

**CITY OF CRAIG  
COUNCIL AGENDA  
OCTOBER 3, 2019  
COUNCIL CHAMBERS 7:00 PM**

**ROLL CALL**

Mayor Tim O'Connor, Dave Creighton, Hannah Bazinet, Jim See, Julie McDonald, Mike Douville, Jan Trojan

**CANVASS ELECTION**

- Chief Election Judge Recommendations on Questioned Ballots (c.c. approves)
- Tally of valid absentee and questioned ballots
- Certify Election

**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.*

- City Council Meeting Minutes of September 5, 2019

**HEARING FROM THE PUBLIC**

- Open for public comment

**REPORTS FROM CITY OFFICIALS**

- Mayor
- Administrator
- Treasurer
- Aquatic Manager
- City Clerk
- City Planner
- Fire/EMS Coordinator
- Harbormaster
- Library
- Police Chief
- Public Works
- Parks and Rec
- Parks and Public Facilities

**CITY OF CRAIG  
COUNCIL AGENDA  
OCTOBER 3, 2019  
PAGE 2**

**READING OF CORRESPONDENCE**

1. Southeast Alaska By the Numbers
2. AK Journal of Commerce - AK rare earth prospects
3. Anchorage Daily News – AK Universal Service Fund
4. Opiate Litigation Notice
5. Department of Environmental Conservation letter – Water System Excellence 2018
6. Welcome letter from Alaska Public Entity Insurance
7. Letter from Carolyn Chapman
8. Letter from Southern Southeast Regional Aquaculture Association, Inc.
9. Letter from Pacific Airways on schedule changes

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

1. Resolution 19-14, Amending the rate structure for Emergency Medical Services

**UNFINISHED BUSINESS**

**NEW BUSINESS**

1. Consider confirmation of appointment of City Clerk

**ADJOURNMENT**

## City of Craig Memorandum

Date: October 2, 2019  
To: Mayor and City Council  
From: City Clerk  
Re: Election Results and clerk's recommendations for questioned ballots

---

281 votes were cast in the 2019 municipal election. There are 889 registered voters in Craig putting the turnout at approximately 32%, which is a good voter turnout compared to past years. 2018 had 321 votes cast, 2017 had 303 votes cast, 2016 had 126 votes cast, 2015 had 206, 2014 had 176, and in 2013 there were 206.

Karen Coffey, Ashley Butler and Shirley Harris and Brian Templin were wonderful as always. I am grateful to have them working elections with me, since this is my first couple days as the new City Clerk.

Voted ballots on election day	235
Voted absentee by mail ballots	4
Absentee by mail ballots not returned	1
Vote by representative	3
Voted absentee in person	36
Voted a questioned ballot	3
<u>Spoiled ballots</u>	<u>0</u>
 TOTAL VOTES CAST	 281

The final count can be found on the attached "Unofficial Results" sheet.

From the Craig Municipal Election of October 2<sup>nd</sup>, there were three questioned ballots to consider.

### **2.12.030 Voter qualifications.**

A person may vote at any city election who:

- A. Has passed his eighteenth birthday;
- B. Has been a resident of the state for at least 30 days before the election;
- C. Has been a resident of the city for at least 30 days immediately preceding the election, and has been a registered voter with a residence address within the city for at least 30 days immediately preceding the election;
- D. Is a citizen of the United States;
- E. Is not disqualified from voting under Article V of the State Constitution; and
- F. Is registered to vote in state elections.

We had two questioned absentee ballots that were cast. One was questioned because the voter had been placed on inactive status but was a registered voter in Craig. The other absentee was questioned because of confusion at the division of elections about the residency status about the new Port St. Nick sub div. that is inside city limits. These two ballots should be counted.

One of the questioned voters (questioned ballot 0003) was not included on the precinct roll because of a misunderstanding at the division of elections. This voter was registered in the City of Craig and is eligible. This ballot is eligible for count.

Two of the questioned voters (questioned ballot 0001, 0002) were Port St. Nick residents and moved into city limits but did not change their voter registration in the 30-day deadline. These ballots are not eligible and should not be counted. They have changed their voter's registration and will be able to vote in the next election.

**1<sup>st</sup> Recommended Motion:** Move to declare the two questioned absentee ballots and questioned ballot 0003 to be eligible for the 2019 Municipal Election. Move to declare questioned ballot 0001 and 0002 ineligible for the 2019 Municipal Election.

After the questioned ballots are declared eligible or ineligible, staff will open all eligible questioned, special needs, and absentee ballots and tally the results.

**2<sup>nd</sup> Recommended Motion:** After the final tally of questioned, absentee and special needs ballots, move to certify the election.

CERTIFICATE OF RETURNS  
CITY OF CRAIG  
MUNICIPAL ELECTION OCTOBER 1, 2019

UNOFFICIAL RESULTS

MAYOR TWO-YEAR TERM

165 Tim O'Connor                      6 Write-in  
61 Jan Trojan

CITY COUNCIL (2) THREE-YEAR TERMS

123 Michael Douville                      124 Michael Kampnich  
144 Chanel McKinley                      4 Write-In

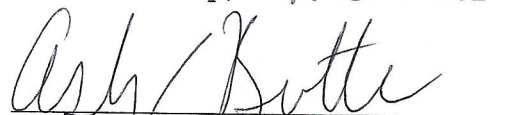
SCHOOL BOARD (2) THREE-YEAR TERM

163 Scott Brookshire                      182 Chrissy Torsey-Lucero  
7 Write-in

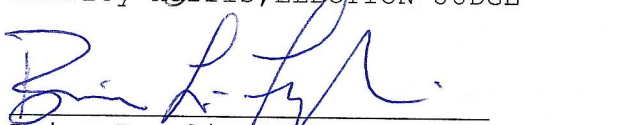
Proposition 1

104 Yes                      127 No

  
Karen Coffey, ELECTION JUDGE

  
Ashley Butler, ELECTION JUDGE

  
Shirley Harris, ELECTION JUDGE

  
Brian Templin, CITY CLERK - Designee

**CITY OF CRAIG  
CITY COUNCIL MEETING  
THURSDAY SEPTEMBER 5, 2019**

**ROLL CALL**

Mayor Tim O'Connor called the meeting to order at 7:00pm and the roll was taken. Present were Jim See, Hannah Bazinet, Dave Creighton, Jan Trojan, Julie McDonald, and Mike Douville.

**STAFF PRESENT:** Jon Bolling, City Administrator; Allison Fargo, City Clerk Pro-Tem; Brian Templin, City Planner; Jessica Holloway, Aquatic Manager; Chaundell Piburn, EMS Coordinator; Hans Hjort, Harbormaster; Angela Matthews, Library Director; Robert Ely, Police Chief; Russel Dill, Public Works Director; Victoria Merritt, Parks & Recreation; and Doug Ward, Parks & Facilities.

**AUDIENCE PRESENT:** Ed Douville, Adrian LeCornu Jr., Mike Kampnich, Richard Trojan, Skip Fabry, Christine Noel

**CONSENT AGENDA**

City Council Meeting Minutes of May 16, 2019

TROJAN/MCDONALD

moved to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY

**HEARING FROM THE PUBLIC**

- Open for public comment

Skip Fabry spoke about the road connection at Easy Street. Feels that the City is trying to turn one landowner against another (CTA against Joni and Skip). Joni Kuntz, the other landowner, is paying \$15,000 to have her lot dug up for additional parking. Skip thinks it is unfair to both Joni and he. He suggests that CTA (Craig Tribal Association) buy Joni out and solve everyone's problem. Skip is willing to give 15ft, or what is necessary, of his land in order for CTA to connect the road. He asks that the council consider proposing the purchase of land to CTA.

Richard Trojan was present to speak about the Mayor's Veto of Council Motion on Sale of Lot 9, JT Brown Industrial Park Subdivision, hoping that council will override the Mayor's Veto. Suggests that the City can buy him out if they will not sell him the property. Richard has been a small business owner of about 22 years in the City of Craig and intends to stay for at least another ten. Threatening to no longer contribute to recycling materials on the island. Richard expressed that he does not respect Mayor Tim O'Connor and will no longer be volunteering on the Craig Volunteer Fire Department. Mayor O'Connor stated he does not feel that Richard has brought an appropriate business plan for council to consider and therefore stands behind his decision to Veto the Council's motion of the land sale.

**CITY OF CRAIG  
CITY COUNCIL MEETING  
THURSDAY SEPTEMBER 5, 2019**

Ed Douville, President of Shaan Seet, touched on Ricahrd's subject of needed to recycle on the island yet it is not cost effective at all. Mr. Douville Submitted a letter to the council and respectfully requesting for Shaan Seet to be able to remove solid waste themselves. Mayor O'Connor said that the Alaska Department of Fish and Game (ADF&G) will not allow the City to trap and remove the bears. Ed is mainly concerned about the unsanitary conditions created when the trash is all over the trailer court every day. He feels that the trash cans/dumpsters are easy targets for the bears and that the city should consider a different type of bear-proof container.

**REPORTS FROM CITY OFFICIALS**

- Mayor - Stated he wants to relocate problem bears but ADF&G won't allow it.
- Administrator- Jon provided a written report. Spoke about the pool basins being sealed with a specific product and a cost-effective solution that was offered to the city. Jon is working with the company that contacted him and has been given an estimate. Interviews for the city clerk position are scheduled for next week.
- Treasurer – Sheri was absence excused and provided a written report.
- Aquatic Manager – Jessica has provided a written report. She added a few things about introducing new programs and enforcing teamwork and safety programs. Announced the potential start of a junior lifeguard program.
- City Clerk - All Staff is pitching in to fulfill City Clerk duties. The regular scheduled next meeting for September 19<sup>th</sup> will be cancelled due to Jon and Tim being at SE Conference. Next council meeting is scheduled for October 3<sup>rd</sup>.
- City Planner – Brian has provided a written report. He shared his work on absentee voting and that the sample ballot is finished. Absentee voting starts September 11<sup>th</sup>.
- Fire/EMS Coordinator - written report.
- Harbormaster – Hans has provided a written report.
- Library – Angela has submitted a written report. She was excited to share that the library was approved for the IMLS grant for \$10,000.
- Police Chief – RJ has provided a written report. Julie asked about the possibility of training our dispatchers to respond to 911 calls with more medical assistance. Also spoke about getting rid of the bears. ADF&G does not allow trapping the bear, but you can shoot it if it becomes a serious threat. Mike Douville is suggesting trapping and bring the bear somewhere safe to shoot it.
- Public Works – Russell has provided a written report.
- Parks and Rec - Victoria has provided a written report. Added that she has started the After-School program and is offering some fun activities for the kids.
- Parks and Public Facilities – Doug has provided a written report.

**CITY OF CRAIG  
CITY COUNCIL MEETING  
THURSDAY SEPTEMBER 5, 2019**

**READING OF CORRESPONDENCE**

- 1) AK Dept Natural Resources- Preliminary Finding
- 2) AK Permanent Capital Management Report
- 3) Quarterly Sales Tax Report
- 4) POW Vocational & Technical Education Center – Thank You
- 5) POW Island Rural Resilience Workshop

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Resolution 19-12, City Bank Account Signers**

CREIGHTON/DOUVILLE

moved to approve Resolution 19-12.  
MOTION CARRIED UNANIMOUSLY  
BY ROLL CALL VOTE

**Resolution 19-13, Appointing Allison Fargo City Clerk Pro-Tem**

SEE/TROJAN

moved to approve Resolution 19-11.  
MOTION CARRIED UNANIMOUSLY  
BY ROLL CALL VOTE

**NEW BUSINESS**

**Mayor's Veto of Council Motion on Sale of Lot 9, JT Brown Industrial Park Subdivision**

The Council made no motion to override the Mayor's Veto. Lot 9, JT Brown Industrial Park Subdivision remains in the possession of the City of Craig.

**Consider purchase of bear proof dumpsters**

A bear proof dumpster in place at 700 block of Shaan Seet is effective in preventing the bears from getting into the trash, but very expensive. Jon expresses that purchasing these dumpsters would be off budget. Russel proposes that we have at least enough money to cover the cost of bear dumpsters in the trailer court area to start. Shaan Seet's idea of being able to collect solid waste may be a good solution to consider as well, upon the receipt of a proper proposal. Discussion is made on what the best option is. The bear proof dumpster hold about 3 of our dumpsters that we currently provide residents. The city would need to use our old garbage truck to empty the bear dumpsters, which is unfortunately less time efficient. Mike Douville is suggesting clips on our dumpsters we have now, that could be taken off on trash days. Ed wants the city to pay for a full-time employee to do the extra work of removing the clips. Julie McDonald asks Ed Douville which option Shaan Seet prefers. Ed thinks the best option for Shaan Seet would be to collect trash on their own.

DOUVILLE/SEE

Move to approve the purchase of 3 bear  
dumpsters for Shaan Seet.



**CITY OF CRAIG  
CITY COUNCIL MEETING  
THURSDAY SEPTEMBER 5, 2019**

David Creighton shares a concern that once the bear dumpsters are put in place in Shaan Seet and the bears move to another area of town to get into the trash. He thinks that eventually the City of Craig may need to re-do the entire trash system.

DOUVILLE/SEE

WITHDRAW the motion

Suggesting that Shaan Seet bring a proposal to council and ultimately lead to more discussion and hopefully a solution.

**Report from US Army Corps of Engineers: Craig Downtown Harbor Project**

McDONALD/BAZINET.

Move to direct staff to sign the proposed PED cost share agreement after all the has been completed by the USACE  
MOTION CARRIED UNANIMOUSLY

**Review EMS Fee Structure**

Council feels that the fee structure is very reasonable. All members show very strong interest in approving the resolution that will be proposed in the future.

**ADJOURNMENT**

BAZINET/TROJAN

moved to adjourn at 8:35pm  
MOTION CARRIED UNANIMOUSLY

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR TIMOTHY O'CONNOR

ATTEST \_\_\_\_\_  
ALLISON FARGO,  
CITY CLERK PRO-TEM

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: September 27, 2019  
RE: October Staff Report

---

### **1. Steve Silver Visit**

Steve Silver will be in Craig October 25. I have arranged with him to meet with the city council that day, to provide the council an update on city projects and the general outlook from Washington DC. The meeting is also a chance for the council to talk directly with Steve on any other topics of interest. Details will follow

### **2. Municipal Election: October 1, 2019**

Please remember that Craig's annual municipal election is set for this Tuesday, October 1. Polls open at 7:30 a.m. and close at 8:00 p.m. The October 3 council agenda will include canvass of the election.

Please note that the term of office for any candidate newly elected to an office begins the Monday following certification of the election (or at the first council meeting following election certification), and not at this Thursday's meeting.

### **3. 2016 Pink Salmon Disaster Relief Fund**

No change on this matter since the August staff report. The web site of the Pacific States Marine Fisheries Commission, updated September 19, still contains the statement that the portion of the fund due to be paid to effected municipalities is still undergoing an administrative process to determine how to distribute those funds. I hope to apply for disaster relief funding to help offset project costs anticipated at the city's ice house, or some other project determined to be eligible.

On a related note, applications are due now from fishermen who were financially impacted by the poor pink salmon run in 2016. If you are eligible, or know someone who is, you can get more information at <http://www.psmfc.org/wp-content/uploads/2019/09/FAQs-Pink-Salmon-Disaster-Program-0919.pdf>, or see me for details.

### **4. Port St. Nicholas Road Fee Litigation**

The city filed its response and cross motion to the PSN plaintiffs' filing. The plaintiffs are entitled to a reply to our response, and the city is then able to make its own reply. Plaintiffs' reply is due October 1. Our reply is then due shortly thereafter. The current schedule then calls for oral arguments in Ketchikan before the presiding judge on November 1. As I reported to the council on September 3, I have copies of the filings available for your review upon request.

### **5. Craig Aquatic Center Work**

I remain in contact with the project architect to prepare the project for bid.

### **6. CTA/City of Craig Projects**

CTA crews continue work on the sidewalk project on Port Bagial Boulevard. CTA reports to me that their construction crew will return to the Tract P Road project upon complete of the current sidewalk work.

## **7. Ice House Repairs**

Staff has drafted a proposal to solicit design/build bids to replace one ice making drum and add a second evaporator in the ice storage bin. After conversations with staff at SPC and a refrigeration contractor that strongly discouraged a conversion to sea water cooling, I have eliminated that task from the scope of the project.

## **8. Trip Report – SE Conference Annual Meeting**

I traveled to Sitka on September 17 to attend the Southeast Conference annual meeting. Mayor O'Connor also attended. A summary of the trip is below. A copy of the conference agenda is attached. Below is a summary of some of the meeting sessions.

### Tuesday, September 17.

I arrived in Sitka around noon. After checking into the hotel I walked to the meeting venue and assisted SE Conference staff with setting up the venue and preparing materials for the event.

### Wednesday, September 18

a. Energy. Following the opening ceremonies, the morning began with presentations on energy projects in Southeast. Among those was a report from Alaska Power and Telephone on the Reynolds Creek hydro project, formally known as Hiilangaay hydro, near Hydaburg. Custer reported that the project is financed in part by a 50-year loan from the State of Alaska Power Project Loan Fund, plus grants from US Department of Agriculture and the Alaska Energy Authority. Other costs, we are told, are coming "out of pocket". The company plans to complete site work this season, with other work complete by April 2020. The powerhouse and equipment is in place, and work continues on the penstock and diversion structure. We were told that rates for power from the Hiilangaay project will apparently be about equal to the cost of diesel generation for now.

Mr. Custer also discussed AP&T's new Community Giving Program. Details on program are available for view at <https://www.aptalaska.com/community-giving>.

- b. Sen. Stedman Comments. Senator Bert Stedman discussed challenges in funding the Alaska Marine Highway System during the legislative session earlier this year. He also cautioned municipalities to be careful when preparing operating budgets for the fiscal year starting in 2020 due to his belief that the governor will propose more substantial cuts to state programs.
- c. Timber. Bryce Dahlstrom of Viking Lumber discussed the negative impact of the current 25% tariffs on Alaska Spruce bound for China. This session also included comments from Deputy Regional Forester Mr. Jerry Ingersoll regarding the outlook for the USFS timber program, and efforts in recreation and restoration on lands managed by the USFS in the region.
- d. Southeast by the Numbers. Meilani Schijvens of Raincoast Data presented her annual report on regional changes in economics and demographics. A copy of the report is included in the October 3 city council packet under Reading of Correspondence.
- e. Panel of City Managers/Administrators. A group of city staff from cities around the region, including me, presented to the gathering a summary of one or two important local projects.

Most of the projects presented were capital projects. I discussed the city's downtown harbor project, and pending improvements to the ice house.

#### Thursday, September 19

- a. Alaska Marine Highway System. Commissioner John MacKinnon of Alaska DOT presented on challenges to the AMHS. He reminded the audience that the system went from a budget of \$160 million last year to \$90 million in the current fiscal year. He added that the budget reduction will make it difficult for the system to recruit and retain employees. The commission stated that for some traditional AMHS routes, such as in Prince William Sound, he likes the port authority model (under which IFA operates). He also touched on the difficulties that the system faces in Prince Rupert, and the pending loss of service there short of reaching an agreement with the Canadian government over port security there.
- b. Mining. Deantha Crocket from the Alaska Miners Association described the economic reach of the mining industry in the region, as well as industry efforts to stay in compliance with state and federal operational requirements. Crocket was followed by a representative from Greens Creek Mine, who talked about that company's operational practices. Noteworthy from this session is the mention that the any implementation of the "Green New Deal", combined with current demand for more efficient electric motors and greater use of electricity in many industries has increased demand for lead, copper, and other conductive and storage materials.
- c. Visitor Industry. Panelists noted that cruise ship passenger numbers were at record levels this year, and are expected to increase again in 2020, to around 1.44 million.
- d. Community Master Planning. James Bibb and Christopher Mertl presented on techniques of developing master plans. After the presentation Mr. Mertl approached me to say he has spoken with a few Craig residents about prospects for the old cannery site downtown, and gave me his business card in the event the city chooses to contract for planning efforts at the site.

#### Friday, September 20

- a. Municipal Solid Waste. The Southeast Alaska Solid Waste Authority board met Friday morning. Craig is a member, as are a number of other SE Alaska communities. The members were joined by staff from Alaska Department of Environmental Conservation and the Denali Commission, and a representative from engineering company HDR.

The group discussed options for waste disposal that may reduce operating costs, much of which amount to shipping solid waste to landfills in the Lower 48. Most of this conversation focused on composting waste at local landfills. At the conclusion of the meeting the group agreed to research composting in more detail.

- b. SE Conference Business Meeting. On the final day of each year's annual meeting is the business meeting. During this session the new president took his seat. Outgoing SE Conference president Dennis Watson will remain on the board for another twelve months as past president. The Conference agreed to hold next year's meeting in Haines.

- c. Meeting with SPC Staff. After the SEC meeting I met with Steven Rhoades from Seafood Producers Cooperative. We discussed upgrades to Craig's ice house, and next year's plans by SPC to purchase seafood from its members in Craig.
- d. Meeting with Horan & Co. staff. I then met with staff from Horan & Company, the business that the city contract with for our property tax assessment services. The company, in keeping with past practice, will send staff to Craig in the first quarter of 2020 to conduct field work related to the annual property valuation effort.

After the Horan & Company meeting I returned to my hotel room to work on this trip report and prepare for my flight back to POW the following morning.

### **9. Ford Property for Sale**

The lots commonly referred to as the Ford property, adjacent to the float plane terminal facility, is listed for sale again. The council has in the past considered purchasing the site to provide additional harbor parking and a second access point to the moorage floats at North Cove.

### **10. POW RAC**

Funding is appropriated for use on POW Island under Title II of the federal Secure Rural Schools Act. By statute the funding is used to improve national forest resources locally. Craig has benefitted in the past by securing Title II funds for its watershed, and for improvements to the Sunnahae Trail. The funding is worked through the POW Resource Advisory Council (RAC), which makes recommendations for use of the funding to the Forest Supervisor. US Forest Service staff tell me that the agency hopes to reconstitute the local RAC for recommendations on use of the funding. I have been a member of the RAC in the past, and hope to be reappointed to be able to participate in the recommendation process.

### **11. Notification of Class Action Litigation**

The city recently received a notification (see under Reading of Correspondence) that it is part of a class involved in a lawsuit filed in federal district court in Ohio. The case is titled "National Prescription Opioid Litigation". Participation as a member of the class is voluntary, meaning the city may opt out of the litigation if it wants to pursue its own claim against the opioid manufacturers, or if it generally does not support the litigation effort. My suggestion is that the city remain part of the class. We bear no liability in a subsequent settlement, and are similarly unlikely to ever receive a cash settlement. Any settlement—most probably years away—is likely to be limited to funding of treatment of opioid addiction around the US.

### **12. Ice House Work**

Today I published a request for proposals for design/build bids on work at the city's ice house. The scope of work includes replacing one of the two ice making drums, and adding a second evaporator to the ice storage bin.

I did not include in the scope of work a conversion of the facility to sea water cooling system. Following discussions with staff at Seafood Producers Cooperative and a refrigeration contractor, it is apparent that salt water cooling systems bring with them maintenance difficulties that outweigh the benefits of conversion from fresh water.

### **13. Staffing**

We have ongoing staff vacancies and transitions in several departments, including three positions here at city hall, at the police department, EMS, and the aquatic center. These changes have made increasing demands on the existing staff across the city to fill in service gaps. I have to say how grateful I am to all our employees for their willingness to accept these extra demands and work additional hours until the new employees are trained.

