

CITY OF CRAIG  
COUNCIL AGENDA  
JANUARY 6, 2005  
COUNCIL CHAMBERS 7:00 P.M.

**ROLL CALL**

Mayor Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Millie Stevens, Bill Altland and Mike Douville

**CONSENT AGENDA**

Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed and placed on the regular meeting agenda

- Minutes of the city council meeting of December 2, 2004
- 2005 Liquor license application renewal for Young's Liquor Store, Shelter Cove Lodge, Hill Bar Liquor Store, and the Hill Bar
- 2005 Gaming Permit Application for the Tongass Girl Scouts Council
- 2005 application renewal for Jackson Cab-certificate of public convenience

**HEARING FROM THE PUBLIC**

**REPORTS FROM CITY OFFICIALS**

Dr. McGrath  
Mayor  
Administrator  
Aquatic Manager  
City Clerk  
City Planner  
Harbormaster  
Parks and Rec  
Police Chief  
Public Works  
Treasurer

**READING OF CORRESPONDENCE**

- Article from the Ketchikan Daily News-Not good for P.O.W. or Ketchikan by Kent Miller
- A Memorandum of Understanding between SEAtails and the City of Craig
- From Victoria Merritt, the Parks and Rec schedule for January 2005

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Resolution 05-01, Establishing capital projects for 2005

**UNFINISHED BUSINESS**

**NEW BUSINESS**

- Employment Contract with Jim See

**ADJOURNMENT**



**AQUATIC MANAGER**-Cindy Wade said it has been hectic at the pool. The pool is temporarily short two full-time employees. The heater has gone out in the big pool. Cindy reported the hot tub is up and running. One of the pool toys is in need of repair. Cindy also said that all three pools need to have new plaster put on them.

**CITY CLERK**- Vicki Hamilton reported the deadline for senior citizens to have turned in their property tax exemption applications was January 17<sup>th</sup>. We had 30 applicants.

**Assessors here**-Vicki reported the assessors are scheduled to arrive in Craig on January 24<sup>th</sup>. They will depart on Wednesday, January 26<sup>th</sup>.

Vicki reported that there will not be a council meeting on February 3<sup>rd</sup>. The next council meeting is scheduled for Thursday, February 17<sup>th</sup>.

**HARBORMASTER**-Mike Kampnich reported he was in Seattle for the annual Boat Show. He said there was a huge turn-out. Mike said he spoke to about 150 people who told him that they would be visiting Craig in the next two years. It was a positive response.

**PARKS AND RECREATION**-Victoria Merritt reported the volleyball season has started. The A League has four teams participating and the B League has six teams. Last night the first knitting class was held at city hall. There were 10 participants.

**POLICE CHIEF**-Jim See reported that the Craig jail has been kept full. They had to turn away some prisoners who were then sent to the Ketchikan jail facility.

Students from Craig High School called Youth in Action put on a potluck at the school on January 13<sup>th</sup> to show their appreciation for the Craig Police Department and the State Troopers.

The police department received a check from the Drug Enforcement Administration (D.E.A.) for \$8,000. This was from a drug bust three years ago.

Jim mentioned there is an increase in methamphetamine use in Craig. Jim said the technicality is that the police have to catch the users with three items at once in order to arrest them. The meth users are only purchasing two items at a time in each store. There was further discussion.

## **READING OF CORRESPONDENCE**

There were no comments.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Resolution No. 05-02**, Requesting the Southern Southeast Regional Aquaculture Association participate in the Port Saint Nicholas King Salmon Terminal Fishery, was presented.

HEAD/PIERCE: moved to adopt Resolution 05-02.

Discussion: Jon said he would be attending the S.S.R.A.A. board meeting in Ketchikan tomorrow. He would like to take this resolution to show additional city support.

**MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE**

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**Approval of Cooperative Agreement for Port Saint Nicholas King Salmon Project**-Jon said this document authorizes the city to expend funds from the sustainable salmon fund that are appropriated through Alaska Department of Fish and Game, for the construction and start of operation of our King Salmon Project at Port Saint Nicholas. Jon directed the council to look at the second budget provided in their packet. This amended budget (attachment II) is the one that Jon would recommend the council approve. It has already been accepted by the A.D.F.&G.

PIERCE/DOUVILLE: move to approve the cooperative agreement number COOP-05-070 between the City of Craig and the Alaska Department of Fish and Game and authorize the city administrator to implement the agreement with Attachment II. MOTION CARRIED UNANIMOUSLY

Mike Douville asked when the King Salmon eggs would be harvested. Jon said in the early summer.

Mike Douville agreed with Mike Kampnich about putting a fish ladder in the Saint Nicholas Creek. Mike Douville would like this to be brought up with the Forest Service again.

**Schedule Workshop with Craig school board**-Jon Bolling suggested meeting with the School Board on Wednesday, February 16<sup>th</sup>. The council agreed with that date.

**ADJOURNMENT**

PIERCE/HEAD: moved to adjourn. MOTION CARRIED

The meeting adjourned at 7:25 p.m.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

## **ROLL CALL**

The meeting was called to order by Mayor Watson and the roll taken. Present were Dennis Watson, Don Pierce, Fred Hamilton, Sr., Millie Stevens, Bill Altland and Mike Douville. Absent excused was Greg Head.

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Jim See, Police Chief; Mike Kampnich, Harbormaster; Victoria Merritt, Parks and Rec Director; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: Angela Gatto and Dennis Benson from the U.S. Forest Service, Dolores Owen from I.F.A., Alexandra Owen, Jay Marble, Richard Trojan and Tim Koentopp

## **CONSENT AGENDA**

The consent agenda was presented, it contained the city council minutes of January 6<sup>th</sup> and January 20<sup>th</sup>; Introduction and first reading of Ordinance 542, Amending the Craig Municipal Code, Chapter 2.12.230; Introduction and first reading of Ordinance 543, Appropriations of Grants for FY2005; Introduction and first reading of Ordinance 544, An ordinance amending Title 18, Craig Land Development Code, Chapter 18.05 and 18.16 regarding residential zone changes; and a gaming permit application for the City of Craig.

PIERCE/STEVENS: moved to adopt the consent agenda with the following amendment: To remove Ordinance 544 from the agenda and present it at a time when Kim Patotzka is available to address this ordinance. MOTION CARRIED

## **HEARING FROM THE PUBLIC**

Angela Gatto and Dennis Benson of the U.S. Forest Service were here to do a presentation on the proposed site for a cabin at Twelve Mile Arm. This cabin is designated for handicapped accessibility. The proposed cabin site was originally planned for Polk Inlet. If you have any comments about the Twelve Mile Arm site, the public has until March 1, 2005 to comment on it.

Mike Douville's concern about the proposed location of the cabin at Twelve Mile Arm is that it will be near the mud flats where duck hunters go to hunt ducks. Mike suggested to move the cabin further down into the bay.

## **REPORTS FROM CITY OFFICIALS**

**DR. MCGRATH**-Dr. McGrath reported that the clinic had some problems with their computer system but it is up and running now.

Dr. McGrath was away last week. Dr. Snyder filled in for Dr. McGrath.

Dr. McGrath said he and Jon will be meeting with the Denali Commission in Ketchikan February 24<sup>th</sup> and 25<sup>th</sup>. This is in regards to health care providers.

**ADMINISTRATOR**-Jon Bolling reported being in Washington D.C. last week along with Mayor Watson and Millie Stevens. Jon provided a four page summary of their meetings in Washington D.C. to the council.

**Ward Cove, Sunnahae Trail Exchange**-Jon stated that Sen. Stevens wants an appraisal of these properties. The city will have the city assessors, Horan and Company, LLC, provide the appraisal work. Bill Weisfield of Ward Cove Co. said they would help pay for the appraisal.

**Klawock Airport Project**-Jon said he submitted an application to Sen. Stevens' staff detailing the amount of money needed to complete the Klawock Airport I.L.S. project.

**Port Saint Nicholas Road**-The Port Saint Nicholas Road was discussed in all the meetings Jon attended. Congressman Young was interested in finding a solution for funding for the road.

**National Forest Receipts Program**-Jon attended a subcommittee meeting of the Senate Energy and Natural Resources Committee. The move is to get the timber receipts program reauthorized by 2006. The national forest receipts program is important to the City of Craig, and the Craig School District. The city and school receives substantial funding through the National Forest Receipts Program.

**Wood-fired boiler project**-Jon reported visiting Darby, Montana with Greg Head and Jerry Carter. They were in Darby to look at its wood waste boiler. They were impressed with it. Jon reported that during its first year of using the wood waste boiler, the facility in Darby spent \$30,000 less on fuel.

While in Washington D.C. Jon reported he and Dennis met with three individuals from the Department of Agriculture who had different options for paying for the construction of the wood-fired boiler. They were going to find a way for the City of Craig to pay for this project and get it financed.

**MAYOR-I.F.A.**-Mayor Watson reported it looks good for the I.F.A.'s debt relief for the M/V Prince of Wales. This appropriation is included in the Transportation bill and is anticipated to pass in June 2005.

**Klawock Airport**-Dennis reported, after meeting with the F.A.A. in Washington D.C. that the city needs to get with one of the larger carriers that is interested in coming into Klawock, get the minimums of the airport and give it to the potential carrier to see what they think about it. There was further discussion.

Jon Bolling and Dr. McGrath will be in Ketchikan February 24<sup>th</sup> to meet with people from the Denali Commission and with other health care providers from Ketchikan, Prince of Wales, Petersburg and Wrangell.

**CITY CLERK**-Vicki Hamilton provided the city council with a report on the Alaska Municipal Clerk's Conference she attended in Juneau February 2-6<sup>th</sup>. Vicki has been working on the property tax roll.

**CITY PLANNER-Alaska Coastal Management Plan**-Brian reported meeting with Alaska Coastal Management Plan (A.C.M.P.) and with state and federal resource agencies concerning the City of Craig's Coastal Management Plan. Brian said he should have a draft plan ready for council to review toward the end of March or middle of April and then out for public review and finally ready to be submitted to the State.

**Homeland Security**-Brian said he is working with several department heads on the Homeland Security grant package. They are working to spend last year's grant money. Soon they will be opening bids for backup generators for the water treatment plant, the police department and the clinic.

Brian reported the city website had 15,000 hits in January. That is more than it has had in the previous four months combined.

**State Licensing of Home Inspectors**-Brian reported that there is a major change to licensing of home inspectors for both new and existing homes. The license requirements that the State put in place put forth a process where you could get a transitional license up until July of 2004 if you were already doing home inspections. The State didn't get the word out very well so there were not a whole lot of folks who got transitional licenses and very few folks who got regular licenses. Right now there are only three home inspectors for all of Southeast Alaska. Of the three inspectors, one works full time for Tlingit and Haida Housing so that really leaves only two for the entire Southeast Region. This will make it more expensive for those who will need a home inspector.

**HARBORMASTER**-Mike Kampnich said he has been doing basic maintenance to the harbors. Mike expressed some concerns about House Bill 25 in the state legislature. HB 25 has to do with Raw Fish Landing Tax. Mike said more seafood products are being shipped out in the round or whole verses being processed. The coastal communities were assuming that the fish tax was being distributed using roughly the same formula as was used in the processed fish tax. It was discovered that the Department of Revenue had a different formula they used to determine this tax and now the money is being shifted away from the communities who were generating the money. The money now shifts from Southeast Alaska to Southwest Alaska. The City of Craig lost \$30,000-40,000 this past year. It is in the interest of the City of Craig to get this formula changed and HB 25 will do that for us.

**PARKS AND RECREATION**-Victoria Merritt reported on the events she has going on this February. Elementary basketball will be starting up next week. April 9<sup>th</sup> is the last day for that sport. Two volleyball leagues are going strong. Volleyball league will be finished by March 8<sup>th</sup>. There will be a tap dance recital on March 13<sup>th</sup>. The gym floor is scheduled to be refinished starting March 14<sup>th</sup> through the 21<sup>st</sup>.

There is a suicide prevention education opportunity being offered in Craig. Sessions will be conducted at the Craig Middle School and the Craig High School. A training session for the public will be offered. It will target How to recognize potential problems of depression to avoid suicide.

**POLICE CHIEF**-Jim See reported being out of town for a couple weeks. The officers were busy but not overwhelmed. The jails stayed full.

**TREASURER-Icehouse Loan**-Theresa Savland reported that the city secured a grant from Housing and Urban Development last fall for payment on the icehouse loan. The funds are completely exhausted now, which brings the loan down to just under \$45,000. The city will need to find funding to pay off the remainder of this loan.

**2006 Budget**-The budget process for the 2006 budget is coming up. The council members need to think about whether they would be interested in serving on the Budget Committee. The months of April and May are designated for reviewing and approving the city's budget. The department heads will be going over their budgets with Jon and Theresa throughout the month of March.

**Preparing to accept credit cards**-Theresa reported that First Bank has offered a competitive figure to set the City of Craig up with credit card services. Theresa said she is working out what it will cost the city to be able to offer the credit card service to the public.

## **READING OF CORRESPONDENCE**

There were no comments.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

### **UNFINISHED BUSINESS**

Mike Douville had a question in regard to Ordinance No. 544. The discussion was about building heights on beachfront property.

### **NEW BUSINESS**

- **Award bid for East Hamilton Drive Pump Station Project**-Jon reported that the bids for the East Hamilton Drive Pump Station Project were opened on Tuesday, February 15<sup>th</sup>. There were six bids. The apparent low bidder is P.K. Builders at \$354,186.00.

Jon said this project is made possible by grants from the Department of Environmental Conservation and the Alaska Native Tribal Health Consortium. The funding is a 70/30 split.

Jon said after the council approves the awarding of the contract, Jon will issue a notice of intent to award letter to P.K. Builders and a copy to all the other bidders, who in turn will have ten days to protest the award if they choose to.

Jon said there is one potential issue in regards to the bid opening. One of the bidders called the city and indicated that his bid had an error in it and he would like the city to interpret that error in a manner that would allow Southeast Earth Movers to be declared the low bidder. Jon said at this point he is not prepared to do that.

Jon recommends that, based on the bid documents submitted on Tuesday, that the city council award the East Hamilton Drive pump station project to PK Builders, based on their bid of \$354,186.

Jon Bolling stated that Jon McGraw, representative from Southeast Earth Movers, asked that a copy of a letter from Mr. McGraw's attorney be provided to the Craig city council.

- **Award bid for East Hamilton Drive Pump Station Project continued-**

DOUVILLE/PIERCE: moved to award the East Hamilton Drive pump station replacement project to P.K. Builders, based on their bid of \$354,186. MOTION CARRIED UNANIMOUSLY

- **Loan Request from I.F.A.-**Delores Owen stated that the Inter-Island Ferry is experiencing a cash flow problem right now. The ferry was out for scheduled maintenance in November and ran into some problems that extended their time off their scheduled run. They also ran into additional costs for the repairs. The maintenance work was not completed in November so they had to schedule a second maintenance lay-up in January causing additional lost revenue.

