



# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**From:** Assembly Members Ystad and Mosher

**Date:** June 16, 2024

**Subject:** Approve ballot proposition - housekeeping amendment to Sitka Home Rule Charter

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### **Background**

In July 2024, the Assembly was presented with a set of housekeeping ordinance options aimed at clarifying and improving specific sections of the Sitka Home Rule Charter. Among them was Ordinance 2024-17, which proposed amending Article XX, Section 20.01, regarding the Sitka Community Hospital Dedicated Fund. As written, this section limits the Fund's use to the operating, capital, and debt service needs of the former Sitka Community Hospital.

During the discussion, the Assembly was informed that in future years, residual funds may remain after all hospital-related obligations are met. Ordinance 2024-17 proposed redirecting any excess funds to the General Fund, but the ordinance failed on first reading and was therefore not placed on the October 2024 ballot.

The sponsors of this new proposal wish to revisit the use of any future excess in the Sitka Community Hospital Dedicated Fund. Rather than redirect the funds to the General Fund, they propose dedicating them toward repayment of bonds for a future multi-purpose sports complex. While the location and scope of the complex are yet to be determined, identifying and securing a reliable funding source is a critical first step. The sponsors believe this Fund is that source.

Sitka's current athletic facilities are limited, with many no longer meeting the needs of the community. A wide range of athletic programs now rely on the City's only turfed field - Upper Moller. The high demand for this single space has led to scheduling conflicts among user groups and accelerated wear and tear on the facility. A new multi-purpose complex would alleviate these issues, expand access for both youth and adult programs, and reduce competition for limited field space.

Beyond athletics, a community sports complex would serve broader purposes. It would support Sitka's quality of life by offering healthy recreational opportunities for all ages, promoting physical and mental well-being, reducing risky behaviors, and enhancing community cohesion. For families considering a move to - or remaining in - Sitka, access to quality extracurricular options is often a key factor.

Sitka's athletes consistently perform at high levels, earning state titles and top placements in sports such as baseball, softball, and track and field. Club sports like soccer and football are also gaining momentum, with hopes of becoming officially sanctioned school sports. These athletes deserve facilities that match their talent and success.

### **Analysis**

This ordinance proposes an amendment to remove language restricting the Sitka Community Hospital Dedicated Fund to the former hospital's needs. While some residual expenses remain - primarily related to retirement benefits for former employees - excess funds may eventually be available to support a future multi-purpose sports complex. Hospital related liabilities will continue to take priority over any new use. Depending on the project's scope, cost, and the timeline for resolving outstanding obligations, it may be some time before funds are available. Nonetheless, identifying a dedicated funding source is the first step in moving the project forward.

### **Fiscal Note**

Although existing liabilities - primarily the PERS obligation - must continue to take precedence, annual payments from the hospital purchase agreement with the Southeast Alaska Regional Health Consortium, along with tobacco tax proceeds, are expected to exceed the amount needed to cover those obligations in the coming years. Without this amendment, the municipality would be unable to use any excess funds, as the Charter's current language restricts use to purposes that are no longer applicable beyond the remaining liabilities.

The sponsors also note that modern athletic facilities have the potential to attract regional and state tournaments, which bring families and visitors to Sitka and support the local economy through increased spending on lodging, dining, and retail. Currently, Upper Moller is the only facility capable of hosting events of this scale.

### **Recommendation**

Approve this ordinance amending the Sitka Home Rule Charter and place the question on the ballot at the regular election of October 7, 2025.