities Incumbent On Households Receiving Utility Subsidization.**

156 A. To remain eligible for continued subsidization, a household must meet all other financial  
157 obligations to the City in a timely basis. Having any obligation owed to the City become past  
158 due while receiving subsidization shall be cause for termination of subsidization.

159 B. Households receiving subsidization which undergo changes in financial status causing them  
160 to no longer be eligible for subsidization, such as no longer receiving Food Stamps, General  
161 Assistance or Temporary Assistance to Needy Families or Women Infant and Children (WIC)  
162 Program assistance, or if children in the household cease to qualify for the Free-or-Reduced  
163 Lunch Program administered by the Sitka School District, shall immediately notify the  
164 administering entity.

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166 **15.15.070 Penalties For Obtaining Subsidization Under False Pretenses.**

167 A. It will be unlawful for any citizen, or household, to obtain utility cost subsidization from the  
168 City under false pretenses. It will also be unlawful for any citizen, or household, to continue to  
169 accept subsidization from the City after experiencing a change in financial status which would  
170 end eligibility.

171 B. Upon the determination that an unlawful act may have occurred in which utility cost  
172 subsidization was obtained under false pretenses, the City will immediately notify the  
173 appropriate law enforcement agency so that a criminal investigation can be initiated.

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176 **5. EFFECTIVE DATE.** This ordinance shall become effective 60 days after the  
177 date of its passage.

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179 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of  
180 Sitka, Alaska this 24th day of May, 2016.

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Mim McConnell, Mayor

184 ATTEST:

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Sara Peterson, CMC

189 Municipal Clerk