Delores said the underlying problem is the I.F.A. is still carrying debt from when the M/V Prince of Wales was built, for boat match money and for the startup of the operation. The debt service is over \$300,000 a year. In the past we've been able to handle this through legislative grants, plus last winter the I.F.A. serviced Metlakatla. This year we had neither of those things.

Delores said the I.F.A. is able to cover their operation, payroll, fuel, insurance and maintenance to the boat, out of their fare box. It is really the debt service that is burdensome.

Delores said the I.F.A. is hoping for an appropriation through the Transportation Bill that will over a three-year period eliminate that debt all together.

I.F.A. is asking for a short-term loan from the City of Craig in the amount of \$125,000.

DOUVILLE/STEVENS: moved to authorize the city to loan the I.F.A. \$125,000.

Discussion: Mike Douville asked Jon where the city would get this money.

Jon Bolling said the money will come from the general fund.

Mike asked Jon if there would be a contract drawn up for the next council meeting.

There was discussion about the council reviewing the contract after Jon has it drawn up.

Dennis said if the council is interested in reviewing the contract after Jon gets them done they can get in touch with Jon.

MOTION CARRIED UNANIMOUSLY

- **Appointment of Planning Commissioner**

PIERCE/STEVENS: moved to appoint John Ward and reappoint Gail Slentz and Roger Saddler to the Planning Commission. MOTION CARRIED UNANIMOUSLY

- **A donation request from the Craig Injury Prevention Team for suicide prevention training-**Victoria Merritt reported earlier in the meeting that the funding for this training session has been met and is withdrawing her request to the city for a donation.

**ADJOURNMENT**

DOUVILLE/PIERCE: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:40 P.M.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

## **ROLL CALL**

The meeting was called to order by Mayor Watson and the roll taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Bill Altland and Mike Douville. Absent excused was Millie Stevens.

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Mike Kampnich, Harbormaster; Sergeant Habib, Police Department; Dr. McGrath, Craig Clinic and Tina Habib, Clerk pro-tem.

Audience present: Jim See, Clinton Cook, Kim Patotzka, and John Patterson.

## **CONSENT AGENDA**

PIERCE/HEAD: moved to approve the consent agenda.

Discussion: Greg Head asked that Ordinance No. 544 be removed from the consent agenda and placed under New Business.

There wasn't anything left to approve on the consent agenda.

## **HEARING FROM THE PUBLIC**

Final reading and public hearing on Ordinance No. 542, Amending the Craig Municipal Code, Chapter 2.12.230, Dates and Hours for Election; and Ordinance No. 543, Appropriations of grants for FY2005, were presented for public comment.

John Patterson referred to Ordinance No. 544, Amending Title 18 of the Land Development Code.

John Patterson said he would like to make it clear that he doesn't own any residential or suburban properties and he doesn't have any interest in fighting other people's battles.

John Patterson suggested changes to lot coverage, building heights, and tideland fill to each of the different residential zones-low, medium and high.

Brian Templin, city planner, explained the reasoning behind the proposed changes to the Land Development Code and addressed some of the suggested changes John Patterson voiced.

Kim Patotzka commented on the height limitation. He is bothered by it. Kim said he likes the idea that the city has finally established an elevation that is realistic, however he doesn't like the height restrictions. Kim supported John Patterson's suggestions to the Land Development Code.

**The city's noise ordinance**-Clinton Cook voiced his opinion on the city's noise ordinance. He reported that a live band lives next door to him. Clinton said he has had to move his kids out a couple times to take them to a relative's home so the kids could do their homework. Clinton would like to see the noise ordinance changed.

**The city's noise ordinance continued-**Sergeant Mark Habib commented on Clinton's complaint.

Sergeant Habib explained that the group is teenagers who are practicing in a band.

The group has been warned about the noise. Sergeant Habib stated that it is not a city ordinance but a State law. The State Law says "Unreasonably loud noises". The police spoke to the parents and gave them a warning.

Jon said an ordinance isn't necessary. Sergeant Habib says it is a judgment call under State law. It will vary from one community to the next. Jon said the city can set a policy of what is reasonable for noise and what time of day.

Dennis Watson would like the police to talk with the parents.

**Continued comments on Ordinance 544-**John Patterson wanted to comment on Brian Templin's explanation to John Patterson's suggestions on the Land Development Code.

Dennis said this should go back to the Planning and Zoning Commission and it should be worked out there and then brought back to the city council for consideration.

John Patterson went ahead with his comments. John did not like the lot restrictions and expressed his opinion on those restrictions.

Jim See is against seeing four-plex structures being allowed on the tideland lots. Jim would like to see the Land Development Code have a building height restriction.

Jon Bolling suggested that John Patterson take his suggestions and issues to the Planning and Zoning Commission where they can be properly addressed.

Brian Templin asked John Patterson to submit a list of his concerns to Brian so the list could be included in the Planning and Zoning packets for the March 24<sup>th</sup> meeting.

## **REPORTS FROM CITY OFFICIALS**

**DR. MCGRATH**-Dr. McGrath reported the clinic will start doing I.V. chemotherapy. They may have to buy some equipment for it.

Dr. McGrath is interested in developing an affiliation agreement with Ketchikan General Hospital, under Peace Health. After he has composed the agreement for the Craig Clinic he will bring it back to the council for their approval.

Dr. McGrath reported he and Jon Bolling attended a meeting in Ketchikan with the Denali Commission. It was a productive meeting. The Clinic may get funding from the Denali Commission for a new facility, which requires it to be 51% health care.

**MAYOR**-Dennis reported that he has been fishing.

**ADMINISTRATOR**-Jon Bolling reported on his meeting with the Denali Commission. He reported on how Wrangell wants to provide medical services to the northern communities on Prince of Wales Island.

**Awarding East Hamilton Drive pump station project**-Jon reported to the council that Southeast Earth Movers has filed a bid protest on the awarding of the contract to the apparent low bidder, P.K. Builders, for the East Hamilton Drive pump station project. Jon, the bid administrator, said he will be issuing a decision on the protest next week. Jon Bolling explained that the protest revolves around mistakes that the lowest bidder and the second lowest bidder made in their bids that they submitted to the city. They both made mathematical errors.

**I.F.A. Loan**-Jon said the city will finalize the I.F.A. loan after the I.F.A. conducts their next board meeting next week.

**Murdock Foundation**-Jon said the Murdock Foundation is one of the groups the city is asking to help fund the renovation of our clinic. The representative from the Murdock Foundation, Jan Kennedy, is scheduled to visit Craig on April 6<sup>th</sup>. At that time Jan will do a site visit at the Craig Clinic. We are asking the Murdock Foundation for \$125,000 for the renovation of our clinic building.

**Credit Card progress**-Jon provided a summary of establishing the use of a credit card service at the city. The overall cost to the city, if the city establishes a credit card relationship with First Bank, will be about \$10,500. The auto pay service will be offered later when we have an accounting system that is compatible.

**Public Works**-Steve Tanner, Public Works Director, submitted a written report to the council. Jon said if the council would like a copy of Steve's report Jon will be glad to provide one for them.

**CITY PLANNER**-Brian said he will be working on a grant application to the E.D.A. for a freezer and plant.

Brian briefed the council on the Alaska Coastal Management Plan (A.C.M.P.) and the turmoil the state agency is in. The City of Craig will be ready to submit their public review draft of the Alaska Coastal Management Plan to Department Of Natural Resources in late March or April.

**HARBORMASTER**-Mike Kampnich updated the council on the progress of the boat trailer that Brownell is contracted to build for the City of Craig. The project is on schedule for completion by January 2006.

The Herring Pound Fishery will be starting up soon.

Mike said the Harbor Response Vessel was called out twice this week. Neither of the calls was life threatening.

The school board and city council will meet jointly on Monday, March 7, 2005 at 7:00 p.m. in the city council chambers.

**POLICE DEPARTMENT**-Sergeant Habib reported that the chief has retired this month. Mark reported the police department has a new dispatcher who will be a fill-in for the permanent dispatchers. Also, two of our police officers completed police academy training in Sitka. Mark said he is talking with engineers from Pro-com and Motorola concerning the enhanced 911 system. Funding from Homeland Security will provide for the 911 system.

**POLICE DEPARTMENT CONTINUED**-Mark is working on a narrowed down price for equipment that is compatible with the police department's new dispatch center.

**TREASURER**-Theresa Savland said she is looking for volunteers to serve on the Budget Committee. The meetings are scheduled for the Tuesdays in April at 4:00 P.M. At the next council meeting, committee members will be established.

### **READING OF CORRESPONDENCE**

There were no comments.

### **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Resolution No. 05-03**, Requesting the U.S. Forest Service to meet the allowable sale quantity defined in TLMP, was presented.

PIERCE/HEAD: moved to adopt Resolution 05-03.

Discussion: Jon referred to his cover memo for Resolution 05-03. In the second paragraph there is a blank that needs to be filled in. It reads, The processing capacity of Southeast Alaska sawmills is estimated at about \_\_\_ million board feet per year. Jon said that number is 160.

### **MOTION CARRIED UNANIMOUSLY BY VOICE VOTE**

**Resolution No. 05-04**, Adopting Prince of Wales Community Advisory Council Resolution 05-01, Prioritizing DOT/PF Road priorities for Prince of Wales Island, was presented.

HEAD/HAMILTON: moved to adopt Resolution 05-04. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 542**, Amending the Craig Municipal Code, Chapter 2.12.230, Dates and Hours for Election, was presented.

PIERCE/HEAD: moved to adopt Ordinance No. 542. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 543**, Appropriations of Grants for FY 2005, was presented.

PIERCE/HEAD: moved to adopt Ordinance No. 543. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

### **UNFINISHED BUSINESS**

- **Twelve-mile Arm Cabin-USFS**-Mike Douville commented that the Forest Service did a presentation at the last council meeting and the city did encourage the Forest Service to look again at the proposed site at Polk Inlet.

PIERCE/HEAD: moved to direct the city administrator to write a letter to the U.S. Forest Service expressing the city's displeasure in the U.S.F.S. selection of the Twelve Mile Arm cabin site and restating the city's choice for the Polk Inlet Site. MOTION CARRIED UNANIMOUSLY BY VOICE VOTE

**NEW BUSINESS**

- **Approval of bid for emergency backup generators**

PIERCE/HEAD: moved to authorize the city administrator to enter into a contract, not to exceed the maximum amount authorized in the FY2004 Homeland Security Jurisdictional Grant Program, with Construction Machinery, Inc. of Ketchikan to supply emergency backup generators for the Craig Dispatch center and the Craig Clinic. MOTION CARRIED UNANIMOUSLY BY VOICE VOTE

- **Ordinance No. 544**, An Ordinance amending Title 18, Craig Land Development Code, Chapters 18.05 and 18.16 regarding residential zone changes.

Jon asked the council what they were going to do with Ordinance No. 544.  
 Greg Head said the ordinance is going back to the Planning and Zoning Commission for more work.

**ADJOURNMENT**

HEAD/DOUVILLE: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:45 P.M.

APPROVED \_\_\_\_\_

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 MAYOR DENNIS WATSON

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

## **ROLL CALL**

The meeting was called to order by Mayor Watson and the roll taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Bill Altland and Mike Douville. Millie Stevens was absent excused.

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Mark Habib, police sergeant; Mike Kampnich, Harbormaster; Cindy Wade, Aquatic Manager; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: Lon Walters and Doug Veit

## **CONSENT AGENDA**

The consent agenda was presented. It contained the city council minutes of February 17<sup>th</sup> and March 3, 2005; the Shaan-Seet, Inc. renewal application for a liquor license, and introduction and first reading of Ordinance #544, Changes to the Craig Land Development Code.

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

## **HEARING FROM THE PUBLIC**

Mike Kampnich stated that the Forest Service is still focusing on the proposed cabin site to be located in Twelve Mile Arm instead of reconsidering the Polk Inlet Site. After further discussion Dennis Watson said he would call the Craig Forest Ranger about the site.

## **REPORTS FROM CITY OFFICIALS**

POLICE SERGEANT-Mark Habib reported that the Craig Police Department will be losing Officer Terry Bridge, he has resigned as of April 6<sup>th</sup>.

Officer Cullen Fowler, a temporary fill-in at the Klawock Police Department, has been hired to replace Officer Bridge. Officer Fowler will start work for the City of Craig on April 11<sup>th</sup>.

Mark Habib reported on vandalism at the Craig High School. It was reported that five bullet holes were discovered in five of the windows at the high school over the Spring Break period. The police department is investigating this incident. The school and city will be combining to offer a reward of \$2,000 to anyone providing information on this incident.

Mark reported seizing a meth lab on March 3<sup>rd</sup> at A&B Apartments. A second meth lab was seized on March 30<sup>th</sup>. This lab was located at Tanner Crab Court. This lab was larger than the first.

DR. MCGRATH-Dr. McGrath said the clinic is pretty busy. The billing is caught up. The Craig Clinic is offering chemotherapy treatment now.

**DR. MCGRATH CONTINUED**-While Dr. McGrath was at S.E. Conference in Juneau, he met with the Alaska Hospital Association and they issued a memorandum that stated P.O.W. Island is the most underserved medical community or area in Southeast Alaska. Dr. McGrath said this memo was addressing multiple issues in all the health care facilities. Dr. McGrath said this would help out in pursuing plans of possibly a health center or whatever the city is going for.

**MAYOR**-Dennis Watson said he also attended S.E. Conference. It was a good conference. Dennis gave a presentation to the Conference of Mayors on the timber resolution the city of Craig passed, Resolution No. 05-03, Urging the United States Forest Service to offer for sale timber volume equal to the allowable sale quantity provided for in the Tongass Land Use Management Plan. Upon request, Dennis also presented this to the Juneau Chamber of Commerce luncheon.

Dennis also met with Deputy Commissioner Robin Taylor of the Alaska State Ferry System. Mr. Taylor made it clear that he is not a friend of Inter-Island Ferry Authority (I.F.A.).

Dennis reported meeting with Tom Briggs, who is now working with the Department of Commerce. Tom will be in Craig April 11<sup>th</sup> to look at the proposed Cold Storage plans for False Island.

Dr. McGrath mentioned the Guardian which is a medivac system that is coming to Ketchikan. They will station a jet in Ketchikan for medivacs. Temsco helicopter will be able to fly to Craig beginning in May.

**ADMINISTRATOR-Craig Clinic**-Jon Bolling reported that money is in place for the renovation and remodeling of the Craig Clinic and Public Health portion of the building, however, the city is now concentrating on a plan to obtain funds for a new facility that would house several health care related agencies besides the clinic. Jon said after he spoke with C.O.H.O., SEARHC, Ketchikan General Hospital and the Public Health Nurse's office, and talked about their needs, it was apparent that C.O.H.O., the Public Health Office, Community Connections and the Craig Clinic should all be combined into one facility. Jon said he contacted the Denali Commission, the one who is the major funder of the renovation and remodeling project for the Craig Clinic. Jon said he talked with Tessa of the Denali Commission about combining the four health groups into one facility. Jon said each entity should do their part to find funding to help get this built.

