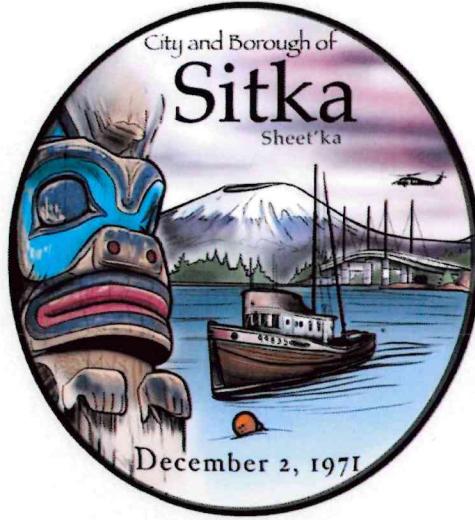


2025 CBS ANNUAL REPORT

John Leach
Municipal Administrator



Good afternoon, everyone—members of the Chamber of Commerce and members of our community.

I want to begin by thanking the Chamber of Commerce for hosting today's event and for the opportunity to be here with you. This allows us to reflect on the past year and share how the City and Borough has continued to move forward through collaboration, dedication, and shared purpose.

Looking back, 2025 stands out as a year marked by progress and teamwork. Across the organization, departments worked together to reach key milestones that support our community and reinforce what makes Sitka such a strong and resilient place to live and work. These efforts, big and small, have helped improve daily services, strengthen infrastructure, and foster meaningful engagement throughout the community.

Today, I want to highlight how this work aligns with the goals of the Strategic Plan. Whether it's enhancements to community services, investments in infrastructure, or improvements in communication and sustainability, each accomplishment contributes to our broader vision for Sitka's future. Together, these efforts support economic vitality, long-term planning, and a high quality of life for residents.

As we move forward, it's important to pause and recognize what we've achieved over the past year and to celebrate the collective effort that made it possible.



Steven Eisenbeisz
Mayor

Timothy Pike
Deputy Mayor

JJ Carlson
Vice Deputy Mayor

Thor Christianson

Kevin Mosher

Scott Saline

Katie Riley

Mayor and Assembly Members

2025 CBS Annual Report

Before we continue, I'd like to take a moment to recognize the individuals you see here today. Our Mayor and Assembly members, who provide leadership and direction for the City and Borough of Sitka.

The Assembly is structured to promote continuity and balance through staggered three-year terms, ensuring both institutional knowledge and the introduction of new perspectives over time. In the 2025 election, voters chose to re-elect Mr. Thor Christianson, while also welcoming Ms. Katie Riley as a new Assembly member following the conclusion of Mr. Chris Ystad's service.

As we move through this presentation, I encourage you to keep in mind the steady leadership and collaborative approach of this group. Their commitment and teamwork have played a key role in the progress and milestones we'll be highlighting, and they reflect the strength and stability of Sitka's local governance.

Boards, Commissions, Committees

The City and Borough of Sitka extends its gratitude to the dedicated community members who generously volunteer their time and effort as appointed members of our various Boards, Commissions, and Committees.

Animal Hearing Board	Local Emergency Planning Committee
Building Department Appeals Board	Parks and Recreation Committee
Employment Relations Board	Planning Commission
Gary Paxton Industrial Park Board	Police and Fire Commission
Health Needs & Human Services Commission	Port and Harbors Commission
Historic Preservation Commission	Sustainability Commission
Investment Committee	Tourism Commission
Library Commission	Tree and Landscape Committee

2025 CBS Annual Report

I like to share this slide every annual report because it highlights an important part of our community's success: the dedication and contributions of our volunteers. While City staff and elected officials play a role in day-to-day operations and decision-making, the involvement of community members is equally important.

Displayed here are our boards, commissions, and committees – each supported by residents who generously give their time, expertise, and energy. These volunteers help shape policy, guide long-term planning, and support projects that strengthen our community and move Sitka forward.

Under the CBS Charter, three boards are considered essential to our system of governance: the Planning Commission, the Police and Fire Commission, and the School Board. Each provides critical oversight and specialized insight that help ensure thoughtful, informed recommendations in key areas of city operations.

The commitment shown by volunteers across all boards and committees reflects Sitka's strong civic culture and active community engagement. Their service is fundamental to helping us carry out our mission and achieve our long-term vision.

If you're interested in volunteering, please contact the Clerk's Office at 747-1826 or email clerk@cityofsitka.org. There are many opportunities to get involved in local government and make a meaningful difference for your community.

2022-2027 Strategic Plan

History and Update

2025 CBS Annual Report

CITY AND BOROUGH OF SITKA (CBS) STRATEGIC PLAN

MISSION
Provide public services for Sitka that support a livable community for all

VISION
CBS is an organization that values everyone and proactively works together to serve the community. We are fiscally sustainable, supporting a diverse economy and well-managed infrastructure. We are innovative in seeking ways to protect and preserve Sitka's natural environment. We are a respected employer where people enjoy their work and provide valued public services



VALUES

SERVICE
We take care of our community and each other. We anticipate and meet needs, are solution-oriented, and deliver outstanding work with pride.

