

QUARTERLY REPORT

February 10, 2026 Assembly Meeting
November 2025 - January 2026

Melissa Lunas
Public and Government Relations Director

✉ melissa.lunas@cityofsitka.org

☎ 907-747-1824

📍 100 Lincoln Street



To provide public services for Sitka that support a livable community for all

SERVICE | INTEGRITY | TEAMWORK | KINDNESS | ACCOUNTABILITY

City Wide Communications Plan

Strategic Plan Goal 2

Project Status Updates

- Biweekly meetings with the Consultants
- Stakeholder interviews
- Community and staff survey in process through February 7

Future Milestones

- Create the Plan (February through March)

Project Cost / Budget Information:

- \$46,285 / work to be completed by June 30, 2026
- \$6,254.58 expensed

Background

Develop a City-wide Strategic Communications plan that will strengthen how the organization communicates with the public and across departments. The project includes assessing current communication tools, gathering input from staff and the community, and outlining a clear, coordinated approach to messaging, engagement, and internal communication. The final plan will provide practical tools, strategies, and timelines to support more effective and consistent communication.

Administrative Policies

Strategic Plan Goal 2 and 5

Project Status Updates

- Drafted and submitted Assembly materials

Future Milestones

- Assembly approval

Project Cost / Budget Information:

- N/A

Background

Update to the external 1996 ADA policy that established uniform procedures and standards for Title II.



December 2025 AHOD

Strategic Plan Update #3

Project Status Updates

- Workshop with Assembly and staff
- Assembly approved the updates to the plan on December 16

Future Milestones

- Continue work on the Action Items including housing and childcare as priorities

Project Cost / Budget Information:

- \$19,035
- \$10,481.10 expensed - final invoices still pending

Background

The Sitka Strategic Plan 2022-2027 was adopted 9/27/2022 by the Assembly. The plan calls for making regular annual updates to ensure it remains relevant in meeting current community and organizational needs.

The third update included celebrating 2025 accomplishments, incorporating feedback from the community, Assembly, and staff, and identifying priorities for the coming year. The process included reviewing progress toward existing goals and discussing emerging needs/priorities.



Strategic Plan Workshop in November

Website Redesign

Strategic Plan Goal 2

Project Status Updates

- Page creation with Content Managers

Future Milestones

- Determine date to launch
- Website launch

Project Cost / Budget Information:

- \$13,295 IT budget

Background

An agreement with Granicus to modernize CBS website including a new homepage design, content rationalization, accessibility improvements, and content migration services. It also offers workflow tools to modernize digital forms. Additional training, security features, and ongoing software support are included for a smooth and sustainable rollout.



Mayor AML Award

2025 Annual Report to the Community

Strategic Plan Goal 2

Project Status Updates

- Developed the report and presentation
- John presented the report to the community hosted by the Chamber on January 28

Future Milestones

- Continue communication of the report

Project Cost / Budget Information:

- N/A

Background

The annual report is a comprehensive document and presentation to provide the community with a transparent and detailed overview of the city's financial performance, achievements, and key activities over the past year. The focus of the annual report is on progress made toward the strategic plan goals and aims to foster greater engagement, accountability, and communication between local government and the Sitka community.

FY2026 & 2027 Congressionally Directed Spending Requests

Strategic Plan Goal 1 & 4

Project Status Updates

- FY2027 - A project brainstorm meeting was held
- FY2026 - The Wastewater Effluent Disinfection Treatment System included in the FY26 Interior, Environment, and Related Agencies appropriations bill cleared both the House and Senate January 23.

Future Milestones

- FY2027 - Finalize which projects to input
- FY 2027 - Draft project proposals/enter projects in the portal by the February 27 due date
- FY2026 - The appropriations bill is awaiting the President's signature, after which agency implementation and awards may proceed.