Doug Veit, representative from C.O.H.O., reported C.O.H.O. has been exploring funding on its own basis. Mr. Veit said they have got a fairly uniform message back from the Denali Commission, from the Mental Health Trust and the Murdock Foundation and that is they want to see collaboration with other providers and they want to see behavioral health connected with a primary care facility in some significant way.

There was further discussion about a Health Campus. A concern was that each entity had autonomy.

**King Salmon Hatchery Project**-Jon said the metal building for the King Salmon Project has been ordered. The city crew will begin site work in April in preparation for the construction of the building.

**The wood-burning project for the pool**-Jon said it is likely that he has \$600,000 in place now to put toward the cost of that project. There is a ceremony tentatively planned for August. Jon said he is waiting for an estimated engineering cost from R&M Engineering for the design of the building.

Jon thanked Paul Coffey for assisting the city in completing a grant application that is pending with the Forest Service/Forest Products Lab in Madison, Wisconsin.

**Sunnahae property appraisal**-Jon reported that Charles Horan will be in Craig on Monday to appraise the Sunnahae property for our exchange that we're working on in Congress. Senator Stevens staff said the appraisal needed to be done before they could secure any appropriation for us in the next fiscal year budget.

**P.K. Builders contract**-Jon said he signed a contract with P.K. Builders for the East Hamilton Drive pump station project. Work will begin in late May.

Jon provided the city council with a written report from Public Works director, Steve Tanner.

**Vandalism at the high school**-Jon Bolling reported on the vandalism at the high school. Jon said the school district has put up a reward of \$1,000 for the arrest and conviction of the perpetrator. Jon is asking the council for their okay to match the amount of funds the school has put up as a reward, to provide incentive to find the guilty party.

**CITY CLERK**-Vicki Hamilton reported the 2005 assessment notices went out today. The appeal period is the month of April, for anyone who disagrees with the assessed value of their property.

Spring clean-up is scheduled for the week of April 18<sup>th</sup>.  
The next council meeting is scheduled for April 21, 2005.  
Board of Equalization is scheduled for May 12<sup>th</sup> if it is needed.

**AQUATIC MANAGER**-Cindy Wade reported that business at the pool has really picked up since the pool started the Biggest Loser Contest (who can lose the most inches). The pool toys are not functional. The pool toy maker has a repairman who is planning to come to Craig to fix the toys. This is warranty work on the toys.

Cindy said she is continuing to get quotes on resurfacing the pool.

Cindy reported the Easter Egg Hunt went well. There were 64 participants.

**CITY PLANNER**-Brian Templin reported he has been working on the Cold Storage Processing Plant Project. Brian finished the application for the Fisheries Economic Development Grant Program and is waiting for Resolution 05-05 to pass tonight to complete the requirements for this grant. Brian is currently working on the E.D.A. pre-application.

Brian goes to Anchorage, April 21, 22, and 23<sup>rd</sup> to attend a S.E.A. Grant Conference for C.Q.E. Brian is getting ready for the annual Community Economic Development Strategy meeting to be held on Monday, April 11<sup>th</sup> at 12 noon. This meeting is the community's opportunity to input into the list of development priorities that the city and the region has. Later in this meeting the council will appoint two new members to this committee.

**HARBORMASTER**-Mike Kampnich reported most of the dive fisheries are over. The Herring Pound Fishery is getting started.

Mike has been working with C.C.A. on the abandoned vehicle removal project. It is a very good project. This is the time for residents to help clean up the island.

**TREASURER**-Theresa corrected an error in the dates for scheduled budget committee meetings. The corrected time for the first budget committee meeting is April 5<sup>th</sup> not 6<sup>th</sup>.

Theresa reported the city has its first credit card machine ready to accept payment by credit card.

## **READING OF CORRESPONDENCE**

There were no comments.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Resolution No. 05-05**, A resolution of support for construction of a Seafood Processing and Cold Storage Facility, was presented.

PIERCE/HEAD: moved to adopt Resolution No. 05-05. MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

## **UNFINISHED BUSINESS**

No unfinished business.

## **NEW BUSINESS**

- **Appointing members to the Budget Committee**-The following city council members volunteered to serve on the Budget Committee: Don Pierce, Fred Hamilton, Millie Stevens (in her absence, Millie asked Vicki to add her name to the budget committee) and Greg Head. Greg asked if the meetings could be held at 4:30 instead of 4:00. There were no objections.
- **Approving a contract with Jon Thorington**-This contract is for the King Salmon Hatchery Project. This contract is plumbing fabrications for the round ponds and re-circulation pumps etc.

PIERCE/DOUVILLE: moved to authorize Jon Bolling to contract with Jon Thorington the design and construction work for the Port Saint Nicholas King Salmon Project. MOTION CARRIED

- **Craig Community Economic Development Strategy Committee Members**-Dennis said the two candidates names submitted for this committee are John Galloway and Stu Vincent.

HEAD/PIERCE: moved to place John Galloway and Stu Vincent on the C.C.E.D.S. Committee. MOTION CARRIED

- **Action on Amerada-Hess Funding**-Jon Bolling explained that Amerada-Hess is a name for a settlement that the State reached with a number of oil companies over the past 15 years. The fund has about \$430 million dollars in it today. This money cannot be placed into the permanent fund. This was a court decision. With this funding in place, the governor has developed a plan where he proposes to sell bonds to pay for a number of capital projects around the state.

**Action on Amerada-Hess Funding continued-**The governor proposes to use the earnings to repay the bonds over the course of the next 20 or 30 years. The governor is using the Amerada Hess money to fund transportation projects around the state. The State is supposed to come up with a \$3 million dollar match to the federal monies for the Port Saint Nicholas road project. This match money will come from the State general fund money. If the Amerada-Hess Funding proposal passes, it makes the state contribution to the St. Nick Road project a lot more likely. Jon would like approval from the city council to write a letter of support to the state administration, supporting financing from the Amerada-Hess Funding to get to get projects funded like the new ambulance for Craig and lease lot development at the Klawock Airport.

PIERCE/HEAD: moved to direct the city administrator to write a letter of support for the Amerada-Hess funding. MOTION CARRIED

PIERCE/DOUVILLE: moved to recess the regular meeting to go into executive session for the purposes of discussing Southeast Movers vs the City of Craig. MOTION CARRIED

The council took a five-minute recess at 8:28 p.m. before moving into executive session.

#### **EXECUTIVE SESSION**

- Southeast Earth Movers vs the City of Craig

The city council moved out of executive session and back to the regular city council meeting.

#### **ADJOURNMENT**

PIERCE/HEAD: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:49 P.M.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

## **ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Bill Altland and Mike Douville. Absent excused were Fred Hamilton, Sr. and Millie Stevens.

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Jim See, Police Chief; Mike Kampnich, Harbormaster; Cindy Wade, Aquatic Manager; Vicki Hamilton, City Clerk; and Dr. McGrath.

Audience present: Jay Marble, Sarah Altland, Karen Head

## **CONSENT AGENDA**

The consent agenda was presented, it contained the city council minutes of March 31, 2005 and approval of Kim Patotzka's 2005 property tax exemption application for senior citizens.

PIERCE/HEAD: moved to adopt the consent agenda as presented. MOTION CARRIED UNANIMOUSLY

## **HEARING FROM THE PUBLIC**

Final reading and public hearing on Ordinance No. 544, An ordinance amending Title 18, Craig Land Development Code, Chapters 18.05 and 18.16 regarding residential zones, was presented.

Mike Kampnich commented on the subject of the university land sale bill in the state legislature.

## **REPORTS FROM CITY OFFICIALS**

DR. MCGRATH-Dr. McGrath said he'll be gone for 1 ½ weeks starting Wednesday, April 27, 2005.

MAYOR-2005 School Budget-Mayor Watson moved the 2005 School Budget item from under New Business, Approving the 2005 School Budget, to be acted on by the council now.

PIERCE/DOUVILLE: moved to approve the 2005 School Budget.

Discussion: Jon said he will answer any questions the council may have concerning the 2005 school budget.

## **MOTION CARRIED UNANIMOUSLY BY VOICE VOTE**

MAYOR'S REPORT-Dennis said he has contacted Klukwan, Inc. concerning the aerial spraying on Long Island, scheduled to take place this summer. Dennis has asked for a meeting to try to find ways to resolve the decision to do aerial spraying on Long Island.

**ADMINISTRATOR**-Jon Bolling reported Spring Clean up will be held the week of April 18-22. Jon commented that Craig Community Association has arranged for scrap metal to be gathered and shipped off the island on a scrap metal barge. The staging area is near the barge ramp on Port Saint Nicholas Road.

**East Hamilton Drive Project**-The contractor of the East Hamilton Drive Project, P.K. Builders, will start excavation work on May 17<sup>th</sup>.

Mayor Watson asked about sediment in the city's drinking water. Jon said he would check with Steve Tanner, public works director.

**AQUATIC MANAGER**-Cindy Wade reported the pool being busy with swimming lessons. The Hydaburg students have five more weeks of lessons. Cindy reported the pool toys are still down. Cindy is waiting to hear from the manufacturer.

**CITY CLERK**-Vicki reported Board of Equalization is scheduled for May 12<sup>th</sup> if it is needed. The property tax appeals are due by April 29<sup>th</sup> for those protesting the assessment values on their property.

The next scheduled council meeting is May 5<sup>th</sup>.

The second meeting in May falls on the Craig High School graduation date. The city council agreed to move the second council meeting from May 19<sup>th</sup> to Wednesday, May 18<sup>th</sup>.

The annual city auction will be held Monday, April 25, 2005 at 2 p.m. at the public works yard.

**HARBORMASTER**-Mike Kampnich reported the herring pound fishery is done. Mike reported he is getting quite a few requests for moorage already. Mike commented on the moorage rates, saying the rates need to be revisited.

**POLICE CHIEF**-Jim See reported they have been busy. The jail is overflowing. The new officer is working out fine and is good with the people.

**TREASURER**-Theresa Savland commented that she has been busy with budgeting.

## **READING OF CORRESPONDENCE**

There were no comments.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Ordinance No. 544**, An ordinance amending Title 18, Craig Land Development code, Chapters 18.05 and 18.16 regarding residential zone changes, was presented.

PIERCE/HEAD: moved to adopt Ordinance No. 544. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

## **UNFINISHED BUSINESS**

- **Notice of requests for ad judicatory hearing and request for stay regarding pesticide application permit to Klukwan, Inc.**-Jon Bolling reported a public comment period is in effect right now in regard to the request for an ad judicatory hearing. The public comment period ends on May 4<sup>th</sup>. Someone from the Department of Environmental Conservation will call to set up a date for the ad judicatory hearing. In the meantime, the city will try to work out a compromise between the city and Klukwan, Inc.

**NEW BUSINESS**

- **Recognizing the accomplishments of the Craig High School Academic Decathlon Team, 2004-2005**-This item will be addressed at the city council meeting on May 5, 2005.

- **Affiliation agreement with the Ketchikan General Hospital**-Jon Bolling provided a draft of the affiliation agreement between the City of Craig and the Ketchikan General Hospital. Jon clarified that the City of Ketchikan owns the hospital and PeaceHealth Corporation operates it. Jon had the city attorney look at the agreement and the attorney has offered some suggestions to the wording.

DOUVILLE/HEAD: moved to approve the proposed affiliation agreement between the City of Craig and the Ketchikan General Hospital. MOTION CARRIED UNANIMOUSLY

- **Approval of the 2005 CEDS Report-**

PIERCE/DOUVILLE: moved to approve the 2005 Craig O.E.D.P. capital projects list.

Discussion: Jon Bolling brought a recommendation to the council concerning the prior list.

Jon recommended the council re-prioritize some of these projects. Jon is asking to have the Saint Nicholas Road Upgrade be moved to priority No.4 or No.5.

PIERCE/DOUVILLE: moved to accept the recommendation of the administrator to move the Saint Nicholas Road Upgrade project to No. 5 on the list and bump up the remaining projects accordingly. MOTION CARRIED WITH NO OPPOSITION.

**EXECUTIVE SESSION**

PIERCE/HEAD: moved to recess the regular meeting and go into executive session for the purpose of discussing the evaluation of the city administrator.

The regular meeting recessed at 7:37 p.m.

The Executive Session convened at 7:42 p.m.  
The Executive Session adjourned at 8:02 p.m.

**ADJOURNMENT**

PIERCE/HEAD: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:03 P.M.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

## ROLL CALL

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Millie Stevens, Bill Altland and Mike Douville

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Jim See, Police Chief; Mike Kampnich, Harbormaster; Cindy Wade, Aquatic Manager; Victoria Merritt, Parks and Rec Director; and Vicki Hamilton, City Clerk

Audience present: Ron Erickson, Lorraine Pierce, Deanna Claus, Sarah Altland, Eli Altland, Hannah Altland, Gail Slentz, Doug Rhodes, Cheryl Fecko, Evan Head, Katie Altland, Charles Deffenbaugh, Philip Pierce, Amanda Vosloh, Emily Haydu, Andy Kelly, Ashley Mueller, Katrina Peavy, Jenny Mae Carpenter, Arthur Martin, Liz Thompson and Stephanie Lowery

## CONSENT AGENDA

The consent agenda was presented, it contained the city council minutes of April 21, 2005; Introduction and first reading of Ordinance No. 545, Amending Title 8.04.020 Refuse Containers, of the C.M.C.; introduction and first reading of Ordinance No. 546, Adopting Utility Rates for Garbage, Sewer and Water; introduction and first reading of Ordinance No. 547, Appropriation of Interest Earnings for Principal Payment of Clinic Loan.

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

## HEARING FROM THE PUBLIC

- **Presentation of Certificate of Recognition, Craig High School Academic Decathlon Team-**On behalf of the City of Craig, Mayor Watson presented individual certificates to the Craig High School Decathlon Team for their outstanding performance in the academic competition for 2004-2005.
- **Appeal of Bid Protest Decision, E. Hamilton Drive Pump Station Project-**The council heard an appeal of the city administrator's decision on a bid protest filed by Southeast Earthmovers. Mr. Jon McGraw of Southeast Earthmovers and his attorney, Mr. Jason Ruedy, as well as Craig city attorney Mr. Bob Blasco were present via teleconference.

Mr. Ruedy and Mr. McGraw presented comments to the council regarding the appeal, to which the city administrator responded. After a subsequent response from Southeast Earthmovers, the council discussed the merits of the appeal.

PIERCE/HAMILTON: moved to uphold city staff's decision to deny the bid protest from Southeast Earth Movers. MOTION CARRIED UNANIMOUSLY

## **REPORTS FROM CITY OFFICIALS**

**MAYOR**-Dennis Watson reported on his Juneau trip. One of the things he worked on was to get more of the city's capital projects included in the State capital budget. Dennis worked with Representative Bill Thomas on this.

Dennis said he teleconferenced with Klukwan Inc. about the proposed pesticide spraying on Long Island. The proposal by Klukwan may be to cut down the trees in that area and maintain the future growth more carefully.

