

ROLL CALL

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

Staff present: Jon Bolling, City Administrator; Ramona Wise, Aquatic Manager; Brian Templin, City Planner; Chaundell Piburn, EMS Coordinator; Daniel Nelson, Harbormaster; Amy Marshall, Librarian; Police Sergeant Ely; Victoria Merritt, Parks and Recreation Director; Steve Tanner, Public Works Director; and Joyce Mason, Treasurer.

Audience present: Mr. and Mrs. Ralph Porter, Ron Sharp, Keith Landers, Roberta Landgren, Dennis Watson and via teleconference, Clare Doig.

CONSENT AGENDA

There was no consent agenda.

HEARING FROM THE PUBLIC

I.F.A. REPORT-Dennis Watson was here to give an oral report to the city council concerning the Inter-Island Ferry Authority. Mr. Watson reported that the City of Hydaburg is officially a part of the I.F.A. Board after adopting the I.F.A. enabling ordinance. The Hydaburg representative to the board is Jolene Edenshaw.

Dennis reported the starter to the M/V Stikine was lost. There was a spare starter borrowed from the M/V Prince of Wales.

Dennis stated the current rate for an adult ticket on the I.F.A. one way, is \$46.25.

Due to the budget, positions on the I.F.A. were cut. The office that was in Klawock is now located at the Hollis terminal. The other choices for ticketing is to call the toll free number or use the online system to pre-pay your tickets. The I.F.A. Board is working on a means to sell or lease the other vessel.

- Final Reading and Public hearing on Ordinance No. 634, Authorizing the city administrator to negotiate with NOAA/National Weather Service the terms of renewal of a lease of city-owned property for maintenance of a weather radio tower and associated equipment.
- Final Reading and Public hearing on Ordinance 635, Authorizing the city administrator to negotiate with the Youth First Responders (YFR) the terms of a lease of city-owned office space within the old Craig Clinic space for use by YFR
- Final Reading and Public hearing on Ordinance 636, Authorizing the city administrator to negotiate with Viking Lumber the terms of a lease of city-owned wood drying equipment for use by Viking Lumber.

Ralph Porter, sawmill owner from Thorne Bay, commented that he is against putting the wood dryer at Viking Lumber.

REPORTS FROM CITY OFFICIALS

MAYOR-Mayor Millie Schoonover apologized for missing two of the council meetings this summer due to family issues. Millie reported that the city hasn't had any problems with water line breakages or water shortages, as was the case last summer.

ADMINISTRATOR-Jon Bolling provided a written staff report to the mayor and council.

Wood Heating Project-Jon reported Shaan-Seet has a potential interest in operating a wood-fired heating system at or near their office on Main Street. The heating system could provide wood heat to the SSI office and to some city owned buildings. Jon introduced Clare Doig, representative for Shaan-Seet, Inc., who was joining the council meeting via teleconference. Mr. Doig stated that the Shaan-Seet, Inc. Board has authorized the corporation to hire Mr. Doig and Dalson Energy, Inc. to begin a feasibility study on the district-heating project. Jon informed the council that the Juneau Economic Development Council has funding available for design of a small wood heating system. To be eligible for this grant the organization needs to have non-profit status, which the City of Craig does. This design project does have a match requirement. If Shaan-Seet is prepared to put up the matching funds, the city of Craig could administer the grant and work with SSI on the procurement of services for the design work in compliance with JEDC grant requirements.

Wood Drying Equipment Grant-Jon has worked with the Alaska Energy Authority on the "Public Benefit Language" that might be in a lease with Viking Lumber. The city was awarded a grant in the amount of \$350,000 by Alaska Energy Authority (A.E.A.). The grant money will go toward a wood drying system so the city can have dried wood for its wood boiler system that provides heat to our swimming pool and heat to the elementary and middle school buildings. That would help lower the heating costs. The wood drying equipment would have to produce more wood fuel than the city of Craig could use in the wood boiler. That creates an opportunity for that dried wood product to be used for another purpose, possibly making pellets, or bricks or presto logs, etc. Jon said A.E.A. is mostly concerned about what they call the "Public Benefit", making sure the broader public has some kind of access to it and can some how benefit from this wood dryer. Viking Lumber has pledged to put up the \$250,000 match to get the dryer set up. The bulk of the funding for the project is public. Jon has drafted up some public benefit language and sent it to A.E.A. who then sent it off to their attorney. Jon is waiting to hear back from them.