### **14. Travel Schedule**

November 1: Travel to Ketchikan for oral arguments in PSN Road fee litigation.



# Sitka Annual Meeting Agenda

Wednesday, September 18<sup>th</sup>  
Harrigan Centennial Hall

7:15 AM	<b>Breakfast Sponsored by Alaska Committee &amp; Registration sponsored by Wostmann Associates</b>
8:00 AM	<b>Opening Ceremony</b> <i>Sitka Artist Market all day in Chum room!</i> <b>Dennis Watson:</b> Southeast Conference President National Anthem & Alaska Flag Song by the Sitka High School Choir. <b>Gary Paxton:</b> Mayor, City and Borough of Sitka. Welcome by <b>Lesa Way</b> , Sitka Tribe of Alaska Council Officer
8:30 AM	<b>Central Council Tlingit &amp; Haida Indian Tribes of Alaska</b> <b>Richard Peterson:</b> Central Council of the Tlingit & Haida Indian Tribes of Alaska President
8:45 AM	<b>Energy Panel 1:</b> <b>Alec Mesdag</b> , VP AEL&P – Chair; <b>Michael Rovito</b> , Alaska Power Association Executive Deputy Director; <b>Givey Kochanowski</b> US Department of Energy, Indian Energy Office; <b>Panel 2:</b> <b>Jodi Mitchell</b> , IPEC CEO/General Manager, Gunnuck Creek hydro; <b>Melissa Kookesh</b> , Thayer Creek hydro; <b>Jason Custer</b> , Hiilangaay hydro
9:45 AM	<b>Denali Commission Jason Hoke:</b> Federal Co-chair
10:00 AM	<b>15 minute Break – Break Sponsored by Northrim Bank</b>
10:15 AM	<b>Timber Industry Bryce Dahlstrom</b> Vice President Viking Lumber - Committee Chair <b>Jerry Ingersoll</b> USFS Deputy Regional Forester
10:45 AM	<b>Housing and the Southeast Alaska Economy</b> <b>Jackie Pata</b> , Tlingit and Haida Regional Housing Authority CEO <b>Stacy Barnes</b> , AK Housing Finance Corporation, Director Governmental Relations & Public Affairs
11:15 AM	<b>Southeast Alaska by the Numbers 2019</b> <b>Meilani Schijvens:</b> Southeast Alaska by the Numbers. Rain Coast Data Director
11:50 AM	<b>2020 Alaska Angel Conference Brian Holst</b> , Juneau Economic Development Council ED
Noon	<b>Luncheon</b> co-sponsored by <b>Northern Southeast Regional Aquaculture Association</b> . Southeast Conference Board Candidates Introduction. Updates by VP Alaska Airlines Marilyn Romano.
1:20 PM	<b>Economic Development Implementation: Panel of Municipal Managers &amp; Administrators Lisa Von Barga</b> Wrangell; <b>Rorie Watt</b> Juneau; <b>Dennis Gray</b> Hoonah; <b>Jon Bolling</b> Craig; <b>Jon Erickson</b> Yakutat; <b>Leslie Isaacs</b> Klawock; <b>Wayne Benner</b> Thorne Bay; <b>Lacey Simpson</b> Ketchikan; <b>Brad Ryan</b> Skagway.
2:20 PM	<b>Health Care and Southeast Alaska: Southeast Alaska Health Care Workforce Analysis:</b> Health Care Providers Survey <b>Meilani Schijvens</b> . <b>Health Care Panel:</b> Bartlett Regional Hospital: <b>Charles Bill</b> , CEO. PeaceHealth Ketchikan: <b>Matt Eisenhower</b> , Executive Director of Community Health Development and Foundation. SEARHC: <b>Dan Neumeister</b> , Senior Executive VP. University: <b>Karen Carey</b> , UAS Provost, <b>Jeff Jessee</b> , UAA College of Health Dean.
3:30 PM	<b>Health Care Break – Coffee and Snacks Sponsored by PeaceHealth and SEARHC</b>
3:45 PM	<b>Sitka Business Highlight Alaska Pure Sea Salt Co.: Jim and Darcy Michener</b>
4:00 PM	<b>University of Alaska Update Jim Johnsen</b> President, University of Alaska. Introduction by <b>Rick Caulfield</b> Chancellor, University of Alaska Southeast
4:30 PM	<b>Allen Marine Cruise</b> One-hour cruise for <b>100</b> . Cruise Boards at 4:30, departs at 4:45 from Crescent Harbor adjacent to Harrigan Centennial Hall. Refreshments and no host bar on-board. Free tickets at registration. (You can still make the evening plane afterwards.)
6 to 8 PM	<b>Community Reception at Sitka Fine Arts Camp Odess Theater</b> <b>Sitka Made:</b> a sampling of flavors from Sitka's makers and a special performance by the New Archangel Dancers. Dinner on your own following.



**Thursday, September 19<sup>th</sup>  
Harrigan Centennial Hall**

- 7:30 AM** **Breakfast Sponsored by Denali Commission** *Sitka Artist Market all day in Chum room!*  
Polls Open
- 8:30 AM** **Transportation**  
**Dennis Watson:** Introduction by Southeast Conference Transportation Committee Chair.  
**John MacKinnon:** DOT&PF Commissioner Southeast Transportation update  
AMHS Reform **Susan Bell, McDowell Group. Dave Kensinger**  
**John Cannon** VP Business Development Delta Western
- 9:30 AM** **Mining Industry** **Jan Hill, Haines Mayor:** Southeast Conference committee chair  
**Deantha Crockett:** Executive Director of the Alaska Miners Association  
**Mike Satre:** Hecla Greens Creek Mine
- 10:00 AM** **15 minute Break - Coffee and Snacks sponsored by Southeast Pilots Association**
- 10:15 AM** **Visitor Industry** **KC Hostetler, Alaska Airlines:** Southeast Conference committee chair  
**Zak Kirkpatrick:** Marketing Director Allen Marine  
**John Binkley:** Cruise Lines International Association Alaska President  
**ATIA/Tourism Works for Alaska:** Elizabeth Hall & Carol Fraser  
**Liz Perry:** Tourism Best Management Practices  
**Sealaska Anthony Mallott: President and CEO**
- 11:20 AM**  
**11:40 AM** **Community and Economics Driven Land Use Master Planning**  
**Chris Mertl** Corvus Design and **James Bibb** Northwind Architects
- 12:00 PM** **Networking Luncheon co-sponsored by First Bank. Video Presentations.**
- 1:25 PM** **Spruce Root Alana Peterson** Program Director
- 1:45 PM** **Seafood**  
**Mark Scheer** CEO Premium Aquatics – SEC Committee Chair  
**Nicole Kimball:** Vice President Pacific Seafood Processors Association  
**Ashley Heimbigner:** Alaska Seafood Marketing Institute, Marketing Director
- 2:30 PM** **Telecommunications** **Christine O'Connor** Executive Director, Alaska Telecom Association
- 2:45 PM** **15 min break polls close Coffee and Snacks Sponsored by Cruise Lines International Association Alaska**
- 3:00 PM** **Legislative Leaders Forum: Elected SE Legislative Leaders**  
**Senator Bert Stedman, Senator Jesse Kiehl, Representative Jonathan Kreiss-Tomkins, Representative Dan Ortiz, Representative Sara Hannan, Representative Andi Story**
- 6:00 PM** **Cocktail Hour** *Drink Tickets sponsored by AP&T*
- 6:45 PM** **Awards Banquet & UAS Scholarship Auction** *Mark Scheer Auctioneer*  
*Seafood donated by ASMI*  
*Dessert sponsored by the Haines Borough*

Video remarks from Senator Murkowski, Senator Sullivan, and Representative Young during conference.

Snacks and refreshments underwritten by Sitka's Seamart Quality Foods





2019 SOUTHEAST CONFERENCE ANNUAL MEETING

## BUILDING THE ECONOMY OF TOMORROW

SEPTEMBER 18-20 SITKA, ALASKA



Friday, September 20<sup>th</sup>  
Harrigan Centennial Hall

**8:00 AM** Breakfast Sponsored by BDO

**8:15 AM** **Workshops**

**Regenerative Tourism** moderated by Paul Hackenmueller Spruce Root, Inc. Business Development Director (**King Room**) This session will begin a discussion around enhancing local tourism opportunities in Southeast Alaska at a scale and type that match community needs and priorities. This initiative is a partnership between Sustainable Southeast Partnership, Sealaska, and Allen Marine.

**AMHS Reform Steering Committee** led by Robert Venables (**Silver Room**) Continue the discussion on strategies and goals for marine transportation with regional stakeholders including former Governor Frank Murkowski.

**Southeast Alaska Solid Waste Authority** led by Leslie Isaacs (**Chum room**) Join a community discussion on alternatives to decrease and control the costs of handling, processing and disposing of municipal solid waste.

**Census 2020** led by Barbara Miranda Partnership Specialist (**Steelhead Room**) Participation and engagement are critical in the 2020 Census, especially for smaller communities. This session will help participants understand the process, the local value, and the importance of being counted.

**9:30 AM** **30 minute Break - Coffee and Snacks Sponsored by City and Borough of Wrangell**

**10:00 AM** **Southeast Conference Annual Membership Business Meeting**

**11:00 AM** **Sitka Tours:** Tours depart from Harrigan Centennial Hall. Sign up for your tour choice at the Registration desk.

**Allen Marine Shipyard:** Tour the Allen Marine Shipyard where innovative expedition vessels are constructed for use throughout Southeast Alaska. Transportation provided.

**Fortress of the Bear:** Tour the educational bear rescue center where orphaned brown and black bear cubs from all over Alaska are cared for and rehomed. Transportation provided.

**Sitka Sound Science Center:** Follow the Sea Walk to the Sitka Sound Science Center for a facility tour and presentation on the economic impacts of the hatchery program on the local economy beginning at 11:15 am.

**Sitka Walking Tour:** Shop Sitka's locally owned downtown or take a walk through historic Sitka at your own pace, visit St. Michael's Cathedral, the Sheldon Jackson Museum, walk through Sitka National Historical Park and much more. Admission fees are not included.

**1:00 PM** **Luncheon Aboard the Amsterdam**

**Transportation:** Meet busses at Harrigan Centennial Hall at 12:15 and 12:30 pm. Old Sitka Dock is located at 4513 Halibut Point Road. Parking available at the top of the hill adjacent to the road. Meet at Security Office near the gangway. Celebrate Southeast Conference's 61st anniversary with a luncheon aboard the cruise ship Amsterdam. Sponsored by Holland America Princess. \$61 per person. Must have signed up by September 13<sup>th</sup>

# THANK YOU SPONSORS

## ADMIRAL SPONSORS

ALASKA SEAPLANES  
FLYING AT A HIGHER STANDARD

PROUDLY SERVING JUNEAU SINCE 1893  
125 years  
AEL&P  
ALASKA ELECTRIC LIGHT & POWER CO.

Central Council  
Tlingit and Haida  
Indian Tribes of Alaska

AVISTA®

Alaska AIRLINES

PeaceHealth  
Ketchikan Medical Center  
SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM

SEARHC

## CAPTAINS AND NAVIGATORS

ALASKA MARINE LINES

bp

VALUES IN ACTION  
SEALASKA

Sitka VISIT ALASKA

Holland America Line®  
SAVOR THE JOURNEY

PRINCESS CRUISES  
come back new®

## FIRST MATES

PORT OF BELLINGHAM  
Washington State

SAMSON  
TUG AND BARGE

GCI  
Northrim Bank

WELLS FARGO

AT&T

## SPECIAL EVENT SPONSORS

THE ALASKA COMMITTEE

DENALI COMMISSION  
ALASKA

1 FIRST BANK  
The one who's here.

AP&T  
ALASKA POWER & TELEPHONE

NSRAA  
NORTHWEST REGIONAL SEAPLANE ASSOCIATION

ALASKA SEAFOOD  
Wild, Natural & Sustainable®

Wostmann ASSOCIATES

WRANGELL  
CITY OF THE PIONEERS  
FOUNDED AUGUST 1899

HAINES BOROUGH  
ALASKA

Allen Marine

TRIBAL TOURS

CLIA  
CRUISE LINES INTERNATIONAL ASSOCIATION

BDO

Southeast Alaska Pioneers Association

THE GRIND  
WE ALWAYS DELIVER  
Juneau, Alaska

SEAMART  
QUALITY FOODS

CITY OF CRAIG  
MEMORANDUM

September 26, 2019

To: City Council

From: Sheri Purser, Treasurer

Re: Monthly Report

---

1. I have been able to get my name transferred to the different checking accounts and I have been able to receive most signatures to be able to finish what has been asked from the banks. I am waiting on 1 last signature to be able to hand the documents in.
2. Whitney Kerr started working on Sept. 9, 2019 as the new A/P, Payroll and HR. I have been training her for the last 2 weeks. She is catching on quickly and doing a great job. Glad to have her on board. She is getting invoices up to date and also working on the files to be up to date for the audit. She is also setting up a time to get some human resources training so we can get the files up to date.
3. I have had 2 days for about 2 – 2 1/2 hour training with Joyce. I also have been texting her about different questions that we have not been able to find on our own. I am hoping to meet with Joyce tomorrow for the afternoon to receive more training. By next Council meeting I hope to have a budget report to give to you.
4. The auditor has bumped back her appointment with us to the first week of December. We feel like we are ready for this audit. Hope to have it completed in time for the State deadline.
5. Brian has put me on to different grants with Homeland Security. Also, I have been involved with getting files started for new grants coming up.
6. Working on updating the list for the 2018 property tax foreclosure list. This will be published in the newspaper as required by state statute.
7. Working with Brian and Henry on updating the MARS software to update property taxes for 2020.

If you have any questions please contact me at [finance@craigak.com](mailto:finance@craigak.com)

# City Of Craig

## Memorandum

To: Mayor O'Connor and Craig City Council

From: Jessica Holloway; Aquatic Manager

Date September 26, 2019

RE: September/ October report

---

Craig School Lessons are now in full swing. This is making us very busy in the lesson department. We have school lessons during the day and our nightly lessons every night except for Fridays.

The Aquatic center has slowed down patron wise in the last month. This is normal. We will see a small decline as school sports for middle school start kicking in.

We are currently looking to fill 2 part time positions. These positions would work a couple night time shifts. We have decided as a whole that all employees will be trained to conduct swim lessons. This will help and take a bunch of the burden off of Chris and I.

Chris will be working on getting the new JR Lifeguarding program going. The first class or session for this could be as soon as spring break in March but we are looking to start it in the summer. We will have to see what the interest is in it before we commit to march.

The aquatic center will be seeking a water aerobics instructor in the near future. This will be a strictly part time 3-5 hour week position, that will only do water aerobics. I will keep you informed of the progress with this.

Chris was out on medical leave all last week his appointment to return to work is on the 1<sup>st</sup> and we are crossing our fingers that he will be cleared. The Aquatic Center had to close early a couple of days last week due to the unexpected absence.

I will be out of town on Saturday the 5<sup>th</sup> for the day.

If you have any questions or concerns please feel free to contact me.

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: September 25, 2019  
RE: Planning Department Staff Report – October 2019

---

1. Craig Harbor Development. We have signed the cost share agreement with the USACE for design of the breakwaters. Work will start in early October and will likely continue until next fall. As a reminder, the city is responsible for up to \$95,000 in this phase of the design. We have already forward funded the USACE \$65,000 of this match. I am working with the USACE project manager to see where we can reduce costs on the design work to reduce or eliminate any additional match needed. I will be in Anchorage on state travel on October 24<sup>th</sup> and plan to meet with the USACE Project Development Team in person on the project. I will keep the council up to date as the design process goes on and will let the council know if additional local funds are needed as part of this design.

I am continuing to work with both the Harbor Advisory Committee on the harbor design elements and the Planning Commission on issues related to development of the cannery site uplands. I am scheduled to meet with the harbor committee on September 25<sup>th</sup> and the Planning Commission on September 26<sup>th</sup>. The two bodies will continue to discuss these issues and will likely have some recommendations for the council to consider by the end of this year.

I am currently working on a Community Development Block Grant (CDBG) to help pay for the bulk of the design work for the harbor facilities and related upland development work. Council members who attended the council meeting last year where we discussed the CDBG may be familiar with the public process related to this grant. We will hold a public hearing at the October 17, 2019 council meeting related to the grant to get authority from the council to proceed. We are requesting \$275,000 in grant funds for the design work. This grant will require a local match of at least 25% so the council should be aware that if we are approved for the grant the city will have to provide \$68,750 in matching funds. If we are successful getting the grant we will start this design work as early as April 2020 and should finish it about the same time frame as the breakwater design. The grant is due December 6<sup>th</sup> and we will find out if we are awarded funds in February 2020.

2. Prince of Wales Rural Resilience Workshop. Staff worked with the State of Alaska Division of Homeland Security and Emergency Management to hold a three day resilience (emergency response and management) workshop on Prince of Wales September 10 – 12 at the Craig Tribal Association building here in Craig. The workshop was well attended and there were lots of great presentations from local, state, federal, and volunteer agencies and organizations about emergency response capabilities in Alaska, and in Southeast. There were a total of 77 people who attended some or all of the conference over the course of the

three days. Big thanks to Victoria, Chaundell, and Stacey Mank (public health) for all of their help with all of the details of the conference.

3. Tract P Access Road. The Craig Tribal Association began construction of a new access road on Tract P from Cold Storage Road, running behind the tribal hall to Easy Street. CTA has started work at Cold Storage Road and will continue to work on the road throughout the current construction season. Planning and Public Works staff will continue to work with CTA throughout the construction project.
4. Sidewalk Development. CTA has started construction work on the sidewalk project along School Road (middle/elementary school). Most of the work along School Road has been completed and CTS staff has laid most of the subbase along Port Bagial and is getting ready to start pouring concrete. Staff will continue to work with CTA on this project.
5. Commercial Marijuana in Craig.

Marijuana Retail Establishments. Thee Treasure Chest LLC (Kit Kraft and John Wright) has completed their final inspections from the state control office and is open for business. Staff at city hall continues to work with them to make sure that they are meeting all of the requirements of their conditional use permit and state license.

There have not been any other applications for conditional use permits related to commercial marijuana in Craig. Staff will continue to monitor the state website for progress on these applications.

6. Skateboard Park. Staff will continue to work with the planning commission and skate park users on concept designs and final selection of a site later this fall.
7. Travel and Leave Schedule: I will be travelling to Anchorage on October 23rd – 26th primarily for the fall Local Emergency Planning Committee Association and State Emergency Response Commission meetings. I have scheduled an extra day of travel to allow me to meet with the US Army Corps of Engineers regarding our harbor project on October 24<sup>th</sup>.



To: Craig City Council

From: Hans Hjort, Harbor Master

Date: September 27, 2019

RE: October Staff Report

---

## **Harbor department report October 2019**

The North Cove lighting project is way behind schedule. The contractor has promised to have the lights turned on by October 1<sup>st</sup>. We will have an inspection sometime during the week of October 7-11<sup>th</sup>. The electrical engineer that designed the lighting system will come down and inspect it. We hope this will assure that the work was done properly and that we will have a product that gives us a good long service life.

We continue to work on creating a plan for the icehouse improvements. Jon and I have met several times to discuss the project and come up with a plan.

The Harbor Advisory Committee has met this month as well. We were able to spend a good amount of time discussing the new harbor project as well as other matters that are important to the harbor. We also met to have a harbor planning workshop.

The water systems at both North cove and South cove have had some substantial leaks this month. South cove had another weld fail in the HDPE water main. Public Works had the part to fix it and we were able to get it fixed quickly. North cove had the flexible water line blow off the connection under the ramp twice this month. A part to fix this issue is ordered and on its way.

I will be gone the first week of October for the annual Harbor master conference. This year's conference will be held in Juneau.

Our seasonal icehouse operator Daniel Jackson has left for the season. We appreciate his hard work and look forward to continuing to have his help each summer. The small compressor that keeps the ice bin cold had the condenser fail. We have installed the new condenser and are back up and running.

**8/29/2019-9/25/2019**

Volunteer Hours: 26

Patron Visits: 1189

Circulation: 2462

Computer Usage: 325

Tests Proctored: 0

Meetings: 6

Alaska Digital Library Usage: 96

Story Times: 6 Attendance: 78

Inter-Library Loans: 29

**Library Programs:**

- Every Friday, 10:00 am: Preschool Story Time
- Every Friday, 11:00 am: Head Start Story Time
- Dolly Parton Imagination Library—Continuous Registrations
- Teen Game Night: September 13<sup>th</sup>
- Weather Spotter Training Class: September 24<sup>th</sup>

**Teen Game Night, September 13th:**

Our first Teen Game Night was a HUGE success! I was expecting around 10 kids, and we ended up with twenty-six! It was very loud and crowded, but all in all everyone had an awesome time. Lisa Kness from Salmon Sez Speech and Language Therapy was my co-host and Victoria provided chips and pizza. We handed out surveys at the end of the night and most of the teens rated their experience as 10 out of 10 (1 being super lame, and 10 being awesome). We will absolutely be hosting more of these events in the future.

**Weather Spotter Training:**

On Tuesday the 24<sup>th</sup>, Nicole Ferrin from the National Weather Service's Juneau office held a Weather Spotter Training class at the library. We had seven community members in attendance and at the end of the evening, each one of them signed up to be a Weather Spotter. This will assist the National Weather Service greatly in providing more up-to-date and accurate weather forecasts for Prince of Wales Island.



**CITY OF CRAIG  
MEMORANDUM**



**Date: September 27, 2019**  
**To: Honorable Tim O'Connor, Craig City Council**  
**Fr: RJ Ely, Police Chief**  
**Re: Staff Report / September 2019**

*RJ Ely*

**ACTIVITY**

Activity from August 28, 2019 through September 26, 2019. Dispatch Center took the following amount of calls for service.

Craig	944
Klawock	341
AST	15

**DEPARTMENT OF MOTOR VEHICLES**

DMV Agents received Online Training, conducted by Anchorage DMV pertaining to new licenses, forms and processing paperwork.

**DISPATCHER(S)**

Using two part time dispatchers, while seeking a fulltime dispatcher.

**OFFICER(S)**

Still down one officer position.

**OTHER**

OCS (Office of Children's Services) has filed its local Craig Office, Wanda Isaacs has been hired and is currently working cases on POW.

Craig USFS LEO Position has been filed. Andrew Sanford is the new Federal Officer. Vacancy in Thorne Bay has been filled, but officer will not arrive until first of next year.

Thorne Bay has hired a new VPSO, John Bates who is on island. Bates will attend the VPSO / MPA Academy, in Sitka, February 2020.

I meet with Yulonda Candelario, US DOJ (Department of Justice) and Erin Terry US DOJ FBI pertaining to new federal funding that is available for municipalities to deal with drug crimes.

Working with AFIS (Automated Fingerprint Identification System) & CrossMatch have fixed our new system and were back up and running.

Working with BlackPoint IT, getting new server built and once everything set, BlackPoint IT Employee will come to Craig and set up, install; as well, do some work with City Halls Computers / Network.

Secured funding to send one officer to a Property & Evidence Management Training, in Portland, OR this year.

# Public works Report

---

## I. Streets and Alleys:

- a. Alders trimmed and two cars removed from impound at Cemetery Island.
- b. Grading and material added to PSN road. 9.23.2019, approx... 0.5 miles
- c. Continued street sweeping.

