

ADMINISTRATOR-Jon Bolling provided a written staff report to the council last week. Jon is available for any questions the council may have. Jon reported the attorney is looking at the revisions that have been made to the employee's personnel handbook. It is near completion.

AQUATIC MANAGER-Ramona Wise reported tonight they are officially draining the pool. Tomorrow the pool staff will start the maintenance work. There isn't enough money to fix the pipes for the hot tub but they managed to patch it together. The tub is working very well. When the pool re-opens on June 14th the Aquatic Center has added an additional open swim time from 1:00-2:30. Private swim lessons will also be offered to the public.

CITY CLERK-Vicki Hamilton was on vacation and is catching up with her work. Vicki reported working on the delinquent 2009 property tax accounts, publishing five delinquent property tax accounts in the Island News for four weeks. The 2010 property tax statements are due to go in the mail by July 1st. The city codebook is in the process of being updated with the ordinances that have been approved in the last six months. The next city council meeting is scheduled for June 17th.

CITY PLANNER-Brian Templin reported there has been a lot of land sales and leases of land. Brian has processed quite a few variances. Brian helped Joni with the cleaning up of the C.O.H.O. trailer before the new buyers tow it out of town. Joni Kuntz thanked Brian, Millie and John Moots for their help cleaning out the C.O.H.O. trailers.

HARBORMASTER-Bill Bennett, Jr. reported things have slowed down at the harbors as far as haul-outs and ice deliveries. Bill reported Silver Bay Seafoods won't be buying ice from the city this year. They have a slush tank in their processing plant. The city will still be making ice. The boat haul-out schedule is booked for this month. Bill reported 15 boats were hauled out last month. Bill had his first meeting with the Harbor Committee on June 2nd. Bill reported the Harbor Committee has a recommendation that the city put out a request for bids for a private party to contract to operate the boat trailer haul-out and the ice making equipment. Their concern is that the harbormaster and crew need to be working on the docks keeping up the maintenance. The Harbor Committee also discussed the live-a-board fee. The committee suggested the transient vessels should pay a dollar more a day in transient live-a-board fees. They generate quite a bit of garbage and waste oil and they use quite a bit of water. Bill asked council for direction on this issue. Mike Douville asked if there were live-a boards at the haul-out yard. Bill reported there are two out there. One person has been in the yard for about two years. Bill said he would not like to store a lot of the boats long term because it takes away from the ins and outs. He gets filled up in the upper yard and then he's stuck. There are no electrical facilities down in the lower yard. There was discussion about the lower lot and the storage of junk that is piling up there. There was also discussion about living on your boat when it has been pulled out of the water and placed in the yard, taking up a spot where boat maintenance work should be done. Jon said he would work with Bill on the recommendations from the Harbor Committee and present it to the council at a later meeting.

POLICE CHIEF-Mark Habib reported there was a lot of jail activity this past weekend. There were back-to-back prisoner transports out of Craig today. Speeding problems are becoming a concern on the Port Saint Nicholas Road. The police department plans to set up 15 mph signs on the road while road construction crews are working out there. Mark reported the Craig Police Department actively worked with the P.O.W. Marathon this year. They patrolled along the marathon route on the Hollis-Klawock-Craig highways.

POLICE CHIEF CONTINUED-

Mark reported he is going to be on vacation from June 10-16th. Mark reported on some bear sightings. One is out by the high school. The bear has been spotted along the beach. Another bear has left sign on the walking path out at the ballpark.

Millie reported there are speeders on Hamilton Drive.

Chief Habib said the police department shall have more of a presence out there.

Marge Young commented that eight months out of the year Craig is a peaceful community. All heck breaks loose in the summer. Marge suggested that the City of Craig should be looked at two different ways, one, the winter Craig and two, the summer Craig. This would include consideration of the proposed increase of water, sewer and garbage rates David Nelson has been addressing sharing those utility increases with all the residents.

PARKS AND RECREATION-Victoria Merritt, on behalf of the Prince of Wales International Marathon organization, thanked the City of Craig for their support. Victoria presented a plaque of appreciation to the city. On June 5th there will be a Swap Meet at the city gym. Victoria is starting to organize the 4th of July celebration.