City of Craig's Power Project Loan-Jon reported while he was in Anchorage, he had a meeting with A.E.A. concerning the city's Power Project Fund loan. The city borrowed \$500,000 to pay for part of the cost for the Craig Wood Boiler. The city paid 5.05% interest on that loan. Jon believes we should pay less. Jon stated paying \$300,000 in interest over the course of the loan is too much to pay in interest. The A.E.A., once again, turned down Jon's request to lower the interest rate. Jon said the Department of Environmental Conservation loans us money at 1% interest for water and sewer infrastructure.

Mike Douville asked how much does the city owe on that loan. Jon said it is a twenty-year loan at \$40,000 per year including interest. The balance of the loan is around \$430,000. There was discussion as to paying off the loan or trying to reduce the debt on this loan.

ADMINISTRATOR REPORT CONTINUED

Concerns about the Sea Otter Population-Jon and Steve Silver met with six people from the Fish and Wildlife Service as well as Phil Doherty, Executive Director of the Southeast Alaska Regional Dive Fisheries Association. The goal is to increase the take of otter, and to try to reduce the predation impact on subsistence and commercial fishery resources.

Jon Bolling commented that we should support Congressman Don Young's Bill to change the Marine Mammal Protection Act. Phil Doherty has a list of commercial fishing areas that have been closed due to sea otter predation.

National Weather Service-wind speed and direction-Jon Bolling met with director at the National Weather Service to figure out a way to get wind speed and direction data as well as other weather data affiliated with the F.A.A.'s web cams that are here in Craig. The cost involved to get the equipment is between \$10,000-\$12,000.

AQUATIC MANAGER-Ramona Wise reported the pool is busy. There haven't been any breakdowns at the pool and they are busy with swim lessons.

CITY CLERK-Vicki Hamilton was out of town.

CITY PLANNER-Brian Templin reported building permits are up this year from 2010. With the State of Alaska Coastal Management Program gone, the Corps of Engineer's regulator is dealing with the permitting now.

EMS-Chaundell Piburn was out of town.

HARBORMASTER-Daniel Nelson reported the seine fleet is in. An opening is scheduled for August 15th for the trollers to fish the king salmon. Daniel reported a complaint was received at 3:00 a.m. from a live-aboard resident at the harbor reporting 10 nudists were jumping off the boats into the water in the early morning hours. Tomorrow morning Department of Transportation is doing an underwater inspection of the floatplane dock. Daniel reported the Ice House is down right now. They are at 50% capacity to make ice. The harbor department hopes to have the ice machine on line by Saturday for the opening of the King Salmon fishery. The harbor crew is looking for possible leaks of refrigerant at the ice plant.

LIBRARIAN-Amy Marshall reported the two computers from the State arrived! The library will be able to provide five computers for public use. Amy reported this is the last week of the eight-week Summer Reading Program. The program had a lot of participation.

POLICE CHIEF-Sergeant Ely reported one of his dispatchers, Nan Wangerin has given her resignation. Nan will be retiring at the end of September. Lee Martynuik, dispatcher at the police department just returned from Anchorage where he just completed the CDL Road Testing Training. Hopefully by September Lee will be certified to do the CDL road test here on Prince of Wales. Linda Arrant from the Police Department was able to attend supervisor training for her position as Supervisor over the dispatchers. DMV has put motorcycle tests on hold. There is a whole new course with 30 pages of instructions to set up the course. Sergeant Ely was hoping that by the end of September the DMV would be able to offer the motorcycle test again. A dispatch position will need to be filled. They will be doing interviews. Bears have been showing up at T&H Street, CCA, the pool, and Westwind Plaza.

PUBLIC WORKS-Steve Tanner reported the water supply is keeping up with the water usage, especially at Silver Bay Seafoods processing plant. The processing plant has been running 24 hours a day for the past three days. We may have a water leak or Silver Bay hasn't slowed down. The city crew has repaired several leaks found on Port Saint Nicholas Road as well as in town. Steve still plans to flush the water lines in town as well as take care of the water tanks.

C.C.A. is planning to pave out to 3.5 mile of the Port Saint Nicholas Road. They are also working on the bridges at about six miles out on the Port Saint Nicholas Road. Steve reported the road configuration looks better since Joyce and Brian have planted different plants in the triangle.

