

Sponsors: Mosher / Ystad

## **Step 1**

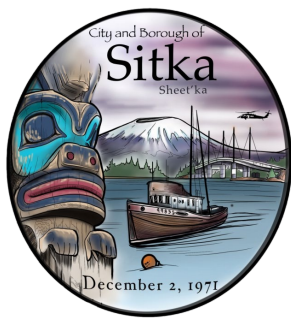
**Discussion / Direction / Decision**  
on the Annual General Fund Grants for Non-Profit  
Organizations Program.

Note: continued discussion from April 22, 2025 meeting (minutes attached).

## **Step 2**

### **Possible Motion**

**I MOVE** to delegate administration of the Annual  
General Fund Non-Profit Grant Program to the  
Sitka Legacy Foundation.



# CITY AND BOROUGH OF SITKA

*A COAST GUARD CITY*

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**From:** Assembly Member Kevin Mosher  
Assembly Member Chris Ystad

**Date:** September 3, 2025

**Subject:** Options for Administration of the Non-profit Grant Program

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### **Background**

The City and Borough of Sitka (CBS) administers an annual General Fund grant program for local non-profit organizations. These grants are intended to support projects and services in three categories: Human Services, Cultural and Educational Services, and Community Development. Nonprofits may apply for either annual grants or special emergency grants when urgent needs arise.

Funding levels and restrictions are determined annually by the Assembly as part of the budget process. For FY26, the program sets maximum award amounts of \$25,000 for Human Services, \$10,000 for Cultural and Educational Services, and \$10,000 for Community Development, with an additional 10% of the total grant budget available for emergency grants capped at \$5,000 each.

Applications must be submitted to the Municipal Clerk's Office by the annual deadline of the third Friday in August, or at least two weeks before the Assembly meeting for emergency requests. Each application requires a detailed project description, statement of need, expected outcomes, budget, organizational capacity information, and verification of good standing on all municipal liabilities. Applications are then scored and reviewed by the Assembly in a public meeting, with awards determined by majority approval.

Grant funds are restricted to the purposes outlined in the approved application, may not be used for tax debts, and must be fully accounted for through progress and financial reports submitted to the Clerk's Office. Any unused funds must be returned, and failure to file timely reports may disqualify the organization from future funding opportunities.

This program has provided a structured way for Sitka to invest in nonprofit organizations, but the administrative workload, evaluation consistency, and political dynamics of Assembly scoring have raised questions about whether the process could be improved by shifting management of the program to an independent entity specializing in grant

evaluation and distribution.

### **Analysis**

The current grant cycle for nonprofit organizations follows a fixed annual schedule that requires significant time and coordination from both staff and the Assembly. In May, the Assembly sets the total grant budget as part of the annual budget process. Beginning in July, CBS staff advertise the program and release the application packet for interested organizations.

Applications are due by the third Friday in August, at which point staff must verify compliance in multiple areas, including property tax, sales tax, leases, utilities, and any outstanding loans or promissory notes. In mid-September, the Assembly convenes to make award decisions after independently reviewing and scoring applications. Following these meetings, grants are disbursed.

Awardees must provide accountability reports, with a progress report due in March and a close-out report due by July 15 of the following fiscal year. This model places an ongoing administrative burden not only on CBS staff and Assembly members, but also on nonprofit applicants who must complete detailed and duplicative paperwork.

The Sitka Legacy Foundation (SLF), with the support of the Alaska Community Foundation, has expressed interest in managing this process. SLF has clarified that its participation would only be feasible under a delegated administration model, where the CBS provides an annual appropriation to SLF for the grant program. Under this arrangement, the Assembly could communicate its funding priorities for the year, and SLF would incorporate those priorities into its existing competitive grant process. SLF's grant cycle typically runs for four weeks from late August through late September, with recommendations made in late October and grants awarded in November. All grant awards would specify the source of funding—whether from the CBS, SLF, or a combination of both—and SLF would be responsible for providing the CBS with reports on awards and follow-up documentation confirming successful completion of funded projects.

This approach would relieve the Assembly and staff of the administrative workload while also simplifying the process for nonprofits, aligning with SLF's mission to strengthen community philanthropy.

