



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: Assembly Members Mosher and Ystad

Date: March 19, 2025

Subject: Proposed Change to Annual General Fund Grants for Non-Profit Organizations

Background

For nearly 20 years, the City and Borough of Sitka (CBS) has maintained a budget line item for 'Annual General Fund Grants for Non-Profit Organizations.'

In 2007, the Health Needs Commission reviewed applications from non-profits and recommended to the Assembly grant recipients and distribution amounts. Due to a lack of Commission members, the Commission was dissolved in 2009. As shown in the timeline included in this packet, the process has evolved over time, ultimately transferring the process to the Assembly.

The Assistant Municipal Clerk then reviews, organizes, and prepares the applications for consideration at an Assembly meeting, held in September, where Assembly Members vote on grant recipients and award amounts. Once decisions are made, staff distribute the funds.

While this process is well-intentioned, it often leads to subjective decision-making by individuals who may lack the time or expertise to thoroughly evaluate applications. Additionally, the current system introduces political influence into the award process, whereas a more objective approach would be both fairer and more effective.

Analysis

The sponsors believe that involving a third party in managing grant awards would better serve the community. To explore this possibility, the Sitka Legacy Fund (SLF) was contacted to assess their potential interest and the conditions under which they might participate. This inquiry was not a negotiation—that responsibility lies with the Municipal Administrator under Assembly direction—but rather an effort to determine if at least one organization in Sitka would be willing to take on this role.

A representative from SLF expressed initial interest in managing the city's grant program. With a strong track record in evaluating grant applications and distributing funds, SLF specializes in this type of work. Their established system involves receiving funds from donors, assessing applications based on key values (such as youth-focused initiatives, health-based programs, and historical preservation), and distributing grants through the Alaska Community Foundation (ACF).

While STL has shown potential interest, there may be other organizations interested. The primary objective was to confirm at least one organization's willingness to take on this responsibility—and that has been achieved.

Fiscal Note

The cost to CBS should be minimal. Of the total \$50,000 grant amount, SLF would receive 1% and ACF would receive 2%, totaling 3% or \$1,500. This would free staff from a time-consuming task, allowing them to focus on more urgent city priorities, ultimately improving efficiency.

Recommendation

We recommend that the Assembly discuss this matter and consider directing the Municipal Administrator to explore collaboration with an organization, such as SLF, to manage the non-profit grant program, define award criteria, and report back to the Assembly. As this is the first time this topic is being presented, no immediate decision is required; rather, it is being introduced for discussion and potential direction at the Assembly's discretion.