PUBLIC WORKS-Steve Tanner is out of town on a family emergency.

TREASURER-Joyce Mason explained Resolution No. 10-10. The write-offs for EMS are old insurances that could not be billed (you can't bill them out after a year). Some have been sent to collection agencies and they could not collect on them. Maren Chaffee, our accounts receivable clerk, is making phone calls to those who have delinquent accounts with the city.

The city is looking at a new health insurance plan. The city plans to go with the \$1,500 deductible plan. With the new federal health plan bill, if you don't go above 50 employees, you won't fall under additional penalties.

Mayor Schoonover reported Otis Gibbons and his crew did a great job on the cemetery.

READING OF CORRESPONDENCE

There were no comments.

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Resolution No. 10-09 A resolution requesting F/Y 2011 Payment in lieu of taxes funding from the Department of Community and Economic Development was presented.

PIERCE/SEE: moved to adopt Resolution No. 10-09. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

Resolution No. 10-10, Writing off Uncollectable EMS accounts, was presented.

HEAD/KUNTZ: moved to adopt Resolution No. 10-10. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

CONSIDERATION OF RESOLUTIONS AND ORDINANCES CONTINUED-

Ordinance No. 618, Adopting utilities rates for water, sewer, and garbage, was presented.

Jon reported on the water consumption in the city. Jon plans to research the “multi-family unit” water consumption group to find out why there is such a discrepancy with their water consumption.

There was discussion on the water use at the cannery site. There were questions on the fees to the live-a-board citizens in regards to their water and garbage services at the harbor. Jon explained that half the live-aboard fee (\$25.00) goes to the water department and the other half (\$25.00) goes to the garbage department. Joyce explained the Harbor Department and the Water, Sewer and Garbage are all in the Enterprise Fund. These funds should balance to zero at the end of the year. A comment was made that South Cove Harbor does not have a water meter. It was mentioned that South Cove Harbor should have a water meter, it helps track water consumption and water leaks. Mike Douville mentioned that water metered residents are seeing an increase in costs for their water services but the unmetered customers aren't seeing an increase in costs for their water services. The increase should be the same for both metered and unmetered customers. There was discussion on Bed and Breakfast businesses.

The consensus from the council was that everyone should pay their fare share, not just the residents with metered water services. The city is working to meet a \$50,000 deficit in the city's budget. The areas to look at for increases in service are the transient moorage, the live-aboards and the unmetered water services.

Mike commented that South Cove Harbor should be metered.

Mayor Schoonover stated Ordinance No. 618 would be addressed at the next council meeting.

UNFINISHED BUSINESS

Review of eligibility for senior sales tax exemption-Mike Erickson submitted a request for a senior citizen card. He has not met the requirements outlined by the Craig Municipal Code. Mr. Erickson is asking the council to consider his exception to the municipal code. There was lengthy discussion amongst the council members.

KUNTZ/PIERCE: moved to direct staff to provide an ordinance that changes the eligibility criteria for a City of Craig senior sales tax exemption card to applicants that have 12 consecutive months of Alaska residency, and where the applicant had to wait at least one year and nine months to two years to qualify for a permanent fund dividend. MOTION CARRIED 5 IN FAVOR 1 OPPOSED

NEW BUSINESS

EXECUTIVE SESSION

Evaluation of the City Administrator-

KUNTZ/PIERCE: moved to go into executive session. MOTION CARRIED

Council moved into executive session at 8:45 p.m.

PIERCE/KUNTZ: moved to adjourn executive session. MOTION CARRIED

Evaluation of the City Administrator-

PIERCE/KUNTZ: moved to offer Jon Bolling a three-year contract with the financial terms to be \$80,000 for the first year, \$85,000 for the second and \$90,000 for the third year with a clause that if Jon wants out, that he can get out on the third year.
MOTION CARRIED UNANIMOUSLY BY VOICE VOTE

ADJOURNMENT

PIERCE/KUNTZ: moved to adjourn. MOTION CARRIED

The meeting adjourned at 9:09 p.m.

APPROVED _____

MAYOR A. MILLIE SCHOONOVER

ATTEST _____
VICKI HAMILTON, CITY CLERK