## II. Sewer:

- a. Daily and Monthly General maintenance and sampling at the wastewater treatment plant as required.
- b. Responded to power outages as required.

## III. Water:

- a. Daily and Monthly General maintenance and sampling at the water treatment plant and distribution system as required.
- b. Water meter repair and/or replace as required.
- c. Water service repair on PSN as required.
- d. Monthly water meter reading complete as required.
- e. Hydrant extensions on Port Bigail complete as required.
- f. 2 inch HDPE with flanged fittings ordered from H.D Fowler for North Cove Harbor water main renovation; should be in the second week of October.

## IV. Equipment:

- a) Alternator and batteries replaced on Top Kick dump truck.
- b) Replaced front brakes on garbage truck.
- c) Dump bed installed on Sterling Dump truck; additional work needs to be done on shift selector and heater.
- d) City equipment bid open on remaining grader and front loader.
- e) Rear tires replaced on garbage truck.
- f) Garbage truck is being scheduled for work on the EGR system.

## V. Solid Waste:

- a. Weekly pick-up process performed as require.
- b. (x20) wind rings ordered on the 22<sup>nd</sup> of August

# Public works Report

---

## **VI. Requests:**

## **VII. Projects:**

- a. Assist Public Facilities in removal of tree in Triangle Park.(Complete)
- b. Safety Program review ( work in progress)
- c. Re-grade False Island boat haul-out parking lot before early April.( rescheduled for the Fall of 2019)
- d. Fire Hydrant installation on PSN Road- Spring 2019( work in progress)
- e. Hydrants raised on Port Bigail Street.(complete)

for October Council Meeting 2019

After School is off to a slow start. Held daily at the Rec Center and Craig City Gym. Dodgeball is the most popular day. Skating has been slow. Gymnastics with Julie McDonald had 31 gymnasts the first class. The program will run thru November 2nd at the Island Grind. Michelle is still doing skating on Fridays but that has been hit or miss. Things should pick up in October once cross country ends. The big news is I am looking for an assistant. I am willing to share with the library. No applicants at this writing. Hopeful. Bounce house rentals are going alright so far. Miss Hannah being on the committee. Magic is still on Saturdays at the Rec Center. Upcoming events: Harvest Festival on October 5 at the Craig School Pit from 11 to 2 with Hay rides and police as driver and a Chili Cook Off, Swap Meet on October 19 form 9-1. Then Bazaar season begins, November 30 for the Fall Bazaar. Christmas tree lighting Dec. 7 at the Hill Bar, Christmas Bazaar December 14. Time flies. Still on the Radio every Friday. Helping where I can. I will be gone Oct 24-31.



Submitted by Victoria Merritt. Recreation

# Craig Recreation Report



Type to enter text



# Parks & Public Facilities

9/27/2019

## Staff Report –September 2019

To: Craig Mayor and City Council

From: Douglas Ward

### Current Projects Underway:

1. Gas valve replacement on propane boiler at Aquatic Center.
2. Medical Center HVAC controller upgrade
3. Ralph James shelter re-roofing project.
4. Annual wood boiler maintenance.
5. Tree cutting project at ballfield, and cleanup of branches.
6. Ballfield restroom project. Fixtures for the restrooms have arrived and have been installed.
7. Mowing and weed eating throughout the city and parks.

### Completed Items:

1. Gutter repair at Seaplane building.
2. Install new Toyostove at EMS records room.
3. New Basketball rim at City Gym outdoor court.
4. Recreation Dept. Trailer repair.
5. Finished overhaul and chips at Triangle Park.
6. Compressor repair at Medical Center.
7. New lighting at EMS building.
8. New lights installed at Water treatment plant.

As always, don't hesitate to call or contact me anytime for questions or concerns. (907)401-1038

# SOUTHEAST ALASKA



**SOUTHEAST  
CONFERENCE**

Central Council  
**Tlingit and Haida**



Indian Tribes of Alaska

## By the Numbers 2019

<b>VISITORS</b>	<b>MARITIME, SEAFOOD</b>	<b>HEALTH</b>	<b>TIMBER, MINING</b>	<b>CONSTRUCTION, EDUCATION</b>	<b>GOVERNMENT</b>	<b>DEMOGRAPHICS</b>	<b>BUSINESS SURVEY</b>
PAGE 6	PAGE 8 - 9	PAGE 10-11	PAGE 12	PAGE 13	PAGE 14	PAGE 15	PAGE 17 - 19

### CHANGES 2017 TO 2018

### SOUTHEAST ALASKA'S ECONOMY



**REGIONAL POPULATION**  
DECREASED BY **80**  
PEOPLE TO **72,876**



**LABOR FORCE** INCREASED  
BY **2 JOBS** TO **45,642**  
JOBS



**TOTAL GOVERNMENT**  
JOBS DECREASED BY  
**108 JOBS** TO **13,148**



**CRUISE PASSENGERS**  
INCREASED BY **7%** TO **1.2**  
MILLION



**POUNDS OF SEAFOOD**  
LANDED IN THE REGION  
DECREASED BY **118**  
MILLION POUNDS, A  
DECREASE OF **39%**



**HEALTH CARE JOBS**  
IN THE REGION INCREASED  
BY **121**, A GAIN OF **3%**

The Southeast Alaska summer of 2019 was filled with record-high temperatures and a historic number of visitors spending money across the region's communities. While it was the picture of prosperity, the region's complex economic framework is thriving in some segments, while struggling in others.

Southeast Alaska's shrinking State sector is down by more than 800 jobs over 7 years. Long the top provider of wages in the region, state government is on track to be a distant third in coming years – after municipal government and tourism – and a bountiful fishing season would make the state the fourth largest provider of wages. Alaska's fiscal health has been managed to the detriment of Southeast Alaskans, as short-term gains took priority over the long-term economic health of the State sector, and State savings were depleted without full implementation of a sustainable fiscal solution. As a result the region has been embroiled in economic uncertainty that is a problematic companion to a thriving private sector.

The regional health care industry had been optimistic about the trajectory of the economic environment, adding nearly 500 jobs and \$50 million in wages over the last four years to support the growing health care needs of an aging population. However, steep state cuts to Medicaid funding, compounded by the potential loss of matching federal dollars, have reversed the growing business confidence of

that sector. The region's mining sector has been growing, while the ship building and construction sectors have contracted.

Fishing remains mercurial. Southeast Alaska lost nearly 700 seafood jobs in the past four years, with wages down by \$22 million. By volume, the catch for 2018 was the lowest in decades, but strong seafood prices have offset losses. The so-called trade war with China is having deleterious impacts on several Southeast industries, including seafood, timber, and mining.

Through all of this, the visitor industry has provided a critical counter-balance to a capricious economy. In just seven years, the tourism sector added more than 2,000 annualized jobs to Southeast communities, increasing wages by \$85 million. During the summer of 2020, 1.44 million visitors are projected to spend nearly \$800 million during their Southeast Alaska holidays.

The collective result was a flat economy in 2018. Southeast Alaska decreased in population by 80 people, added two jobs, and overall wages grew incrementally. The region persevered through several rough years, but Southeast Alaskans are resilient and remain optimistic about the future. More than a quarter of regional businesses plan to add jobs in the coming year, and 68% of business leaders expect the coming year to be positive and/or better than last year.

# SOUTHEAST 2020 STRATEGIC PLAN SUMMARY

The Southeast Alaska 2020 Economic Plan, is a five-year strategic plan for the region. The membership worked together to develop an overall vision statement, 46 objectives, and 7 priority objectives, along with regional and industry specific SWOT analyses. More than 400 people representing small businesses, tribes, Native organizations, municipalities, and nonprofits were involved in various elements of the planning process. In 2018 this work received a national NADO Innovation Award. The Plan's objectives are listed below.

## Transportation

- ★ **Priority** Minimize Impacts of Budget Cuts to AMHS and Develop a Sustainable Operational Model.
- Road Development.
- Move Freight to and from Markets More Efficiently.
- Ensure the Stability of Regional Transportation Services Outside of AMHS.



## Visitor Industry

- ★ **Priority** Market Southeast Alaska to Attract More Visitors.
- Improve Access to Public Lands.
- Increase Flexibility in Terms of Permit Use.
- Increase Yacht and Small Cruise Ship Visitations.
- Improve Communications Infrastructure.
- Advocate for Funding to Maintain Existing Recreational Infrastructure.
- Grow Cultural and Arts Tourism.



## Energy

- ★ **Priority** Promote Priorities of the Regional Energy Plan, Including Infrastructure and Diesel Displacement.
- Support Community Efforts to Create Sustainable Power Systems that Provide Affordable/Renewable Energy.
- Complete Regional Hydrosite Evaluation for Southeast Alaska.



## Timber Industry

- ★ **Priority** Provide an Adequate, Economic and Dependable Supply of Timber from the Tongass National Forest to Regional Timber Operators.
- Stabilize the Regional Timber Industry.
- Work with USFS to Direct Federal Contracts Toward Locally-Owned Businesses.
- Support Small-Scale Manufacturing of Wood Products in Southeast Alaska.
- Continue Old-Growth Harvests Until Young-Growth Supply is Adequate.
- Community-Based Workforce Development.
- Update Young Growth Inventory.



## Maritime

### Maritime Industrial Support

- ★ **Priority** Maritime Industrial Support Sector Talent Pipeline: Maritime Workforce Development Plan.
- Continue to Grow the Regional Maritime Sector.
- Increase Access to Capital for the Regional Maritime Industrial Support Sector.
- Support Capital Investments in Expanded Marine Industry Support Infrastructure.
- Harbor Improvements.
- Examine Arctic Exploration Opportunities That the Region as a Whole Can Provide.



### Seafood Industry

- ★ **Priority** Mariculture Development.
- ★ **Priority** Full Utilization and Ocean Product Development.
- Increase Energy Efficiency and Reduce Energy Costs.
- Regional Seafood Processing.
- Seafood Markets.
- Sea Otter Utilization and Sustainable Shellfish.
- Maintain Stable Regulatory Regime.
- Seafood Workforce Development.



## Other Objectives

- Healthcare:** Meet Regional Workforce Development Needs.
- Research:** Attract Science and Research Jobs to Southeast Alaska.
- Housing:** Support Housing Development.
- Food Security:** Increase Production, Accessibility, and Demand of Local Foods.
- Communications:** Improved Access to Telemedicine in Southeast Alaska.
- Marketing:** Market Southeast Alaska as a Region.
- Solid Waste:** Regional Solid Waste Disposal.
- Education:** Partner with University & K-12 to Meet Workforce Needs
- Arts:** Increase Recognition of Southeast Alaska's Thriving Arts Economy.
- Mining:** Minerals & Mining Workforce Development.
- Cultural Wellness:** Support Activities and Infrastructure that Promote Cultural Wellness.





# A Message from Southeast Conference

## Executive Director Robert Venables



We truly are living in “interesting times.” In many economic sectors, the region is holding its own or doing well, while others struggle. The pervasive uncertainty that envelops the region and state is cited as a top reason industry hesitates to invest, expand and grow. A stable fiscal policy is essential.

Southeast Alaska is blessed with the natural resources that can provide the basis for a strong economy. Our fisheries, mariculture, mining, timber and energy “endowment” is second to none. We need to focus on creating an environment that attracts and nurtures investment in those opportunities.

Also critical is the availability of skilled labor. Southeast Conference continues to be involved in workforce development and is a strong supporter of our University as a primary institution for preparing the next generation of workers.

Infrastructure and transportation must be present to support new and growing businesses. Southeast needs adequate ports, harbors, airports, roads, and most certainly a viable ferry system. Changes to AMHS are here, but we have a plan – and more importantly, a process guided by statewide stakeholders with a passion to see it succeed in its mission.

Our award-winning Economic Plan is our guide. This year we use it to measure how we’ve done the last 5 years as we update it toward our goal of strong economies, healthy communities and a quality environment in Southeast.

## Incoming President Alec Mesdag



*Alec Mesdag is the Director of Energy Services for Alaska Electric Light and Power in Juneau. Together with his wife, they own and operate Salty Lady Seafood Company, a mariculture farm in Bridget Cove.*

I lived in Portland for about five years.

Among many strange things about living there, “Keep Portland Weird” stickers are all over the place. When I moved back to Juneau and attended my first Annual Meeting, it struck me that, in Southeast, we don’t need to remind each other. I think that’s the greatest advantage Southeast Conference has as an economic development organization. The membership and region have great diversity of thought, culture, and experience, and we welcome one another. That mixture drives innovation, and innovation drives growth.

One of the less-heralded bonds of our region is the need to constantly battle with visitors and in-laws from Portland about what it takes to stay warm when wet. That fundamental requirement for successfully going outside in Southeast Alaska helps underpin an ability to distinguish between reality and dogma, and that works as an analogy for what impressed me and encouraged me to become

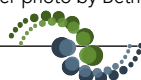
more involved in Southeast Conference. The organization’s structure and economic plan acknowledge the need for continuous adaptation by government and the private sector, so the two complement each other’s work without creating obstacles and distortions. That is why membership engagement in the Southeast Alaska Economic Plan has more potential to shape the trajectory of our region’s economy than any other factor within our control.



*Robert Venables, Meilani Schijvens, and Alec Mesdag show off the National Association of Development Organizations 2018 Innovation Award, which Southeast Conference won for the Southeast Alaska 2020 Economic Plan. Photo by Heather Holt.*

The mission of Southeast Conference is to **undertake and support activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska**. As the state and federally-designated regional economic development organization, Southeast Conference serves as the collective voice for advancing the region’s economy. We have 200 member organizations representing 1,200 people from 32 regional communities. We started 60 years ago with a group of people supporting the establishment of a regional transportation system, leading to the formation of the Alaska Marine Highway System. Our members stayed together through more than a half-century to focus on concerns unique to the region.

**Image Credits:** Front cover photo of Juneau Waterfront by Zachary Hanna. Back cover photo by Bethany Goodrich, Sustainable Southeast Partnership. Icons/map by Avery Veliz.



# FOUR YEARS OF CHANGE: 2014 to 2018

Table tracks key Southeast indicators over the past 4 years, along with associated changes.

DEMOGRAPHICS	2014	2018	% CHANGE 2014-2018	CHANGE 2014-2018
Population <sup>1</sup>	74,432	72,872	-2%	-1,556
Ages 65 and older <sup>2</sup>	9,243	11,089	20%	1,846
Under Age Five <sup>2</sup>	4,622	4,146	-10%	-476
Twenty somethings <sup>2</sup>	9,398	8,447	-10%	-951
K-12 School District Enrollment <sup>3</sup>	11,804	11,334	-4%	-470
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) <sup>1,5,6</sup>	45,694	45,642	0%	-52
Total Job Earnings <sup>1, 5, 6</sup>	\$2.17 billion	\$2.28 billion	5%	+\$109 million
Total Private Sector Payroll <sup>1, 6</sup>	\$1.41 billion	\$1.51 billion	7%	+\$97 million
Average Annual Wage <sup>1</sup>	\$47,593	\$50,023	5%	2,430
Annual Unemployment Rate <sup>1</sup>	7.1%	6.0%	-1.1%	-1.1%
TOP ECONOMIC SECTORS				
GOVERNMENT				
PUBLIC SECTOR: 35% OF ALL EMPLOYMENT EARNINGS				
Total Government Employment <sup>1, 5</sup>	13,602	13,148	-3%	-454
Federal Employment <sup>1, 5</sup> (8% of all employment earnings)	2,110	2,111	0%	1
State Employment <sup>1</sup> (14% of all job earnings)	5,504	4,771	-13%	-733
City and Tribal Employment <sup>1</sup> (14% of all job earnings)	5,988	6,266	5%	278
Total Government Payroll (includes USCG) <sup>1, 5</sup>	\$765.8 million	\$776.9 million	1%	+\$11 million
Total State of Alaska Payroll	\$311.3 million	\$283.3 million	-9%	-\$28 million
VISITOR INDUSTRY				
KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS				
Total Visitor Industry Employment <sup>1, 6</sup>	6,923	8,004	16%	1,081
Total Visitor Industry Wages/Earnings <sup>1, 6</sup>	\$188.5 million	\$249.3 million	32%	+\$60.8 million
Total Southeast Alaska Passenger Arrivals	1,359,897	1,618,311	19%	258,414
Cruise Passengers <sup>10</sup>	967,500	1,169,000	21%	201,500
Total Air Passenger Arrivals from Outside SE <sup>11</sup>	372,197	435,476	17%	63,279
Total AMHS Passengers from Outside SE <sup>12</sup>	20,200	13,835	-32%	-6,365
COMMERCIAL FISHING & SEAFOOD INDUSTRY				
KEY INDUSTRY: 10% OF ALL EMPLOYMENT EARNINGS				
Total Seafood Employment (includes fishermen) <sup>1, 6</sup>	4,372	3,711	-15%	-661
Total Seafood Employment Earnings <sup>1, 6</sup>	\$259.0 million	\$237.4 million	-8%	-\$21.6 million
Pounds of Seafood Processed <sup>7</sup>	232.9 million	132.7 million	-42%	-97.8 million
Pounds Landed (commercial seafood whole pounds by SE residents) <sup>8</sup>	300.0 million	185.2 million	-38%	-114.8 million
Estimated Gross Earnings (ex-vessel value of pounds landed) <sup>8</sup>	\$277.1 million	\$246.9 million	-11%	\$30.2 million
Shared Fish Taxes <sup>13</sup>	\$5.8 million	\$4.5 million	-22%	-\$1.2 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)				
KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS				
Health Care Employment <sup>1, 6</sup>	3,523	3,990	13%	467
Health Care Wages <sup>1, 6</sup>	\$194.8 million	\$243.3 million	25%	+\$48.5 million
MARITIME ECONOMY (Includes employment from all industries)				
TOP SECTOR: 27% OF PRIVATE SECTOR EMPLOYMENT EARNINGS				
Private Maritime plus USCG Employment <sup>1,5,6</sup>	6,768	6,273	-7%	-495
Private Maritime plus USCG Wages <sup>1,5,6</sup>	\$395.5 million	\$396.8 million	0%	+\$1.3 million
OTHER SELECTED STATISTICS				
2014				
2018				
% CHANGE				
CHANGE				
Construction Employment <sup>1, 6</sup> (6% all employment earnings)	2,168	1,909	-12%	-259
Mining Employment <sup>1</sup> (4% of all employment earnings)	783	889	14%	106
Price of Gold <sup>7</sup>	\$1,266	\$1,268	0%	\$2
Total Southeast AMHS Ridership <sup>12</sup>	242,648	179,312	-26%	-63,336
Cost of Living: Consumer Price Index <sup>1</sup>	215.8	225.5	5%	9.7
Housing Starts: Housing Permitted /Completed <sup>4,1</sup>	321	188	-41%	-133
Avg. Daily Volume ANS Oil Production (mbbls/day) <sup>14</sup>	512,810	508,601	-1%	-4,209
Annual Avg. Domestic Crude WTI Oil Prices (in \$/Barrel) <sup>14</sup>	\$97.88	\$71.71	-27%	-\$26

**Sources:** <sup>1</sup>Alaska Department of Labor (ADOL); <sup>2</sup>ADOL Southeast Alaska Population by Age, 2014 to 2018; <sup>3</sup>Alaska Department of Education and Early Development; <sup>4</sup>Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; <sup>5</sup>US Coast Guard; <sup>6</sup>2017 US Census Nonemployer (self-employment) Statistics; <sup>7</sup>Kitco Metals Inc.; <sup>8</sup>ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information, 2014-2018; <sup>10</sup>Cruise Line Agencies of Alaska; <sup>11</sup>US Bureau of Transportation Statistics (BTS); <sup>12</sup>Alaska Marine Highway System data; <sup>13</sup>Shared Taxes and Fees Annual Report FY17, ADOR; <sup>14</sup>Alaska Department of Revenue Crude Oil and Natural Gas Prices.

# The Whole Southeast Alaska Economy 2018

In 2018, Southeast Alaska gained 380 year-round equivalent jobs and \$17 million in workforce earnings over 2017. Approximately a quarter (26.1%) of regional workers are non-residents.

## Annual Average Jobs

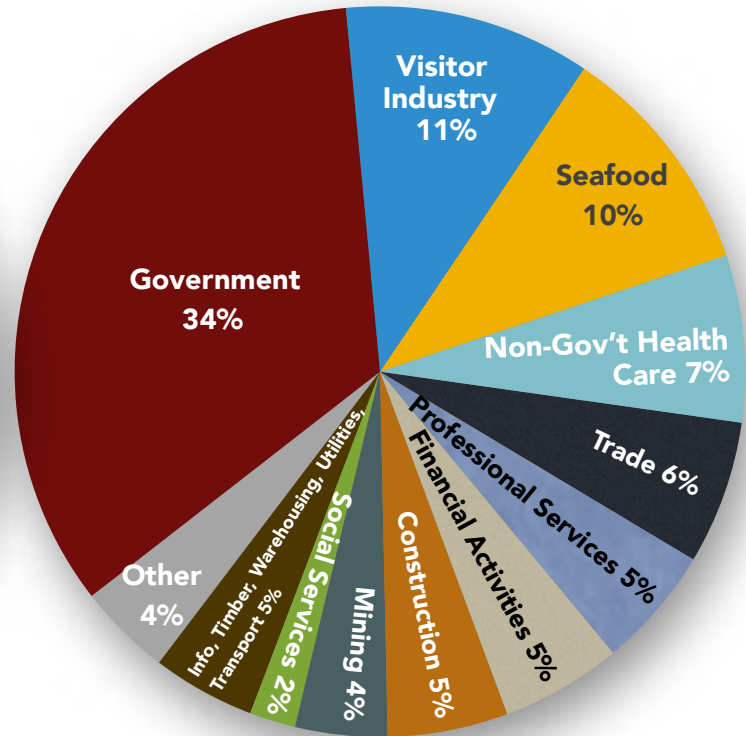
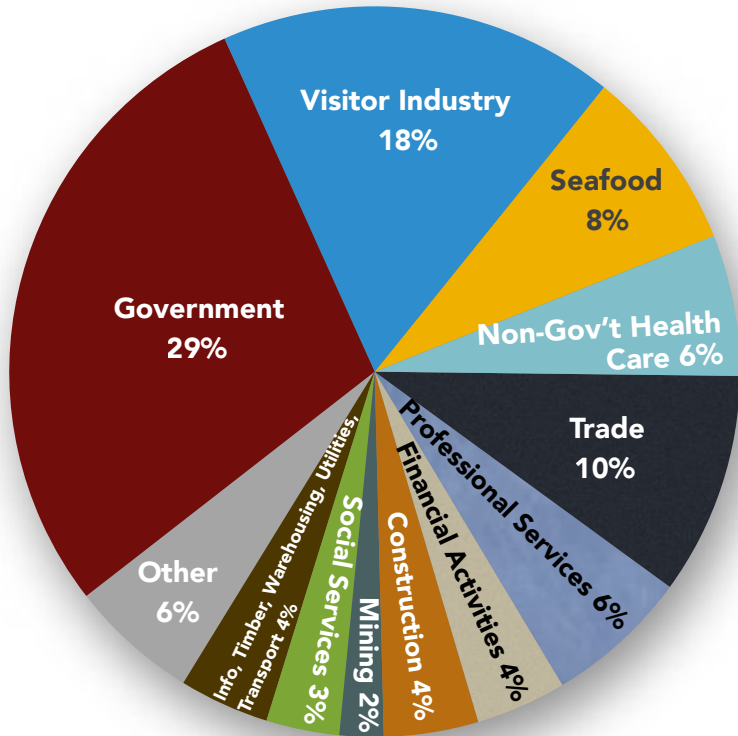
45,642 Jobs

UP 2 JOBS IN 2018 +0%

## Employment Earnings

\$2.3 Billion Workforce Earnings

UP \$86 MILLION +4%

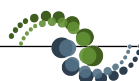


## 2018 Southeast Alaska Employment Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS		
	Wages (2018)	Self-Employment Earnings (2017)	Total Earnings	Annual Average Employment (2018)	Self-Employed (2017)	Total Employment
Government (includes Coast Guard)	\$721,459,750	\$55,467,580 CG*	<b>\$776,927,330</b>	12,486	662 CG*	<b>13,148</b>
Visitor Industry	\$216,101,975	\$33,241,000	<b>\$249,342,975</b>	7,037	967	<b>8,004</b>
Seafood Industry	\$61,983,458	\$175,459,000	<b>\$237,442,458</b>	1,458	2,253	<b>3,711</b>
Trade: Retail and Wholesale	\$120,405,013	\$24,666,000	<b>\$145,071,013</b>	3,903	587	<b>4,490</b>
Health Care Industry (private only)	\$154,278,150	\$14,330,000	<b>\$168,608,150</b>	2,615	237	<b>2,852</b>
Construction Industry	\$88,673,702	\$32,972,000	<b>\$121,645,702</b>	1,331	578	<b>1,909</b>
Financial Activities	\$52,935,761	\$69,216,000	<b>\$122,151,761</b>	1,073	757	<b>1,830</b>
Professional and Business Services	\$78,756,495	\$44,242,000	<b>\$122,998,495</b>	1,606	1,304	<b>2,910</b>
Mining Industry	\$92,753,768	\$274,000	<b>\$93,027,768</b>	879	10	<b>889</b>
Social Services	\$42,218,089	\$4,224,000	<b>\$46,442,089</b>	1,289	187	<b>1,476</b>
Information (publishing, broadcasting, telecomm.)	\$22,074,083	\$1,474,000	<b>\$23,548,083</b>	483	58	<b>541</b>
Timber Industry	\$16,739,683	\$2,025,000	<b>\$18,764,683</b>	280	57	<b>337</b>
Warehousing, Utilities, & Non-Visitor Transport	\$46,340,395	\$15,414,000	<b>\$61,754,395</b>	777	166	<b>943</b>
Other	\$66,819,751	\$27,657,000	<b>\$94,476,751</b>	1,677	925	<b>2,602</b>
<b>Total</b>	<b>\$1,781,540,073</b>	<b>\$500,661,580</b>	<b>\$2,282,201,653</b>	<b>36,894</b>	<b>8,748</b>	<b>45,642</b>

**Sources:** Alaska Department of Labor 2018 Employment & Wage data; 2017 (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population by 2018, ADOL.\*These cells in Government refer to 2018 active duty Coast Guard personnel employment and wages, and not self-employment data.