**ADMINISTRATOR**-Jon Bolling opened the floor for any questions the council may have concerning the city projects.

**AQUATIC MANAGER**-Cindy Wade reported the evening activities at the pool are slowing down but the daytime activities keep them busy. Cindy is still having problems with getting the manufacturer to do repair work on the pool toys.

Jon Bolling said he is looking into a third party coming in to do the repair work on the toys and billing the manufacturer for the repair work.

Millie Stevens asked why our pool has so much chlorine in the water.

Cindy Wade said our chlorine content is the lowest amount the State of Alaska will allow.

Cindy said a lot of pools are switching to salt and it is easier on the skin but it will be costly to change over to salt.

**CITY CLERK**-Vicki Hamilton reported the 2005 property assessment appeals were due April 29, 2005. Eight appeals were received and sent to the city assessors. The date for Board of Equalization is set for May 18, 2005 in the city council chambers.

The second council meeting in May is scheduled for Wednesday, May 18<sup>th</sup>.

**CITY PLANNER**-Brian Templin reported an emergency backup generator is to be installed at the police department soon. The money for the generator comes from Homeland Security funds.

Brian reported the city receiving a homeland security award document for this year. The city will receive \$140,000. With a portion of this money and some carry-over money from last year, the city will be installing the enhanced 9-1-1 system at the police department.

**HARBORMASTER**-Mike Kampnich reported boats are starting to show up.

Mike said he and Frank Lazo have been helping Jim Dunbar with the new shop down at the city yard. The Harbor Department will be able to store some of its gear in the new shop.

**PARKS AND RECREATION**-Victoria Merritt reported the basketball backboards finally arrived. Victoria reported Ketchikan Soda Works is bringing Trajan Langdon to Craig to participate in a basketball clinic during the month of June. Victoria gave an update of activities in Craig.

**POLICE CHIEF**- Chief Jim See reported the police department is busy. The Department of Motor Vehicles is overloaded. The D.M.V. office will be adding an extra day to their schedule and will now be open Monday, Wednesday and Friday, 10 A.M. to 2 P.M.

**TREASURER**-Theresa Savland reported the city is converting its accounting system from Fundware to Accu-Fund. This process will continue on through the middle of June.

**READING OF CORRESPONDENCE**

There were no comments.

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Resolution No. 05-06**, Adopting Transient Moorage Rates, was presented.

HEAD/PIERCE: moved to adopt Resolution No. 05-06. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Resolution No. 05-07**, Adopting Permanent and Annual Transient Moorage Fees Charged by the City of Craig Harbor Department, was presented.

STEVENS/HAMILTON: moved to adopt Resolution No. 05-07. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**UNFINISHED BUSINESS**

There were no items to address.

**NEW BUSINESS**

- **Appoint a member to the Harbor Committee**-Three candidates submitted letters of interest to serve on the Harbor Committee. Those candidates were Herbert Graver, Stu Vincent, and Greg Shapley. The code states that a committee member must be a resident of Craig and a registered voter to be considered for the Harbor Committee. Two candidates were not Craig residents.

HEAD/PIERCE: moved to appoint Greg Shapley to the Harbor Committee. MOTION CARRIED BY UNANIMOUS VOICE VOTE

- **Approve to renew the Craig Clinic and Icehouse Loans for a period of one year**

PIERCE/DOUVILLE: moved to renew the Icehouse Loan effective July 13, 2005 for a period of one year in amount not to exceed \$50,000. MOTION CARRIED BY UNANIMOUS VOICE VOTE

PIERCE/HEAD: moved to renew the clinic loan effective May 22, 2005 for a period of one year in an amount not to exceed \$300,000. MOTION CARRIED BY UNANIMOUS VOICE VOTE

**ADJOURNMENT**

PIERCE/HEAD: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:04 P.M.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

**ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Millie Stevens, Bill Altland and Mike Douville

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Mike Kampnich, Harbormaster; Victoria Merritt, Parks and Rec Director; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: Karen Head

**CONSENT AGENDA**

The consent agenda was presented, it contained the first reading of Ordinance No. 548, Providing for the adoption and establishment of the budget for F/Y 2006, was presented.

STEVENS/PIERCE: moved to adopt the consent agenda. MOTION CARRIED

**BOARD OF EQUALIZATION**

PIERCE/HAMILTON: moved to recess the city council meeting and convene as Board of Equalization. MOTION CARRIED

Vicki Hamilton stated that, on May 17, 2005, Bill Ferguson, assessor with Horan & Company LLC, called, reporting he resolved all eight assessment appeals that were submitted. Three appeals did not change values; five appeals had changes.

PIERCE/HEAD: moved to certify the 2005 property assessment roll. MOTION CARRIED BY UNANIMOUS VOICE VOTE

Bill Altland arrived.

PIERCE/HEAD: moved to adjourn Board of Equalization and reconvene as city council. MOTION CARRIED UNANIMOUSLY

**HEARING FROM THE PUBLIC**

Ordinance No. 548, Providing for the adoption and establishment of the budget for F/Y 2006, was on the floor for any comments.

There were no comments

**REPORTS FROM CITY OFFICIALS**

DR. MCGRATH-Dr. McGrath said it has been slow at the clinic.

A new receptionist has been hired, Carol Boyd. She started 1 ½ weeks ago.

MAYOR-Herbicidal Spraying-Dennis Watson reported of the ongoing negotiations with Klukwan Corporation concerning the proposed herbicide spraying on Long Island.

**MAYOR CONTINUED** China delegation in Craig-Dennis reported a delegation from a restaurant in Hong Kong, China will be coming to Craig to film the catching of King Salmon off the decks of some local trollers. This will be used to promote the salmon industry in China.

On June 9<sup>th</sup> Dennis said he will be meeting with the U.S. F.S. Chief Bosworth in Craig.

**CITY ADMINISTRATOR**-Jon Bolling said he shall be doing a presentation on the city's proposed wood boiler project for Chief Forester Bosworth of the U.S.F.S.

Jon said he received an engineer's estimate to engineer-design the wood boiler project. Jon is waiting for a grant agreement from the Alaska Energy Authority. Alaska Energy Authority is paying \$66,000 toward the cost of the engineering phase.

**D.E.C. Clean-up**-Jon reported Department of Environmental Conservation is preparing to approve the clean up at the Ward Cove property. The D.E.C. representatives will be in Craig next Tuesday (May 24<sup>th</sup>) to meet with the contractor that has cleaned up the site for Ward Cove, Chevron, White Pass and Petro Marine. Upon D.E.C.'s approval of the clean up, they will issue a "No further action" letter.

**P.K. Builders**-Jon reported P.K. Builders will be in Craig May 30<sup>th</sup> to begin work on the East Hamilton Drive project. The project is expected to take 3-4 weeks to complete.

**King Salmon Project**- Jon reported the plumbing equipment is here for the King Salmon Project. John Thornington, contractor, will be here to do the plumbing work on the project.

**Partners of new clinic project**-Jon reported the City of Craig, C.O.H.O., Community Connections and Public Health, will meet May 20th to complete the business plan component in order to qualify for Denali Commission funds.

**H.H.H.W.**-Jon reported the Household Hazardous Waste Event will take place May 21<sup>st</sup> at the Klawock Landfill. It will be open all day. This is offered at no cost to the individual.

**P.O.W.C.A.C.**-Jon reported P.O.W.C.A.C. is scheduled to meet May 25, 2005 in Hollis.

**CITY CLERK**-Vicki Hamilton reported being out of town last week. Vicki doesn't have anything to report. The next council meeting is scheduled for June 2, 2005

**CITY PLANNER**-Brian Templin said he didn't have anything to report.

**HARBORMASTER**-Mike Kampnich reported he has been busy with maintenance work at the harbors and helping out at the Public Works shop.

**PARKS AND RECREATION**-Victoria Merritt reported on the flower baskets. She thanked Nina and Andy Edsell for planting all the flowers in the baskets.

Victoria also reported that Trajan Langdon will be in Craig on June 16<sup>th</sup> to run a basketball camp for the school age kids on the island. Victoria reported Michelle Hartley has resigned from the Craig Youth Center Director position. Don Glore will fill in during the interim.

**TREASURER**-Theresa Savland reported she is working on converting the accounting system.

**READING OF CORRESPONDENCE**

There were no comments.

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Ordinance No. 545**, Amending the Craig Municipal Code, Title 8.04.020, Refuse Containers, was presented.

HEAD/DOUVILLE: moved to adopt Ordinance No. 545. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 546**, Adopting utilities rates for Garbage, Sewer and Water, was presented.

HAMILTON/HEAD moved to adopt Ordinance No. 546. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 547**, Authorizing Appropriation of Interest Earnings for principle payment on clinic loan, was presented.

PIERCE/STEVENS: moved to adopt Ordinance No. 547, MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**Alley Vacation of Block 17, USS 1430**-Brian reported a petition was filed with the city planner in March requesting a partial or full alley vacation of Block 17 of USS 1430. A public hearing was held at the Planning Commission meeting on April 22<sup>nd</sup> to discuss this alley vacation. One of the landowners objected to a full vacation of the alleyway. Later he agreed to support the alley vacation if the adjacent property, Lot 3, had a mobile home restricted overlay placed on it. Brian said he spoke with Webster Demmert about possibly placing a mobile home restricted overlay on Webster’s property. Brain said Webster was willing to do that.

Jon explained to the council that if a mobile home restricted overlay is being proposed for Lot 3, the alley vacation issue will have to be taken back to planning and zoning for the planning commission to act on a “zone change” which will require the council to pass the “zone change” in ordinance form before the alley vacation can be addressed.

HEAD/DOUVILLE: Moved to vacant the alleyway subject to the application of the mobile home restricted overlay. MOTION CARRIED

**ADJOURNMENT**

HEAD/DOUVILLE: moved to adjourn. MOTION CARRIED

The meeting adjourned at 7:40 p.m.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

## **ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Millie Stevens, Bill Altland and Mike Douville

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Mark Habib, Police Sergeant; Mike Kampnich, Harbormaster; Cindy Wade, Aquatic Manager; Victoria Merritt, Parks and Rec Director; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: Wanda Rice, Sharilyn Zellhuber, Chris and Andrea Palle

## **CONSENT AGENDA**

The consent agenda was presented, it contained the city council minutes of May 5 and 18<sup>th</sup>, first reading of Ordinance No. 549, leasing the floatplane terminal space to Pro-Mech Air; Ordinance No. 550, Amending Title 18, Craig Land Development Code, Chapters 18.05 and 18.16; Commercial, Public and Forestry Zones and Ordinance No. 551, Appropriations of grants for FT2005.

STEVENS/PIERCE: moved to adopt the consent agenda. MOTION CARRIED

## **HEARING FROM THE PUBLIC**

Final reading and public hearing on Ordinance No.548, Providing for the adoption of the FY 2006 budget

## **REPORTS FROM CITY OFFICIALS**

DR. MCGRATH-Dr. McGrath reported ordering a Pro-Time machine used to measure how thin patient's blood is. Dr. McGrath reported the expense of sending blood work to Ketchikan to have it checked.

Dr. McGrath commented on the possibility of getting somebody from the Craig Clinic to be the medical advisor or sponsor for the emergency medical system. Right now the medical advisor is located in Ketchikan. With the advisor located in Craig, the E.M.S. squad would get more training.

MAYOR-Dennis had good things to say about Representative Bill Thomas' first year in the State Legislature. Rep. Thomas helped the city obtain funding for the community cold storage project. He was also helpful to the I.F.A.

Representatives from Hong Kong will be arriving in Craig to film fish being caught on trolling boats as the salmon trolling season gets underway. The film will be shown on television in Hong Kong to promote fresh caught Salmon from Alaska.

Dennis commented that the I.F.A. owes the City of Craig money. The Federal Transportation Bill in Congress, once passed, will be used to repay this loan. Rep. Young is working on this.

**ADMINISTRATOR-Clean-up on Wards Cove property**-Jon Bolling reported meeting with representatives from the Department of Environmental Conservation, Wards Cove Packing and Chevron Co. The meeting was to go over the final details of clean up on the Wards Cove property, particularly the fuel tank farm site. One site will be retested over the summer for petroleum/contaminants. When all sites are clean to the State's specifications then D.E.C. will issue a No Further Action Letter to Wards Cove and Chevron Oil Co. that they cleaned up the property and there are no contaminants.

Jon said he spoke with Bill Weisfield of Wards Cove Packing and it was agreed that the City of Craig and Wards Cove shall split the cost to have an appraisal done of the cannery property in Craig.

**East Hamilton Drive lift station project**-Jon reported the contractor for the East Hamilton Drive lift station project will be in Craig tomorrow to prepare to start the project.

**Proposed False Island Development**-Jon reported receiving a letter from Shaan-Seet, Inc. stating they are finalizing development plans for False Island marine and industrial properties that will soon be available for leasing. Three of Shaan-Seet's lots are already leased.

**The Clinic Project**-Jon reported a meeting was held May 20<sup>th</sup> concerning the Clinic Project. This project now includes partners. The partners are, the City of Craig, Public Health, C.O.H.O. and Community Connections. The partners held a teleconference with Department of Health and Social Services. Department of Health and Social Services in turn provided feedback on the business plan development requirement to the Denali Commission. When the development plan for the clinic is completed, it will be submitted to the Denali Commission for approval. Jon hopes it will be approved and by September the Denali Commission can appropriate funds allowing the partners to proceed with the next phase, the architectural design of the building.

**CITY CLERK**-Tina Habib reported on behalf of Vicki Hamilton. The city clerk is working on the property tax notices due to go out on July 1, 2005.

**CITY PLANNER**-Brian Templin reported working on the end of year grant projects and getting ready to roll some of the grants over. Brian is also preparing to get the back-up generator installed at the police department.

Brian reports working with Pro-Mech Air to get them moved into the floatplane terminal.

**HARBORMASTER**- Mike Kampnich reported the harbor is pretty busy. The fishermen are gearing up for fishing season along with the fishing charter businesses.

The credit card machine is all set up at the Harbor office and have had customers make use of it already.

**PARKS AND RECREATION**-Victoria said she is in the midst of planning the 4<sup>th</sup> of July. There will be events on the 3<sup>rd</sup> & 4<sup>th</sup>. The Saint Jude's Bike-a-thon is scheduled for sometime after the 4<sup>th</sup> of July. Trajan Langdon is scheduled to do a basketball camp in Craig on June 18<sup>th</sup>. Victoria said open basketball at the city gym is scheduled for Tuesdays after dodgeball.

**POLICE CHIEF**- Sergeant Habib reported Chief See is out sick. A new assistant district attorney has been signed to the D.A.'s office in Ketchikan. She (Carolyn Perkins) will be assigned to Prince of Wales Island.

The Torch Run was held May 21<sup>st</sup>. The Torch Run is the law enforcement run for Special Olympics that is a statewide event.

The police department is working with Pro Com Communications, the company that will be installing the Enhanced 911 system. They will be working with the police department and Alaska Power and Telephone on this project. The Craig Police Department hired a new police officer today, James English. He will start work on June 20, 2005.