Project Cost / Budget Information:

- FY2026 WW Effluent Disinfection Treatment System - \$10M requested with no local match anticipated; Estimated Total Project Cost \$13,220M; WW Working Capital \$750K

Background

Congressionally directed Spending (CDS) allows Members of Congress to request federal funding for specific, community-identified projects through the annual appropriations process. Eligible requests are submitted on behalf of local governments, tribes, and nonprofits and must meet established federal criteria. This process enables Members of Congress to prioritize projects that are important to their states and local communities.

CAP SIS Submittals

Strategic Plan goal 1 & 4

Project Status Updates

- Projects have been identified

Future Milestones

- Submittals will be drafted and submitted by the February 27 deadline

Background

CAP SIS is the legislative Capital Project Submission and Information System. This interface is another way to communicate capital project priorities for consideration by the legislature. Entries will be pooled to the selected legislator(s) and available for consideration in the capital budgeting process.

Projects identified include Thimbleberry Bypass, Marine Haul Out Shipyard, Expand Housing to Sustain Economic Growth, City/State Building and Police Department and Jail, and other community projects.

FY2027 Legislative Priorities

Strategic Plan Goal 1 & 4

Project Status Updates

- Assembly approval on January 27
- Distribution via mail and email

Future Milestones

- In person discussions with Sen. Stedman, Rep. Himschoot in February
- In person discussions with Sen. Murkowski, Sen. Sullivan, and Rep. Begich in April

Background

Legislative priorities guide work with state and federal legislatures to advocate for policies, funding, and regulations that directly support community needs. They provide a clear framework for coordinated advocacy, align with the Strategic Plan, and help advance critical infrastructure, public service, and long-term community goals.



Annual Report Presentation

December 31, 2025



At the Assembly Table

Assembly Adopts Strategic Plan Update #3

The Sitka Assembly approved the third annual update to the [Sitka Strategic Plan 2022–2027](#), continuing the City’s practice of reviewing and refining priorities each year to reflect current community and organizational needs.

This year’s update draws on input from the community, City employees, boards and commissions, Assembly members, and a joint staff–Assembly workshop. It highlights progress made over the past year and refines several goals to better align with current priorities.

Key updates include marking actions as complete or ongoing, refining focus areas such as housing, childcare, communications, economic development, and infrastructure, and adding an emphasis on better aligning overlapping resources to improve service delivery. The update will guide City staff work planning for 2026 and help prepare for the final year of the current Strategic Plan.

Meet Your New Assembly Member

Welcome Katie Riley to the Sitka Assembly!

A born and raised Sitkan, Katie brings a strong connection to community, public service, and Alaska's way of life. She began her working career at Sitka Sound Seafoods, later moving on to troll tendering and commercial fishing in Bristol Bay. Katie currently serves as Deputy Director of the Sitka Conservation Society and has held leadership roles as vice chair of both the Planning Commission and the Sustainability Commission.



She ran for Assembly with a focus on housing, infrastructure, and ensuring Sitka remains a place where young people, families, and elders can continue to live and thrive.

City and Borough of Sitka Proposed Fiscal Year 2027 Budget Preparation Planning Schedule (subject to change)		
Day of Week	Date	Action
Thursday	12/18/2025	6:00pm Budget Special Meeting with Assembly: Big Picture Guidance on Capital Projects
Thursday	1/8/2026	6:00pm Budget Special Meeting with Assembly: Big Picture Guidance on Budget - new initiatives or any changes to status quo for all funds
Thursday	2/5/2026	6:00pm Work Session with Assembly and School Board - Local Funding for Education
Thursday	2/26/2026	6:00pm Budget Special Meeting with Assembly - Revenue Projections & Rates
Friday	3/20/2026	Draft Administrator's Budget published (General Fund)
Wednesday	3/25/2026	6:00pm Budget Special Meeting with Assembly - Review General Fund Draft Administrator's Budget
Friday	4/10/2026	Draft Administrator's Budget published (Enterprise Funds)
Thursday	4/16/2026	6:00pm Budget Special Meeting with Assembly - Review Draft Administrator's Budget for enterprise funds, internal service funds, and special revenue funds
Monday	5/4/2026	Deadline: Final Budget to Assembly
Tuesday	5/12/2026	1st Reading Budget Ordinance
Tuesday	5/26/2026	2nd Reading Budget Ordinance
Wednesday	7/1/2026	Taxpayer Notice Publication

Join the FY27 Budget Conversations

The City and Borough of Sitka's annual budget process is underway, and community participation matters. Budget discussions shape the services, infrastructure, and priorities that impact Sitkans every day — from roads and utilities to public safety and recreation.