**Notes:** **Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing.



# Southeast TOURISM Statistics 2020

Estimated Regional Visitor Industry Projections for 2020

**43**

Cruise Ships in Southeast



**606**

Cruise Ship Voyages



**1.44**

Million Cruise Passengers



**\$793**

Million in Tourist Spending



**2020**

Tourist Arrivals in Southeast by Mode



**65%**  
Increase in cruise passengers from 2010

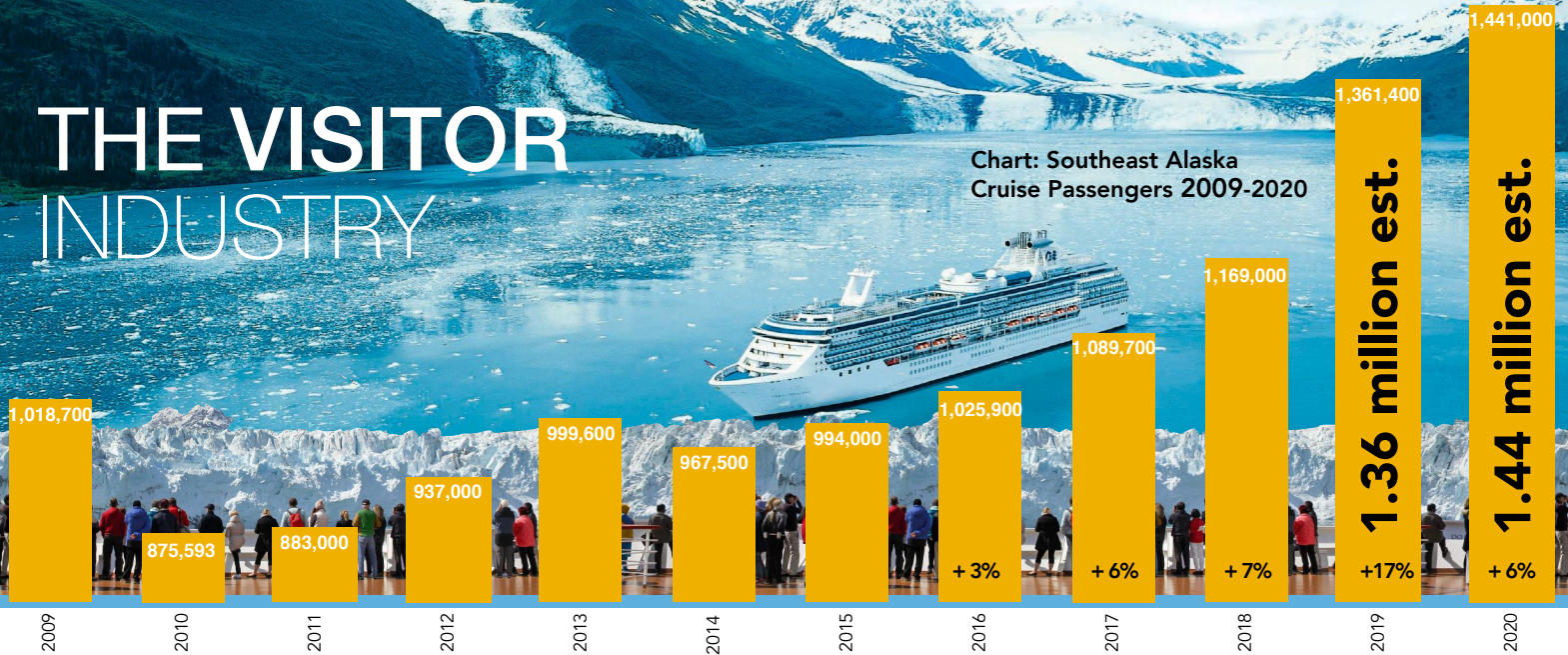
## SOUTHEAST ALASKA CRUISE PASSENGERS ARRIVALS BY PORT

Port	2018 actuals	2019 projected	2020 projected	% of all passengers	CHANGE 2018 TO 2020
Juneau	1,151,094	1,325,792	1,421,929	99%	24%
Ketchikan	1,053,764	1,212,033	1,275,636	89%	21%
Skagway	957,847	1,044,107	1,070,610	74%	12%
Gustavus (Glacier Bay)	569,807	636,811	584,528	41%	3%
Hoonah (Icy Strait Point)	189,000	272,327	404,033	28%	114%
Sitka	158,362	224,379	210,399	15%	33%
Haines	57,798	67,799	78,322	5%	36%
Wrangell	11,974	17,342	17,742	1%	48%
<b>Total Southeast</b>	<b>1,169,000</b>	<b>1,361,400</b>	<b>1,441,000</b>	<b>100%</b>	<b>23%</b>

Sources: Cruise voyage and passenger number projections provided by Cruise Lines International Association Alaska. Excludes numbers for some smaller cruise ships. Spending and mode projections developed by Rain Coast Data based on CLIAA, AVSP VII, US Bureau of Transportation Statistics, and Alaska Marine Highway System data.  
Photo Credit: Tourists aboard an Allen Marine vessel in Sitka, by Peter Metcalfe.

# THE VISITOR INDUSTRY

Chart: Southeast Alaska Cruise Passengers 2009-2020



## Visitor Industry 8,004 Annualized Jobs

**UP 265 JOBS IN 2018 +3%  
WAGES UP 8%**

The visitor industry is the largest private sector industry in Southeast, both in jobs and, since 2016, in total workforce earnings (see chart on page 5). Indeed, if the industry continues to grow it is set to eclipse both the municipal and state government sectors in total wages (it is already larger than both in terms of employment) and become the region's largest sector overall. The visitor industry accounted for 18% of regional employment (8,004 annual average jobs) and a quarter of all private sector employment.

Since 2011, tourism has added more than 2,000 year-round equivalent jobs to the Southeast economy. Those working in the visitor industry earned \$249 million in 2018—or 11 percent of all regional employment income. The average annualized wage in the visitor industry is \$31,152, significantly lower than the average regional wage of \$50,002, but it is a figure that has been steadily increasing over time.

In 2018, 1.6 million air, ferry, and cruise passengers came to Southeast Alaska from outside the region, a 19% increase over 2014. Airline passenger traffic from outside the

region grew 17%, and cruise passenger traffic to the region increased by 13%. However, ferry arrivals from outside the region fell by 32% due to decreases in funding and service.

### CRUISE SHIP TRAFFIC

Most passengers arriving in the region come by cruise ship than any other mode. When tourists only are considered, that figure will be 90% by 2020. Cruise passenger traffic has seen massive increases in recent years. Between 2010 and 2020, the number of cruise passengers arriving in the region is projected to increase by a staggering 65%, including two-year growth of 23% expected between 2018 and 2020. Southeast Alaska will receive 5% of all global cruise ship passengers in 2019.

In 2019, 40 cruise ships are scheduled to visit the region, carrying 1.36 million passengers on 577 voyages. In 2020, ten new ships and 29 additional port calls are expected to be added, while 7 ships will be phased out of the region. Lines with new ships will include Carnival, Princess, Royal Caribbean, Norwegian, and Oceania. Lines that plan to reduce their Alaska fleet include Holland America, Crystal, and Azamara, which has no ships scheduled to visit Alaska in 2020.

### KEY ECONOMIC DRIVER

Southeast Alaska is the most visited part of the state, with two-thirds of all tourists coming to the region. One-third of all Alaska visitor spending occurs in Southeast, where visitors

are expected to spend nearly \$800 million in 2020.

### INCREASED JET SERVICE

For the fourth year in a row, in 2018 Southeast Alaska saw a record-breaking number of airline passengers from outside the region, with 435,476 arrivals. However, in 2019 air passenger numbers declined. As of July 2019, airline passenger arrivals were down 4% over the first half of 2018.

### VISITOR OUTLOOK

The visitor industry has the strongest outlook of all Southeast Alaska industries. Alaska's popularity as a visitor destination has continued to grow. In 2018, Glacier Bay was rated the best cruise designation in the world by cruisers. More Americans are traveling due to a strong national economy and international travel destinations are increasingly perceived to have security risks. Cruise passenger arrivals are expected to continue to rise as larger, higher-capacity vessels visit the region. Along with increased visitors, the number of jobs and associated income in this sector will continue to rise.

However, Southeast's strong visitor economy is tied to a strong national economy. As more signals suggest the possibility of a national recession, the region should be prepared for this sector to see a reduced number of visitors if a recession does occur.



**Sources:** Combination of ADOL 2018 Employment and Wage data and 2017 US Census Nonemployer (self-employment) Statistics; McDowell Group; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Cruise Market Watch; Cruise Critic; Juneau International Airport Passenger Statistics; Economic Impact of Alaska's Visitor Industry. Forecast 2020 U.S. Department of Commerce, US Office of Travel and Tourism Industries. OMB budgets. Cruise Lines International Association Alaska.

**Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies.

**Photo Credit:** Cruise Lines International Association Alaska & Shutterstock 290564897.



# SOUTHEAST MARITIME: 6,273 Jobs

Private and US Coast Guard Maritime Employment & Workforce Earnings (-2 jobs 2017-2018)



## Fishing & Seafood Processing

Jobs: 3,508  
Wages: \$237.4 M  
Change in jobs 2014-18: -20%



## Marine Tourism

Jobs: 1,258  
Wages: \$47.2 M  
Change in jobs 2014-18: +68%



## US Coast Guard

Jobs: 793 (Active Duty and Civilian)  
Wages: \$66.4M  
Change in jobs 2014-18: +5%



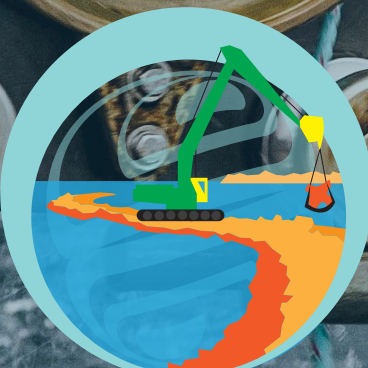
## Marine Transportation (Excluding Tourism)

Jobs: 367  
Wages: \$24.8M  
Change in jobs 2014-18: -5%



## Ship Building, Repair, Marinas

Jobs: 326  
Wages: \$19.1 M  
Change in jobs 2014-18: +73%



## Marine-Related Construction

Jobs: 21  
Wages: \$1.8 M  
Change in jobs 2014-18: -75%



Maritime as a % of all private sector earnings in SE

## Southeast Private & USCG Maritime Economy 2014-2018

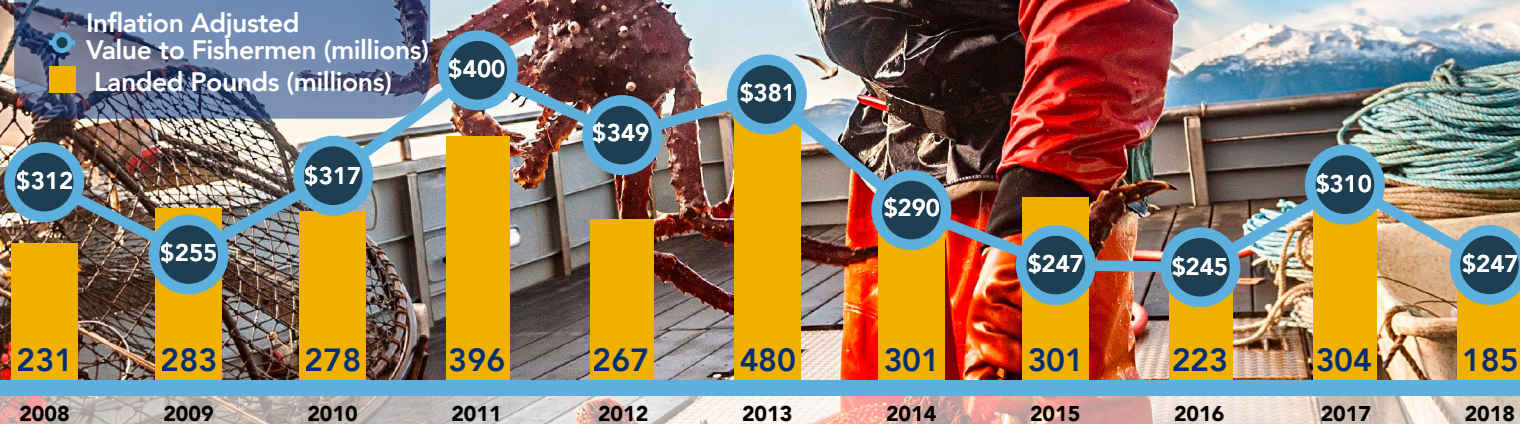
Total Jobs 2018: 6,273  
Total Wages 2018: \$396.8 Million  
Change in jobs since 2014: -495  
Change in jobs by percent: -7%  
Change in earnings since 2014: -\$1.3 Million  
Change in earnings by percent: -0.3%

Photo by Chris Miller Photography.

For methodology, notes, and sources, see [www.raincoastdata.com/sites/default/files/Maritime by the Numbers.pdf](http://www.raincoastdata.com/sites/default/files/Maritime%20by%20the%20Numbers.pdf)

# THE SEAFOOD INDUSTRY

VALUE & POUNDS OF SEAFOOD LANDED  
SOUTHEAST ALASKA 2008 TO 2018



## Southeast Seafood Industry 3,711 Jobs

**DOWN 118 JOBS IN 2018**

The regional 2018 fishing season was significantly below the ten-year average, and total pounds landed was the lowest since the 1980s. Poor pink salmon and herring returns are primarily to blame. The Southeast Alaska seafood harvest in 2018 was 185 million pounds with an ex-vessel value of \$247 million. An “average” year would have netted 117 million more pounds of seafood, and earned fishermen \$57 million in direct earnings. Fishermen caught 100 million fewer pounds of pink salmon than would be expected in an average year, and 19 million fewer pounds of herring. However, a strong chum return helped offset some of these losses.

### KEY ECONOMIC DRIVER

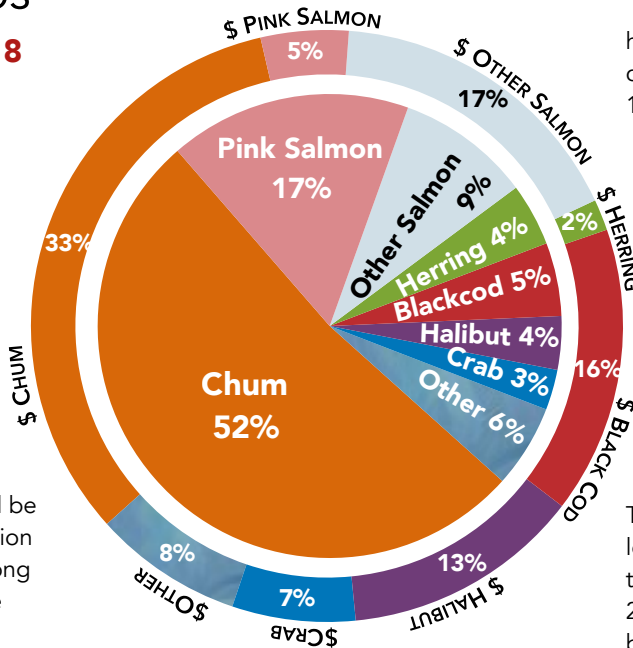
The regional seafood industry (including commercial fishing and seafood processing) generated 3,711 annual regional jobs and \$237 million in earnings in 2018, making up 8% of jobs in the region and 10% of earnings. This represents 118 fewer jobs than last year, and a loss of 650 jobs since 2015.

The majority of the statewide catch of Chinook, coho, keta (chum), shrimp, Dungeness crab, and the dive fisheries occurs in Southeast Alaska. In 2018, the five salmon species represented 78% of the regional seafood catch by volume, and just over half of total ex-vessel value (\$135 million). Halibut and

**Sources:** Combination of ADOL 2018 Employment and Wage data; 2017 US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Run Forecasts and Harvest Projections for 2019 Alaska Salmon Fisheries and Review of the 2018 Season; ADF&G March 2019; Shared Taxes and Fees Annual Report FY18, ADOR; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). Laine Welch Fish Factor. **Photo:** Chris Miller Photography.

SEAFOOD LANDED IN SE ALASKA BY SPECIES, 2018

Outer ring = % of harvest by DOLLAR value: \$247 million  
Inner pie = % of harvest by POUNDS landed: 185 million



black cod, at 9% of the total catch, accounted for nearly one-third of total catch value in 2018.

Pink salmon were 76% below 10-year averages. Warm sea temperatures between 2013 and 2016 are being blamed for the reduction in pink salmon.

There was significant variability across fisheries in 2018. Southeast Alaska's 2018 king salmon season was the worst in 57 years of record-keeping, and 2019, with limits set by the Pacific Salmon Treaty, will be even worse. The sockeye salmon harvest was also one of the poorest on record, 47% below 10-year average

harvest levels, as was Dungeness crab. In contrast, the 2018 chum salmon return was the 10th largest since statehood.

### SEAFOOD PROCESSING

In 2018, shore-based seafood facilities in Southeast Alaska processed 133 million pounds of seafood, with a wholesale value of \$439 million, a 42% decrease in seafood pounds processed over 2017. State-shared fisheries taxes for processing activity in FY18 generated \$4.5 million for regional communities.

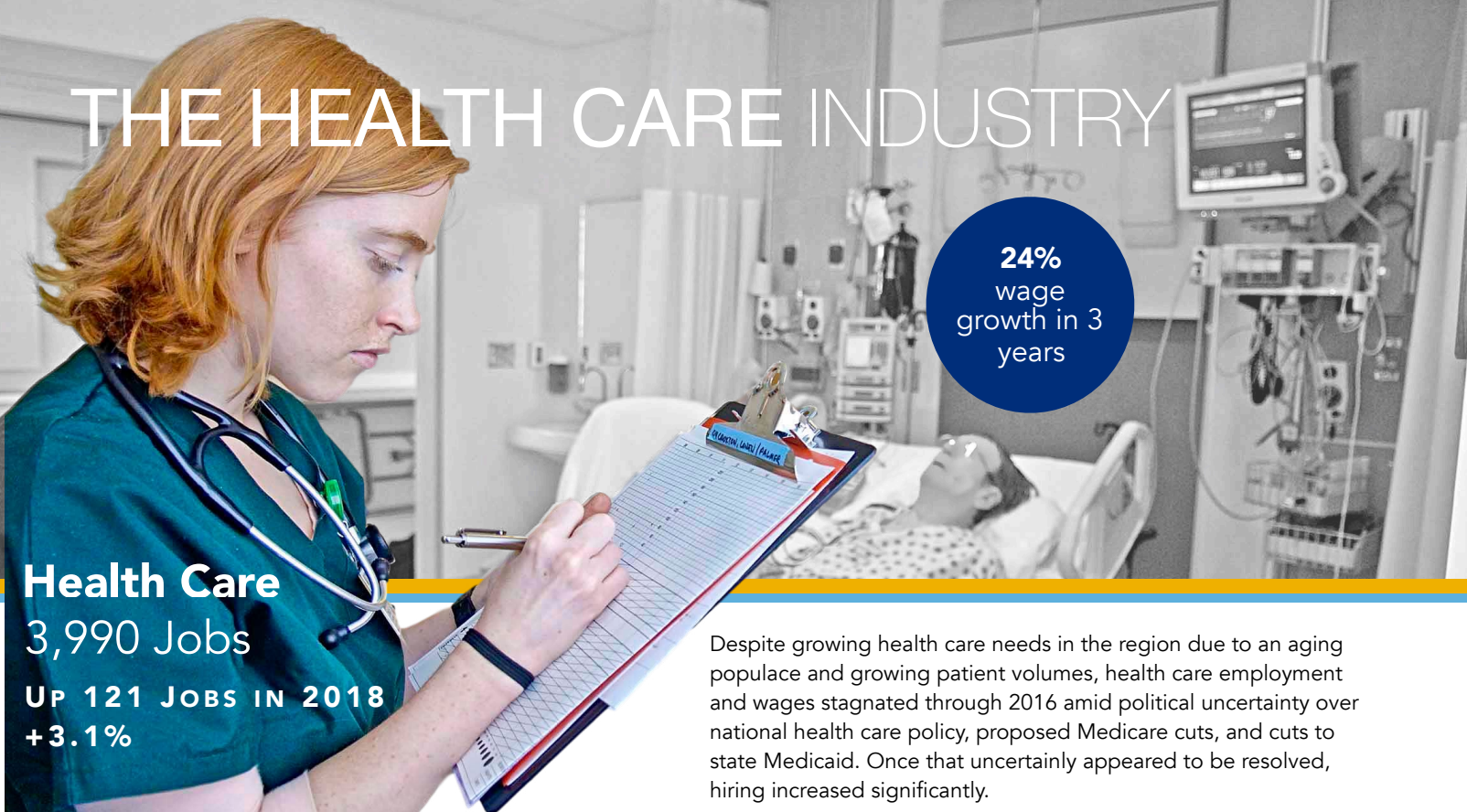
### SEAFOOD INDUSTRY OUTLOOK

Two-thirds of regional seafood business leaders reported an unfavorable outlook for their industry. While the preseason forecast for 2019 of 44 million salmon was somewhat below typical years, only 60% of that number had been realized by the late summer 2019, mostly due to a poor Chum had been captured by early September.