INTEGRITY
We uphold high ethical standards, treating everyone with respect, honesty, and fairness. We are transparent, trustworthy, and courageous in doing what's right.

TEAMWORK
We encourage collaboration, breaking down silos through open communication. We embrace diversity, inclusion, innovation, and camaraderie. By working together, everyone achieves more.

KINDNESS
We treat others with kindness and respect. Our workplace does not tolerate bullying or toxic behavior. Instead, we prioritize safety and well-being. We are friendly, considerate, and generous in our interactions.

ACCOUNTABILITY
We take ownership of our work and welcome feedback. By setting clear expectations and staying consistent, we can effectively address challenges and achieve our goals.

Before we jump into the presentation, I'd like to briefly walk you through our Strategic Plan history.

The Strategic Plan is more than a document; it's the framework that guides how the CBS moves forward. It connects our mission, values, and priorities into a shared direction, ensuring departments are aligned and working toward common goals. At its foundation are clear actions and measurable outcomes, allowing us to remain responsive as community needs evolve.

The Strategic Plan was originally adopted by the Assembly in September 2022 as a five-year roadmap. While it was designed to look ahead over that horizon, it was also intentionally built as a living document. Each year, we conduct a formal check-in to ensure the plan remains relevant, transparent, and reflective of our community and organizational priorities.

This third annual update began in the fall and included broad and targeted engagement, such as a community survey, an employee survey, outreach to boards and commissions, Assembly interviews, and a full-day workshop with a steering committee made up of ten City staff and the Assembly. That workshop back in November focused

on reviewing progress to date, discussing community and organizational feedback, and identifying where refinements were needed to better align the plan with current priorities.

Strategic Plan Actions



New Goals added:

3.5 Identify economic development opportunities to diversify the economy.

4.5 Identify where resources overlap with existing infrastructure, align efforts for improvement, maintenance, and service delivery.

Pictured here: Pedestrian Crossing Guard

2025 CBS Annual Report

As we enter the fourth year of the implementation, the Strategic Plan has matured. In the early years, much of the work focused on convening, listening, and laying the groundwork. Now the emphasis has shifted toward developing, executing, and refining the work. That evolution is reflected in an increase from five to nine actions now marked as complete and ongoing.

Several of those newly added green check marks represent work that has moved from planning into sustained operations:

Action 1.3 - Tourism and Quality of Live – the Tourism Commission, established in 2024, is now meeting regularly and carrying out day-to-day work related to tourism management including the work on reviewing the tourism best management practices. The commission is currently supported by our Planning and Community Development Department and will transition to the Tourism Manager once recruitment is finalized. As seen on the slide the Pedestrian Crossing Guard, summer of 2025 was advancing pedestrian safety improvements downtown.

Action 3.2 - Capital Planning and Asset Management – All capital planning has been consolidated into a single Capital Improvement Program, strengthening long-term

planning and asset management. In addition, baseline condition assessments for schools now under City maintenance have been completed and will inform future project prioritization.

Action 3.3 - Using Tourism Revenue to Improve Quality of Life – Increased sales tax revenue has provided additional capacity for recreation and capital improvements projects. The municipal code also allows for public proposals for how Cruise Passenger Vessel (CPV) funds are used, creating opportunities for future community input in accordance with State Statute.

Action 3.5 is newly added - Economic Development & Diversification – This action focuses on identifying economic development opportunities that help diversify Sitka's economy beyond its traditional sectors. Work under this action supports long-term resilience by exploring ways to broaden the economic base, strengthen year-round activity, and reduce reliance on a single revenue source.

Action 4.5 also newly added - Coordinated Infrastructure Planning and Service Delivery – This action was added to better capture work underway, ensuring that infrastructure projects are planned holistically. For example, when a road is scheduled for replacement, related infrastructure such as water, sewer, and other utilities are reviewed and coordinated at the same time. This approach helps align resources, reduce work, and improve long-term maintenance and service delivery.

Action 5.4 - Customer Service and Process Improvements – Progress includes customer service training, the launch of an improved online utility payment system, and expanded early voting options. Work is underway on centralized permitting, a more user-friendly City website, and online payment options for harbor services.

Action 5.5 - Internal Communication and Engagement – Work is underway to develop an internal communications and engagement plan aimed at improving information flow and strengthening employee engagement across the organization.

The additional green check marks reflect a plan that is no longer in its infancy, but one that is being actively carried out – where systems are in place, improvements are ongoing, and actions have become part of regular City operations.

Quality of Life

Preserve the **quality of life** and affordability for all Sitkans

Pictured here: SPL and P&R programs

2025 CBS Annual Report



As a part of the Quality of Life goal, two priorities were intentionally elevated in this third Strategic Plan update: Housing and Childcare.

To support progress on housing, the City initiated the CBS Land Suitability and Feasibility Study, Phase I headed up by the Planning Department. This study took a practical, high-level look at City-owned land to understand where residential housing development may be feasible.

Phase I focused on a comparative screening, rather than detailed design or cost estimates. Conducted by PND Engineers, the study evaluated nine municipally owned parcels, considering factors such as physical conditions, access to infrastructure, and regulatory constraints. The goal was to better understand relative opportunities and limitations across sites, helping inform future decision-making.

