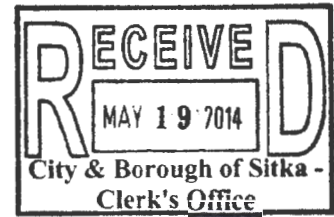


Sitka Ports & Harbors Commission  
Sitka, AK 99835  
May 12, 2014



Sitka City & Borough Assembly  
Assembly Members  
Sitka, AK 99835

Dear Sitka City & Borough Assembly:

Currently there is a city property tax levied against all registered vessel owners within the city and borough of Sitka (CBS). It is our understanding that the CBS allocates ten dollars of the tax revenues generated by each vessel to the harbor fund with the rest of the tax revenue going to the general fund.

After much discussion it is our belief that the current allocations of vessel taxes should be revised to favor the harbor fund. The Sitka Ports & Harbors Commission respectfully requests that the harbor receive eighty percent of the tax revenues generated by the vessel tax with the general fund receiving twenty percent to cover administrative fees. The tax revenues generated will be dedicated to offset the rising costs within the harbor system.

The harbor users are responsible for all harbor infrastructure including electrical system repairs and replacement, water system repairs and replacement as well as harbor replacement. We haven't found any logical justification for the current vessel tax allocation but are open to discussion in case we are missing something. The fact that the harbor system is an enterprise fund and is expected to pay its own way seemingly justifies our position that the harbor fund should receive the bulk of the vessel tax receipts

Sincerely,

A handwritten signature in blue ink, appearing to read "David A. Yonke".

Sitka Ports & Harbors Commission

A collection of handwritten signatures in blue ink. The top signature is "David A. Yonke". Below it are two more signatures, one of which is clearly "M. Peterson".