**TREASURER**-Theresa reported working on several projects that should be completed by the end of the month. Theresa expressed appreciation to those participating in the budget process.

### **READING OF CORRESPONDENCE**

There were no comments.

### **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Ordinance No. 548**, Providing for the adoption of the F/Y 2006 Budget, was presented.

STEVENS/HEAD: moved to adopt Ordinance No. 548.

Discussion: Jon reported Ordinance No. 548 has an attachment. There are six projects the administrator is proposing to be funded from the interest earned on the city's endowment fund. The six projects are as listed:

- 1) Interest payable on pool bonds
- 2) Pool resurfacing project
- 3) Clinic debt
- 4) CQE Match
- 5) Clinic equipment
- 6) P.O.W. Hatchery

The grand total for these projects is \$106,038.

Jon would like these listed projects passed separately from Ordinance No. 548.

PIERCE/HEAD: moved to amend Ordinance No. 548 to include the six proposed projects listed and approve separately, by motion, the administrator's proposed projects to be funded by the interest earned on the city's endowment MOTION CARRIED BY VOICE VOTE

MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE.

**Resolution No.05-08**, Setting the mill levy at 6 mills for 2005, was presented.

PIERCE/STEVENS: moved to adopt Resolution No. 05-08. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

## UNFINISHED BUSINESS

### NEW BUSINESS

- **Final approval of the Pacific Air Lease**-Jon Bolling recommends the city council approve the lease by motion.

HEAD/HAMILTON: moved to adopt the Pacific Air Lease. MOTION CARRIED UNANIMOUSLY

- **Consider approval of grant agreement, Alaska Energy Authority**-Jon said the city has a proposal to complete the engineering of the proposed wood-fired boiler system project which will supply heat to the aquatic center and the elementary and middle school buildings. Jon said the engineer's proposal is \$97,000. Two-thirds of the proposed cost will be paid for through this grant with money from the Alaska Energy Authority and the U.S. Forest Service. This also requires a one-third match from the city. The city council approved the one-third match portion in the budget that was adopted one year ago from this month, so the money is in the budget now.

PIERCE/STEVENS: moved to authorize city staff to enter into a grant agreement with the Alaska Energy Authority for the purposes of engineering and design of the proposed Craig wood-fired boiler project. MOTION CARRIED UNANIMOUSLY

- **Capital Projects list from the Legislature**-Jon stated that this was not an action item but a summary item for the council. The memo shows the capital projects approved by the state legislature for the City of Craig. Jon added that in addition to this list the legislature also appropriated funding to municipalities to offset the increases in the cost to P.E.R.S. For Craig that amount was \$94,000 to offset our P.E.R.S. for next year.

There was discussion on the plan to pave the City of Craig's roads.

- **Pre-approving the Restaurant Designation Application permit for Sunnahae Lodge and the Beverage Dispensary Tourism License to serve alcohol**-Jon Bolling reported that Shaan-seet, Inc. is sub-leasing the Sunnahae Lodge to a company called the Sunnahae Lodge, LLC. The new owners would like to change the liquor license to designate it as one called Restaurant Designation. To do this, the city council needs to approve this change.

Jon recommends the council pre-approve this change in the license status.

PIERCE/STEVENS: moved to pre-approve the restaurant designation application for the Sunnahae Lodge and beverage dispensary Tourism License to serve Alcohol. MOTION CARRIED UNANIMOUSLY

### EXECUTIVE SESSION

PIERCE/STEVENS: moved to recess the city council meeting and move into executive session to discuss litigation strategy regarding Southeast Earth Movers VS the City of Craig. MOTION CARRIED

The council adjourned executive session at 8:17 p.m.

**ADJOURNMENT**

HEAD/STEVENS: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:17 p.m.

APPROVED \_\_\_\_\_

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

ATTEST

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

## **ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Millie Stevens, and Bill Altland.

Staff present: Jon Bolling, City Administrator; Brian Templin, City Planner; Mike Kampnich, Harbormaster; Cindy Wade, Aquatic Manager; Vicki Hamilton, City Clerk

Audience present: Greg “Shorty” Johns

## **CONSENT AGENDA**

The consent agenda was presented, it contained the city council minutes of June 2, 2005 and a 2005 gaming permit application for Prince of Wales Chamber of Commerce.

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

## **HEARING FROM THE PUBLIC**

Final reading and public hearing on Ordinance No. 549, Leasing the floatplane terminal space to Pro-Mech Air; Ordinance No. 550, Amending Title 18, Craig Land Development Code, Chapters 18.05 and 18.16; Commercial, Public and Forestry Zones; and Ordinance No. 551, Appropriations of grants for FY 2005 were open for public comment. There were no comments.

## **REPORTS FROM CITY OFFICIALS**

**MAYOR- Craig Clinic**-Mayor Watson brought up discussion on establishing fees for a service schedule for the Craig Clinic (Resolution No. 05-09).

Jon said the fee schedule book is for communities holding a 999 zip code. Jon commented the City of Craig has never adopted a service rate schedule for the clinic. The city just used the rates that Dr. McKim had when the city took control of the clinic.

There was further discussion on the clinic.

Bill Altland requested a public meeting be held with regards to a new clinic facility/health center.

**Seafood Producers Co-op**-Dennis reported Seafood Producers Co-op (S.P.C.) was in Craig for the first time. Their board meeting was held at the Craig Community Association building. S.P.C. will be providing tenders to the Craig area. The fish will be transported to Sitka for processing. Dennis reported that S.P.C. is doing really well selling their seafood products.

**ADMINISTRATOR- Klawock Airport**-Jon Bolling was on a teleconference yesterday with the Federal Aviation Administration (F.A.A.) and with John Morris, city administrator of Klawock and Department of Transportation. The teleconference discussion was about the Instrument Landing System (I.L.S.) at the Klawock Airport.

Jon said the F.A.A. is telling the city that based on their initial design the I.L.S. will not lower minimums for aircraft to land at the Klawock Airport. They will install it but it won't make the airport any more serviceable than it is right now with the current navigational equipment.

**ADMINISTRATOR- Klawock Airport continued**-The F.A.A. told Jon that there was also another appropriation paying for the airport in the amount of \$1-1.5 million dollars which brings the total money allocated for the airport to \$5 ½ -6 million.

The F.A.A. informed Jon that the cost to the improvements at the Klawock Airport has gone from 5 ½ million dollars to 8 million dollars.

Jon reported the F.A.A. in Anchorage has offered to come to Prince of Wales Island to meet with Jon to discuss the Klawock Airport. This meeting will be in July or August.

**Pool Re-fire Project**-Jon reported meeting with the engineers concerning the wood-fired boiler system for the pool. Jon showed them where the fuel sources would come from, the wood chips at Viking Lumber and the wood chips at Dick Jones' sawmill.

Jon reported that R&M Engineering is completing the site work for this project.

Jon is presently searching for the remainder of the capital money for this project. Jon said he has 2/3's of the money in place. Jon would like to go to bid in December.

**East Hamilton Pump Station**-Jon reported the East Hamilton Drive Pump Station project is going well. We are hoping to have the testing and start-up in July with operation in August.

**AQUATIC MANAGER**-Cindy Wade reported the pool to be shut down starting July 1<sup>st</sup> through July 5<sup>th</sup> to do cleaning and maintenance.

Cindy said she is still taking bids for the plastering project at the pool.

**CITY CLERK**-Vicki Hamilton reported the new sound system for the council chambers arrived the other day but has not yet been installed.

The 2005 property tax notices will be in the mail June 30<sup>th</sup>.

The next council meeting is scheduled for the week of July 11<sup>th</sup>.

**HARBORMASTER**- Mike Kampnich reported how busy the boat traffic has been. The ice sales are up.

Mike reported meeting with Trevor Sande, engineer for R&M Engineering. They went over the land where the boat trailer haul-out will be in operation to consider the layout for power, water, and fill and to give the city some proposals for this project. A breakwater is being considered for the launch ramp at the J.T. Brown Industrial Park.

**CITY PLANNER**-Brian Templin said he is working on year-end close out for grants. Brian assisted R&M Engineering with some surveying for the city.

**C.Q.E. meeting**-Brian met with the Community Quota Entity Board of Directors. Also present was city's attorney, Bob Blasco.

**Emergency management training**-Brian said he plans to attend a training session in Ketchikan July 6, 7, and 8<sup>th</sup>. The State of Alaska, Alaska Native Tribal Health Consortium, Public Health and the State Emergency Management System are providing the Stockpile training.

## **READING OF CORRESPONDENCE**

There were no comments.

## CONSIDERATION OF RESOLUTIONS AND ORDINANCES

**Resolution No. 05-09**, Establishing a fee for service at the Craig Clinic, was presented.

HEAD/STEVENS: moved to adopt Resolution 05-09.

Discussion: Jon talked about capping some of the service fees on the proposed fee schedule for the Craig Clinic.

HAMILTON/STEVENS: moved to postpone action on Resolution 05-09 until the next council meeting. MOTION CARRIED UNANIMOUSLY

**Ordinance No. 549**, Leasing the floatplane terminal space to Pro-Mech Air, was presented.

STEVENS/HEAD: moved to adopt Ordinance No. 549. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 550**, Ordinance No. 550, Amending Title 18, Craig Land Development Code, Chapters 18.05 and 18.16; Commercial, Public and Forestry Zones, was presented.

PIERCE/HEAD: moved to adopt Ordinance No. 550. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 551**, Appropriations of Grants for FY 2005, was presented.

HAMILTON/STEVENS: moved to adopt Ordinance No. 551. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

## UNFINISHED BUSINESS

**Consider offer to purchase Wards Cove property**-Jon Bolling gave a background history of the city's effort to purchase the Wards Cove property. At this point the Wards Cove acquisition bill came out of the senate subcommittee of the Department of Interior without any appropriation. The expiration date on the Wards Cove/City of Craig option to purchase agreement is June 30, 2005. Up to this point Wards Cove agreed not to sell their property to another party. Wards Cove has worked with the city for three years on ways to acquire the cannery property.

Jon suggested the city council consider purchasing the cannery property from Wards Cove. Jon suggested the city enter into an option to purchase agreement with Wards Cove. There was considerable discussion concerning the Wards Cove property. The city council was in favor of a public forum to discuss the purchase of the Wards Cove property.

## NEW BUSINESS

**Appointment of candidate to the At-Large position on the Inter-Island Ferry Authority Board**-Dennis reported that the I.F.A. Board extended the time for communities to nominate candidates for the At-large position that is to be filled this year. The deadline was June 23rd. They have extended the time to July 15<sup>th</sup> to have nominations in to I.F.A. There was considerable discussion on this nomination.

PIERCE/HEAD: moved to re-appoint Dennis Watson for consideration to the at-large position on the Inter-Island Ferry Authority Board of Directors.

Discussion: Greg Head asked that Mayor Watson consult the city council about the goings on in the I.F.A. There was further discussion concerning the I.F.A.

The motion passed with one opposed vote from Bill Altland.

**ADJOURNMENT**

HEAD/STEVENS: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:30 p.m.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

## **ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., and Millie Stevens

Staff present: Jon Bolling, City Administrator; Brian Templin, City Planner; Jim See, Police Chief; Mike Kampnich, Harbormaster; Cindy Wade, Aquatic Manager; Victoria Merritt, Parks and Rec Director; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: Shannon Silverthorn, John Moots

## **CONSENT AGENDA**

The consent agenda was presented, it contained the city council minutes of July 14, 2005; Introduction and first reading of Ordinance No. 552, Rezoning Lot D-1-A, USS 2327 and ATS 912, from Marine Industrial to Residential Medium Density; and Ordinance No. 553, Applying the mobile home building restricted overlay to Lots 1-7, Block 17, USS 1430.

HEAD/STEVENS: moved to adopt the consent agenda. MOTION CARRIED BY UNANIMOUS VOICE VOTE

## **HEARING FROM THE PUBLIC**

### **REPORTS FROM CITY OFFICIALS**

**DR. MCGRATH**-Dr. McGrath reported receiving a memorandum of intent from Ketchikan General Hospital/ Peace Health's attorney. This agreement is in lieu of an affiliation agreement. The memorandum of intent is less binding. Dr. McGrath commented that once the city attorney has looked at the memorandum of intent then it will be brought to the city council for approval.

**Fee Schedule for the Craig Clinic**-Dr. McGrath reported that the fee schedule (for the Craig Clinic) he provided to the council under Resolution No. 05-09 is one that was produced in 2003 for communities with 999 as the first three digits of their zip code. Dr. McGrath explained to the council how the fee schedule is determined also that 80% of doctors in these zip code areas (999) are using this fee schedule in their clinics.

Dr. McGrath explained how Medicare worked. The clinic receives 90% payment of the bills that are billed out to Medicare. The usual write-off on Medicare in most clinics and hospitals is 45%. With Medicaid the clinic is getting 80% payment with a 35% write-off in clinics in Alaska. With the current fee schedule the Craig Clinic is only taking 10% off the Medicare bills which is quite a bit off and with Medicaid the Craig Clinic is 15% behind on our charges for Medicaid.

Dr. McGrath stated that with Blue Cross/Blue Shield the clinic is getting 100% reimbursement on the charges, which are the usual and customary. Some doctors won't accept 100% from Blue Cross/Blue Shield because it is too low for them.

**Fee Schedule for the Craig Clinic continued-**Dr. McGrath reported the Craig Clinic patient load, without insurance, is 6%. The clinic tries to work with everybody that doesn't have insurance.

Shannon Silverthorn commented the fee schedule in other communities is raised on an annual basis.

Dr. McGrath commented the fee schedule should to be maintained on a yearly basis not 10 years.

**MAYOR**- Dennis Watson has been fishing.

**I.F.A.**-Dennis gave an I.F.A. report. Construction of the northern vessel is going well. Loren Gerhardt is doing an excellent job of keeping track of it.

Dennis reported human remains were discovered in Coffman Cove when I.F.A. contractors were doing work in the parking lot of the proposed ferry terminal site. The Forest Service has stepped in to take care of this matter in a proper manner.

Dennis commented because of the bombing in London this past week, I.F.A. is in what is called MARSEC II (it stands for Marine Security, level 2) along with the Alaska Marine Highway System. This means 25% of passengers and luggage boarding the ferries is required to be screened.

Dennis checked out the advertising situation for general manager for the I.F.A. Dennis said the advertisement for this position has been ongoing and open since 2003.

Dennis invites those who are interested, to attend the next I.F.A. meeting the end of this month.

Dennis mentioned that a contractor has been hired to install shore power at Clark Bay so the ship can be taken off the generators at night. Two generators have already been worn out. I.F.A. has been offered a good rate for power by Alaska Power and Telephone for the M/V Prince of Wales when it is at the dock. I.F.A. also has a good rate for power while docked in Ketchikan. The contractor will also be wiring in the maintenance building at Clark Bay and installing the furnace.

**ADMINISTRATOR-East Hamilton Dr.**-Jon Bolling is expecting the East Hamilton Drive Project to be completed by the third week in August.