The study identified Osprey Street and the Sitka High School site as the most feasible near-term development opportunities while Gavan Hill, the Benchlands, and Harbor Mountain Bypass Road area show longer-term potential.

Following housing, childcare was also clearly identified as a top Quality of Life priority.

During the November workshop, it became clear that the City's role in this area is evolving. As a result, Goal 1.4 was refined – from primarily facilitating conversations to developing incentives, identifying revenue sources, and supporting a community-wide strategy to improve access to childcare. This shift reflects a more active and intentional approach, focused on helping move solutions forward in partnership with community providers.

We'll come back to childcare toward the end of the presentation, where I'll share more about some exciting forward movement that is taking place.

In addition to housing and childcare, affordability was a key topic. One way the City continues to support residents is through the Utility Subsidization Program. In FY2025, \$230,000 was allocated for utility assistance, with \$214,000 disbursed, benefiting 180 utility accounts and households.

Communication

Improve **communications** and strengthen relationships within the community

Under Goal 2.1, the City is continuing to develop and execute a communications and engagement plan.

Public and Government Relations Department is currently working with SSW Consulting to develop a comprehensive approach that build on the Strategic Plan. This work focuses on improving transparency, strengthening community trust, and creating a more unified and effective City voice, while expanding opportunities for engagement and participation.

The scope includes engaging residents, stakeholders, and City staff; assessing existing communication tools and practices; and developing clear strategies for both internal and external communications. A key part of this effort is gathering community input – the QR code on the screen provides an easy way to share feedback and help shape this work.

This effort is ongoing, with plan development and early implementation support that began in the Fall of 2025. The full communications and engagement plan is expected to be completed by mid-2026, providing a long-term framework to guid how the City connects with the community.

Sustainable

Align resources and financial and economic policies with CBS' goals for a **sustainable** community

Pictured here:
Risk Assessment Matrix

2025 CBS Annual Report

Risk Assessment Matrix

		Likelihood							
		10 times a year	8	16	32	40	48	56	
		within 1 year	7	14	21	28	35	42	
		within 5 years	6	12	18	24	30	36	
		within 10 years	5	10	15	20	25	30	
		within 20 years	4	8	12	16	20	28	
		within 50 years	3	6	9	12	15	18	
		100 years or greater	2	4	6	8	10	12	
			1	2	3	4	5	6	
								7	

Consequence Category	Consequence Criteria							
	Insufficient	Minor	Moderate	High	Major	Extremely	Catastrophic	
Public Safety	<input type="checkbox"/> No injury <input type="checkbox"/> No damage to public or private property	<input type="checkbox"/> Near miss <input type="checkbox"/> Minor property damage	<input type="checkbox"/> Minor injuries <input type="checkbox"/> Moderate property damage	<input type="checkbox"/> Single injury w/ medical attention <input type="checkbox"/> Moderate property damage over large area	<input type="checkbox"/> Multiple injuries OR permanent disability <input type="checkbox"/> Moderate property damage	<input type="checkbox"/> Fatality <input type="checkbox"/> Major property damage over a large area	<input type="checkbox"/> Multiple fatalities	
Personnel Safety	<input type="checkbox"/> No injury	<input type="checkbox"/> Near miss	<input type="checkbox"/> Single injury requiring medical attention	<input type="checkbox"/> Multiple injuries OR permanent disability	<input type="checkbox"/> Fatality	<input type="checkbox"/> Multiple fatalities		
Compliance	<input type="checkbox"/> No violation	<input type="checkbox"/> Minor restrictions <input type="checkbox"/> Increased oversight	<input type="checkbox"/> Fines Imposed	<input type="checkbox"/> Restricted use <input type="checkbox"/> Sanctions <input type="checkbox"/> Legal penalties	<input type="checkbox"/> Loss of right to operate			
Reliability	<input type="checkbox"/> No Impact	<input type="checkbox"/> Localized inability to meet service levels	<input type="checkbox"/> Wide-spread inability to meet service levels	<input type="checkbox"/> Inability to safely operate or maintain services				
Reputation	<input type="checkbox"/> Questions raised by Municipal Admin <input type="checkbox"/> Local media coverage	<input type="checkbox"/> Questions raised by Assembly <input type="checkbox"/> State Officials <input type="checkbox"/> State media coverage	<input type="checkbox"/> Questions raised by State Officials <input type="checkbox"/> State media coverage	<input type="checkbox"/> State Legislative hearing	<input type="checkbox"/> Questions raised by Federal Officials	<input type="checkbox"/> National media coverage		
Financial Impact	<\$10k	\$10k - \$100k	\$100k - \$1M	\$1M - \$10M	\$10M - \$100M	\$100M - \$1B	>1B	

Building on priorities established in 2024, one of the City's most significant shifts was the transfer of school maintenance responsibilities to Public Works. With that transition came the need to fully assess a larger and more complex portfolio of buildings and infrastructure.