Residents are encouraged to attend upcoming Assembly budget meetings, listen in, and share their perspectives. Public input helps ensure decisions reflect community needs and values as Sitka plans for the year ahead.

Deadlines to Know

Few Days Left to Apply for 2026 Commercial Recreational Land Use Permits

As the application deadline approaches, commercial operators have just a few days left to submit them under the new 2026 Commercial Recreational Land Use Plan process.

Applications opened November 19 and close January 4. A public review and comment period will follow, and final determinations will be made between February 2 and 10.

Additional application materials and information will be posted to the [City of Sitka Parks and Recreation webpage](#). Questions may be directed to Sitka Parks and Recreation at 907-747-4031 or recreation@cityofsitka.org.



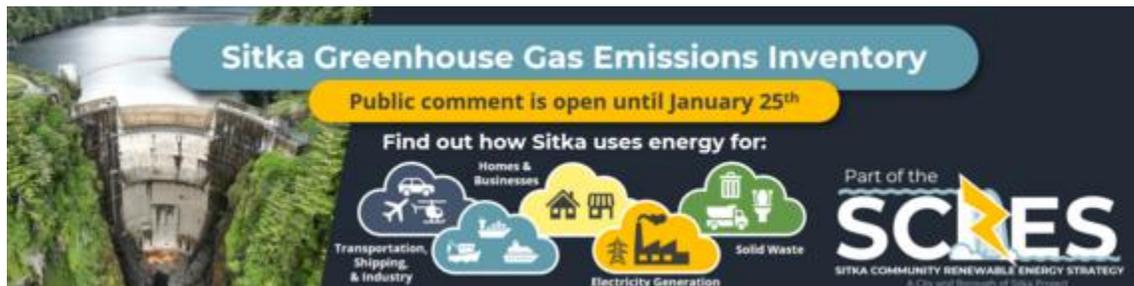
Calling All Vendors & Outfitters

Thinking about operating as a plaza vendor or outfitter at Harrigan Centennial Hall in 2026? It's almost time!

The annual public outcry auction kicks off at 10:00 a.m. January 9, in Meeting Room 6 at Harrigan Centennial Hall. Vendors with expiring permits and new tour or excursion operators are both welcome to participate.

To take part, be sure to submit your application by 4:00 p.m. on January 8, to the Harrigan Centennial Hall Manager's office. Application materials and instructions can be found on the [City's Website](#).

Questions? The Harrigan Centennial Hall Manager is happy to help at 907-747-4090.



We Want Your Input

The Sitka Community Renewable Energy Strategy (SCRES) is nearing completion, and we're excited to share the updated [2023 Sitka Greenhouse Gas Emissions Inventory](#). Community feedback played a big role in shaping this work, and we invite residents to review the updated inventory and share comments.

The public comment period is open through January 25. Comments can be submitted to sustainability@cityofsitka.org, and questions or requests for assistance can be directed to 907-747-1856.

More information, including the final SCRES report and new educational resources, will be shared in early 2026.



WE WANT YOUR FEEDBACK

Help shape the City's new
Communications Plan

Improve how Sitka connects with YOU—take the survey today!

<https://www.surveymonkey.com/r/SitkaComms>

Want to learn more about the project or have questions? Reach out to the project team by emailing pio@cityofsitka.org.

Behind the Scenes

Keeping Things Flowing

The City and Borough of Sitka is continuing construction on the Thomsen Harbor Lift Station Rehabilitation Project, one of those behind-the-scenes projects that most of us never think about — until it stops working. Installed in 1984, the lift station runs 24/7 moving wastewater from the Baranof Island side under the channel to the treatment facility on Japonski Island, quietly doing its job day in and day out.