### **Fiscal Note**

It is not anticipated that a competitive bid process would be required should the City and Borough of Sitka contract with the Sitka Legacy Foundation for administration of the nonprofit grant program. This falls under the "procurement of consultant and technical services" exemption outlined in Sitka General Code (SGC) 4.15.060 A.10.

The cost of this potential change would vary annually, as it would be tied directly to the Assembly's appropriation for the nonprofit grant program and the percentage-based administrative fee charged by SLF. Based on SLF's expressed interest, the administrative fee would be 5% of the total annual grant allocation.

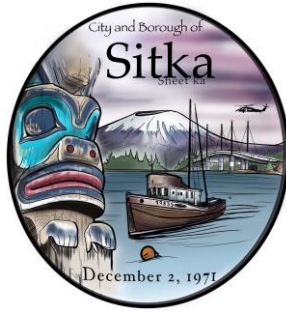
## **Recommendation**

The sponsors recommend that the Assembly consider whether to delegate administration of the Annual Non-Profit Grant Program to the Sitka Legacy Foundation (SLF) under the model described in the Analysis section. This approach has the potential to streamline the application and reporting process, reduce the administrative burden on both Assembly members and staff, and provide nonprofits with a simpler, more coordinated funding opportunity, as several nonprofits have expressed a desire in the past for this type of efficiency.

Given these considerations, the sponsors request that the Assembly discuss this proposed model and make a motion to pursue delegation of the program to SLF. We acknowledge that this will remove the Assembly from the decision-making process regarding who receives the grants, and that at a previous Assembly meeting discussion, some members expressed reservations about that. However, we still believe that, given the considerations expressed in this memo, this is the better way to serve our community. If Assembly members are hesitant to do this, we suggest trying it for one or two years. Then at the end of that period, we can revisit to see if this is working well for the community. We believe this is worth trying, even if there are some hesitations.

Encl: FY26 Non-Profit Grant Program Application

# City and Borough of Sitka



## **ANNUAL GENERAL FUND GRANTS FOR NON-PROFIT ORGANIZATIONS**

### **APPLICATION MATERIALS FOR FISCAL YEAR 2026**

Completed grant applications must be submitted to the  
Municipal Administrator's Office

**Annual Grant Deadline – August 15, 2025, 5:00 PM**

**Special Emergency Grant Deadline – Two weeks prior to  
Assembly meeting considering application.**

For more information, contact:

Municipal Clerk's Office  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835  
(907) 747-1826  
FAX (907) 747-7403  
[clerk@cityofsitka.org](mailto:clerk@cityofsitka.org)

City and Borough of Sitka  
General Fund Grants for Non-profit Organizations

**APPLICATION CONTENT, ATTACHMENTS, & RATING SCHEDULE**

**\*\* Please submit only requested items \*\***

- ☐ **Detailed project description overview (one page only) – total pts 10**
  - What grant category are you applying for (you may choose only annual or special emergency grant, and only one category under annual grants)?
  - What will be done with these funds?
  - Who will do it?
  - Who will be served?
  - When will this service be provided?
  - Has the agency received CBS General Fund Grants previously? If so, how many, which years, and for what amount?
  
- ☐ **Expected Outcomes (one page only) – total pts 10**
  - How will the project be measured as successful?
  - What will the tangible community benefit be?
  - What are some benchmarks during the project that indicate things are going in the right direction?
  
- ☐ **Statement of Need (one page only) – total pts 10**
  - How does this project align with the funding category that you are applying for?
  - What documented needs (e.g., McDowell Reports, the Comprehensive Plan, Youth Risk Behavior Survey, etc.) does this project address?
  - Does the funding from this request leverage other funds for the project? How?
  
- ☐ **Organizational Capacity (one page only) – total pts 10**
  - Track record (this or similar project delivery and management).
  - Community support.
  - Board attendance.
  - List of Board Members and Officers.
  
- ☐ **Budget – total pts 10**
  - Statement of assets, revenues, and expenditures for previous year.
  - Detailed budget for current year, including funds for this project.
  - Include itemized list of grants received or pending for prior and current years.
  