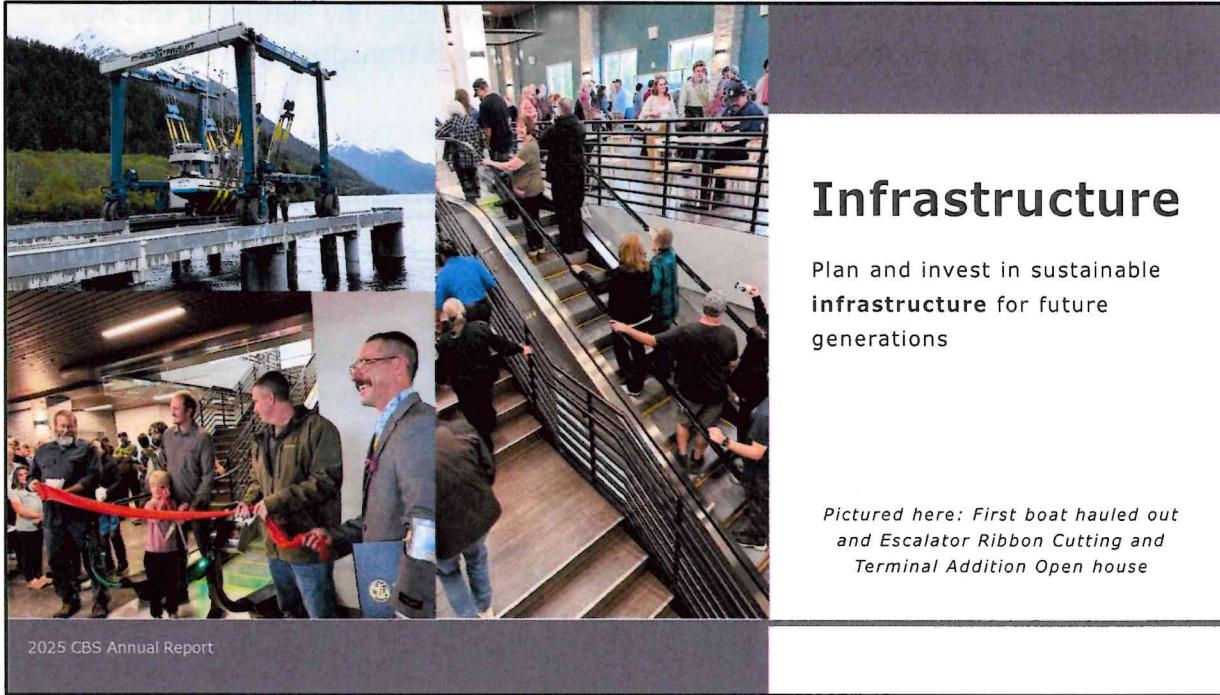
Since taking on school facilities, the Public Works team has focused on completing baseline condition assessments and incorporating those buildings into the City's annual asset evaluation process. Each year, facilities and infrastructure are reassessed to ensure current conditions, risks, and maintenance needs are accurately reflected and used to inform the Capital Improvement Program (CIP).

As part of this work, the team refined how projects are prioritized by updating risk scoring practices. Assets are evaluated using a risk assessment matrix that considers both the likelihood of failure and the potential consequences of that failure. Consequences are assessed across several categories, including public safety, personnel safety, compliance, reliability, reputation, and financial impact.

The overall risk score is calculated by multiplying the likelihood of failure, rated on a scale of one to eight by the highest consequence score identified in any category. For

example, if an asset has a likelihood of failure rated at five, and the highest consequence category is public safety rated at six (extreme), the resulting risk score would be thirty.

These scores allow projects to be ranked consistently across all City assets. As conditions change, projects can move up or down on the priority list, ensuring the CIP remains data-driven, adaptable, and focused on addressing the highest risks first.



2025 CBS Annual Report

Infrastructure

Plan and invest in sustainable **infrastructure** for future generations

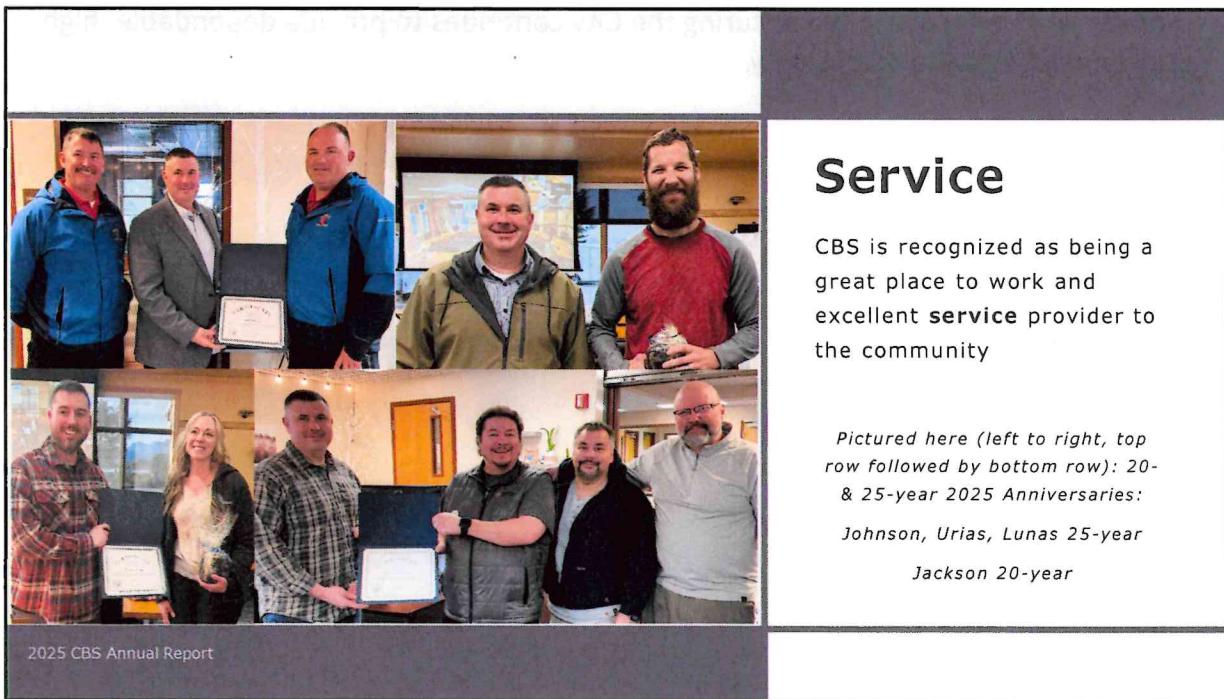
Pictured here: First boat hauled out and Escalator Ribbon Cutting and Terminal Addition Open house