The project updates aging equipment and improves the system's ability to handle heavy rain events, helping keep everything moving where it's supposed to. Major work is well underway, with final grading and surface restoration expected to wrap

up by June 2026. It's not the flashiest project in town, but it's an important one, proof that some of the most essential City work happens out of sight and underground.

Photo: A Little Holiday Cheer from the Wastewater Team



A New Look for the City's Website

We will soon be launching a new website with an updated look and improved navigation designed to make information easier to find and City services more accessible. While some things may look different at first, the goal is a more user-friendly, accessible experience for everyone. If you have trouble finding something, notice missing information, or run into any issues, please contact Melissa Lunas, Public and Government Relations Director, at melissa.lunas@cityofsitka.org or 907-747-1824. Your feedback will help us continue improving the site.

Community Connections

Get Involved: Serve on a City Board or Commission

Interested in how local decisions are made? Looking for a way to give back? Serving on a City board or commission is a great way to share your perspective and help shape Sitka's future.

Boards and commissions bring together community members to advise the Assembly and City staff on topics ranging from parks and public safety to housing, sustainability, and historic preservation. No prior experience is needed, just an interest in your community and a willingness to participate.

If you've ever thought about getting involved, the new year is a great time. Visit the [City of Sitka website](#) or contact the [City Clerk's Office](#) to learn more about current vacancies and how to apply.



Stay Connected with Parks and Recreation

Want to keep an eye on programs, events, and activities around town? Follow the [City of Sitka Parks and Recreation on Facebook](#) for updates on registration openings, schedule changes, community events, and recreation opportunities for all ages. From program announcements and facility updates to seasonal offerings, the Parks and Recreation page shares what's happening so you can stay connected and plan ahead.

And Speaking of Parks and Recreation... two community music programs are starting up soon — whether you're looking to dust off an instrument or simply love to sing, there's something for everyone.

Sitka Community Orchestra

If you play a string, wind, brass, or percussion instrument, the Sitka Community Orchestra is welcoming new musicians. Led by Drew Larson, rehearsals begin January 27, and take place Tuesdays from 7:00–8:30 p.m. at the Blatchley Middle School Music Room. The \$20 program wraps up with a joint concert on April 19 at the Sitka Performing Arts Center.



Sitka Community Choir

Prefer to sing? The Sitka Community Choir begins its next session on January 25 at 3:30 p.m. at Sitka High School. Led by Andrew Hames, rehearsals run Sundays from 3:30–5:00 p.m. No experience is necessary, all are welcome.

Register at <https://sitka.recdesk.com/Community/Home>

City Administrator's Corner

A Quick Note on Winter Electric Rates

We're well into winter, and with colder temperatures comes higher electricity use, especially for homes that rely on electric heat. That means many households may see higher electric bills this time of year, even with Sitka's lower winter rate in effect.

A few small steps can help keep costs down: lowering thermostats when you're away or asleep, sealing drafts around doors and windows, using LED lighting, and being mindful of high-use appliances during peak times. If you use electric heat, even small efficiency changes can make a difference over the course of the winter.

Sitka's seasonal rate structure is designed to help soften winter bill spikes, and our 100% locally sourced hydroelectric system continues to provide clean, reliable power at rates that remain competitive statewide and nationally. As always, utility rates and long-term energy planning are part of the Assembly's budget discussions, and community input is encouraged.



Annual Report to the Community

The community is invited to attend the Annual Report to the Community, hosted by the Greater Sitka Chamber of Commerce. This year's event will be held at the Southeast Resort Banquet Room, where Municipal Administrator John Leach will

share highlights from the past year and what's ahead for Sitka. Come, listen in, and stay informed about City priorities and progress.

For more information, contact Melissa Lunas, Public and Government Relations Director, at melissa.lunas@cityofsitka.org or 907-747-1824.