**Southeast Conference**-Jon was in Juneau last week working on some Southeast Conference issues, specifically solid waste but also the electrical intertie project, particularly the Petersburg to Kake Intertie.

**Port Saint Nicholas Road Design**-The 50% review drawings for the Port Saint Nicholas Road design will be available to review on July 18<sup>th</sup>. The project engineer is in town now.

**Memorandum of Agreement**-Jon said the City of Craig, State of Alaska and the B.I.A. are working on the memorandum of agreement for the Port Saint Nicholas Road. The memorandum says how much money will be put up by the B.I.A. and the State of Alaska for the construction of this road and it will also say the City of Craig will maintain the right-of-way once it's been paved and upgraded. When it is ready, Jon will bring the memorandum of Agreement back to the city council for review.

**King Salmon Hatchery**-Jon reported the King Salmon building foundation is under construction now. Jim Dunbar is working on this project with his crew. He will also be putting the steel building up on the foundation.

Mille Stevens commented about the potholes on West Hamilton Drive being really bad. Jon said he would let public works know.

**CITY CLERK**-Vicki Hamilton mentioned the memo she put in the council packets alerting the city council of the upcoming municipal elections in October noting which seats were to be filled. Vicki mentioned receiving a response from the Department of Justice saying that it was all right to change the time from 8:00 a.m. to 7:30 a.m. when the municipal polls opened on Election Day.

The next city council meeting is scheduled for August 4, 2005.

**CITY PLANNER**-Brian Templin reported being in Ketchikan last week attending emergency management planning training.

Brian has been interviewing applicants for a part-time job to help with some of the city's projects.

This week Brian has been attending the Transportation Meeting at the C.C.A. building pertaining to the Port Saint Nicholas Road Project.

**HARBORMASTER**-Mike Kampnich reported the Harbor Department is in the middle of their busy time of the season. There is a lot of boat traffic.

Mike commented that providing small amounts of ice to the public on a regular basis has been greatly appreciated.

The demand for moorage is growing. More and more people are expressing an interest to move to the island.

**PARKS AND RECREATION**-Victoria Merritt reported that the 4<sup>th</sup> of July fireworks event was postponed due to poor weather. The projected date for the fireworks display is scheduled for September 5<sup>th</sup>, Labor Day.

Victoria reported the 4<sup>th</sup> of July turned out to be a great day.

Victoria reported Selina Tolson, who works for the Forest Service is in charge of providing guided hikes on Prince of Wales Island. Several hikes are scheduled for this summer.

The Parks and Recreation Department is offering a Drama Camp beginning July 18, 2005. The instructors are Lauren Mackie and Victoria Merritt.

The sign-up list is available for those interested in participating in the Soccer Program.

This weekend a team from Ketchikan will be in Craig to play volleyball against the island teams.

The games will be held at the city gym beginning at 6:00 p.m.

Victoria reported Chris Marble will be holding a jewelry class toward the end of July.

Victoria reported the Trajan Langdon Basketball Camp went well.

**POLICE CHIEF**-Jim See stated that the Craig Police Department now has all the police officer positions filled.

This has been a busy time. Jim stated at the end of next week Motorola is supposed to be in Craig for the walk through of the Enhanced 911 System at the Police Department as well as to finalize things with A.P.&T.

## READING OF CORRESPONDENCE

There were no comments.

## CONSIDERATION OF RESOLUTIONS AND ORDINANCES

**Resolution No. 05-09**, Establishing a fee for service at the Craig Clinic, was presented.

PIERCE/HEAD: moved to adopt Resolution No. 05-09. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

## UNFINISHED BUSINESS

**Wards Cove Property Acquisition**-Jon contacted Wards Cove asking them to consider extending the "option to buy" in regards to the Wards Cove property after the expiration date of June 30, 2005. The Wards Cove people weren't ready to enter into another option to buy; they would prefer a purchase offer from the city. Since the offer has expired the property is up for grabs by any public or private entity. Jon recommends to the council that they authorize him to draw up an offer to purchase the Wards Cove property.

Dennis commented one way to keep the federal option alive is for the city to get financing through the bank before the federal government approves the appropriation.

Greg Head commented that the Wards Cove property still has contamination that needs to be addressed.

Fred Hamilton, Sr. suggested that the city not offer Wards Cove more than \$1.6 million, the property's assessed value. Fred asked for an accurate hard copy of the contamination report.

Jon said he would provide that information at the next meeting.

Don Pierce expressed his concern about the city's funds and financial responsibilities pertaining to other areas, namely the school district.

There was some discussion on Timber Receipts.

STEVENS/HEAD: moved to authorize the city administrator to draft up an offer to purchase the Wards Cove cannery property. MOTION CARRIED UNANIMOUSLY

**Vacation of alleyway, Block 17, USS 1430**-Brian reported on the alley vacation by updating the council on the status of this vacation. The council sent this issue back to the Planning Commission. The action the Planning Commission took was to put a restricted overlay on all of Block 17, of USS 1430. The Planning Commission sent this back to the council for action by the council.

Vicki Hamilton, property owner of Lot 2, Block 17 of USS 1430 asked the city council if they would consider putting the overlay restriction to those properties that would benefit from the alleyway vacation and not put the overlay restriction on her lot.

Brian commented that this consideration would be acceptable action by the planning commission when it goes back to the Planning Commission for consideration.

PIERCE/HEAD: moved to approve the vacation of the entire alleyway on Block 17, USS 1430. MOTION CARRIED UNANIMOUSLY

Mike Kampnich mentioned that the Hong Kong delegation that was to come to Craig in July, has been aborted.

**ADJOURNMENT**

PIERCE/HEAD: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:12 p.m.

APPROVED \_\_\_\_\_

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MAYOR DENNIS WATSON

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

## **ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Millie Stevens and Bill Altland. Absent excused was Mike Douville.

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Jim See, Police Chief; Mike Kampnich, Harbormaster; Victoria Merritt, Parks and Rec Director; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: John Patterson

## **CONSENT AGENDA**

The consent agenda was presented, it contained the city council minutes of July 14, 2005 and an application for a restaurant designation permit for Shelter Cove.

STEVENS/PIERCE: moved to adopt the consent agenda as presented. MOTION CARRIED

## **HEARING FROM THE PUBLIC**

Final reading and public hearing on **Ordinance No. 552**, Rezoning Lot D-1A, USS 2327 and ATS 912, from Marine Industrial to Residential Medium Density and **Ordinance No. 553**, Applying the mobile home building restricted overlay to Lots 1-7, Block 17, USS 1430, were presented for public comment.

## **REPORTS FROM CITY OFFICIALS**

**DR. MCGRATH-** Dr. McGrath reported the clinic being really busy. Dr. McGrath talked to an Ears, Nose and Throat doctor, Dr. Kleager who is willing to come to Craig one day a month to hold E N&T clinic, starting in September.

Dr. McGrath will be on vacation next week. Dr. Snyder will be at the clinic to cover for Dr. McGrath.

On August 8<sup>th</sup> Dr. McGrath will be meeting with Ketchikan General Hospital representatives and PeaceHealth representatives here in Craig. They will be looking over the Craig Clinic.

**MAYOR-** Dennis Watson reported to the council that the Transportation Bill passed in Congress this week. This is funding for the Port Saint Nicholas Road and the I.F.A.

**ADMINISTRATOR-** Jon Bolling reported visiting some second growth sites with Forest Service personnel on Prince of Wales Island. They visited Hecata Island and an area around Naukati and Winter Harbor. The Forest Service was promoting the second growth timber and its potential.

**MEMORANDUM OF AGREEMENT-**There was some discussion on the agreement the City of Craig had with State D.O.T., concerning the Port Saint Nicholas Road. The concern is the city agreed to maintain the Port Saint Nicholas Road after it's paved. The question is, does the city

still want to be bound to this agreement. The city took ownership of the Port Saint Nick Road in 1992.

**CITY CLERK**- Vicki Hamilton reported the declaration of candidacy forms are ready for tomorrow when interested residents can file to run for seats on the city council, the school board and the mayor's seat. The municipal election will be held on October 4, 2005.

The next city council meeting is scheduled for August 18, 2005.

**CITY PLANNER-Contractor for the Cold Storage Study**-Brian Templin reported Linda Snow of Southeast Strategies has been hired to do a market and demand study for our cold storage project. That project is going and the city should have a finished project by the end of November.

**T&H and DCCED Profile Maps**-Tlingit and Haida Regional Housing and Department of Commerce and Community and Economic Development have been working on community profile maps. Brian received a draft map of Craig. Brian said the maps are great.

**PARKS AND RECREATION**- Victoria Merritt reported holding a Drama Camp with help from Lauren Mackie.

The Soccer season is underway. Parks and Rec offered a jewelry making class that was well attended. There will be a Wrestling Camp held next week.

**POLICE CHIEF**-Jim See reported there are a lot of people in town and the police department has been busy.

**TREASURER**-Theresa Savland has been busy with the new accounting system conversion.

Dennis Watson brought up the city's wharfage fees. He said the fees are pretty steep. Dennis would like the rates to be looked at.

## **READING OF CORRESPONDENCE**

There were no comments.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Ordinance No. 552**, Rezoning Lot D-1A, USS 2327 and ATS 912, from Marine Industrial to Residential Medium Density, was presented.

HEAD/STEVENS: moved to adopt Ordinance No. 552. MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

**Ordinance No. 553**, Applying the mobile home building restricted overlay to Lots 1-7, Block 17, USS 1430, was presented.

STEVENS/HEAD: moved to adopt Ordinance No. 553.

Discussion: Brian Templin offered the city council three options for this ordinance. The council could pass the ordinance as is write or the council could amend the ordinance to exclude lot two of block 17, USS 1430 from the overlay.

**Ordinance No. 553 discussion-**The third option is the city council could postpone the second reading of Ordinance No. 554 until the planning commission has a formal opportunity to review it. Brian said the planning commission would probably send the ordinance back to the council as it is written.

Vicki Hamilton asked that the overlay restriction be removed from their lot.

There was discussion amongst the council members.

HEAD/ALTLAND: moved to postpone action on Ordinance No. 553 until Vicki can talk to the planning commission. MOTION CARRIED WITH A NO VOTE FROM DON PIERCE.

## **UNFINISHED BUSINESS**

**Draft Offer to purchase Craig Cannery Property-**Jon Bolling brought some options to the council to consider for purchasing the Wards Cove cannery property. Three of the options to purchase are based on deferring some part of the property payment to Wards Cove until such time as the city is able to secure funding from Congress for the sale to the U.S. Forest Service of the Sunnahae property and two beach lots the city owns that are adjacent to the USFS compound on Beach Road. The last option does not defer the purchase of the cannery property and assumes that the city will retain ownership of the Sunnahae and Beach Road lots and as a result receive no revenue from their sale. All purchasing options rely on using cash that the city has at two locations: \$1,500,000 deposited at First Bank, of which about \$1,200,000 is available for use; and \$7,924,000 invested on the city's behalf by Alaska Permanent Capital Management Corporation.

Jon mentioned an option that wasn't considered earlier, a General Obligation Bond. Jon said if the council is interested in this option he will provide more details on the bond at the next meeting.

Jon provided information of contamination on the Wards Cove property and the clean-up effort. Attached to Jon's memo is a draft of *No Further Remedial Action Determination* letter from D.E.C. A map is provided identifying the contamination sites and what the results were of its contamination and the clean-up efforts at those sites. Jon said the clean-up process is not complete. The State has not signed off on the clean-up yet.

Jon had two conditions he suggested to the council before the city would purchase the Wards Cove property, one, that the city wait until the State of Alaska has formally stated that the property has reached a point of clean-up where no further work is needed, for the time being. The second condition would be to have an appraisal of the Wards Cove property done showing the property value.

Dennis Watson asked Jon if he looked into the Brownfield option.

Jon reported looking into the Brownfield option. The Brownfield program is designed to provide funding to redevelop property that has had some contamination in the past. The Brownfield Program is a federal program. This program is for redevelopment. Jon said he hasn't seen any mention of purchase options in this program.

There was discussion on the different options to purchase the Wards Cove property.

Wards Cove is asking \$2.2 million for the property. The assessed value of this property is \$1,630,400.

PIERCE/STEVENS: moved to direct staff to present an offer to Wards Cove Packing to purchase the Craig cannery property based upon financing Option B.

Discussion: Jon asked the council, at this time, to settle on an offer price for staff to present to Wards Cove.

Greg asked if the property was going to be appraised first before purchasing it.

Jon said no and explained to the council how it would worked.

HEAD/STEVENS: moved to amend the previous motion to offer \$1.5 million for the property. MOTION CARRIED UNANIMOUSLY

On the main motion to purchase the Wards Cove Packing property, the city council voted unanimously in favor of the purchase.

**Update on the Klawock Airport**-Jon reported meeting with F.A.A. representatives at Prince of Wales Community Advisory Council in Whale Pass on July 26<sup>th</sup>. There was discussion on the Klawock Airport.

Jon Bolling said he will be meeting with John Morris, City of Klawock administrator, on Monday, August 8, 2005 here in Craig to discuss the Klawock Airport and to put together a list of needs for the airport. They will also go over an application for money.

## NEW BUSINESS

## ADJOURNMENT

PIERCE/HEAD: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:05 P.M.

APPROVED \_\_\_\_\_

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

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

## **ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Fred Hamilton, Sr., Bill Altland and Mike Douville. Absent excused was Millie Stevens.

Staff present: Jon Bolling, City Administrator; Brian Templin, City Planner; Jim See, Police Chief; Mike Kampnich, Harbormaster; Victoria Merritt, Parks and Rec Director and Vicki Hamilton, City Clerk

Audience present: None

## **CONSENT AGENDA**

The consent agenda was presented, it contained the city council minutes of August 4, 2005, introduction and first reading of Ordinance No. 554, FY2005 Supplemental budget appropriation and Ordinance No. 555, Appropriations of Grants.

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

## **HEARING FROM THE PUBLIC**

No comments.

## **REPORTS FROM CITY OFFICIALS**

MAYOR- Mayor Watson reported he has been fishing. Dennis reported things are going well at I.F.A.

ADMINISTRATOR-King Salmon Hatchery Project-Jon Bolling reported the concrete was poured for the King Salmon Hatchery building at Saint Nick. The work on the plumbing, fabrication of the round ponds and the insulation of the pumps will begin September 1<sup>st</sup>. The person contracted to do the work on this portion of the project will be here for two months. Jon reported the city has \$213,000 to buy all of the equipment, construct the building and have all the fabrication done. Jon said the city should retain \$50,000 of that money for operation of the facility.

Jon said we are working with the City of Coffman Cove. Coffman Cove has their own salmon enhancement funding. Eventually their fish will be hatched and partially reared in our facility. Coffman Cove will pitch in \$75,000 of their money to help us meter our costs for the first few years of production.

East Hamilton Drive Pump Station Project-Jon reported that the East Hamilton Drive pump station project is nearly complete. There are a few of things left to do.