2025 marked a significant year for infrastructure in Sitka, with two major milestones that reflect long-term investment in our community: the opening of the GPIP marine Haul-Out and the new Airport Terminal Addition.

In September, community leaders, partners, and stakeholders gathered at the Gary Paxton Industrial Park to cut the ribbon on Sitka's new marine haul-out, officially opening the facility that had been years in the making. Despite a brief weather delay, the first vessel was hauled shortly after, and the haul-out is now open for business. What began as a challenge when Sitka lost its former haul-out has become an investment in the future of our working waterfront. The City manages the facility, with Highmark Marine Fabrication serving as the contracted operator. Vessels can now stay local for repairs, keeping our fleet, skilled trades, and economic activity rooted right here at home.

In August, hundreds of community members turned out for the Escalator Ribbon Cutting and Terminal Addition Open House at the Sitka Rocky Gutierrez Airport. This was one of the largest turnouts for a City event in recent memory. The celebration marked the opening of Sitka's new two-story terminal addition and the community's very first escalator. Local elementary students helped make the day extra special

through an art and essay contest, with the winners earning the honor of being the first to ride the escalator. Community members toured the new upper level and celebrated the unveiling of a stunning Lingit mural by local artist Willoughby Peterson. This new section represents another major step forward for Sitka's transportation infrastructure.



Service

CBS is recognized as being a great place to work and excellent **service** provider to the community

*Pictured here (left to right, top row followed by bottom row): 20- & 25-year 2025 Anniversaries:
Johnson, Urias, Lunas 25-year
Jackson 20-year*

A key focus of the Strategic Plan's Service goal is ensuring the City and Borough of Sitka is both a great place to work and an excellent service provider to the community. In 2025, that work centered on bringing greater consistency and alignment across the organization through updates to labor agreements, particularly around non-economic items that affect day-to-day operations, safety, and service delivery.

ASEA was negotiated from March through June and approved by the Assembly in August, with updates clarifying evaluations, procedures, safety coordination, and step timing alignment with non-represented staff.

IBEW negotiations begin in April and concluded with Assembly approval in September, focusing on training pathways, new employee timelines, safety provisions, and operational flexibility.

IAFF began in July and was approved by the Assembly in November, the updated agreement aligned personnel policies, evaluations, and vacancy processes within public safety operations

PSEA entered into a one-year extension with a contract that runs through June 2026.

Together, these agreements support a more consistent internal framework, helping staff do their work effectively and ensuring the City continues to provide dependable, high-quality service to the community.

Service Stats

Sitka Police Department

- 21,214 **total** calls received
- 2,642 E911 calls received
- 11,678 calls for service
- 443 Officer reports
- 166 Citations issued
- 165 Arrests

Sitka Fire Department

- 1,500 calls received
- 1,321 EMS
- 179 other including 14 Fire
- 102 from Cruise Ships

2025 CBS Annual Report

Behind every call answered and every response made is the dedication of our Sitka Police and Fire Departments serving and protecting our community.

In 2025, our Sitka Police Department received 21,214 total calls, including 2,642 E911 calls and responded to 11,678 calls for service. Officers completed 443 reports, issued 166 citations, and made 165 arrests.

Some of these totals are lower than in 2024. This change reflects a shift in operations rather than a reduction in service. In April 2025, Sitka's Police Department no longer provided Public Safety Answering Point (PSAP) services for Whittier, which reduced the overall call volume compared to prior year. Even with that adjustment, officers continued to respond to a substantial number of calls and remained fully engaged in proactive policing and community safety.

These numbers reflect not only response volume, but the professionalism, judgment, and steady presence of our officers who respond day in and day out, often in challenging and unpredictable situations. Their work goes beyond the statistics and speaks to the trust and safety they help maintain throughout our community.