A Winter Reminder

As we move through winter, I want to share a quick reminder about preparedness. While City crews are monitoring conditions and responding as needed, simple steps at home like staying informed, keeping an emergency kit, making a plan, and checking in on neighbors, can make a big difference.

Heavy rain and winter storms can bring added risks, so staying alert and [signing up for local notifications](#) is important. Preparedness is a shared effort, and looking out for one another helps keep Sitka safe through the season.

Where We're Focusing Next

I wanted to briefly highlight a few of the focus areas guiding our work moving forward. As mentioned earlier in this issue, the Strategic Plan update builds on community input and helps set priorities for the year ahead.

Housing remains a top priority, with the ongoing land study helping us understand where development makes the most sense on City-owned land and what's realistically buildable. Childcare is another key area, with Assembly members and community partners working toward more action-oriented solutions.

We're also placing greater emphasis on coordinating infrastructure and resources, particularly where roads, utilities, and other systems overlap, to improve efficiency, reduce costs, and minimize disruptions for residents.

These focus areas reflect both community input and what we're seeing on the ground, and we'll continue sharing updates as this work moves ahead.

Tune into KCAW with John Leach each month!

City Administrator, John Leach, has been taking on hot topics in Sitka, live on KCAW radio. Tune in on January 29, at 8:16am to keep up with his next updates! <https://www.kcaw.org>.





Expense Budget Performance Report

Fiscal Year to Date 02/04/26

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Total
Fund 100 - General Fund										
Division 500 - Administrative										
Department 001 - Administrator & Assembly										
EXPENSE										
5110										
5110.001	Regular Salaries/Wages	354,389.72	.00	354,389.72	.00	.00	225,855.33	128,534.39	64	223,171.72
5110.002	Holidays	.00	.00	.00	.00	.00	13,887.84	(13,887.84)	+++	12,260.04
5110.003	Sick Leave	.00	.00	.00	.00	.00	5,223.73	(5,223.73)	+++	700.60
5110.004	Overtime	.00	.00	.00	.00	.00	639.53	(639.53)	+++	44.63
5110.010	Temp Wages	119,030.20	.00	119,030.20	.00	.00	36,250.00	82,780.20	30	56,787.50
5110 - Totals		\$473,419.92	\$0.00	\$473,419.92	\$0.00	\$0.00	\$281,856.43	\$191,563.49	60%	\$292,964.49
5120										
5120.001	Annual Leave	21,759.33	.00	21,759.33	.00	.00	17,867.38	3,891.95	82	24,942.60
5120.002	SBS	30,354.71	.00	30,354.71	.00	.00	18,448.59	11,906.12	61	19,403.02
5120.003	Medicare	7,180.14	.00	7,180.14	.00	.00	4,363.91	2,816.23	61	4,619.17
5120.004	PERS	77,965.92	.00	77,965.92	.00	.00	57,909.30	20,056.62	74	57,364.46
5120.005	Health Insurance	46,273.32	.00	46,273.32	.00	.00	27,425.74	18,847.58	59	32,079.31
5120.006	Life Insurance	34.08	.00	34.08	.00	.00	24.08	10.00	71	24.06
5120.007	Workmen's Compensation	2,428.02	.00	2,428.02	.00	.00	857.41	1,570.61	35	847.80
5120.011	PERS on Behalf	6,782.00	.00	6,782.00	.00	.00	.00	6,782.00	0	11,111.00
5120 - Totals		\$192,777.52	\$0.00	\$192,777.52	\$0.00	\$0.00	\$126,896.41	\$65,881.11	66%	\$150,391.42
5201										
5201.000	Training and Travel	89,503.00	.00	89,503.00	.00	.00	36,814.55	52,688.45	41	49,027.53
5201 - Totals		\$89,503.00	\$0.00	\$89,503.00	\$0.00	\$0.00	\$36,814.55	\$52,688.45	41%	\$49,027.53
5204										
5204.001	Cell Phone Stipend	600.00	.00	600.00	.00	.00	225.00	375.00	38	312.50
5204 - Totals		\$600.00	\$0.00	\$600.00	\$0.00	\$0.00	\$225.00	\$375.00	38%	\$312.50
5206										
5206.000	Supplies	9,500.00	.00	9,500.00	.00	.00	2,726.50	6,773.50	29	4,041.28
5206 - Totals		\$9,500.00	\$0.00	\$9,500.00	\$0.00	\$0.00	\$2,726.50	\$6,773.50	29%	\$4,041.28
5211										
5211.000	IT Fees	67,428.00	.00	67,428.00	.00	.00	39,333.00	28,095.00	58	64,412.04
5211 - Totals		\$67,428.00	\$0.00	\$67,428.00	\$0.00	\$0.00	\$39,333.00	\$28,095.00	58%	\$64,412.04
5212										
5212.000	Contracted Services	237,320.00	30,131.11	267,451.11	.00	120,215.43	109,752.36	37,483.32	86	188,143.29
5212 - Totals		\$237,320.00	\$30,131.11	\$267,451.11	\$0.00	\$120,215.43	\$109,752.36	\$37,483.32	86%	\$188,143.29
5222										
5222.000	Postage	100.00	.00	100.00	.00	.00	19.78	80.22	20	18.99
5222 - Totals		\$100.00	\$0.00	\$100.00	\$0.00	\$0.00	\$19.78	\$80.22	20%	\$18.99
5224										
5224.000	Dues and Publications	23,443.00	.00	23,443.00	.00	.00	15,284.73	8,158.27	65	21,765.70