Uncertainty related to harvest fluctuations, a return of warming ocean temperatures (known as “the blob”), Chinese tariffs, commercial fisheries budget cuts, and global advances in salmon farming all contribute to growing concerns. Retaliatory tariffs imposed by China have already caused a one-third drop in US seafood sales, and more seafood tariffs are set to be enacted on December 15th. Meanwhile, the regional mariculture industry has been growing.



# THE HEALTH CARE INDUSTRY



**24%**  
wage  
growth in 3  
years

**Health Care**  
**3,990 Jobs**

**UP 121 JOBS IN 2018**  
**+3.1%**

Since 2017, regional health care jobs have finally been growing after years of remaining essentially flat, and even declining.

In 2018, there were 3,990 annual average (year-round equivalent) health care jobs in Southeast Alaska, comprising 9% of the total regional workforce. Between 2016 and 2018, total health care employment increased by 12.5%, for a gain of more than 450 jobs. High worker replacement rates, partly due to the high use of traveling health care workers, means that the total number of people working in the regional health care industry is higher than the annual average job number, with more than 5,000 workers participating in the Southeast Alaska's health care industry in 2018.

The top health care employers in the region are Southeast Alaska Regional Health Consortium (SEARHC) with nearly 1,200 staff, Juneau's Bartlett Regional Hospital with approximately 650 employees, and PeaceHealth Ketchikan Medical Center with nearly 500 workers. Just over a quarter (28%) of health care jobs (1,130) are government jobs, including municipal hospital workers and State of Alaska Pioneer Homes staff.

Regional health care wages have grown significantly in recent years, increasing by \$47 million, or 24%, over the past three years, from \$195 million in 2015 to \$243 million in 2018. Southeast Alaska's health care workers earned 11% of all regional wages last year. The total economic impact of the health care industry in Southeast Alaska in 2018 was \$569 million.

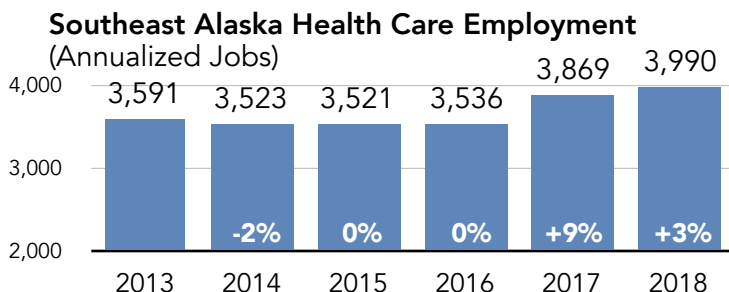
Despite growing health care needs in the region due to an aging populace and growing patient volumes, health care employment and wages stagnated through 2016 amid political uncertainty over national health care policy, proposed Medicare cuts, and cuts to state Medicaid. Once that uncertainty appeared to be resolved, hiring increased significantly.

Nationally competition for health care jobs is fierce. With more health care workers needed nationally to support an aging America and more Americans accessing health care, there is a shortage of medical professionals entering the workforce. Medical and nursing schools graduate a similar number of students as they did two decades ago, and baby boomers are retiring. Regional wages were found not to be competitive enough to attract and retain sufficient talent. Southeast providers had to adjust wages upward to remain competitive in attracting workers, resulting in the significant total wage increase.

Whether or not this trend continues is up in the air, as political uncertainty surrounding health care is back. The Spring 2018 Southeast Alaska Business Confidence survey showed that the health care sector was the most optimistic among all regional sectors. However, in December 2018 the governor proposed steep cuts to health care and Medicaid spending across the State of Alaska, which would also result in the loss of matching federal dollars. There are 19,815 individuals enrolled in Medicaid across the region. By Spring 2019 the annual confidence survey showed that health care sector leaders dropped to become the least optimistic in the span of just a year. (See page 17).

In 2019, Southeast Conference conducted a Southeast Alaska health care workforce survey to measure the future workforce needs of regional health care providers along with the obstacles to meeting those needs. Top management from 22 regional health care organizations completed the survey, representing 3,161 health care workers, or 80% of all health care staff. The survey was commissioned by the University of Alaska Southeast, University of Alaska Anchorage, Bartlett Regional Hospital, the Southeast Alaska Regional Health Consortium, and Alaska State Hospital and Nursing Home Association. The following page summarizes some of the survey's key findings.

Source: Southeast Alaska Health Care Workforce Analysis September 2019, Southeast Conference. Photo credits: Peter Metcalfe





# Southeast Alaska Health Care Workforce Analysis

## BEST/LEAST EFFECTIVE RECRUITMENT STRATEGIES

Southeast Alaska health care leaders were asked to rank the effectiveness of 16 recruitment strategies. This chart is a weighted ranking of their highest and lowest ranked tools.

The most effective recruitment tools for Southeast health care institutions include higher wages and providing flexible work arrangements.

**#1. More compensation**

**#2. Flexible work arrangements**

**#3. Pay for moving expenses**

The least effective recruitment tool was use of job fairs.

**#14. Use a recruitment agency**

**#15. Seeking talent from nontraditional sources**

**#16. Job Fairs**

-1.5   -0.75   0   0.75   1.5   2.25   3

## PRIMARY RETENTION & TURNOVER FACTORS

Health care leaders asked to rank the significance of 20 factors that result in long-term retention, or in staff turnover.

The high quality of life offered by Southeast towns, being from Alaska, and the region's access to recreation keep people at their health care jobs in Southeast Alaska.

**#1. Overall quality of life**

**#2. Originally from Alaska**

**#3. Recreation**

**#4. Local arts & culture**

**#17. Cost of housing**

**#18. Isolation**

**#19. Lack of childcare**

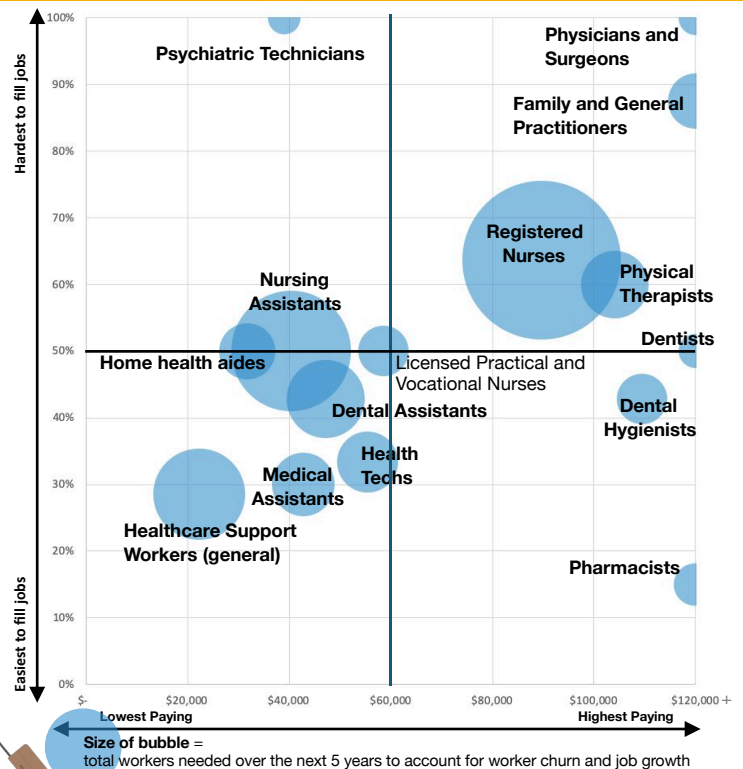
**#20. Cost of living**

The high cost of living, lack of childcare, and relative isolation are the primary reasons health care workers quit their jobs. Housing costs and lack of housing availability also key factors.

-3.0   -2.3   -1.5   -0.8   0.0   0.8   1.5   2.3   3.0

## WORKFORCE 5 YEAR DEVELOPMENT NEEDS

This bubble chart cross-tabulates earnings, recruitment ease, and turnover, and compiles a single picture of the region's future health care workforce needs. It provides a visual blueprint as to where the most resources should be focused when attracting workers to the region, or for "growing our own" workforce. Registered nurses have the highest workforce development need. Last year, 824 registered nurses worked in the region, although the average quarterly worker count was 628, meaning there was significant worker churn in those positions. Moreover, it is hard to fill registered nurse jobs, 82% of health care organizations in the region say it is a difficult position to fill, including 64% who say it is very difficult. While the position is not growing as fast as others — the projected growth for this position is 5% in five years — combined growth and turnover rates mean that **an additional 543 registered nurses will be needed in the region over the next five years**, assuming nothing is done to stem the high rate of turnover. Nursing assistants will also be in high demand, with 312 new positions in need of filling by 2023. While physicians, surgeons, and psychiatric technicians are the hardest positions to fill, the total number of positions forecast to be in need of filling over the next five years is comparatively smaller at 49 combined positions.



## TRAVELING HEALTH CARE WORKERS

Use of traveling health care workers is another important tool that the regional health care industry can use to staff their organizations. Last year, nearly 350 traveling health care workers came to Southeast Alaska. Travelers are both positive and problematic for the Southeast Alaska health care industry. While each of those traveling health care workers represents additional capacity, they also represent additional costs. According to survey analysis, it costs 30% to 250% more to engage a traveling health care worker than it would be to hire a permanent employee, depending on the organization.



## Southeast Timber Industry 337 Jobs

**DOWN 17 JOBS IN 2018**  
-5%



Regional timber jobs declined by 5% in 2018. The workforce is down to 337 jobs in 2018, with total earnings of \$18.8 million. Most of the region's timber jobs are concentrated on Prince of Wales Island, which is home to Viking Lumber, the last remaining mid-sized sawmill in Southeast Alaska. Southeast timber jobs peaked at 3,543 annual average jobs in the 1990s.

In 2001, the Roadless Rule dramatically curtailed logging, roadbuilding, and mineral leasing in all national forests. The Tongass was temporarily exempted from the rule in 2003, but in 2011 that exception was overturned, further limiting access to regional timber stands. Maintaining a sufficient timber supply has been challenging. Even in parts of the Tongass where the rule does not apply, timber sales face regulatory and economic hurdles, and constant legal challenges.

In 2019, the USFS indicated that exempting the Tongass from the Roadless Rule could be the preferred alternative in the draft environmental impact statement to be issued in the fall. The final impact statement and record of decision will not be completed until late 2020 and will be subject to years of litigation. Removal of Roadless Rule restrictions could make more suitable timber land available for harvesting and increase forest-related employment. However, the Forest Service would still have to amend its 2016 management plan before new timber sales could be readied.

Currently, the regional timber supply remains low. A land exchange between the Mental Health Trust and the US Forest Service opened up areas for timber harvest in 2019, although ongoing process arguments have delayed phase 2 of that project, which could have a negative effect on the short-term regional timber supply.

The trade war is also impacting the timber sector. Spruce has been the subject of higher Chinese import tariffs, stalling sales in northern Southeast, where the forests are primarily spruce. The longer-term impact of the trade disputes remains unknown at this time.

**Sources:** ADOL 2018 Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. 2018 Annual Report; Hecla Mining Company 2018 Annual Report.

**Photo credits:** Bryce Dahlstrom, Viking Lumber and Constantine Metal Resources.

## Southeast Mining Industry 889 Jobs

**UP 3 JOBS IN 2018**

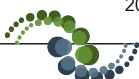
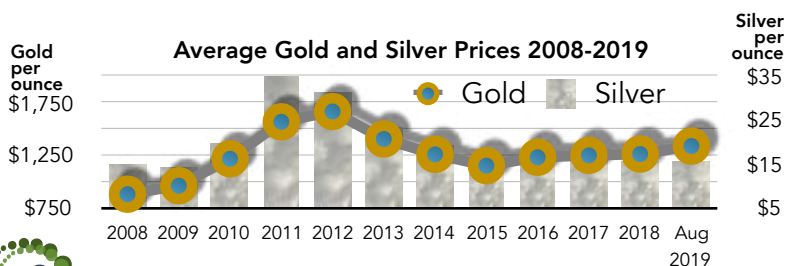
Mining industry employment in the region was flat in 2018, and is on track for 2019 to maintain a similar number of workers. In 2018, there were 889 annual average mining jobs in Southeast Alaska, with a payroll of \$93 million. Two large mines operating in the region account for most (93%) of mining employment. In August 2019, Hecla Greens Creek employed 436 full-time permanent employees (+5 from 2018), while Coeur Alaska Kensington had a staff of 386 (-3 from 2018). Average annual wages of \$104,650 in 2018 were up 2% from 2017. Mining jobs remain the highest-paying in the region, paying more than double the average regional wage of \$50,002.

Hecla Greens Creek is one of the largest silver mines in the world, while the Coeur-owned Kensington is exclusively a gold mine. At Hecla Greens Creek production was mixed in 2018: silver production was down 5% to 8 million ounces, while zinc was up 5%, and gold production was up 1%. Production at Kensington was down 1%, with 113,778 ounces of gold produced in 2018. Zinc prices were up in 2018, and gold continues to rise incrementally.

Mineral exploration continues at the Palmer Zinc-Copper-Gold-Silver Project in Haines. Constantine received permits to construct an underground ramp (tunnel) for expanded exploration. The company recently released a positive Preliminary Economic Assessment, projecting an 11-year mine life with the current resources.

In September, the governor asked that Bokan Mountain, a rare earth element exploration project on Prince of Wales Island, be federally designated as a high priority infrastructure project.

The mining sector is expected to grow incrementally in 2019 and 2020, as it mitigates the impacts of new tariffs.





## Construction Industry

1,909 Jobs

**DOWN 23 JOBS IN 2018 -1%**

For the fifth year in a row construction employment is down, bringing employment to its lowest level since 1992. Jobs fell by 23 last year to 1,909, a combined loss of 360 jobs, or 16% decline, over five years and a \$28 million corresponding drop in wages. Construction workers in the region earned \$122 million in 2018 — or 5% of all Southeast Alaska employment earnings.

One positive indicator for the sector was that housing construction was up in 2018, as 13 more units were permitted or completed than in the year prior. A total of 188 new homes were permitted in 2018. However, home construction remains significantly down from previous years.

### CONSTRUCTION OUTLOOK

Visitor industry infrastructure needs have improved the outlook for construction in the region.

- Hoonah's Icy Strait Point is constructing a 500-foot floating dock in partnership with Norwegian Cruise Lines.
- Norwegian Cruise Lines also is exploring a partnership to build a private dock north of Ketchikan at Ward Cove.
- In Juneau, Norwegian recently bid \$20 million to purchase 2.9 acres of waterfront land (known as the Subport) and the area is expected to be developed.
- In Ketchikan, the city is considering a \$150 million reconfiguration of its existing cruise dock to accommodate cruise vessels exceeding 1,000 feet in length.
- In Juneau, construction is underway on the the public-private waterfront Archipelago project.
- The Central Council of the Tlingit and Haida Indian Tribes of Alaska is building a heritage park in Thane.

Early employment data indicate construction-related employment is finally growing again, and is projected to grow 3% in 2019.

**Sources:** Combination of Alaska Department of Labor 2018 Employment and Wage data and 2017 US Census Nonemployer (self-employment) Statistics; State of Alaska. Alaska Department of Education and Early Development; UA in Review. **Photography credit:** Rain Coast Data and UAS

## Education

3,096 Jobs

**UP 14 JOBS IN 2018 +0%**

Education is a significant source of jobs in Southeast Alaska. With just over 3,000 average annual workers, the region's educators make up 7% of all regional jobs, and 6% of all regional wages. Teaching jobs provide a counterbalance to summer-centric industries like tourism, fishing, and construction jobs. Education jobs peak at 3,546 in the winter, and decline to just 1,264 positions in July. The average educator's wage in the region was \$44,388 last year. Combined, educators earned \$137.4 million in 2018.

Education jobs are primarily in the public sector, and 20% of all government jobs are in education. K-12 education is conducted by municipal governments, and comprise 69% of all education positions in the region, with 2,125 average annual workers in 2018, a number that has remained stable in recent years.

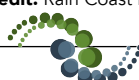
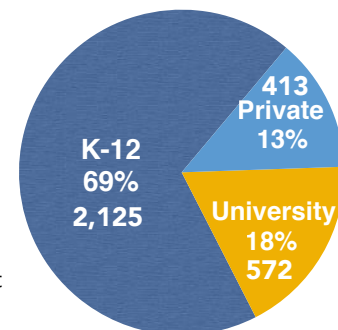
The university employed 558 workers in 2018, a decline of 15% compared to 2014, consistent with budget cuts that reduced funding to the University of Southeast Alaska by 13% over this period.

Private education jobs account for 13% of all education employment.

### SCHOOL ENROLLMENT

UAS enrollment was down by 4% from 2017 to 2,561 students in 2018. In 2018, the number of K-12 students dropped by 146 kids, to 11,334. Regionally, K-12 enrollment decreased for the 21st time in 23 years. Since 1997 annual enrollment shrank by more than 3,500 students, a 24% decline across Southeast Alaska.

**Distribution of 3,096 SE Education Jobs**



# GOVERNMENT

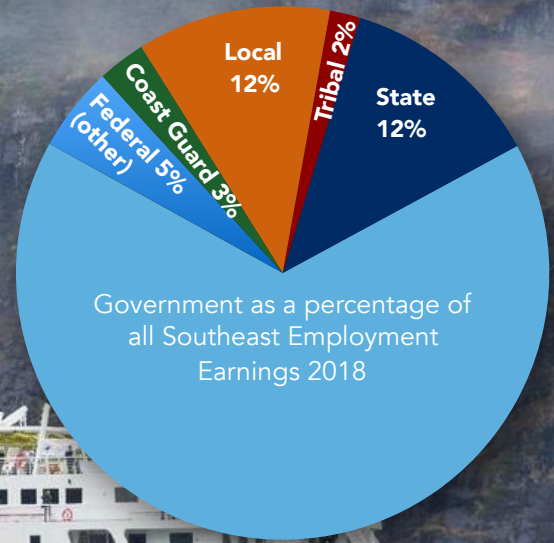
## Government Jobs 2018

**Local** 5,266 Jobs **-84**

**State** 4,771 Jobs **-49**

**Federal** 2,111 Jobs **+1**

**Tribal** 999 Jobs **+24**



## Government 13,148 Jobs

**DOWN 108 JOBS IN 2018 -1%**

Government wages made up 34% of all regional employment earnings (\$777 million) and 29% of the region's jobs (13,147) in 2018.

### STATE GOVERNMENT LOSSES

State government employment and spending have continued to decline, significantly impacting the regional economy. In Southeast Alaska, 12% of all direct wages come from the state (down from 15% in 2011). State jobs have declined for seven years in a row.

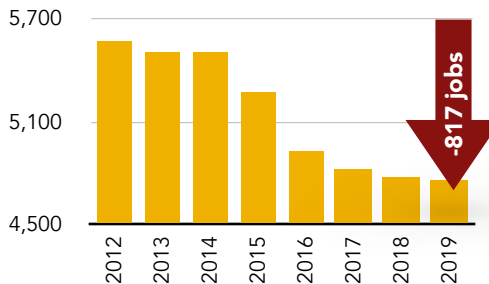
Historically, oil paid for up to 90% of the state budget; today, oil covers about 30 percent. Total tourism wages are on track to surpass total state wages in 2019.

### STATE BUDGET CHALLENGE

Alaska is now only America's sixth-largest oil-producing state. Declining oil production and

### Southeast State Jobs

State jobs in the region are down for the 7th year in a row, for a total of 817 jobs lost since 2012, a decline of 15%



prices devastated the State of Alaska budget. The state has operated in deficit mode for the past six years, using more than \$16 billion in savings to cover budget gaps.

In February 2019, the governor proposed a plan to reign in spending by making \$1.6 billion in cost reductions to the operating budget, with the bulk of the savings realized through cuts to ferries, health care, the University of Alaska, K-12 education, seniors, and creating a cost shift from the state to municipalities. Absent from the plan to balance the budget were reduced tax credits to oil companies (\$1.2 billion in FY19); reduced Permanent Fund Dividend payments (a full PFD payment and repayment of previously capped dividends would cost \$4.3 billion); or consideration of taxes. (See page 18 for budget survey results). The ensuing disagreement over how best to balance the budget, along with the controversial use of line item vetoes, has created an atmosphere of deep political and economic uncertainty in the region.

### FEDERAL GOVERNMENT

Federal government employment losses are compounding state job cuts, but appear to have stabilized. Since 2005, federal employment in the region has fallen by 600 jobs (28%) worth \$50 million in annual wages.

### LOCAL GOVERNMENT

Local entities across the region are having to provide new programs and services the state has cut, resulting in financial complications and resulting in the loss of 84 municipal jobs across the region. Despite these challenges, local government jobs are poised to grow slightly in 2019. Tribal government, which includes 18 entities in the region, added 24 jobs in 2018.

### GOVERNMENT OUTLOOK

Early job reports from 2019 are somewhat positive. In the first half of 2019, only 14 additional state jobs were lost, local government jobs have grown by 2%, and federal jobs are up by 1% as well.

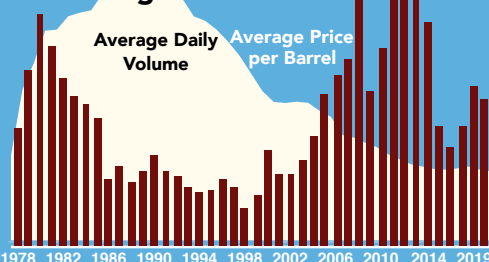
While legislation restructuring the \$66 billion Alaska Permanent Fund passed in 2018, allowing lawmakers to use a portion of fund earnings to pay for state services and stabilize the state budget, these funds remain in limbo as the budget fight continues. The permanent fund is now more important to the budget than the oil industry, and all other taxes combined. But until a sustainable budget pathway is agreed upon and implemented, the region's economic outlook will remain uncertain.

Sources: ADOL 2018 Employment and Wage data; Alaska Department of Revenue. Photo Credit: Juneau Empire.

### Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2019

Oil revenues accounted for up to 90 percent of the state's unrestricted revenues

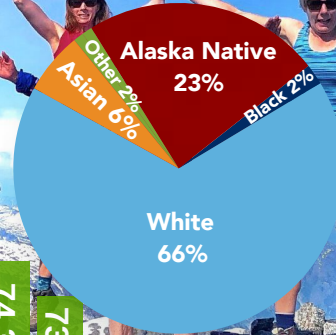
### How we got here



# DEMOGRAPHICS

Population 72,876

DOWN  
80  
PEOPLE  
IN  
2018



## POPULATION CHANGE 2014 TO 2018

	2014	2018	CHANGE
Juneau Borough	33,000	32,247	-773
Ketchikan Borough	13,889	13,843	-29
Sitka Borough	9,066	8,652	-433
Petersburg Borough	3,198	3,198	-9
Haines Borough	2,551	2,480	-70
Wrangell Borough	2,413	2,426	11
Metlakatla	1,446	1,398	-49
Craig	1,205	1,095	-112
Skagway Borough	1,038	1,088	109
Klawock	803	777	-28
Hoonah	786	789	1
Kake	627	601	-26
Yakutat Borough	623	523	-109
Gustavus	518	554	35
Thorne Bay	530	524	-8
Angoon	420	410	-10
Hydaburg	407	398	-9
Coffman Cove	175	168	-8
Tenakee Springs	129	144	17
Hollis	93	124	31
Naukati Bay	120	124	4
Klukwan	84	94	10
Hyder	91	80	-13
Kasaan	76	81	8
Pelican	77	68	-9
Port Alexander	45	55	10
Edna Bay	47	43	-4
Whale Pass	38	57	17
Port Protection	56	31	-24
Game Creek	18	18	0
Elfin Cove	16	12	-4
Point Baker	12	13	0
Remainder	835	761	-168
<b>Total</b>	<b>74,432</b>	<b>72,876</b>	<b>-1,642</b>

2018 marked the 4th straight year of regional population decline in Southeast Alaska, but the net loss of 80 people was just a fraction of those seen in previous years. Half of the communities in the regions experienced gains in 2019, including the boroughs of Ketchikan, Petersburg, Haines, and Wrangell. In general, population losses last year were relatively small. While some communities on Prince of Wales Island, like Klawock and Coffman Cove, experienced dramatic population changes, the island population as a whole declined by 2%.

The leveling out of losses comes as relief to the region. Between 2014 and 2018, Southeast Alaska's population decreased by 1,642. The losses were region-wide, with six of eight boroughs reporting population declines. The boroughs of Skagway and Wrangell grew by 11% and less than one percent, respectively, during that period.

### JUNEAU IS THE LOSS LEADER

Population losses were most significant in Juneau. Dramatic cuts in state employment contributed to a reduction of nearly 900 residents in the capital city over the past three years. Juneau's losses also abated in 2018, with a decline of just 55 people.

### MIGRATION

More people moved away from Southeast than moved here in 2018, but natural increases helped reduce the impact of outmigration. In 2018, there were 255 more births than deaths, while 335 more people moved out of the region than moved in.

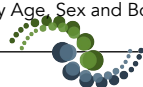
### AGING CONTINUES

Since 2010, the most pronounced demographic shift has been aging of the population. During that period, the 60-plus population grew by 5,000 people, a 42% increase over 2010 due to aging in place. Nearly a quarter of people in the region are now age 60 or older. In Haines, Wrangell, and the Hoonah-Angoon census area, where the averages ages are 48.6, 48, and 46.8, respectively, it is nearly one-third. The average age of Southeast as a whole is 39.9. Juneau is comparatively the youngest community in the region.

### POPULATION OUTLOOK

Population losses appear to have leveled out, but uncertainty regarding the state funding cuts makes it hard to project future changes. As long as the state continues to make fiscal reductions, these will continue to be paired with population declines.

Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area, 2010 to 2018; Alaska Population Projections. Photography credit: Debbie Hart.



# SOUTHEAST ALASKA REGIONAL OVERVIEW

THE FEDERALLY-MANAGED TONGASS NATIONAL FOREST MAKES UP NEARLY 4/5TH OF ALL SOUTHEAST ALASKA

78%

16%

OTHER FEDERAL HOLDINGS MAKE UP NEARLY ALL THE REST (MOSTLY GLACIER BAY)

3.4%

ALASKA NATIVE ORGANIZATIONS ARE THE REGION'S NEXT LARGEST LAND OWNER

2.5%

STATE OF ALASKA LANDS INCLUDE THOSE MANAGED AS PART OF THE MENTAL HEALTH TRUST

0.25%

MUNICIPAL LAND HOLDINGS

0.05%

PRIVATE LAND OWNERS

Southeast Alaska Land Ownership  
Circle size = Number of Acres

## THE REGION

The Southeast Alaska panhandle extends 500 miles along the coast from Metlakatla to Yakutat, encompassing approximately 33,500 square miles of land and water. The saltwater shoreline of Southeast Alaska totals approximately 18,500 miles. More than 1,000 islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities—Juneau, Ketchikan, and Sitka—together are home to 75 percent of the regional population.

## CULTURE

The dominant culture in the region is indigenous. Alaska Natives—the Tlingit, Haida, and Tsimshian—make up nearly a quarter (23%) of the region's population. The Tlingit have resided in the region for 11,000 years. The region's mild climate, abundant food and raw materials supported the development of highly organized and culturally advanced societies with extensive trade routes and rich artwork.

## ECONOMIC TRENDS

Starting in the 1880s, the economy of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. In the beginning of the 1990's seafood and timber directly accounted for a fifth of the regional economy. However, over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined and catch levels fell. Total Southeast Alaska wages hit bottom in 1997. The population continued to decline through 2007. Between 2008 and 2015, the region experienced a significant economic recovery, rebounding to record numbers of jobs, wages, and residents. However, the state budget crisis and the loss of more than 800 State of Alaska jobs changed the economic trajectory of the region.

## LAND OWNERSHIP

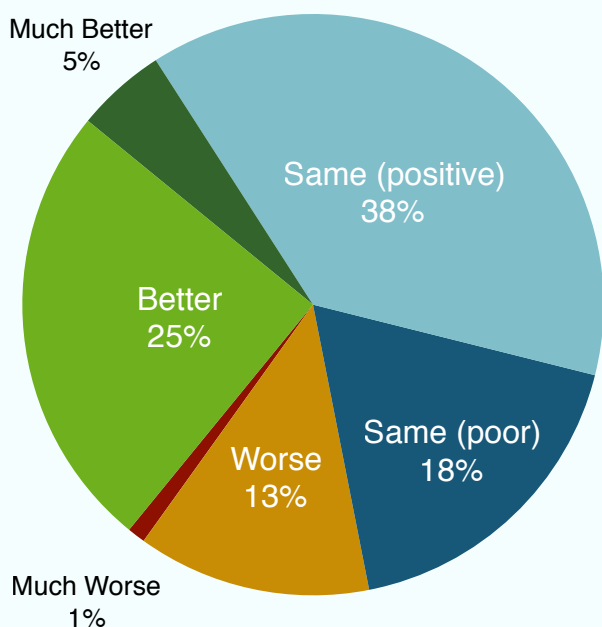
A lack of privately-owned land and land available for development is unique to Southeast Alaska and impacts the ability of the region to nurture the private sector. (See infographic on the left.) Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78%, or 16.75 million acres) is the Tongass National Forest. The remaining federal lands are mostly in Glacier Bay National Park. The State manages 2.5 percent of the total land base (511,500 acres), including the Alaska Mental Health Trust Authority and University of Alaska lands. Boroughs and communities own 53,000 acres—a quarter of one percent of the regional land base. Alaska Native organizations, including village, urban, and regional corporations and the Annette Island Reservation, own 3.4 percent (728,100 acres) of the land base. Other private land holdings account for 0.05 percent of the land base. In 2017, communities received nearly \$19 million in federal Payment In Lieu of Taxes and Secure Rural Schools funding to compensate for federal ownership of the regional land base.

Sources: Personal communications with State of Alaska; US Forest Service; Sealaska. Economies in transition: An assessment of trends relevant to management of the Tongass National Forest, USDA 1998. Image Credits: Misty Fjords Shutterstock image 68855041. Canoe by Annie Caufield. Background image carving by Mike Dangeli.



# SOUTHEAST ECONOMIC OUTLOOK SURVEY

“What is the economic outlook for your business or industry over the next year (compared to the previous year)?”



## CURRENT REGIONAL BUSINESS CLIMATE SURVEY

In April of 2019, 320 Southeast Alaska business owners and top managers from 25 communities responded to Southeast Conference’s Business Climate and Private Investment Survey.

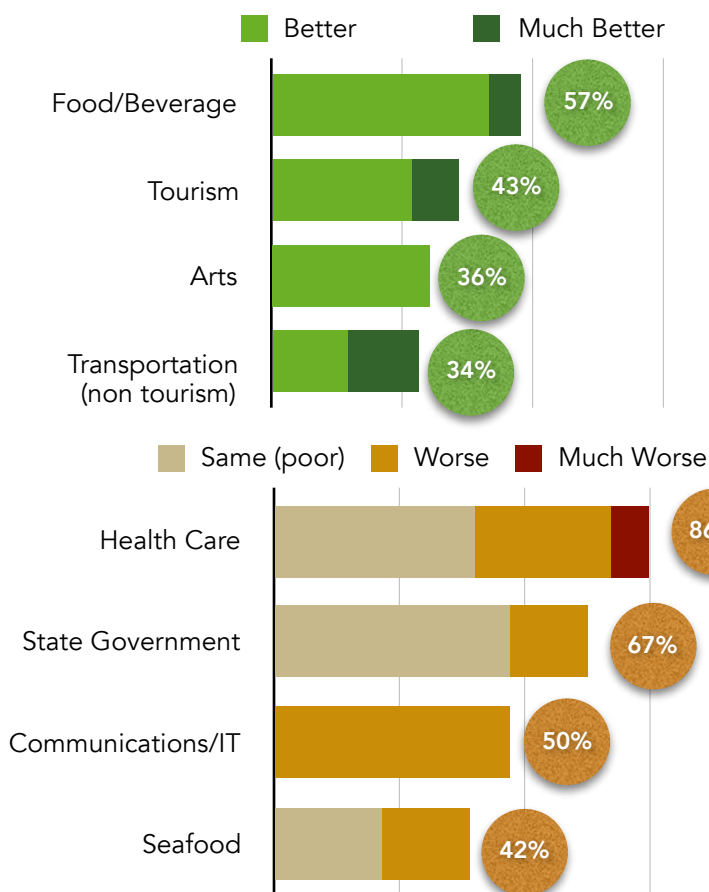
## SOUTHEAST ALASKA ECONOMIC OUTLOOK

Southeast Alaska business leaders overall have a similar outlook looking forward that they did a year ago. More than half (56%) of survey respondents expect their prospects to remain status quo, 30% expect their prospects to improve in the coming year, and 14% expect decline. This represents a one percent increase in overall positive outlook over last year, but a three percent increase in those who feel the outlook is “much better” than it was the year before.

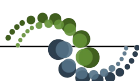
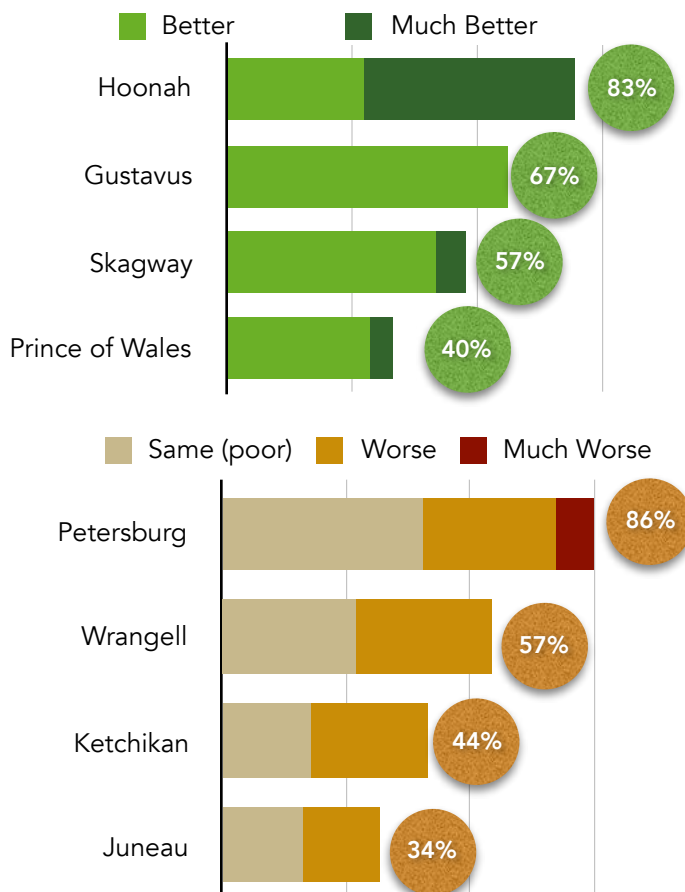
Businesses in Hoonah, Gustavus, and Skagway reported the outlooks that are most likely to improve — more than 50% of business leaders in each of those communities said that they expect the economic outlook to be better or much better in the next 12 month. Petersburg leaders reported the most deteriorating economic outlook. The food and beverage, and tourism industries reported the most improving outlooks by industry, with more than 40% of respondents foreseeing improvement. The least optimistic sector was the health care industry; 43% of respondents expect that industry to worsen.

## What is the economic outlook for your business or industry compared to last year?

### By Industry

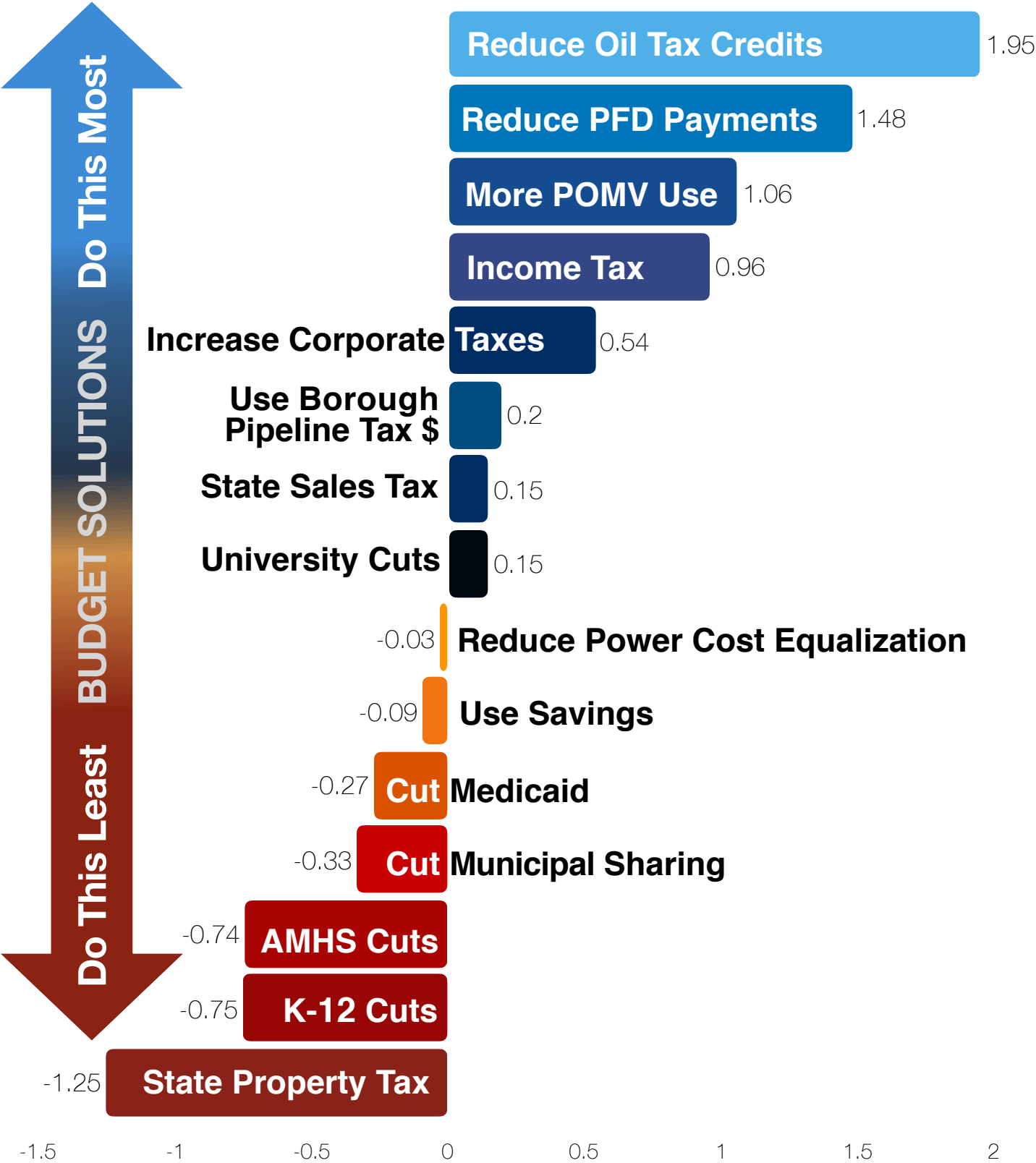


### By Community

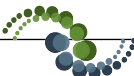


# Southeast Businesses Budget Findings

Southeast Conference asked **320** Southeast business owners and top managers in **25** regional communities how they would like to see the state achieve a balanced budget. This is an overall ranking of their responses.



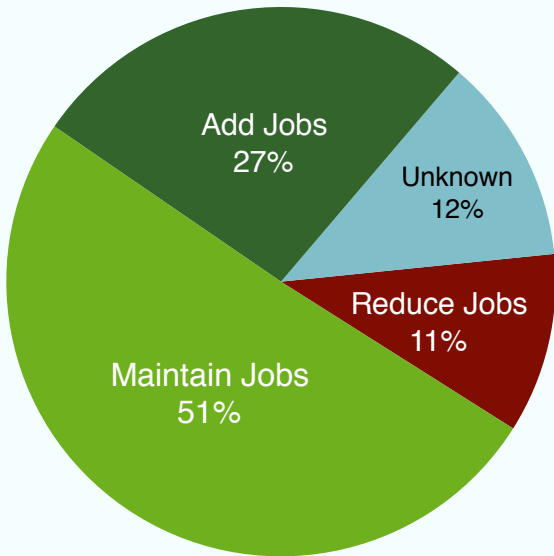
Responses weighted by use preference





# Adding Jobs in 2019 and 2020

Over the next year, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?

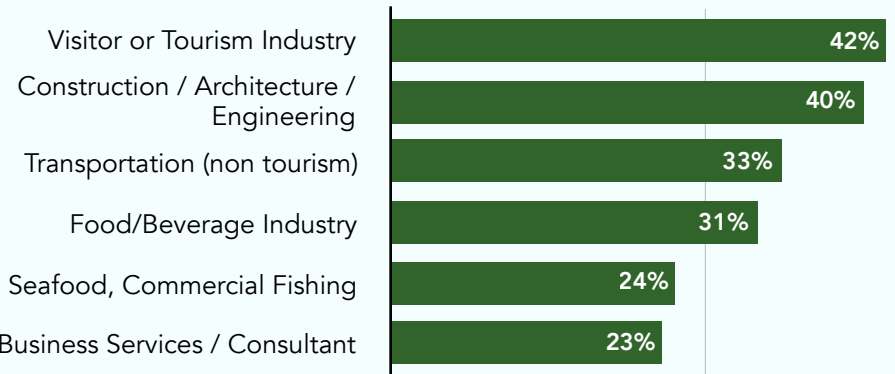


## HIRING IN THE NEXT YEAR

A new question added to the survey this year was regarding hiring expectations over the next year. More than a quarter of the 320 business leaders surveyed expect to add jobs to their businesses over the next 12 months, while 51% expect to maintain total jobs, and 11% expect to reduce total employees. The largest gains are expected in the visitor industry, where a staggering 42% of respondents expect to increase their total staff in the upcoming year. The arts, IT, financial, and real estate sectors project the smallest worker increases.

Analyzed by community, Skagway employers expect the most significant job gains. Juneau and Petersburg are the least likely to add jobs next year.

■ Percent of Employers Expecting to Add Most Jobs



## SOUTHEAST CONFERENCE 2019/2020 SPONSORS

### ADMIRAL SPONSORS



PeaceHealth  
Ketchikan Medical Center

### CAPTAINS AND NAVIGATORS





# SOUTHEAST CONFERENCE

## Southeast Conference Board

**Dennis Watson – President**  
General Manager, Inter-Island Ferry Authority

**Alec Mesdag – Vice President**  
Director of Energy Services for AEL&P

**Markos Sheer – 2nd Vice President**  
CEO Premium Aquatics

**Jan Hill – Past President**  
Mayor, Haines Borough

**Rorie Watt – Treasurer**  
City Manager, City & Borough of Juneau

**Stephen Bradford – Secretary**  
Assembly Member, Ketchikan Gateway Borough

**Henrich Kadake – Director**  
Chair, Kake Tribal Corporation

**KC Hostetler – Director**  
Regional Sales & Community Marketing Manager, Alaska Airlines

**Bryce Dahlstrom – Director**  
Vice President, Viking Lumber

**Maegan Bosak – Director**  
Director of Marketing and Communications at SEARHC

**Dennis Gray Jr. – Director**  
City Administrator for City of Hoonah

**Chelsea Goucher – Director**  
Account Manager, Alaska Marine Lines

**Lisa Von Bargen – Director**  
Manager, Wrangell City & Borough

Publication sponsored by

**Alaska**  
AIRLINES

Publication by  
Rain Coast Data



# SOUTHEAST ALASKA AND THE AMHS FERRY ROUTE



# Dunleavy asks federal council to fast-track Southeast Alaska ‘rare earths’ prospect

- Author: [Elwood Brehmer](#), [Alaska Journal of Commerce](#)

Gov. Michael J. Dunleavy wants the federal government to approve a fast-tracked permitting plan for one of Alaska’s prime metal prospects.

The governor sent [a letter to federal Council on Environmental Quality Chair Mary Neumayr](#) urging the council to classify the Bokan Mountain rare earth metals prospect as a High Priority Infrastructure Project.

The “High Priority” designation would provide the Bokan project proponents, Nova Scotia-based Ucore Rare Metals Inc., an expedited federal environmental impact statement process aimed at ultimately accelerating development of a mine.

The Bokan Mountain rare earth underground mine prospect near tidewater on southern Prince of Wales Island holds more than 4.7 million metric tons of indicated rare earth ore, according to a 2015 resource assessment. That translates to approximately 63.5 million pounds of collective rare earth metals, which are used in a plethora of high-tech applications, from smartphones to advanced batteries and fighter jets.

There are 17 minerals defined as rare earth elements, but “heavy” rare earths — such as europium, terbium, and ytterbium with a greater atomic weight — are the most sought after and are used in products that rely on high-temperature magnets. More common lighter rare earths are used in a plethora of applications including LED displays. Heavy rare earths account for roughly 40 percent of the mineralization at Bokan, according to Ucore.

Dunleavy wrote in his letter to Neumayr that the state understands the country’s need for a secure supply chain of rare earths and deeming Bokan a high priority project would help to “ensure the resource is available for development in a reasonable time-frame.”

“America’s dependency on a non-allied, foreign-sourced, critical metals supply chain to support national defense, green energy initiatives, and high-tech product manufacturing is an ongoing concern at both the State and Federal levels,” he wrote.

In 2014, the Legislature approved the Alaska Industrial Development and Export Authority to issue up to \$145 million in bonds to help finance the Bokan project. Ucore estimated in 2013 that the mine would cost about \$220 million to develop.

For several years, the U.S. imported all of its rare earth elements until the Mountain Pass rare earths mine in southern California reopened last year. That’s a significant concern for many federal officials and policymakers because China is still the primary source for rare earths globally and the Chinese government — already engaged in a tense trade dispute with the U.S. — could restrict the flow of these critical metals.

A drop in rare earth prices in 2015 has shifted Ucore's attention away from the mine in recent years and towards advancing the processing technologies that would be used its refining complex.