Our Sitka Fire Department also respond around the clock to emergencies that require skill, coordination, and rapid response.

In 2025, our Sitka Fire Department responded to 1,500 total calls, with the vast majority – 1,321 calls – related to emergency medical services. In addition, firefighters responded to 179 other calls, including 14 working fires, demonstrating the department's readiness to respond across a wide range of emergency situations.

It's worth noting that 102 of these responses involved cruise ship passenger, highlighting the additional demands placed on our emergency services during the visitor season. To meet this seasonal increase, the city brings on two temporary EMT's, funded through Cruise Passenger Vessel (CPV) funds. This targeted staffing support helps ensure emergency response capacity remains strong during peak visitor months, without placing additional strain on year-round resources.

Supporting this work is 110 volunteers spread across all divisions. Their commitment of time, training, and service is essential to maintaining Sitka's emergency response capabilities and reflects the strong volunteer spirit that continues to support public safety in our community.

Before moving on, I want to take a moment to recognize Fire Chief Craig Warren, who will be retiring on April 30 after 33 years of dedicated service. Chief Warren's leadership, commitment to public safety, and service to this community have left lasting impact, and we are deeply grateful for his decades of dedication.

Other Stats

Sitka Public Library

- 87,688 Annual Visitors
- 27,456 Reference Questions
- 159,968 Online Catalog Views
- 571 Repaired Books/DVDs/CDs
- 78,584 Items Checked Out
- 191 Programs Offered
- 3,462 Program Attendance
- 198 Volunteers Donating 599 Hours at the Library

Parks & Recreation

- 1,520 Program Enrollments
- \$5,060 Program Scholarships
- 125 Players City League Volleyball
- 93 Players City League Basketball
- 29 Commercial Recreational Land Use Permits Issued
- 4,107 Open/Lap Swim Check-ins
- 10 New Lifeguards Trained

Sitka Animal Control

- 113 Animals through the Shelter
- 60 Adopted
- 31 Reunited with Owners
- 15 Citations
- 20 Oral/Written Violation Warnings

2025 CBS Annual Report

Let's take a moment to highlight what a busy and impactful year it was for our Library, Parks and Recreation, and Animal Control Officer:

In 2025, our Library welcomed 87,688 visitors and supported a wide range of community needs, including 1,177 meeting and study room reservations. Staff answered an impressive 27,456 reference questions, reflecting the Library's role as a trusted source for research, technology help, and everyday problem-solving.

Our Library use continues to extend well beyond the building. Patrons accessed the online catalog nearly 160,000 times, logged 53,228 Wi-Fi sessions, and checked out 78,584 physical items. Digital collections also saw strong use, with 6,497 audio book downloads, 3,861 eBook downloads, 2,151 magazine downloads, 1,109 Kanopy video streams, and 1,608 article views.

Programming was a standout area of growth in 2025. Our Library offered 191 programs an increase of more than 50 programs over last year, reaching 3,462 attendees across all ages. These programs continue to serve as important opportunities for learning, connection, and community gathering.

This work is supported by an engaged group of 198 volunteers, who donated 599 hours of service throughout the year. Together, these numbers highlight that our library continues to evolve, balancing traditional services with expanding digital access and community programming.

Now turning to Parks and Recreation, 2025 was another strong year for participation, programming, and community connection.

Across our programs, we saw 1,520 program enrollments, with demand continuing to exceed capacity. Thanks to support from the Sitka Recreation Foundation, \$5,060 in program scholarships were awarded, helping to ensure access for families across our community.

City League sports continued to thrive, with 125 players registered for volleyball and 93 players participating in basketball. In addition, 29 Commercial Recreational Land Use Permits were issued, supporting outdoor recreation and guided activities throughout Sitka.

Our arts and wellness programs also stood out this year. The Community Choir welcomed 105 members, and more than 250 people attended their concert, highlighting the role recreation plays beyond sports and fitness.

At Blatchley pool, usage remained strong with 4,107 check-ins for open and lap swim, and the department trained 10 new lifeguards, helping maintain safe operations and build local workforce capacity.

Altogether, these numbers reflect a department that continues to meet growing demand, expand opportunities, and support Goal 1) Quality of Life for Sitkans of all ages.