Expense Budget Performance Report

Fiscal Year to Date 02/04/26

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Total
Fund 100 - General Fund										
Division 500 - Administrative										
Department 001 - Administrator & Assembly										
EXPENSE										
	5224 - Totals	\$23,443.00	\$0.00	\$23,443.00	\$0.00	\$0.00	\$15,284.73	\$8,158.27	65%	\$21,765.70
5226										
5226.000	Advertising	5,000.00	.00	5,000.00	.00	.00	577.15	4,422.85	12	1,238.95
	5226 - Totals	\$5,000.00	\$0.00	\$5,000.00	\$0.00	\$0.00	\$577.15	\$4,422.85	12%	\$1,238.95
5288										
5288.000	Administrator Contingency	3,000.00	.00	3,000.00	.00	.00	607.20	2,392.80	20	.00
	5288 - Totals	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$607.20	\$2,392.80	20%	\$0.00
5289										
5289.000	Mayor Contingency	3,000.00	.00	3,000.00	.00	.00	100.00	2,900.00	3	21.00
	5289 - Totals	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$100.00	\$2,900.00	3%	\$21.00
5290										
5290.000	Other Expenses	30,500.00	.00	30,500.00	.00	.00	15,691.18	14,808.82	51	15,987.22
	5290 - Totals	\$30,500.00	\$0.00	\$30,500.00	\$0.00	\$0.00	\$15,691.18	\$14,808.82	51%	\$15,987.22
	EXPENSE TOTALS	\$1,135,591.44	\$30,131.11	\$1,165,722.55	\$0.00	\$120,215.43	\$629,884.29	\$415,622.83	64%	\$788,324.41
	Department 001 - Administrator & Assembly Totals	(\$1,135,591.44)	(\$30,131.11)	(\$1,165,722.55)	\$0.00	(\$120,215.43)	(\$629,884.29)	(\$415,622.83)	64%	(\$788,324.41)
	Division 500 - Administrative Totals	(\$1,135,591.44)	(\$30,131.11)	(\$1,165,722.55)	\$0.00	(\$120,215.43)	(\$629,884.29)	(\$415,622.83)	64%	(\$788,324.41)
	Fund 100 - General Fund Totals	\$1,135,591.44	\$30,131.11	\$1,165,722.55	\$0.00	\$120,215.43	\$629,884.29	\$415,622.83		\$788,324.41
	Grand Totals	\$1,135,591.44	\$30,131.11	\$1,165,722.55	\$0.00	\$120,215.43	\$629,884.29	\$415,622.83		\$788,324.41