Ucore leaders thanked Dunleavy for the letter in formal statements. The company is also working to develop a facility to refine the metals it mines in Ketchikan.

Sen. Dan Sullivan said in a recent interview with the Journal that Defense officials told him about 90 pounds of rare earths go into each new F-35 fighter jet. He suggested China manipulates global rare earth markets to keep metal prices low enough to deter development of rare earth mines elsewhere, thus allowing the country to maintain its position as the world's primary supplier.

“A (high priority project) designation would shave significant lead time off of the development of a fully permitted project, prospectively delivering us to construction commencement in just over two years,” Ucore Chief Operations Officer Mike Schrider said. “Our fundamental objective is to establish the Bokan-Dotson Ridge resource as a shovel-ready critical mineral reserve for the rapidly expanding domestic technology and defense industry sectors that are dependent on rare earth metals.”

Just four days after taking office in January 2017, President Donald Trump signed an executive order directing the council “to streamline and expedite” the National Environmental Policy Act, or NEPA, process for projects deemed to be a high priority for the nation.

The order allows for governors or federal department executives to request the high priority status and specifically lists electric power grid projects as well as telecommunications systems, pipelines and transportation infrastructure as the primary types of projects that could receive the designation, but it does not explicitly list mines.

According to the order, Council on Environmental Quality Chair Neumayr has 30 days to decide whether a request for a high priority listing should be granted.

Schrider said in a brief interview that Ucore got a letter from Council on Environmental Quality officials Sept. 3 that Dunleavy's request is being evaluated.

A spokesman for the council did not respond to questions in time for this story.

Schrider said the company is very appreciative of the governor's efforts and Ucore is examining ways to move ahead with developing the mine at current metal prices.

The next step towards developing Bokan is a detailed feasibility study of the project, according to Schrider.

# Alaska's telecom regulator considers early end to fund used to boost rural service

- Author: [James Brooks](#)

A multimillion-dollar fund used to pay for improvements to rural telephone and Internet service in Alaska is running out of money, and state regulators have begun discussing whether it makes sense to simply end the fund rather than fix the problem.

The Alaska Universal Service Fund is [already scheduled to close in 2023](#), and in a Wednesday meeting of the Regulatory Commission of Alaska, members pondered whether it makes sense to simply end things early. Commission chairman Robert Pickett said he would “strongly lean toward” that approach, but “that would be a shame.”

“In rural Alaska, there continues to be a need” for service,” he said, and ending the program early would be a “nightmare for the companies that are relying on certain payment streams. What you assumed you can count on for your budget has gone away.”

A GCI spokeswoman said by email that her company has “not yet been able to analyze specific impacts” but is concerned about the shortfall. Heather Cavanaugh, a spokeswoman for ACS, wrote by email that “the Alaska Universal Service Fund helps keep phone service affordable for Alaskans living in high-cost areas.”

“Should the program end entirely,” she wrote, “prices for local phone service would likely increase in rural communities and/or services would decline.”

The universal service fund was founded in 1998 and distributes fees levied on phone service to companies across the state.

In 2018, according to [the annual report](#) of the company that manages the fund, Alaska telecom companies received \$29.5 million in universal service payments.

ACS received a plurality of the money, more than \$7 million spread across its various branches. Matanuska Telephone Association received \$6.6 million, and GCI received \$2.6 million. [United Utilities](#), which operates in the Yukon-Kuskokwim Delta, also received \$2.6 million. Copper Valley Telephone Cooperative received \$2.4 million, and two other utilities received more than \$1 million each.

Last year, the Regulatory Commission approved a swath of changes to the fund. Among those was the end of state support for “lifeline” telephone service and [a cap on the universal service fee](#).

Partially because of that cap, the fund entered 2019 at a deficit, paying out almost \$350,000 more per month than it took in. The fund suffered an even bigger blow when an unidentified cellphone provider changed its billing program in a way that further reduced revenue. The fund is now paying out about \$740,000 per month more than it takes in from fees.

The identity of that cellphone provider, and the nature of the change it made, have been kept confidential by state regulators.

The fund is still expected to collect about \$1.25 million per month, but it has been paying out almost \$2 million per month this year. By November, if nothing changes, the fund will run dry, and fund managers will have to decide what bills to pay.

“The size of the fund has decreased over time and will likely continue to decline unless changes are made,” wrote Christine O’Connor, head of the Alaska Telephone Association, the state’s leading telecom trade group. “A shortfall has seemed likely for some time; the uncertainty has been in predicting when the shortfall would occur. However, even without change, the fund is unlikely to run out of money in the near future. But without change it will be diminished, and a continuing shortfall will mean that companies have less resources to invest in and operate networks.”

Regulators are already considering what changes could be made. On Wednesday, RCA staff presented [a variety of options](#) to their board.

The most direct approach would be to simply reduce payouts, something that must be done by regulation, but staff cautioned that additional reductions in fee collections are possible, and “staff further suspects that other wireless carriers may follow suit” in using arbitrage to reduce their fee payments to the fund.

Other suggestions include revising the rules for what areas or programs are eligible for universal service money or changing the regulations for how the fee is collected.

No action was taken Wednesday, and the issue remains in front of state regulators

NPO Litigation  
PO Box 6727  
Portland, OR 97228-6727



\*4539000559909\*

000 0009945 00000000 0001 0008 01244 INS: 0 0

Chief Legal Officer  
CITY OF CRAIG  
PO BOX 725  
CRAIG AK 99921-0725

This Page Intentionally Left Blank







**CLASS ACTION NOTICE AND FREQUENTLY ASKED  
QUESTIONS (“FAQs”)**

**To: All U.S. Counties, Cities, and Local Governments as  
listed at [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**

*A court authorized this notice. This is not a solicitation from a lawyer.*

- Counties and cities across the country have sued manufacturers, distributors, and retailers of prescription opiate drugs seeking, among other things, reimbursement for monies spent addressing the opioid crisis. All federal actions have been centralized into one court in Ohio and are entitled, In re: National Prescription Opiate Litigation, MDL No. 2804 (N.D. Ohio). Additional cases are pending in state courts.
- The Court in In re: National Prescription Opiate Litigation has certified a voluntary “Negotiation Class” (“Class”). The Class is defined as: **all counties, parishes, and boroughs (collectively, “counties”); and all incorporated places, including without limitation cities, towns, townships, villages, and municipalities (collectively “cities”)**. The Class includes all counties and cities, whether they have filed a lawsuit or not. The complete current list of Class Members is available at the Class website: [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info). This list may be updated as the Court may order.
- **NO SETTLEMENT HAS BEEN REACHED. HOWEVER, IF YOUR COUNTY OR CITY STAYS IN THE CLASS**, it will be bound if a Class settlement is approved in the future. Your county or city will likely **NOT** be provided another opportunity to be excluded from this Class action, so you should read this notice carefully and consult with your counsel regarding your county or city’s rights.
- The Court has certified two Racketeer Influenced and Corrupt Organizations Act (“RICO”) claims under Rule 23(b)(3) and two Controlled Substances Act (“CSA”) issues under Rule 23(c)(4). (see FAQ 7). The Class is certified solely to consider and vote on any future settlement offers made to the Class by one or more of 13 defendants (see FAQ 5). The purposes of the Class are (a) to unify cities and counties into a single negotiating entity to maximize their bargaining power and (b) to provide finality to opioids litigation for any settling Defendant.
- This Negotiation Class will not decide any claims or defenses in opioids litigation on the merits. It is certified as a Negotiation Class only, to facilitate Class Members’ approval or rejection of proposed settlements. There are no proposed settlements at this time, and no guarantee that there will be in the future. **However, your legal rights are affected and it is recommended that you consult with counsel regarding the choice you have to make now.**



**YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT**

<p align="center"><b>STAY IN THE CLASS</b></p> <p align="center"><b>REQUIRES NO ACTION</b></p>	<p><b>Stay in the Class. Await the negotiation outcome, but retain the right to pursue your own lawsuit in the meantime. Give up certain rights if a Class settlement is reached and approved by the Class and Court, but get a share of any Class settlement.</b></p> <p>By taking no action in response to this Notice, you remain in the Class. As a Class Member, you will still retain your right to pursue your own case unless and until any possible Class settlement is approved by the Court. As a Class Member, you have the right to vote on any settlement proposed to the Negotiation Class. A settlement will not be accepted unless supported by 75% of the voting Class Members, counted by number, population, and allocation, for both litigating and non-litigating entities, and approved by the Court. Settlement funds will be distributed at the county level and each county's share – and city's suggested share – can be viewed now by utilizing the Allocation Map at the Class website, <b>www.OpioidsNegotiationClass.info</b>. If the Court approves any settlement, that judgment will prohibit Class Members from suing the settling Defendant(s) about the claims and issues in the litigation.</p>
<p align="center"><b>REMOVE YOURSELF FROM THE CLASS</b></p> <p align="center"><b>REQUIRES ACTION BY NOVEMBER 22, 2019</b></p>	<p><b>Get out of the Class. Get no portion of any settlement. Keep rights.</b></p> <p>Those who exclude themselves from the Class cannot vote on, will not have the right to be paid under, and will not be bound by, any Class settlement. You keep any rights to negotiate separately about the same legal claims in this lawsuit, even if the Court approves a settlement for the Class. Class Members may exclude themselves from ("opt out" of) the Class by having an authorized officer or employee complete and sign the Exclusion Request Form enclosed here and submit it on or before <b>November 22, 2019</b> by email or mail in accordance with the instructions in FAQ 26 below.</p>

- Class representatives and Class counsel will represent the Class in negotiations with Defendants who choose to do so. You may enter an appearance through an attorney (at your own expense) if you desire, but it is not required. Class Membership does not eliminate existing agreements with individual counsel. The procedure for payment of Class/common benefit attorneys' fees/costs in connection with any Class settlement must be approved by the Court. Details of the proposed options and procedures for fees and costs are posted on the Class website.
- For complete information on the Class, the settlement allocation formulas, the Class certification motion and Order, the list of included Class Members, the voting process to be used by the Class in accepting or rejecting any Class settlement offer, and an Allocation Map determining your allocation of any proposed settlement, go to **www.OpioidsNegotiationClass.info**. Important information on the Opioids-related litigation, including all pertinent Orders and Schedules, and Frequently Asked Questions, will be available on the Class website on an ongoing and current basis.

**Your rights and options are further explained below.**

**Any questions? Read on and visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info).**

**DO NOT WRITE OR CALL THE COURT OR THE CLERK'S OFFICE FOR INFORMATION**

**Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**

## FREQUENTLY ASKED QUESTIONS (“FAQS”)

BASIC INFORMATION .....	4
1. Why is a Negotiation Class being formed? What is its purpose? .....	4
2. Is this the first Negotiation Class Action? .....	4
3. Why use a Class mechanism? .....	4
4. Who are the Class Representatives? .....	4
5. Who are the Defendants? .....	5
6. Has a Class settlement been reached with Defendants yet? .....	5
THE CLASS CLAIMS AND ISSUES .....	5
7. What claims and issues are certified for the Negotiation Class? .....	5
8. Has the Court decided any claims or issues? .....	5
WHO IS IN THE CLASS .....	6
9. What entities are included in the Negotiation Class? .....	6
10. Are counties and cities with state court-filed actions considered part of the Negotiation Class? .....	6
11. Will the Negotiation Class end the opioid litigation that my County or City has filed? .....	6
12. How does the Negotiation Class affect other types of opioid plaintiffs that are not counties or cities? .....	6
THE NEGOTIATION CLASS PROCESS .....	7
13. Now that the Court has approved this process, what will happen next? .....	7
14. If my County or City chooses to participate in the Negotiation Class, how will it know when there is a proposed Class settlement? .....	7
15. If there is a proposed Class settlement, does the Court still have to approve it? .....	7
16. If there is a proposed settlement and my County or City is included in the Negotiation Class, but it disapproves of the settlement terms, can my County or City object to the settlement? .....	7
17. How long will the Negotiation Class last? .....	8
VOTING .....	8
18. If there is a proposed Class settlement, how will the voting be done? .....	8
19. If there is a proposed Class settlement, how many votes are needed to approve it? .....	8
ALLOCATION OF CLASS SETTLEMENT FUNDS .....	9
20. If there is a Class settlement, how will my County or City’s share of the settlement be determined? ..	9
21. What happens if a county and its constituent cities make different decisions about staying in the Class? .....	10
22. If there is a settlement between a Defendant and a State or States, what impact will this Negotiation Class have on the division of monies between a State and the cities and counties within the State? ..	10
23. Will Negotiation Class Representatives receive anything more than other Class Members? .....	10
24. What is the Special Needs Fund? .....	10
YOUR RIGHTS AND OPTIONS .....	10
25. Can my county or city exclude itself from the Negotiation Class? .....	10
26. How does my county or city exclude itself from the Negotiation Class? .....	11
27. If my county or city stays in the Negotiation Class, can it exclude itself later if it doesn’t like a proposed settlement? .....	11
THE LAWYERS REPRESENTING THE CLASS .....	11
28. Who are the Class Counsel? .....	11
29. How do Class Counsel get paid? .....	11
30. Under this proposal, what happens to my County or City’s current fee agreement with outside counsel? .....	12
GETTING MORE INFORMATION .....	12
31. How can my County or City keep up with what’s going on in this case? .....	12



## BASIC INFORMATION

### 1. Why is a Negotiation Class being formed? What is its purpose?

The purpose of the Negotiation Class is to create a cohesive group of cities and counties to negotiate Classwide settlements, on a voluntary basis, with Defendants who make, distribute, or sell opioids nationwide. Class Representatives and Class Counsel will represent the Negotiation Class. Class Members will vote on any Class settlement proposal. If 75% of those Class Members who vote (as described in FAQ 18 and 19 below) support a proposed Settlement, Class Counsel will ask the Court to approve it. The ultimate purpose of the Negotiation Class is to make settlement easier to obtain.

### 2. Is this the first Negotiation Class Action?

Yes. This is a new use of the Class action mechanism under Federal Rule of Civil Procedure 23, reflecting the unique nature of the national opioids litigation. Unlike any mass litigation before, thousands of cities and counties nationwide are pursuing claims against major defendants. The goal is to recover money to help fight the opioids epidemic, provide prevention and treatment services going forward, and change Defendants' practices.

### 3. Why use a Class mechanism?

Joining all cities and counties together as a Negotiation Class gives them maximum negotiating power, makes the negotiation of comprehensive settlements a more practical process, enables Defendants to know the group with which they are negotiating, and enables Class Members to vote on resulting settlement offers.

### 4. Who are the Class Representatives?

The Court has authorized the following 49 counties and cities to serve as the Negotiation Class's Class Representatives: (1) County of Albany, New York; (2) City of Atlanta, Georgia; (3) Bergen County, New Jersey; (4) City of Baton Rouge/East Baton Rouge Parish, Louisiana; (5) Broward County, Florida; (6) Camden County, New Jersey; (7) Cass County, North Dakota; (8) City of Chicago, Illinois; (9) Cobb County, Georgia; (10) City of Concord, New Hampshire; (11) Cumberland County, Maine; (12) City of Delray Beach, Florida; (13) Denver, Colorado; (14) Escambia County, Florida; (15) Essex County, New Jersey; (16) County of Fannin, Georgia; (17) Franklin County, Ohio; (18) Galveston County, Texas; (19) County of Gooding, Idaho; (20) City of Grand Forks, North Dakota; (21) County of Hennepin, Minnesota; (22) City of Indianapolis, Indiana; (23) County of Jefferson, Alabama; (24) Jefferson County/City of Louisville, Kentucky; (25) Jersey City, New Jersey; (26) Kanawha County, West Virginia; (27) King County, Washington; (28) City of Lakewood, Ohio; (29) City of Los Angeles, California; (30) City of Lowell, Massachusetts; (31) City of Manchester, New Hampshire; (32) Maricopa County, Arizona; (33) Mecklenburg County, North Carolina; (34) The Metropolitan Government of Nashville and Davidson County, Tennessee; (35) Milwaukee County, Wisconsin; (36) Monterey County, California; (37) City of Norwalk, Connecticut; (38) County of Palm Beach, Florida; (39) Paterson City, New Jersey; (40) City of Phoenix, Arizona; (41) Prince George's County, Maryland; (42) Riverside County, California; (43) City of Saint Paul, Minnesota; (44) City of Roanoke, Virginia; (45) County of Rockland, New York; (46) City and County of San Francisco, California; (47) County of Smith, Texas; (48) County of Tulsa, Oklahoma; and (49) Wayne County, Michigan.

Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)

## 5. Who are the Defendants?

The Court has authorized the Negotiation Class to negotiate with 13 Defendants (including their affiliates): (1) Purdue, (2) Cephalon, (3) Endo, (4) Mallinckrodt, (5) Actavis, (6) Janssen, (7) McKesson, (8) Cardinal, (9) AmerisourceBergen, (10) CVS Rx Services, Inc., (11) Rite-Aid Corporation, (12) Walgreens, and (13) Wal-Mart. The Negotiation Class is authorized to negotiate settlements with any of these 13 Defendants, on any of the claims or issues identified below in FAQ 7, or other claims or issues arising out of the same factual predicate. If Class Counsel seek to negotiate for the Class with any other defendants, they can file a motion asking the Court to amend the Class certification order.

## 6. Has a Class settlement been reached with Defendants yet?

No. No Class settlement has been reached yet with any Defendant. But the existence of a Negotiation Class makes the possibility of Class settlement more feasible because a Defendant will know the group with which it is negotiating. There is no guarantee, however, that there will be a Class settlement and it is possible that there will be settlements that do not encompass the Class, such as settlements between one or more Class Members and one or more Defendants.

# THE CLASS CLAIMS AND ISSUES

## 7. What claims and issues are certified for the Negotiation Class?

In this Negotiation Class, the Court certified two federal Racketeer Influenced and Corrupt Organizations Act (“RICO”) claims and two federal Controlled Substances Act (“CSA”) issues. The RICO claims and the issues related to the CSA are similar across the country and the Class. The first RICO claim alleges that five Defendants misled physicians and the public about the need for and addictiveness of prescription opioids, all in an effort to increase sales. The second RICO claim alleges that eight Defendants ignored their responsibilities to report and halt suspicious opioid sales, all in an effort to artificially sustain and increase federally-set limits (quotas) on opioid sales. The CSA issues allege that the CSA required Defendants to create systems to identify, suspend, and report unlawful opioid sales, and that Defendants failed to meet those obligations. As noted in FAQ 5, above, the Negotiation Class is authorized to negotiate Class settlements concerning these claims and issues or other claims or issues arising out of the same factual predicate. **However, this Negotiation Class does not involve claims by State governments against the Defendants and no Class settlement will release or otherwise interfere with any State government’s current or future litigation. This Negotiation Class concerns claims only of counties and cities.** You can read more about these claims and issues in the Court’s Memorandum Opinion certifying this Class, which is posted at [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info).

## 8. Has the Court decided any claims or issues?

No. The Court has not decided any Classwide claims or defenses on the merits and the Court will not render any Classwide decisions on the merits of any claims asserted by the Class or individual Members of it. By establishing this Negotiation Class and issuing this notice, the Court is not suggesting the Class would win or lose this case. This Class has been certified for negotiation purposes only.



## WHO IS IN THE CLASS

### 9. What entities are included in the Negotiation Class?

The Negotiation Class is defined as:

**All counties, parishes, and boroughs (collectively, “counties”); and all incorporated places, including without limitation cities, towns, townships, villages, and municipalities (collectively “cities”).**

**A complete current list of Class Members is available at [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info). The list may be updated as the Court may order.**

The terms “counties” and “cities” are used only as shorthand. The Class includes political subdivisions with other names, such as parishes, villages, towns, townships, etc. The list of Class Members was devised primarily from the U.S. Census Bureau lists of governmental entities that provide services to their residents. Check the Cities and Counties lists posted on the Class website to confirm whether you are a Negotiation Class Member.

### 10. Are counties and cities with state court-filed actions considered part of the Negotiation Class?

Yes. Counties and cities that sue in state court are Members of this Negotiation Class, with the option to opt out. However, nothing about Membership in the Negotiation Class interferes with the rights of any federal or state court plaintiffs to proceed with their own cases for litigation, trial, or individual settlement. Only if and when a Class settlement has been reached, has been approved by 75% of the voting Class Members as described in FAQ 19, and has been approved by the Court, would Class Members lose their ability to proceed on their own, in exchange for the settlement benefits that they would receive.

### 11. Will the Negotiation Class end the opioid litigation that my County or City has filed?

Not now and only if a Class settlement is later reached and approved. Your county’s or city’s Membership in the Negotiation Class will not immediately affect any opioid suit it has filed, whether in federal or state court. It also will not stop your county or city from filing or pursuing a lawsuit, and it will not affect any scheduled hearings or trials in any lawsuit. However, if there is a final Class settlement, approved by the required 75% of the voting Class Members and by the Court, the final settlement will likely end all other opioids-related litigation brought by Class Members. In the meantime, you do not need to opt out of the Class to file, continue to prosecute, or settle your own case, and you may keep any settlement or judgment you obtain. If any county or city obtains a judgment or settlement with a Defendant before the Negotiation Class does, however, it will not receive additional compensation through any later Negotiation Class settlement. But by remaining in the Class, your county or city does risk foregoing its own lawsuit (although it would obtain money from a Class settlement) if a Class settlement is reached and approved.

### 12. How does the Negotiation Class affect other types of opioid plaintiffs that are not counties or cities?

The Negotiation Class does not directly affect the litigation or settlement of the claims of other types of plaintiffs, such as Indian Tribes, third party payors, and others, that are proceeding in federal or state courts. These plaintiffs can organize themselves as groups or propose their own Classes, for trial or settlement purposes.

**Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**

## THE NEGOTIATION CLASS PROCESS

### 13. Now that the Court has approved this process, what will happen next?

The creation of the Negotiation Class has these next steps:

- On **September 11, 2019**, Judge Polster, the federal judge overseeing all of the national opioids litigation, certified the Negotiation Class to go forward.
- On or before **September 20, 2019**, Class Action Notice will be sent via First-Class mail and posted to the Class website [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info) to all Class Members.
- Class Members have until **November 22, 2019** to decide whether to participate or to opt out of the Class. This is the “opt-out period.” All Class Members are automatically included in the Class. If a Class Member wants to participate, it does not need to do anything at this point. Only Class Members that wish to exclude themselves (“opt out”) and not participate in the Class must act: they must submit a copy of the enclosed Exclusion Request Form on or before **November 22, 2019**, using the instructions in FAQ 26.
- After the close of the opt-out period, the Court will enter an order confirming the Membership of the Class, saying who is in and who is out of the Class.
- After that, the Class will operate if, and only if, one or more of the Defendants wishes to negotiate with the Class as a whole through the Negotiation Class mechanism.
- If a proposed Class settlement is reached, the proposal will be submitted to the entire Class Membership for its approval or rejection in accordance with the voting formula (described in FAQ 18 and 19 below). If no proposed settlement is reached, the Class will not vote and will have no other role.

### 14. If my County or City chooses to participate in the Negotiation Class, how will it know when there is a proposed Class settlement?

All Negotiation Class Members will be given advance notice of any Class settlement offer, including details on its terms and conditions, and they will have an opportunity to vote on each settlement offer. Class Members will be able to cast their vote securely, through the Class website, which will establish a voting identity and portal for each Class Member. Only Class settlements achieving 75% approval votes, by number, by allocation, and by population, of the litigating and non-litigating Class Members that vote (as described in FAQ 19) will be submitted to the Court, which will make the final determination of whether to approve the settlement.