- ☐ **Required Documentation – total pts 10**
  - Copy of non-profit documentation such as IRS 501c3 designation.
  - Current State of Alaska nonprofit organization business license.
  - CBS Liabilities Form.

Please submit your completed application, including summary sheet and required documentation by email to [clerk@cityofsitka.org](mailto:clerk@cityofsitka.org). Type the application using size 10-12 font. Submit only materials requested.

City and Borough of Sitka

ANNUAL GRANTS FROM GENERAL FUND

**SUMMARY SHEET**

Name of Organization: \_\_\_\_\_

Alaska State Business License Number (if applicable): \_\_\_\_\_

Name of Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Grant Category (check either annual or special emergency grant, and check type of services for annual grant):

- ☐ Annual Grant:
  - ☐ Human Services or
  - ☐ Cultural and Educational Services or
  - ☐ Community Development
- ☐ Special Emergency Grant

Dollars Requested: \_\_\_\_\_

Match Dollars Committed: \_\_\_\_\_ Percentage: \_\_\_\_\_

Sources of Matched Dollars: \_\_\_\_\_

Brief Description of the Purpose of the Grant: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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I, \_\_\_\_\_, do hereby certify that all information provided for this grant application is accurate and complete to the best of my knowledge.

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

# **CITY AND BOROUGH OF SITKA GENERAL FUND GRANTS FOR NON-PROFIT ORGANIZATIONS**

## **PROCEDURES**

The following table describes the types of City and Borough of Sitka (CBS) General Fund grants that may be awarded to non-profit organizations for: (1) Human Services; (2) Cultural and Educational Services; or (3) Community Development. A non-profit organization may request a grant as an annual award or as a special emergency grant during the fiscal year when the need arises. The percentage of money appropriated from the general fund for non-profit organization grants and the maximum amount of any grant is listed below.

A further explanation of the grant application process, requirements and restrictions is outlined on the next page, and in the attached application packet.

<b><u>Grant Category Description</u></b>	<b><u>Time Frame</u></b>	<b><u>Amount</u></b>
<b>Human Services</b>	Annual Grants	<u>Total Funds</u> - 50% of Grant Budget <u>Maximum Grant</u> - \$25,000
<b>Cultural and Educational Services</b>	Annual Grants	<u>Total Funds</u> - 20% of Grant Budget <u>Maximum Grant</u> - \$10,000
<b>Community Development</b>	Annual Grants	<u>Total Funds</u> - 20% of Grant Budget <u>Maximum Grant</u> - \$10,000
<b>Special Emergency</b>	Special Grants During FY After Annual Grants Awarded	<u>Total Funds</u> - 10% of Grant Budget <u>Maximum Grant</u> - \$5,000

## **Description of Grant Application Procedures, Requirements & Restrictions**

- During the annual budget process, the Assembly will establish the amount that will be made available for distribution as grants to Sitka registered non-profit organizations.
- Depending on level of funding available, the Assembly may choose to limit the category of grants it will approve, the total amount it will provide per award, or set other restrictions or special conditions it deems appropriate.
- Advertising for non-profit organizations grants shall begin after ratification of the next fiscal year budget.
- Completed applications must be submitted by email to the Municipal Clerk's Office at [clerk@cityofsitka.org](mailto:clerk@cityofsitka.org) by 5:00 p.m. on the due date August 15, 2025. Applications received after the time fixed for receipt will not be considered. The due date for special emergency grants is two weeks prior to the Assembly meeting considering the application.
- All timely received and completed applications shall be reviewed and scored by the Assembly.
- Applicants must be current with all CBS liabilities when the application is filed in order for the application to be considered, including sales taxes, property taxes, utility payments, lease payments, loan payments, promissory notes, etc. To ensure compliance, applicants must complete and submit the CBS Liabilities Form with the Grant Application. This form needs to be signed off by the tax, utility and miscellaneous billing departments indicating that the applicant is current in all obligations owed to the CBS.
- Applications for annual grants will be considered and awarded at a special meeting of the Assembly in September. An application for a special emergency grant will be considered at the first regular Assembly meeting held two weeks after receipt of the application. Applicants will not be given the opportunity to promote their individual grant applications during the Assembly meeting. For an applicant to receive funding, a majority of the Assembly needs to recommend some level of funding.
- Grant monies shall not be used to pay for any tax debt (federal, state, or municipal).
- Non-profit organizations that have received CBS funds as part of the General Fund Budget are ineligible to receive monies from this General Fund Non-profit Organization Grant program.
- Non-profit organizations may only receive one General Fund Non-profit Organization grant during the same fiscal year, either an annual grant or a special emergency grant.