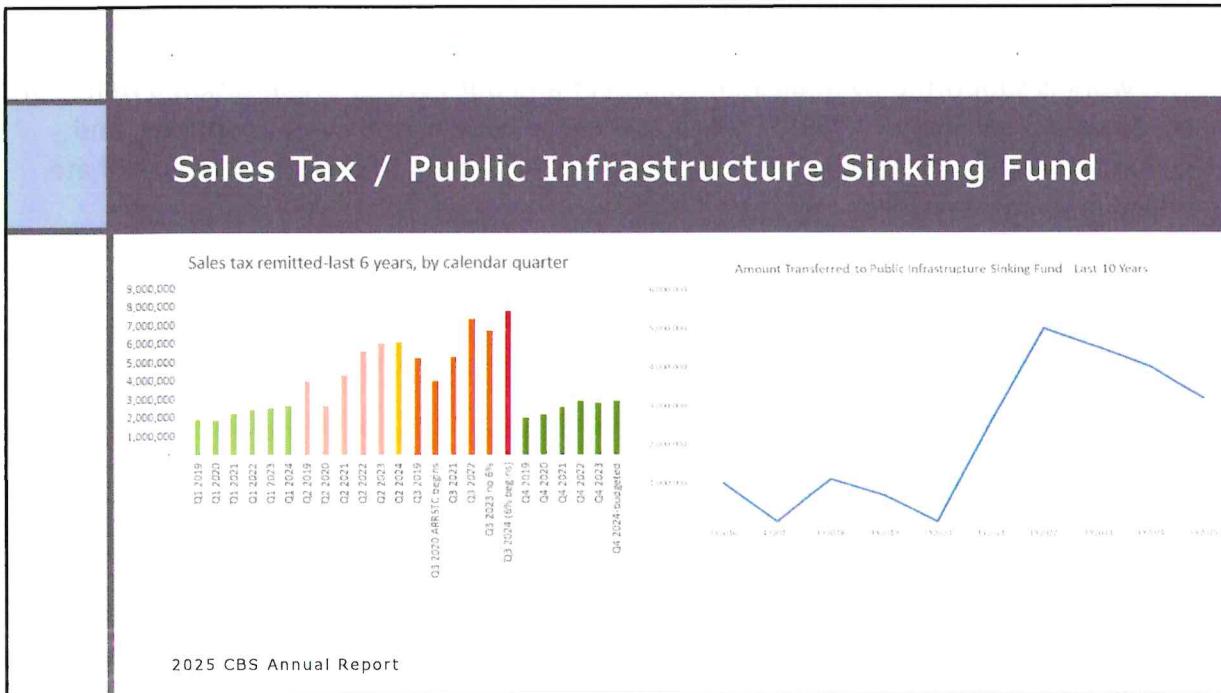
After a period with the Animal Control Officer position vacant, we were pleased to welcome April Wheldon to the city in 2025 as our new Animal Control Officer. Filling this role was an important step in restoring capacity and strengthening animal control and shelter services for our community.

Since April joining the team, the scope of work handled through Animal Control and the shelter has been substantial. In 2025, 113 animals were taken into the shelter, reflecting steady demand for these services. Of those, 60 animals were successfully adopted, and 31 were reunited with their owners.

In addition to shelter operations, enforcement and compliance work remained an important part of the role. Throughout the year, approximately 15 citations were issued,

along with about 20 oral and written warnings for violations. This balanced approach, focused education first, with enforcement, when necessary, supports public safety while encouraging responsible pet ownership.

This work is supported by dedicated volunteer and our partner organization, Friends of the Sitka Animal Shelter (FOSAS). Their assistance with animal care, adoptions, and community outreach significantly extends the City's ability to provide compassionate, effective animal services.



The first chart shows Sales Tax remitted over the last six years, broken out by calendar quarter.

What stands out is that after the sharp growth pre and post pandemic, sales tax revenue has largely leveled off. Seasonal patterns remain consistent; stronger quarters during peak visitor season and softer quarters in the off-season. But overall, we're no longer seeing the steep year-over-year increases. This supports the idea that Sitka has reached a new, more stable baseline, driven by steady tourism rather than rapid expansion. (explain the chart and quarters)

The second chart shows the amount transferred to the Public Infrastructure Sinking Fund over the last ten years. Down from \$4M from 2024 to \$3.2M in 2025.

You can see a significant increase beginning around FY2021 and peaking in FY2022, when higher revenues allowed for larger transfers to support long-term infrastructure needs. Since then, transfers have gradually declined. This doesn't reflect poor performance, but rather a shift in reality. More of our available revenue is now being used to support expanded services, ongoing operations, and staffing, leaving less

excess to move into the infrastructure fund.

Together, these charts tell an important story. Revenue has stabilized rather than continued to grow, while demands on City services have increased. That combination means we must be thoughtful and strategic about how we plan, prioritize, and invest in infrastructure moving forward. Using tools like long-term capital planning and asset management to make the most of the resources we have.

What's Next: 2026

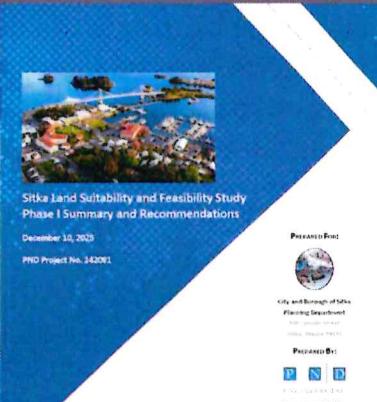
Childcare



Airport Project Phase 2



Housing



2025 CBS Annual Report

This annual update is more than a look back, it's a chance to look ahead. As part of our commitment to continuous improvement, the Strategic Plan is designed to evolve alongside our community, ensuring our priorities remain focused, realistic, and responsive to Sitka's needs.

While many important projects are moving forward across the City, these items on the slide reflect the two priorities that rose to the top during the Strategic Plan update workshop from November along with the airport project which will be completed in 2026. Together, they highlight where momentum is building and where meaningful work is already underway.

