



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: Mayor Steven Eisenbeisz
Assembly Member Mosher
Assembly Member Chris Ystad

Date: October 17, 2023

Subject: One Time Utility Payment

Background

In 2023, Sitka experienced a record number of visitors in both cruise and independent travel. This, along with other factors, resulted in sales tax revenue exceeding the budgeted amount. Part of this surplus was deposited into the Infrastructure Sinking Fund to provide for necessary repairs to our town's infrastructure, including roads.

The Assembly understands that everyone in town was affected by tourism in some way. We also acknowledge that not all the effects of tourism were positive. In addition to using the extra tax revenues to reinstate community-desired programs, such as Community Schools, and adding requested positions like our Sustainability Coordinator, we aim to provide a direct benefit to the citizens. To this end, we are proposing a one-time \$300 subsidy payment to each residential utility account, including the 21 registered live-aboards in the harbor system.

Analysis

This subsidy will automatically apply to any residential account that has been open for at least 12 months. Account holders will qualify for only one subsidy, even if they have multiple accounts open. This measure is intended to ensure a fair and equitable distribution of the benefit to our community members, promoting inclusivity and preventing any potential misuse of the subsidy program. Our goal is to make this initiative as accessible and beneficial to as many Sitka residents as possible, while maintaining a responsible and efficient allocation of resources.

Fiscal Note

This one-time subsidy will necessitate a supplemental appropriation of \$1,075,000 from the General Fund to cover all eligible accounts. Subsidy payments will be applied to residential accounts during the December billing cycle. This subsidy will result in an approximate 5% reduction in the overall average annual residential utility bill.

Recommendation

Please pass this supplemental appropriation for a one-time utility subsidy payment as an expression of gratitude to the residents of Sitka.