- Grant monies not awarded or used during the fiscal year will rollover as non-profit grant funds for the next fiscal year. Any rollover monies will be counted towards the total grant funds to be appropriated for the next fiscal year toward any of the grant categories.
- Grant monies not spent during the awarded fiscal year must be returned to the CBS.
- Grant monies may not be reallocated for another project not specific to what the organization originally applied for without Municipal Administrator approval.

A Progress and Financial Report must be submitted to the Municipal Clerk's Office at [clerk@cityofsitka.org](mailto:clerk@cityofsitka.org) no later than March 2, 2026. If all grant funds have not been spent and accounted for in the March 2, 2026, report, a supplemental report must be filed by July 15, 2026. Failure to timely submit complete reports may result in the non-profit organization being ineligible in the next fiscal year for general fund grants for non-profit organizations.

## **General Fund Grants for Non-Profit Organizations**

# for Fiscal Year 2026

## CBS Liabilities Form

*Complete and submit this form with your Non-Profit Grant Application.*

**Organization Name:** \_\_\_\_\_

- Property Tax

\_\_\_\_\_  
Justin Harris, Supervisory Senior Accountant  
747-1853

- Sales Tax

\_\_\_\_\_  
Justin Harris, Supervisory Senior Accountant  
747-1853

- Municipal Leases

\_\_\_\_\_  
Tori Fleming, Procurement Specialist  
747-1845

- Loan/Promissory Note

\_\_\_\_\_  
Amanda Diehl, Controller  
747-1801

- Utilities

\_\_\_\_\_  
Chelsey Dumag, Utility/Harbor Billing Clerk  
747-1843

*CBS Department signatures must be complete to verify your organization is current on all CBS liabilities.*

Legislative actions affecting school funding and other district matters. The Fire, Library, and Electric Departments presented their quarterly reports. Planning and Community Development Director Amy Ainslie provided an update on the Tourism Commission's discussion of a tourism best management practices program, which she said would be piloted by the Sitka Dock Company this season.

#### VIII. PERSONS TO BE HEARD

None.

#### IX. CONSENT AGENDA

None.

#### X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- A [25-064](#) Reappoint Kenneth Cameron to a three-year term on the Employment Relations Board (CBS Representative Seat)

**A motion was made by Mosher that this Item be APPROVED. The motion PASSED by the following vote.**

**Yes:** 6 - Christianson, Mosher, Eisenbeisz, Pike, Carlson, and Saline

**Absent:** 1 - Ystad

#### XI. UNFINISHED BUSINESS:

- B [25-054](#) Discussion / Direction / Decision on the Annual General Fund Grants for Non-Profit Organizations Program

Kevin Mosher said he'd contacted the Sitka Legacy Fund about taking over the Annual General Fund Non-Profit Grant program. The idea would be for the City to provide general guidance while the organization managed applications, distributed funds, and charged a 3% fee. Mosher noted this would offer a more objective approach. Eisenbeisz and Pike saw room for improvement and were open to exploring the idea. Christianson was concerned about giving final award decisions to a third party, preferring Assembly approval, and noted that grant requirements could be burdensome for small awards. Saline emphasized the need for third party objectivity, while Carlson said she used the rubric and strategic plan to guide her decisions. Administrator John Leach reiterated his direction to work with the item's sponsors and the Sitka Legacy Fund, then return with a proposal for Assembly approval. He also added he wanted to consult the Finance team regarding grant follow-up, reporting, and compliance.

- C [ORD 25-06](#) Amending Title 14 "Streets, Sidewalks and Public Places" of the Sitka General Code by amending Chapter 14.05 "Public Use of Parks and Recreation Facilities, Land, and Trails"

Leah Mason commented.

**A motion was made by Christianson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**