Childcare remains a top community priority, and important progress is advancing. On January 27, the Assembly approved a supplemental appropriation to move forward with a Child Care Needs Analysis and Program Framework, developed in partnership with the Southeast Childhood Collective and incorporating the great work already done by local community stakeholders.

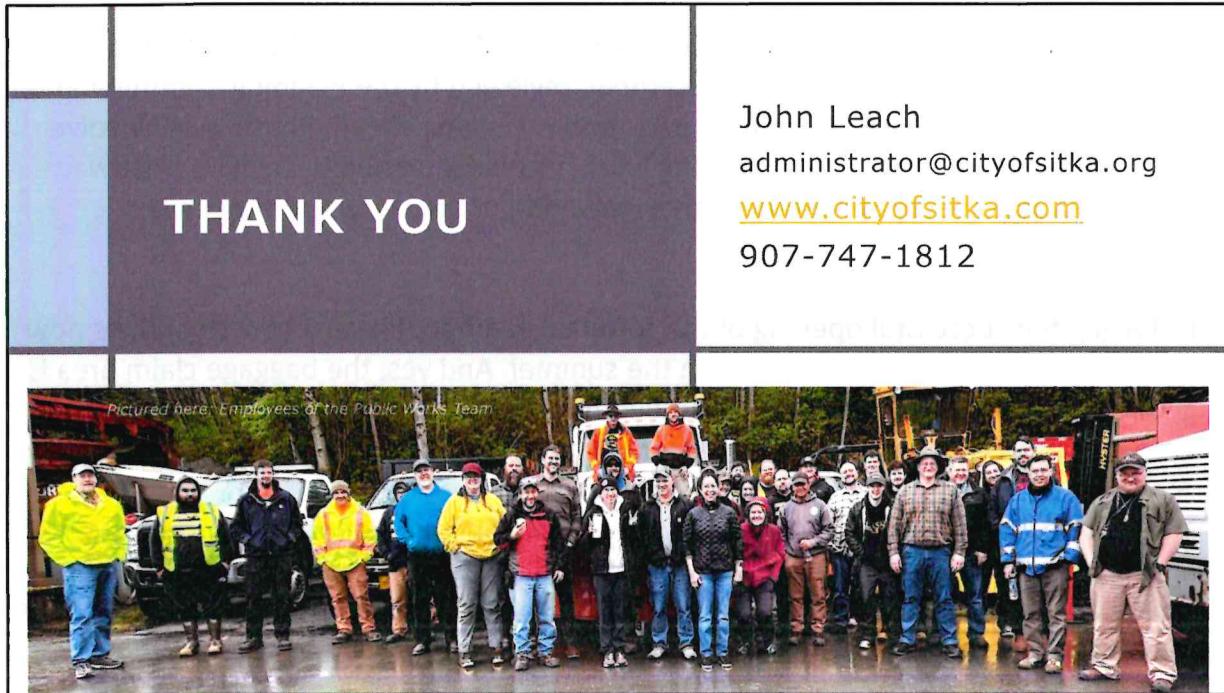
This work will help establish a shared understanding of Sitka's childcare landscape and identify strategies to support providers, improve affordability for families, and

strengthen workforce recruitment and retention. The findings will help guide future policy discussions and investment decisions.

Housing continues to be a priority focus area. Phase 1 of the Land Suitability and Feasibility Study was completed in December, reviewed by the Planning Commission on the 21st, and will move forward to the Assembly. Looking ahead, Phase 2 will involve more detailed engineering and planning work, including feasibility analysis, roadway considerations, conceptual platting, and evaluation of wetlands and other site constraints.

Following the successful opening of the terminal addition, Phase 2 construction is now underway and should be completed in the summer. And yes, the baggage claim area is getting a much-needed upgrade, scheduled to be completed in the late spring. I think everyone is looking forward to less cramming around a small belt.

The fourth-year update will make the final year of implementation and prioritization under the current Strategic Plan and will take place next fall. That update will follow a similar approach to this year, including review, refinement, and Assembly discussion. At the next workshop, we'll also begin to outline the community engagement process for the next five-year Strategic Plan with engagement launching in the spring 2027 and adoption of a fully updated plan anticipated by fall 2027.



As we wrap up, I want to sincerely thank everyone for being here today, and the Chamber of Commerce for hosting and bringing us together. This annual update is an opportunity to reflect on where we've been, recognize the progress we've made, and share how we're continuing to move forward with intention and purpose.

The work highlighted today represents a collective effort, guided by our Strategic Plan and strengthened by community input, partnerships, and collaboration across the organization. Together, these actions help position the City and Borough of Sitka for a strong, resilient future.

Before we close, I'd like to share a personal note. On October 29th of last year, I announced my intention to retire, with an original date of May 30th. On January 13th, the Assembly asked to amend that timeline to December 18 to allow additional time for recruitment and a smooth transition to the next Municipal Administrator. As a result, this will likely be my final Annual Report to the Community.

It has truly been a privilege, and the highlight of my career to serve the City and Borough of Sitka and this community. I am grateful for the opportunity. I hope that, in some way, my work has made a positive and lasting impact. Thank you.

I'll now open it up for questions. Your insights, feedback, and perspective are an important part of this process, and we appreciate your continued engagement.