Dinner with Senator Stevens-Jon reported having dinner with Senator Stevens on August 13<sup>th</sup> here in Craig. Jon said they discussed the Klawock Airport. There was other discussion.



**Discussion on the Wards Cove property purchase continued-**One of the things Brownfield can offer the city is environmental insurance. The city needs to have a plan in place for this property to present to the public.

**NEW BUSINESS**

**Purchase of Replacement Dump Truck-** Jon reported the old 1979 dump truck at public works is no longer useable. Dave Nelson has researched prices for a used dump truck and recommends purchasing a 1991 GMC diesel-fired Topkick, five-yard dump truck.

DOUVILLE/PIERCE: Authorize staff to purchase from Puget Sound Truck Sales a 1991 Topkick 5-yard dump truck through a collateralized loan from First Bank in an amount not to exceed \$29,500.  
MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

HEAD/PIERCE: moved to adjourn. MOTION CARRIED

The meeting adjourned at 7:45 P.M.

APPROVED \_\_\_\_\_

\_\_\_\_\_  
ACTING MAYOR, DON PIERCE

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

## **ROLL CALL**

Acting Mayor Don Pierce called the meeting to order and the roll was taken. Present were Greg Head, Don Pierce, Fred Hamilton, Sr., Millie Stevens, and Mike Douville. Absent excused were Dennis Watson and Bill Altland.

Staff present: Jon Bolling, City Administrator; Sergeant Mark Habib; Mike Kampnich, Harbormaster; Victoria Merritt, Parks and Rec Director; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: David and Robbi Nelson, Karen Head and Paul Coffey

## **CONSENT AGENDA**

The consent agenda was presented; it contained the city council minutes of August 18, 2005.

HEAD/STEVENS: moved to adopt the consent agenda. MOTION CARRIED

## **HEARING FROM THE PUBLIC**

Vicki Hamilton stated this is in regards to Ordinance No. 553, Applying the mobile building restricted overlay to all of the lots in Block 17 of USS 1430. Vicki would like the council to consider amending this ordinance to remove her lot from the mobile building restricted overlay.

## **REPORTS FROM CITY OFFICIALS**

DR. MCGRATH-Dr. McGrath stated the month of August was the busiest month since he has been here. Collections at the clinic were up.

Dr. McGrath reported that Ezra Clark, medical assistant, will be leaving in a couple weeks. Also, Summer Baker, medical assistant, has given two weeks notice, she will be moving to Ketchikan.

Dr. McGrath reported the clinic would be getting a free exam table from Ketchikan General Hospital.

There will be an E.N.T. (Ears, Nose and Throat) Specialist coming to the Craig Clinic for one day, September 30<sup>th</sup>. The Physical Therapist will be in Craig next week and the pediatric clinic will be here the following week.

Doc said he is looking at a Physician's Assistant to possibly come to work at the Craig Clinic after the first of the year.

MAYOR-Acting Mayor, Don Pierce mentioned that the mayor isn't here today but he did provide a written I.F.A. report for the council.

ADMINISTRATOR-Jon Bolling provided a written staff report for the city council, updating the council on the different projects going on in the city now.

**CITY CLERK**- Vicki Hamilton reported that she ordered the ballots for the upcoming general election. Vicki reported absentee voting is to begin on Tuesday, September 20<sup>th</sup>. The election will take place on Tuesday, October 4<sup>th</sup>. The polls will open at 7:30 a.m. instead of 8:00 a.m.

Vicki reported working on an ordinance to change requirements for senior citizens to qualify for a senior citizen card. Here at the city we are getting a lot of seniors in applying for sales tax exemption who really aren't permanent residents of the State of Alaska.

The next council meeting is scheduled for October 6, 2005. We will be canvassing the election at that time.

Millie Stevens reported she will be out of town at the time of the next city council meeting.

**HARBORMASTER-Update on Boat Trailer**-Mike Kampnich reported on the progress of the boat trailer being built. Mike is taking bids on companies who are interested in transporting the trailer across the United States.

**Ice House report**-Mike reported the July and August ice sales were very good. We are in the black this year.

**Harbor dumpsters**-Mike reported on the illegal dumping of residential garbage in the harbor dumpsters. Mike ordered security cameras for the harbor. One camera is in the North and South Cove Parking lot and the other camera is in the upper parking lot by the harbormaster building. It helped with the capture of a person who took a car from the harbor parking. They captured him in Klawock within the hour.

Mike reported asking Myrna Garza, property owner of ATS 736, property across the street from the harbormaster's building on the waterside, if she would consider the city making an offer to purchase her property. Myrna Garza is willing to hear an offer on the property.

**PARKS AND RECREATION**- Victoria reported another session of Belly Dancing will be starting. Dodge Ball is getting started again. The Harvest Festival is planned for October 15<sup>th</sup>. On October 28<sup>th</sup> and 29<sup>th</sup> there will be an Alaska Health Fair with blood draws, cholesterol, psa, and thyroid tests.

Victoria said this year the Bazaar that is held over Thanksgiving weekend will only be on one day, Saturday. Then there will be a second Bazaar two weeks later.

**POLICE CHIEF**- Sergeant Habib was here on behalf of Chief See who is on vacation. Mark reported from August 15<sup>th</sup> to September 15<sup>th</sup> there were 31 adults booked into the jail. The new officers are settling in and enjoying working for the City of Craig. There will be a basic Meth Lab Recognition and Safety Course offered in Ketchikan and all three new police officers will be attending it.

The police department purchased a new vehicle, a reconditioned car, for under \$15,000.

Mark reported completing a drug recognition course he teaches to the teachers at the Craig schools. This year Klawock Heenya asked if Mark would teach this course to their workers.

Mark Habib pointed out the high incidence of vehicle theft is due to the keys being left in the ignition. Mark stated that it is a violation to leave your keys in the ignition.

## READING OF CORRESPONDENCE

There were no comments.

## CONSIDERATION OF RESOLUTIONS AND ORDINANCES

**Resolution No.05-11**, Supporting the efforts of Southeast Alaska Regional Health Consortium (SEARHC) and the Craig Injury Prevention Team to provide and promote injury prevention programs and education, was presented.

HEAD/STEVENS: moved to adopt Resolution No. 05-11. MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

**Resolution No. 05-12**, A resolution supporting the Prince of Wales Island Community Holding Corporation's application for grant funds from the Alaska Department of Commerce, Community and Economic Development and from the Rasmuson Foundation, was presented.

STEVENS/HAMILTON: moved to adopt Resolution No. 05-12. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Resolution No. 05-13**, Accepting the resignation of Jerry Carter as fire chief of the Craig Volunteer Fire Department, was presented.

STEVENS/HEAD: moved to adopt Resolution No. 05-13. MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

**Resolution No. 05-14**, Appointing Paul Coffey as the Fire Chief of the Craig Volunteer Fire Department, was presented.

HAMILTON/STEVENS: moved to adopt Resolution No. 05-14. MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

**Resolution No. 05-15**, A resolution supporting a memorandum of intent between the City of Craig and PeaceHealth, was presented.

HEAD/STEVENS: moved to adopt Resolution No. 05-15. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 553**, Applying the mobile building restricted overlay to Lots 1-7, Block 17, USS 1430, was presented.

STEVENS/DOUVILLE: moved to adopt Ordinance No. 533.

Discussion: Greg Head said the council may need to decide if he has a conflict of interest on this issue.

Mike Douville said Greg may have personal gain involved.

Greg said there is a little bit.

Jon stated that whomever chairs the meeting needs to make a decision whether or not a conflict exists and if so, Greg should excuse himself from voting. The rest of the body can debate it and the chair can override their decision.

**Continued discussion on Ordinance No. 553:** Don Pierce stated that since there is a direct financial gain to be made, Greg should excuse himself.

Mike Douville said he didn't support this Ordinance as written. If everyone on this block was in agreement for this overlay, then Mike would vote yes, but right now there is no trailer restriction there, somehow Mike said he's not sure why this is applied. Mike thought Greg requested Webster's lot to have an overlay, or were you requesting all.

Greg said he didn't want it (alley vacation) going through as it was because that left room for a full size trailer in the lot next to his. Greg stated that Planning and Zoning wanted it to be either all (lots) or nothing.

Mike said that's okay if everyone was willing to do that. You can do this vacation. Mike didn't think the vacation was subject to this overlay.

Greg said no, it was just an improvement to the block and everybody on the block, except Vicki felt it wasn't an improvement.

Vicki replied by saying that it's not that it's an improvement, that wouldn't be my issue. Vicki's issue would be, the fact that she pays property tax, Vicki would like her property to be free of any restrictions. Vicki doesn't have any financial gain here from the alley vacation, Vicki doesn't feel like her lot should be restricted. Vicki is in favor of the alley vacation for the other property owners and if they want to agree to restrict their properties for the gain that's fine but for Vicki's lot, she would like it to be without any restrictions. When Vicki was at the planning and zoning meeting they put mobile home restrictions on subdivisions and that was good because no homes were built yet, so the owners could make the decision to buy the property knowing there was a restriction on it and that's not the case with Vicki's property. Vicki said it doesn't have to do with improvements as much as freedom.

Don Pierce asked Jon Bolling to speak on spot zoning.

Jon said spot zoning is zoning a piece of property differently than how everything around you is zoned. Jon explained there are two issues at work here. One is the underlying zone, the property is zoned residential, high density-1, which is what all the residential lots in old Craig are zoned. We are talking about an overlay here. This overlay doesn't replace the underlying high-density zone, it modifies it, makes it more restrictive. Jon said he doesn't know that a court has ever said that an overlay like that is subject to spot zone requirements but Jon said he imagined they would treat it the same if they had to consider it. So this case you're talking about applying an overlay to a city block and exempting one lot from that overlay. If the council chose to do that and has the authority to implement that if it chooses to, if someone were to challenge that in court, it's a 50-50 chance that the court would side with the city or with the person who was unhappy with that application. Jon said in theoretical terms in zoning that's how spot zones came to be and how they are looked at, not so much at the local level but certainly at the level of the courts.

And, courts play a big part in zoning.

Don asked if he heard Jon right, that they might also consider an overlay of the block also a spot zone.

Jon said they might. Jon said he is totally speculating how a court might respond. Jon said he is guessing they would not treat the overlay all that differently than the underlying zone, if they were asked.

Mike Douville said no one asked Planning and Zoning to restrict the whole block, they are taking it upon themselves. Mike said he does not like to tell anybody what to do with his or her land if it is not necessary. So, unless it is necessary, then he won't go there. Mike said if it's not broken, then don't fix it.

**Continued discussion on Ordinance No. 553**-Jon said this overlay is inescapably tied to the alley vacation. We wouldn't be talking about the overlay if the vacation hadn't taken place, which is unusual for zoning because zoning issues usually decide on, aren't tied to vacations like this. Vicki's point about getting some sort of equity in exchange for the overlay, Jon's not sure how a court would look at that. Maybe they would see sufficient gain on the part of the lots receiving the alley way, they might consider it mitigating factor of some sort, but it is an unusual wrinkle in the zoning issue.

Greg Head stated that he was never in favor of the vacation in the first place, so maybe the solution is to say there is no solution and throw the whole thing out.

Mike said what you said is this overlay goes with the vacation. Is there no way around it?

Jon said the reason you're considering the overlay is a function of the vacation taking place. The council discussed the merits of the overlay, went back to the planning commission. Jon said one doesn't depend upon the other. The question of the overlay has resulted from this vacation. The vacation question has been settled. The planning commission approves the vacation, the city council has 30 days in which to veto it or not. Jon said obviously the 30 days has elapsed. I guess we need to go back and look at the record. I can't remember if the council's decision to accept the vacation was contingent on the overlay. Jon said he doesn't remember if that's how the council put the vacation approval or not.

Greg said he thought it was.

Jon said if that's the case, then it becomes more complicated. If that's the case then the vacation is tied to the overlay.

Don Pierce said originally this started with two land owners, Carter's and Koentopps's asking for a partial vacation. Don asked if the alley could be partially vacated and leave the rest of it unvacated.

Jon said there is no function of state law that prohibits the city council from partially vacating the alleyway. They may choose to do that and be entirely within its rights.

Don said then it wouldn't matter with setbacks and things you still couldn't get a full size trailer in there, on the other lots, right, which would serve the purpose of an overlay.

Jon said that's right, without a variance it wouldn't happen.

Jon suggested three options the council has: 1) They can approve the ordinance as presented.

2) They could modify the ordinance by amending it some how, changing the number of blocks you want the overlay to apply to, and pass it, 3) the council can defeat the ordinance if they didn't like any of the alternatives, and if defeated, the council should take some action on the alley vacation, either to veto the vacation entirely, at that point approve the partial vacation of the alley as was originally talked about. Jon said as he recalls, the vacation of the alley is contingent on some sort of zoning action. If this ordinance is defeated the council should take some definitive action on the vacation immediately afterward.

Millie asked how many lots are there.

Don said there are seven lots in the block and the council is talking about excluding one.

Mike asked if it was legal for the council to make that modification, excluding lot 2. There is no point in doing it if what we're doing is against the rules.

Greg said he thinks the original vacation was dependent on the overlay, so I think we would have to figure how to get rid of that first, either change the vacation, get new plats made up and change the vacation to whatever we're thinking about next.

Jon said the answer to your question is if the council feels the vacation of the alleyway and the attachment of the alleyway to adjacent properties is a fair exchange for having the overlay applied to the properties that benefit from that vacation, Jon said he's not sure how a court would address that. Jon said the application of the overlay is contingent upon a lot benefiting from the vacation. In other words, a lot increasing in size after the vacation is complete.

**Continued discussion on Ordinance No. 553-**At least that way the council has demonstrated, the city has demonstrated then the basis upon which the overlay was made. There's some basis for which lots have the overlay and which lots don't.

Don said we could approve this if we state that any lot that gains in size when we vacate the alley would have the mobile home restricted overlay applied to it. Vicki's does not gain in size so it would be excluded from that.

Jon said therefore there would be three lots that would not have the overlay applied and there would be five lots that would.

Mike Douville suggested that the Ordinance 553 goes back to Planning and Zoning with that information and let them talk about it again.

Greg stated, at the very least the planner needs to take a look at it and let the council know what's going on.

Mike Douville withdrew his "second" from the original motion to adopt Ordinance No. 553 and it was lost for lack of a second.

DOUVILLE/HAMILTON: moved to send Ordinance No. 553 back to Planning and Zoning. MOTION CARRIED WITH ONE OPPOSING VOTE BY GREG HEAD

**Ordinance No. 554**, FY 05 Supplemental Budget Appropriation, was presented.

STEVENS/HEAD: moved to adopt Ordinance No. 554. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

**Ordinance No. 555**, Appropriations of grants, was presented.

STEVENS/HAMILTON: moved to adopt Ordinance No. 555. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

## **UNFINISHED BUSINESS**

**Wards Cove property acquisition-**Jon reported hearing from Wards Cove last Friday (Sept. 9<sup>th</sup>) which was the last day of the 30-day offer. Wards Cove said no. They still want \$2.2 million for the property. Bill Weisfield, the C.E.O. of Wards Cove said the family might take less if Mr. Weisfield recommends it to them. They still want the city to get this property. They weren't willing to put up a counter offer.

