

## **ROLL CALL**

Mayor Dennis Watson called the meeting to order and the roll was taken. Present were Greg Head, Jim See, Marge Young, Don Pierce. Absent excused were Mike Douville and Joni Kuntz.

Staff present: Jon Bolling, City Administrator; Vicki Hamilton, City Clerk; Brian Templin, City Planner; Victoria Merritt, Parks and Recreation Director; and Joyce Mason, Treasurer.

Audience present: Kevin Barry joined the meeting via teleconference in regards to Ordinance No. 638, amending terms of a lease of city property to Silver Bay Seafoods.

## **CONSENT AGENDA**

The consent agenda was presented; it contained the city council minutes of October 6, 2011.

PIERCE/HEAD: moved to approve the consent agenda.  
MOTION CARRIED

## **HEARING FROM THE PUBLIC**

- Final reading and public hearing on **Ordinance No. 638**, Authorizing the city administrator to negotiate with Silver Bay Seafoods an amendment to the terms of a lease of city-owned property at Lot 2A, False Island Subdivision
- Final reading and public hearing on **Ordinance No. 639**, Amending Chapter 4.30-Rules for Harbor- 4.30.010 Live-Aboard Policy
- Final reading and public hearing on **Ordinance No. 640**, An ordinance amending 15.12 Application for Sewer Service-15.12.030-Deposits
- Final reading and public hearing on **Ordinance No. 641**, An ordinance amending 15.32 Application for Water Service- 15.32.040-Deposits

There were not comments on the ordinances.

Victoria Merritt reported the P.O.W.E.R. Concert is scheduled for Saturday, December 10, 2011 at the Craig High School gym.

On Thursday, October 27<sup>th</sup>, Craig High School is hosting the southeast Alaska high school honors students at the annual Southeast Honor Music Festival. The honor fest students will host a public concert on Tuesday, October 25<sup>th</sup>.

## **READING OF CORRESPONDENCE**

There were no comments.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- **Resolution No. 11-13**, Shared Fish Tax, was presented.

HEAD/PIERCE: moved to adopt Resolution No. 11-13. MOTION  
CARRIED BY UNANIMOUS ROLL CALL VOTE

## CONSIDERATION OF RESOLUTIONS AND ORDINANCES CONTINUED

- **Ordinance No. 638**, Authorizing the city administrator to negotiate with Silver Bay Seafoods an amendment to the terms of a lease of city-owned property at Lot 2A, False Island Subdivision, was presented.

PIERCE/YOUNG: moved to adopt Ordinance No. 638. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

- **Ordinance No. 639**, Amending Chapter 4.30-Rules for Harbor- 4.30.010 Live-Aboard Policy, was presented.

PIERCE/HEAD: moved to adopt Ordinance No. 639. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

- **Ordinance No. 640**, An ordinance amending 15.12 Application for Sewer Service- 15.12.030-Deposits, was presented.

PIERCE/SEE: moved to adopt Ordinance No. 640. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

- **Ordinance No. 641**, An ordinance amending 15.32 Application for Water Service- 15.32.040-Deposits, was presented.

SEE/HEAD: moved to adopt Ordinance No. 641. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

## UNFINISHED BUSINESS

**Craig, North Water Main Project**-Jon Bolling reported this is a non-action item. Jon would like to replace portions of the water line that are bad. Jon would like to leave the waterline that is in good shape where it is and replace only the ends of the waterline that are bad. Jon would like to work toward replacing 4700 feet of the Craig north line, from Tanner Crab subdivision toward the Marine Industrial Park. The water line south of Crab Creek is good. Jon will have public works do more potholing to see if the water line is okay.

## NEW BUSINESS

- **Consider approval of draft lease with Viking Lumber wood drying equipment**-Jon stated the city council authorized Jon to negotiate a lease for wood-drying equipment with Viking Lumber. Jon spoke with Kirk and Bryce Dahlstrom as well as their attorneys and our attorneys about the lease. The lease requires Viking Lumber to lease the wood-drying equipment from the City of Craig at the lease payment schedule (shown on page one). Jon explained the payment schedule. The Alaska Energy Authority, who is providing most of the funding for the project, was clear that they wanted the public to have access to the wood drying equipment. Jon stated the benefit to the City of Craig, from this, is twofold. The city is entitled to a lease payment and the city will receive wood chips that are dried from the mill. Viking Lumber will be able to dry up to 11,000 tons of wood waste per year. The city will use 800 tons of dried wood waste a year for the boiler. Jon commented that Viking Lumber will have to manufacture their own wood storage areas. The wood chips the city needs for the boiler should have 25-35% moisture content to burn properly.

- **Consider approval of draft lease with Viking Lumber wood drying equipment continued-**

PIERCE/HEAD: moved to approve the attached lease agreement of wood drying equipment between the City of Craig and Viking Lumber Company. MOTION CARRIED UNANIMOUSLY

- **Sales Tax-Vehicle for Hire-discussion-**Jon Bolling commented that the staff is looking for direction from the council for when the taxicab should be charging City of Craig sales tax and when they shouldn't, based on where the trip begins and ends. If the taxi service starts or ends in Craig we get the sales tax. Island Ride Taxicab is going to be meeting with the city's auditor, Christine Harrington. Ms. Harrington will be in Craig on October 25<sup>th</sup>. The council would like to ask Christine what she wants. The council left things as is.

#### **ADJOURNMENT**

HEAD/SEE: moved to adjourn. MOTION CARRIED

The meeting adjourned at 7:38 P.M.

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR DENNIS WATSON

ATTEST \_\_\_\_\_  
VICKI HAMILTON, CITY CLERK