TREASURER-Joyce Mason reported sending sales tax notices out indicating that these businesses have been picked for a sales tax audit by the City of Craig. Joyce is setting up a five-year rotation on auditing our sales tax accounts.

Last week two men who deal with insurance did a walk through of the city's buildings and gave Joyce a list of things the city needs to change if OSHA were to walk in. The City of Craig does not have any current safety manuals. Those need to be re-written.

PARKS AND RECREATION-Victoria report the summer is winding down. She has two more soccer nights and two more mini-camps. There is a picnic at the Ball Park on August 17th at 5:00 p.m. Everyone is invited. Volleyball has been pretty active on Tuesdays and Thursdays. There is a Swap Meet scheduled for Saturday, August 13th at the city gym.

Sergeant Ely gave a report on Mark Habib's continued recovery. Mark continues to do outpatient physical therapy and plans to be back in Craig by the end of August.

READING OF CORRESPONDENCE

There were no comments.

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Ordinance No. 634, Authorizing the city administrator to negotiate with NOAA/National Weather Service the terms of renewal of a lease of city-owned property for maintenance of a weather radio tower and associated equipment, was presented.

SEE/PIERCE: moved to approve Ordinance No. 634. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

Ordinance No. 635, Authorizing the city administrator to negotiate with the Youth First Responders (YFR) the terms of a lease of city-owned office space within the old Craig Clinic space for use by YFR, was presented.

HEAD/KUNTZ: moved to approve Ordinance No. 635. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

Ordinance No. 636, Authorizing the city administrator to negotiate with Viking Lumber the terms of a lease of city-owned wood drying equipment for use by Viking Lumber.

PIERCE/KUNTZ: moved to approve Ordinance No. 636. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE.

UNFINISHED BUSINESS

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NEW BUSINESS

- **Approval of terms of NOAA/NWS Lease**-Brian Templin explained that the lease with NOAA and the National Weather Service has expired. They would like to renew the lease with the city but would like the lease term to be extended to a 20-year lease instead of the 10- year lease.

PIERCE/HEAD: moved to approve the terms of the NOAA/NWS lease.
MOTION CARRIED UNANIMOUSLY

- **Roadless Rule Appeal**-Jon Bolling reported the State of Alaska has filed an appeal in Federal District Court seeking to overturn application of the Roadless Rule. Attorney Steve Silver has asked the city to consider joining a group of Southeast Alaska businesses and local governments that plans to file for intervener status with the court supporting the State's appeal. Mr. Silver proposed that the City of Craig appropriate \$2,500 this fiscal year and \$2,500 next fiscal year for Craig's cost share of the district court appeal effort.

PIERCE/ KUNTZ moved that the City of Craig participate on the side of the State of Alaska's intervener in the lawsuit against the federal government on the Roadless Rule. MOTION CARRIED UNANIMOUSLY

- **Community Streets, Phase II, Change Orders No. 3 and 4-
Change Order No. 3**-Jon explained Change Order No.3 totals an increase of \$11,482.10, and covers additional work that Southeast Road Builders did for the city that wasn't covered in the original contract. The bulk of the work was made up of placement of gravel and course rock for the Beach Road subgrade, plus machine time to place the material. Jon stated that it was work that needed to be done to properly prepare a portion of Beach Road for asphalt. Jon recommends that council approve change order #3.

PIERCE/HEAD: moved to approve Change Order No.3, the City of Craig Paving Project, Phase II, in the amount of \$11,482.10.
MOTION CARRIED UNANIMOUSLY

- **Change Order No. 4**-Jon stated the amount of this change order is \$213,479.18. Jon stated this change order is more than a 25% increase from the agreed amount between the city and R&M. Jon explained that the bulk of this change order has to do with an error the engineer made in preparing the bid documents. Bid documents were filled out by the bidders, however, the engineer, R&M made an error on the documents that were given to the bidders. Beach Road, Hamilton Drive and Seventh Street were streets that were designated to have three-inch lifts. The council was not happy with the unexpected cost caused by R&M Engineering's mistake on the bid documents.

PIERCE/DOUVILLE: moved to approve Change Order No. 4 to the City of Craig Paving Project Phase II in the amount of \$213,479.18.
MOTION CARRIED