Jon quoted the sales prices of other Wards Cove properties that were sold:

Karheen on Prince of Wales Island, 10 acres-\$150,000

Ketchikan property located at Ward Cove, 12 acres-\$1.8 million

Letnikof property in Haines, 42 acres-\$1 million

Jon said in 2001 Wards Cove filed a property tax appeal with the City of Craig and asked the city to lower the assessed value to \$1.492 million. The property ended up being assessed at \$1.8 million, higher than they wanted but lower than the original assessment. Wards Cove did note on the appeal form that this property has been difficult to sell.

Jon said in 2002 Wards Cove filed a property tax appeal asking the city to lower the assessed value to \$750,000. The property ended up being assessed at \$1.4 million. Wards Cove noted that the property is difficult to sell and it is not worth what you have it assessed for.

**Wards Cove property acquisition continued**-Jon stated that if we buy this property it will cost quite a bit to renovate. There is a lot of site preparation to be done and a lot of planning to be done.

Jon said he believes the sales price the city is offering is correct and accurate.

Millie Stevens spoke in favor of offering Wards Cove a little more money for the purchase of the property.

Fred Hamilton expressed his concern about the large amount of contamination on the Wards Cove property. Fred said the buildings and the dock are all in tough shape.

Millie asked if the contamination problem was already taken care of.

Jon said it is almost done. The State is ready to issue what is called a “No further remedial action” letter, which means that the State is satisfied with the level of clean-up that’s taken place on the property. All the site work is done. The State is waiting for some paperwork from Chevron to document the clean-up efforts. It also means that if something else is discovered, then the State will come back and require Wards Cove and Chevron and the city if it owns the property at the time, to participate in some sort of effort to finish cleaning up whatever spots we might not know about right now.

Greg asked if the city’s offer was the only one we could put up right now without digging into other funds.

Jon said Wards Cove knows the city has \$10 million. Mr. Weisfield continues to ask about that money.

Mike commented that Wards Cove was expecting to be paid by federal money which the city doesn’t have. The city’s offer is pretty generous.

There were further comments from the city council concerning the offer the city made for purchase of the Wards Cove property.

Mike and Greg commented that the city should not increase its offer any higher than what was originally offered.

PIERCE/DOUVILLE: moved to recommend staff to contact Wards Cove in support of the city’s offer, and extend the effective date of the offer to September 30, 2005. MOTION CARRIED

## **NEW BUSINESS**

### **Appointment of Election Workers for the Craig Municipal Election**

HAMILTON/HEAD: moved to approve the election workers, Kim Baxter, Carolyn Gardner, Karen Coffey and Rachel James, with Faith Ellsworth as the alternate for the municipal election. MOTION CARRIED

**Approval of contract for the Water Treatment Plant back up generator**-This project is fully funded by a grant.

HEAD/STEVENS: moved to approve Brian’s recommendation for a water treatment plant back-up generator with First City Electric LLC. MOTION CARRIED BY UNANIMOUS VOICE VOTE

**Consider donation to American Red Cross to Aid Hurricane Katrina Victims**

STEVENS/DOUVILLE: moved to donate \$1000 to American Red Cross for the victims of hurricane Katrina. MOTION CARRIED UNANIMOUSLY BY VOICE VOTE

**ADJOURNMENT**

STEVENS/DOUVILLE: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:12 p.m.

APPROVED \_\_\_\_\_

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

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

**ROLL CALL**

Mayor Watson called the meeting to order and the roll was taken. Present were Dennis Watson, Greg Head, Don Pierce, Bill Altland and Mike Douville. Absent excused were Millie Stevens and Fred Hamilton, Sr.

Staff present: Jon Bolling, City Administrator; Theresa Savland, Treasurer; Brian Templin, City Planner; Jim See, Police Chief; Mike Kampnich, Harbormaster; Cindy Wade, Aquatic Manager; Victoria Merritt, Parks and Rec Director; Vicki Hamilton, City Clerk; and Dr. McGrath

Audience present: Kim Baxter, Mark Munson, Bobbie Leichty, Jerry and Evelyn Carter, Pete and Wanda Rice, Bob Iddins, Dick Jones, Paul Coffey, Karen Head, Jim Seley, and John Moots.

**PRESENTATION TO VOLUNTEER FIRE DEPARTMENT RETIREES**

Mayor Watson presented certificates of appreciation to three firemen who were retiring from the Craig Volunteer Fire Department, Fire Chief, Jerry Carter, Bob Iddins and Pete Rice.

**CANVASS MUNICIPAL ELECTION**

After checking with the Division of Elections in Juneau concerning two questioned ballots, one from Ralph Mackie and one from John Harshbarger, Vicki Hamilton reported that Ralph Mackie was still registered as a Port Saint Nicholas resident and John Harshbarger was last registered in Thorne Bay, the clerk's recommendation was that neither Mr. Mackie or Mr. Harshbarger's ballots should count in the municipal election.

DOUVILLE/PIERCE: moved to approve the clerk's recommendation. MOTION CARRIED

There were 26 ballots (absentee, by representative and by mail) to count. The final results of the 2005 municipal election:

MAYOR'S SEAT 2-YEAR TERM

153 Dennis Watson \*  
13 Write-ins

SCHOOL BOARD 2 SEATS- 3-YEAR TERM

154 James Hamilton \*  
143 Sarah Altland \*  
8 Write-ins

CITY COUNCIL 2 SEATS- 3-YEAR TERM

96 Greg Head \*  
50 Rod Landon  
86 Jim Seley

91 Warren "Dick" Jones \*  
8 Write-ins

PIERCE/HEAD: moved to accept election results and certify the election. MOTION CARRIED

## **CANVASS MUNICIPAL ELECTION CONTINUED**

Dennis Watson, Greg Head and Dick Jones signed their Oaths of Office.

Bill Altland stepped down from his council seat and Dick Jones took his seat on the council.

## **CONSENT AGENDA**

The consent agenda was presented; it contained the city council minutes of September 15, 2005.

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

## **HEARING FROM THE PUBLIC**

Final reading and public hearing on Ordinance No. 533, Applying the mobile building restricted overlay to Lots 1-7, Block 17, USS 1430, was presented.

There were no comments from the public concerning this ordinance.

Bobbi Leichty, Director of Southeast Regional E.M.S. in Sitka, stated she is on Prince of Wales Island signing four grant papers funded through the Code Blue Program, providing \$1.3 million in grant funds to the island communities. Bobbi said one of the grants she just signed was a grant for the Craig ambulance. What they budgeted was \$160,000 for a fully equipped ambulance for the city of Craig. The U.S.D.A. funded \$88,000 of it and the State funded \$30,000. The local match is \$42,000. In six months the city should have their new ambulance. The city council thanked Bobbi for her work.

Bill Altland reported on his attendance at Southeast Conference in Wrangell. He was impressed with the direction the City of Craig was headed.

Jim Seley spoke in favor of gathering information for kids who are interested in a skateboard park for Craig.

## **REPORTS FROM CITY OFFICIALS**

**DR. MCGRATH**-Dr. McGrath reported hiring two new employees at the clinic, Toni Lee from Anchorage who is a Health Aide 3, and Rebecca Bateman who lives in Thorne Bay.

**MAYOR**-Dennis Watson reported that Southeast Conference was great. The city of Craig is doing great. The city will be busy for the next two years with projects that are in the works. Dennis said Representative Thomas has been a big help for us.

**I.F.A.**-Dennis reported visiting the shipyard in Anacortes, WA where the second I.F.A. vessel is being built. Dennis along with Tom Briggs and other board members checked out the construction work. This new vessel will carry 190 passengers, more than the M/V Prince of Wales. The new vessel is scheduled to be in the water the latter part of January 2006. The new vessel will take the Prince of Wales run until May 2006 while the Prince of Wales is having maintenance done on it.

The new vessel's daily route will be from Coffman Cove to Petersburg, Wrangell and back to Coffman Cove.

**ADMINISTRATOR**-**Port St. Nicholas King Salmon Hatchery Project**-Jon Bolling reported John Thorington is here. He is the fabricator who will be putting together the plumbing for the King Salmon Hatchery Project.

**Port St. Nicholas King Salmon Hatchery Project continued**-John Thorington will finish enough work so the King Salmon eggs can be taken and hatched. John will finish two of the four round pounds need for the fish to be hatched and reared. The project is on schedule.

**Port St. Nicholas Road Project**-Jon reported the 50% design drawings for the Port St. Nick Road Project are here. Jon, and Steve Tanner met with Sam Thomas and went over concerns they had with the drawing. Jon said he is going to write down his comments and get them back to the B.I.A. soon.

According to Sam Thomas, the current schedule is to complete the design work and environmental work by the end of March 2006 and have the project go to bid for construction in April.

**Southeast Conference**-Jon reported attending Southeast Conference in Wrangell. Jon said he is involved with the Energy Committee. The committee is working on extending the hydroelectric intertie to different communities in Southeast Alaska.

**Solid Waste**-Southeast Conference hired contractor, Dick Smith to restart the regional landfill project. Dick is on schedule to complete his work by November. Dick will provide a report and recommendations to the conference concerning regional solid waste.

Mike Douville thanked Bobbie Leichy for all the work she does for E.M.S.

**Stubbing for waterlines at Port Saint Nicholas**-Mike asked Jon if the city was going to stub out all the water for all the lots (on the Saint Nick Road) so the city won't have to dig up the road in the near future.

Jon said he has two options. 1) Stub out all the water for the lots, keep track of the costs and then charge the property owners for hook-up later on. 2) Advertise in the Island News it's going to be in the people's interest to have their services installed before the road is paved rather than afterwards. Jon said he would rather do it that way and have people initiate the process with the city, pay the city like everybody else does when they get water service at Port Saint Nicholas.

**A.P.&T. 8-1/2% increase** -Greg brought up the 8 1/2 % increase by Alaska Power and Telephone on power. He stated that we are paying a lot of money for hydropower. There were other comments about A.P.&T.'s cost increases.

John Moots, employee of Alaska Power & Telephone, Co. stated that Greg Mickelson would be the person to ask about electrical increases. John commented on the telephone portion of A. P.&T. saying that there hasn't been a rate increase in about eight years and they were well past due for an increase of rates on the telephone service.

John Moots said the hydroelectric at Black Bear Lake has stabilized the rates. The rate increases were due to increase in costs for transmission, distribution and administration. There was no rate increase for the actual energy.

**AQUATIC MANAGER**-Cindy Wade reported the air-space heater at the pool has been turned off for four months. They've just turned the heat back on. The pool has been busy with swimming lessons for the different schools on the island.



## UNFINISHED BUSINESS

**Approving the vacation of the entire alley on Block 17, USS 1430 without the condition of a mobile building restricted overlay-**Since Greg Head had a conflict of interest he could not vote on the alley vacation. That left the council with less than four votes required to take action on this item.

Brian Templin offered an alternative. Brian stated if the council does not take action on the alley vacation it will go forward based on the planning commission's approval.

PIERCE/JONES: moved to postpone. MOTION CARRIED

**Consideration of Wards Cove property acquisition-**Karen Head commented on the Ward Cove property acquisition. She was not in favor of the city spending a large chunk of money to purchase this property without having any kind of business plan to figure out what the property would be used for, what it would cost to develop it and how it would benefit the Craig taxpayers. Karen said she has reservations about the benefit of taking a huge chunk of real estate off the property tax rolls.

Dennis Watson commented why the city needs this property. 1) We need parking for old downtown. All the parking in front of Ruth Ann's belongs to the cannery. 2) When we had the Corps of Engineers come in to Craig and study this area for harbor expansion the area in front of the cannery was the only area the Corps approved of. Those are two primary public interest issues.

Mike Kampnich commented that Craig's history has always been based on the marine environment. Mike said the city's economic strength will be based on the marine environment. The city of Craig does not have significant marine holdings. This property will allow the city to develop its marine environment. The city may also return some of the land to the private sector. The purchase of this property can provide opportunity for the future.

Dick Jones asked about the proposed harbor expansion and what size it would be.

Jon said there was discussion of having a transient moorage harbor.

Dick commented a good portion of the land would be used for a parking lot for the harbor.

Mike Douville reminded the council that the city has the timber receipts money. There is money that is economic development money and Mike would like this money to be used for things like this.

John Moots commented that this community was based on the Wards Cove cannery for a long time. It is part of our historical culture and community make up. Our economy is becoming more and more tourist based. It would be nice and economically attractive to have a place where the cultural aspect of this community can still be seen by people coming in. That way it would bring added revenue in sales tax.

Don Pierce said he believes the acquisition of this property could be very important to the City of Craig and that we do have revenue from the timber tax receipts in place that we could purchase it. Don said he also agrees with Karen, that it is time that we start broadening out bases to getting input as to what we should do with this property.

**Consideration of Wards Cove property acquisition-**Greg Head commented that there is an immediate impact. Every cent of our economic development money goes into this (land purchase). That means there is nothing left for anything. Even the little interest payments that we're getting from the main fund go into this. This is a big choice because it eliminates everything else.

Dick said he thought there was \$5 million.

Greg said not in the economic development fund.

Jon said there is about \$8 million, plus the City has \$1.5 in First Bank from the same pot of money. Jon said total, the city has about \$9.5 million in the endowment fund.

Dick asked how much of that was economic development money.

Jon said \$3.2 million for Sen. Stevens' timber program and \$4.9 million came from the municipal entitlement money.

Jon said getting this property is a good risk for the city to take. We do have to get the public involved for input and redeveloping the property.

Jim See commented that the city got \$4.9 million because the city didn't have any property, so we should spend some of the money to get property. Jim said he would like to see the city have a harbor there.

Wanda Rice commented that she is concerned what might happen to that property if the city doesn't have control of it.

Dick Jones stated for the record, the land was offered for \$1.2 million before the city was interested in it.

The city's official offer to Wards Cove for the property is \$1.5 million dollars.

Mike Douville commented that he wouldn't offer any more than that.

Greg Head stated he would be in favor of investigating the eminent domain issue.

Jon's direction from the council was to stick with their offer of \$1.5 million for the Wards Cove property. Jon will also do more research on eminent domain.

Don asked that the city start putting together a group to "rough in" a business plan for the Ward's Cove property.

## **NEW BUSINESS**

**Acquisition of ATS 736, from Myrna Garza-**Jon reported that Myrna Garza would consider an offer to sell ATS 736 property to the city. This property is across the street from the Harbormaster building on the corner of the Craig-Klawock Highway and West Hamilton Drive. Jon reported the lot is currently assessed at \$14,600.

JONES/PIERCE: moved to authorize Jon to offer \$14,600 for the purchase of  
ATS 736 from Myrna Garza. MOTION CARRIED

## **ADJOURNMENT**

PIERCE/JONES: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:40 P.M.

APPROVED \_\_\_\_\_

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

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