### 15. If there is a proposed Class settlement, does the Court still have to approve it?

Yes. If there is a proposed settlement that is approved by 75% of the voting Class Members, as described in FAQ 18 and 19, the Court will review and decide whether to approve it, under the Class action settlement approval process set forth in Federal Rule of Civil Procedure 23(e). Generally, the Court will assess whether any settlement is fair, reasonable, and adequate. All applications for fees and costs also require court approval under Rule 23 procedures. (See [https://www.law.cornell.edu/rules/frcp/rule\\_23](https://www.law.cornell.edu/rules/frcp/rule_23).)

### 16. If there is a proposed settlement and my County or City is included in the Negotiation Class, but it disapproves of the settlement terms, can my County or City object to the settlement?

Yes. As a Negotiation Class Member, you will be entitled under Rule 23(e) to object to any settlement, even if it has received approval from the Class. However, as described in FAQ 27, you

**Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**



will likely not be able to exclude yourself from the Class at that time. An objection explains your concerns to the Court for its consideration but does not remove you from the Class.

### **17. How long will the Negotiation Class last?**

The Negotiation Class will last for 5 years from the date it is certified by the Court. The Court certified the Class on September 11, 2019 and the Negotiation Class will last until September 11, 2024. After that date, the Class will not exist as an entity with which a Defendant can negotiate. However, the Negotiation Class will continue to exist with regard to: (1) any Class settlements presented to the Negotiation Class for a vote before that date, to carry out the voting and approval process; and (2) any Class settlements reached before that date, to complete settlement administration and enforcement.

## **VOTING**

### **18. If there is a proposed Class settlement, how will the voting be done?**

Each Class Member will vote only once on any particular Class settlement proposal. The vote will simply be yes-or-no, in favor of or against the proposed settlement. Class Members that do not vote will not be counted as either yes or no votes; as with an election for government office in the United States, the only votes that are counted are those of the voters who actually cast votes. Class Members' votes will be tabulated mechanically within each applicable voting pool, to make sure that 75% of each pool is in favor of the proposed settlement before it is presented to the Court. The voting pools are described in FAQ 19. Voting tabulation does not require any effort by the Class Members. The requirement of 75% support of voting Class Members across the different voting pools ensures that no settlement will go forward without a wide cross-section of support from cities and counties of all sizes and interests.

### **19. If there is a proposed Class settlement, how many votes are needed to approve it?**

The agreement to be bound by a supermajority vote means that no settlement can be reached that would bind the Negotiation Class without the approval of 75% of the voting Class Members, defined in several ways. To be binding, 75% of those voting in each of the following six categories must approve a proposed settlement:

- 75% of the total number of voting Class Members that had filed suit as of June 14, 2019 (“litigating entities”). This number is based on all individual Class Members who had suits on file regardless of size, so that each voting entity has one vote;
- 75% of the total number of voting Class Members that had not filed suit as of June 14, 2019 (“non-litigating entities”). This number is based on all individual Class Members who had not filed suit, regardless of size, so that each voting entity has one vote;
- 75% of the total population of all voting Class Members that had filed suit as of June 14, 2019. For this computation, the vote of the county or city is weighted according to its population, with each person in a voting city and each person in a voting county equal to one vote. Thus, by way of example, if a county votes yes and has a population of 20,000, and a city within the county votes yes and has a population of 10,000, the county’s vote is weighted as 20,000 votes in favor, and the city’s vote is recorded as 10,000 votes in favor. The population for each County or City will be based on current census data. The current data is presented on the Class website, [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info). Individual residents in this category may be counted twice, once as a resident of a municipality, and once as a resident of a county;

**Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**



- 75% of the total population of all voting Class Members that had not filed suit as of June 14, 2019. For this computation, the vote of the county or city is weighted according to its population, with each person in a voting city and each person in a voting county equal to one vote. Thus, by way of example, if a county votes and has a population of 20,000, and a city within the county votes yes and has a population of 10,000, the county's vote is weighted as 20,000 votes in favor, and the city's vote is recorded as 10,000 votes in favor. Again, the population for each County or City will be based on current census data. The current data is presented on the Class website, [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info). Individual residents in this category may be counted twice, once as a resident of a municipality, and once as a resident of a county;
- 75% of the litigating Class Members casting votes, weighted by their settlement fund allocations as shown at the Allocation Map posted at [opioidsnegotiationclass.info](http://opioidsnegotiationclass.info); and
- 75% of the non-litigating Class Members casting votes, weighted by their settlement fund allocations as shown at the Allocation Map posted at [opioidsnegotiationclass.info](http://opioidsnegotiationclass.info).

**For purposes of counting votes, only votes cast will be considered.** In order for a proposed settlement to be binding on the Negotiation Class, 75% of those Class Members who cast votes in **each** of these six categories must be in favor. No settlement will be submitted to the Court for final approval unless 75% of those voting in **each** of the six categories are in favor. No county or city that is not a Class Member as of the deadline for a vote on a proposal will be allowed to vote on that proposal.

## ALLOCATION OF CLASS SETTLEMENT FUNDS

### 20. If there is a Class settlement, how will my County or City's share of the settlement be determined?

Any Class settlement funds will be distributed in three steps:

**Step 1:** Each county's share of the settlement will be distributed in accordance with an "allocation model." The allocation model uses three factors, based on reliable, detailed, and objective national data, to determine the share of a settlement fund that each county will receive. These factors address the most critical causes and effects of the opioids crisis, and are each weighted equally (1/3-1/3-1/3): (1) the amount of opioids distributed within the county, (2) the number of opioid deaths that occurred in the county; and (3) the number of people who suffer opioid use disorder in the county. This model is designed not to favor either small or large counties based solely on population. Ultimately, the model allocates settlement funds in proportion to where the opioid crisis has caused actual harm.

**Step 2:** Counties and their constituent cities, towns, and boroughs may distribute the funds allocated to the county among all of the jurisdictions in any manner they choose. If the county and cities cannot agree on how to allocate the funds, the Class website reflects a default allocation that will apply. The default allocation formula uses historical federal data showing how the specific county and the cities within it have made opioids-related expenditures in the past. Any of the affected jurisdictions may ask a Special Master to apply a different formula.

**Step 3:** If the default allocation is used and a city's share is less than \$500, then that amount will instead be distributed to the county in which the city lies to allow practical application of the abatement remedy. Affected cities could seek recovery through intra-county allocation described in Step 2, or from the Class Members' Special Needs Fund (see FAQ 24). In the rare circumstance that a city with a share of less than \$500 lies in a county that does not have a county government, the amount would instead go to the Class Members' Special Needs Fund, and Class members could seek recovery from that Fund.

Further information about the allocation formulas and their data sources are available at the Class website.

**Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**



**21. What happens if a county and its constituent cities make different decisions about staying in the Class?**

- If a county and all of its constituent cities remain in the Class, each entity's share will be determined as explained in FAQ 20.
- If a county remains in the Class, but one or more cities within the County are not in the Class, there are a variety of ways that a Class settlement might address that situation, but it is possible that a Class settlement would require that the County's allocation be reduced.
- If a county is not in the Class, but cities within that county remain in the Class, there are a variety of ways a Class settlement might address that situation. One possibility is that a city would receive no direct monetary allocation because its county has opted out, but that it could seek monetary relief through the Special Needs Fund (see FAQ 24). If a settlement provides a city no possibility of monetary relief because its county has opted out, Class Counsel anticipates the city would not be required to release its claims against the settling Defendant.

**22. If there is a settlement between a Defendant and a State or States, what impact will this Negotiation Class have on the division of monies between a State and the cities and counties within the State?**

The Negotiation Class process does not interfere with a Defendant's ability to settle directly with one or more States. If a Defendant reaches a settlement directly with a State, nothing about this Negotiation Class process would affect the distribution of those settlement funds between the State and its own cities or counties. The Court has explicitly ordered that the Class's lawyers not involve themselves or the Class in the process of allocating monies secured by States between themselves and their counties and cities.

**23. Will Negotiation Class Representatives receive anything more than other Class Members?**

Negotiation Class Representatives do not receive preferential treatment under any settlement simply for serving as Class Representatives. Their allocation will be calculated in precisely the same manner as every other Class Member's. However, they can apply to the Court for reimbursement of costs and expenses incurred by reason of serving as Class Representatives. Also, courts often award a modest amount to Class Representatives, called an incentive or service award, so as to encourage Class Representatives to step forward on behalf of others. Any such awards are subject to Class notice and Court approval.

**24. What is the Special Needs Fund?**

Fifteen percent (15%) of any Class settlement fund will be put into the "Special Needs Fund." Any Class Member may apply for a distribution from the Special Needs Fund: (1) to recover its costs of litigating its own opioids lawsuit, if that case was filed before June 14, 2019; and/or (2) to obtain additional relief for any local impact of the opioids crisis that is not captured by the Class Member's allocation. Applications will be made to and approved by a court-appointed Special Master, on a case-by-case basis. Any unawarded amount remaining in this Special Needs Fund would revert to the Class.

## **YOUR RIGHTS AND OPTIONS**

**25. Can my county or city exclude itself from the Negotiation Class?**

Yes. You have a **one-time** opportunity to exclude your county or city from the Class and you must do so before November 22, 2019. You must follow the procedure set forth in FAQ 26 below to

**Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**

exclude your county or city. As explained in FAQ 27, you will likely **not** be given a second opportunity to exclude your county or city from the Class if a settlement is later reached and you should not count on such an opportunity being available at that time.

**26. How does my county or city exclude itself from the Negotiation Class?**

You may exclude your county or city (“opt out”) by signing and sending, either by email or by first-class U.S. mail, the enclosed Exclusion Request Form.

- If submitted by email, the form must be sent to [info@OpioidsNegotiationClass.info](mailto:info@OpioidsNegotiationClass.info) on or before **November 22, 2019**.
- If submitted by mail, the form must be postmarked on or before **November 22, 2019** and sent by first-class U.S. mail to:

NPO Litigation  
P.O. Box 6727  
Portland, OR 97228-6727

The Exclusion Request Form must be signed by an **authorized** official or employee of the county or city itself, under penalty of perjury pursuant to 28 U.S.C. § 1746, and is subject to verification by the Court. If you exclude your county or city from the Negotiation Class, your county or city will not be bound by any Orders or Judgments regarding the Class, and it will have no right to share in any settlement reached by the Class.

**27. If my county or city stays in the Negotiation Class, can it exclude itself later if it doesn't like a proposed settlement?**

Not under the current Court Order. The Court’s Order certifying the Negotiation Class provides only one opportunity for a county or city to exclude itself from the Class. The exclusion deadline ends on November 22, 2019. If a settlement is reached and proposed to the Class for its approval, Class Members who do not support the settlement may (1) vote against it and/or, (2) if the settlement is nonetheless approved by the Class votes, file objections with the Court. Rule 23 permits a court to offer a second opportunity for Class Members to opt out when a settlement is proposed, but the Rule does not require the Court to give Class Members a second opportunity to opt out. In this case, it is anticipated that the Court will not give Class Members a second opportunity to opt out. Therefore, Class Members should not rely on that possibility. Class Members should expect that there will be no opportunity to opt out of the Class after **November 22, 2019**.

**THE LAWYERS REPRESENTING THE CLASS**

**28. Who are the Class Counsel?**

The Court has authorized the following six lawyers to jointly represent the Negotiation Class: Jayne Conroy and Christopher A. Seeger are Co-Lead Negotiation Class Counsel and Gerard Stranch, Louise Renne, Mark Flessner, and Zachary Carter are Negotiation Class Counsel. Each of these six lawyers represents only cities or counties in Opioids-related litigation.

**29. How do Class Counsel get paid?**

Class Counsel will apply to the Court for approval of fees and costs under Rule 23(h). As a Class Member, you will receive notice and have an opportunity to object to any such application. The Court may appoint fee committees to make recommendations of any fee awards, to avoid duplication of payment, and to ensure appropriate compensation of those whose efforts provided a common benefit. The Court will make the final decision about all fees paid out of the Class’s recovery to any lawyer.

**Questions? Visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)**



**30. Under this proposal, what happens to my County or City's current fee agreement with outside counsel?**

The current fee agreement that a county or city has with its outside counsel remains in effect. Membership in the Negotiation Class does not change that. In the event of any settlement that achieves Class and Court approval, there would be a "Private Attorneys Fund" from which outside counsel for Class Members that had signed retainer agreements for opioid epidemic-related litigation before June 14, 2019 could apply for fees and costs in lieu of any current fee agreement. That would be a voluntary decision between the county or city and its outside counsel. A total of up to 10% (maximum) of any approved Class settlement amount will be held in the Private Attorneys Fund. Any unawarded amount remaining in this Fund would revert to the Class. The Court must approve all payments from this Fund.

## **GETTING MORE INFORMATION**

**31. How can my County or City keep up with what's going on in this case?**

Pertinent news and information will be posted at the Class website, **[www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info)** on an ongoing basis. As a Class Member, you also will have the opportunity to sign up, through the Class website, for email notices alerting you to the fact that new information has been posted to the Class website.

## **DO NOT WRITE OR CALL THE COURT OR THE CLERK'S OFFICE FOR INFORMATION**

DATE: September 11, 2019.



\*4539000559909\*

**IF YOU WANT TO EXCLUDE YOUR COUNTY OR CITY  
YOU MUST ACT BY NOVEMBER 22, 2019**

**EXCLUSION REQUEST FORM**

**Read this page carefully then turn to Page 2 if you want to sign and send**

Complete this form **ONLY** if your County or City does **NOT** want to remain a Class Member and does not want to share in any potential negotiated Class settlement. If your County or City does not complete and submit this form, it will be deemed to be a Class Member so long as it is a County or City in the United States as those terms are described in the Class Notice and is on the list of Class Members found at [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info).

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO

_____	x	
	:	
In re NATIONAL PRESCRIPTION	:	1:17-md-2804 (DAP)
OPIATE LITIGATION	:	
_____	x	

Class Notice Administrator  
NPO Litigation  
P.O. Box 6727  
Portland, OR 97228-6727

Dear Class Notice Administrator:

My County or City does **NOT** want to be a member of the Negotiation Class certified in the *In re National Prescription Opiate Litigation*. I understand that by completing the information requested on page 2, signing, and submitting a copy of this form by email (to the email address on page 2) sent on or before **November 22, 2019** OR by first-class U.S. mail (to the mailing address on page 2) post-marked on or before **November 22, 2019**, I am opting my County or City out of the Negotiation Class and it will **NOT** be a Class Member. I understand that by timely submitting this form, my County or City is foregoing the right to share in any Class settlement that may be obtained. I understand that my County or City is **NOT** guaranteed an opportunity to opt back in if there is a Class settlement, so this is our final decision. I also understand that by opting out, my County or City will not be bound by any judgment entered as part of any Class settlement.

I understand that if my jurisdiction is a Class Member and wants to remain a Class Member, it does not need to do anything now. I understand that I should **NOT** return this Exclusion Request Form if my jurisdiction wants to remain a Class Member.

I understand that, if I have any questions, I may contact Class Counsel at **1-877-221-7468**, or visit [www.OpioidsNegotiationClass.info](http://www.OpioidsNegotiationClass.info) **BEFORE** I mail this form to you and **BEFORE** **November 22, 2019**.

**TURN TO PAGE 2 IF YOU WANT TO SIGN EXCLUSION/OPT-OUT FORM  
AND FOR EMAIL AND MAILING ADDRESSES**





\*4539000559909\*

**IF YOU WANT TO EXCLUDE YOUR COUNTY OR CITY  
YOU MUST ACT BY NOVEMBER 22, 2019**

**EXCLUSION REQUEST FORM**  
**Read Information on Page 1 carefully before signing**

Having read and understood the information on page 1, the County or City **(circle one)** entitled \_\_\_\_\_ in the State of \_\_\_\_\_ hereby excludes itself from the Negotiation Class certified by the United States District Court in the Northern District of Ohio in *In re National Prescription Opiate Litigation*, MDL 2804. Under penalty of perjury and in accordance with 28 U.S.C. § 1746, I declare that I am an official or employee authorized to take legal action on behalf of my County or City.

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

City or County Represented: \_\_\_\_\_ (Circle one): City / County

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Date: \_\_\_\_\_

**BY NOVEMBER 22, 2019**

**EMAIL TO:**

**OR SEND BY  
FIRST CLASS MAIL TO:**

info@OpioidsNegotiationClass.info

NPO Litigation  
P.O. Box 6727  
Portland, OR 97228-6727



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

Department of Environmental  
Conservation

DIVISION OF WATER  
Operator Training & Certification Program

P.O. Box 111800  
Juneau, Alaska 99811  
Main: 907.465.1139  
Fax: 907.465.5177  
dec.opcert@alaska.gov

RECEIVED  
AUG 27 2019

August 23, 2019

Russell Dill  
P.O. Box 725  
Craig, AK 99921

RECEIVED  
AUG 27 2019

Dear Mr. Dill,

On behalf of the Department of Environmental Conservation (DEC) we want to congratulate the City of Craig Water System (PWSID 120193) on achieving Ursa Minor status in Water System Excellence for 2018! The work your system has done to be in compliance with Operator Training & Certification and Drinking Water Program regulations has not gone unnoticed.

The Water System Excellence award program is new this year and is a coordinated effort on the parts of Operator Training & Certification and the Drinking Water Program.

Water System Excellence is comprised of two tiers, Ursa Major and Ursa Minor. Both the Water Treatment and Water Distribution systems are evaluated.

Ursa Major: System(s) maintained 4 quarters of Operator Training & Certification compliance and incurred no Drinking Water violations during the year.

Ursa Minor level: System(s) maintained either 4 quarters of Operator Training & Certification compliance and incurred only 1 Drinking Water violation during the year, OR 3 quarters of Operator Training & Certification compliance and incurred no Drinking Water violations during the year.

While DEC focuses on assisting system owners and operators with achieving and maintaining compliance, the responsibility for complying with the regulations lies with the system. Your demonstrated expertise and dedication to safety and health is a great benefit to your community.

Thank you for your ongoing efforts to provide safe drinking water to those served by your water system.

Sincerely,

Handwritten signature of Cindy Christian.

Cindy Christian  
Drinking Water Program Manager

&

Handwritten signature of Martin Suzuki.

Martin Suzuki  
Acting Operator Certification Program Manager

September 9, 2019

City of Craig  
PO Box 725  
Craig, Alaska 99921

Re: Introduction to APEI

Dear City Council members,

The City of Craig has procured insurance coverage for the current fiscal year through Alaska Public Entity Insurance (APEI). I wanted to take a moment to describe how APEI is different from a typical insurance company, the kinds of services we provide, and what it means to be an APEI member.

APEI is not a commercial insurance company, but rather a joint insurance arrangement, or “pool” of Alaskan school districts and municipalities who have agreed to work together to assume the risk of losses and purchase excess insurance coverage as a group. Most public entities that participate in a joint insurance arrangement have been a member of that pool for a number of years, and share in the benefits and losses of the pool as a group. Pools differ from commercial insurance in that a primary focus of the pool is on loss control; that is, we work actively with our members to help them find ways to reduce the number of incidents and accidents that can lead to expensive insurance claims. We do this by providing our members with a wide variety of services, such as:

- On site and online training for staff, management, and governing bodies;
- Safety inspections of member facilities;
- Email and telephone consultation services on safety and Human Resources related topics;
- Safety grants of \$1,000 - \$5,000 (depending on the size of your organization) to assist in the purchase of safety equipment or training;
- Reimbursement of some legal expenses for consultations regarding employee terminations and reports of potential child sexual abuse
- A Loss Control Manual provided to all APEI members and containing information and resources for risk management in your organization; and
- Premium credits for completing loss control activities and submitting documentation of those activities to APEI.

An important aspect of your insurance coverage that we want you to be aware of pertains to your Employment Practices Liability (EPL) coverage, which protects the City if it were to be sued by an employee or former employee claiming harassment, unfair termination, etc.

As a condition of this coverage, APEI members are required to consult with an attorney prior to terminating an employee. While governing bodies typically do not oversee these decisions for the majority of the organization’s staff, they are usually responsible for the hiring (and firing) of one or more individuals that oversee the day-to-day operations of the organization - city managers, superintendents, etc. We want to ensure that, if you end this employment relationship, you are aware that this EPL



coverage condition applies. APEI is available to assist governing bodies in identifying legal counsel and we also offer a legal fee reimbursement for up to one hour of legal consultation per termination.

If you would like to learn more about our loss control services, visit the Loss Control page at the APEI website at <https://akpei.com/loss-control-materials/>, or give us a call. We are happy to answer questions and always welcome feedback about our services and suggestions on how we can help our members. Your broker, Dawn Nelson, is also a good source of information about APEI and your risk management needs.

Sincerely,

A handwritten signature in blue ink that reads "Barbara Thurston". The signature is written in a cursive, flowing style.

Barbara, Thurston  
Executive Director, APEI

To Craig Mayor Tim O'Connor  
And Craig City Council Members

September 16, 2019

RECEIVED  
SEP 24 2019

Dear Mayor and Council

Thank you for the time you have spent serving on the council and for being the public's representative to ensure the best policies and laws are enacted for the City and all of its citizens. I would like to request a little more of your time and ask that the council members canvas the public for comments or concerns they have, more often. I would like to ask that the council also be more available for comments by the people that voted them in to be their representative or just to have a City email account for each, if they aren't physically available to the public for comments. If possible, I would like EVERY concern that is presented to the mayor and council, at least be looked in to! The public could then just drop in to the council meetings once in awhile to see what the new directions are for their City and be assured that their representatives have looked in to any problem or concern brought to their attention. (I don't mean just asking Administration, who you should be looking over). I mean actually looking yourselves, at the records and find out what basis and how the laws you are voting in are calculated, and what stats were used to figure rates (I don't ever see any stats and wonder if they are even being recorded! For instance, like how many services use 3,000 gallons or less of water per month, and how many services use 6,000 gallons of water or less per month and so on, and other stats which should be used to help calculate the City charges). I think the council should be looking over the monies collected to see that, say: the portion of the utilities collected, that payment gets separated and posted to the items they are charging them for; like within the Air Taxi building rental, within the Dock rentals to charter companies, moorage, Craig Clinic, Pool, etc, etc, Within the moorage we are told, they are charged and pay their share of water usage. It may be charged but when it is paid, is the water portion separated out as a credit to water expenses before calculating the rest of the expenses to the homes and businesses and multi-families. A council member could see how the garbage was weighed for those stats they took one time, (to see if they counted how many dumpsters were picked up by the truck and taken to the dump separately for businesses and then were compared it to the multi-dwellings garbage weight), and see how they came to the conclusion that the multi-units garbage weighs 30% more (with NO scale on the truck) for the same size dumpster than the businesses garbage dumpsters, (did City workers add in other dumpsters besides multi-family to multi-family garbage weights taken at the dump or, and did they take the parks and harbors, etc, separately to weigh?) Also the council needs to look for definitions of the categories that are unclear what they are, or what is being added together with each and why they are separated to a special category in the first place when they have the same characteristics of use, (I have noticed there are very few definitions in the Craig By-Laws, and you need them to figure stats, (like, who the City put in certain categories when they calculated and later was made in to their pie chart to show that the multi-family category uses more water than the rest of the categories and was reported to the State Officer who did a Water study who asked for definitions of their categories and didn't get an answer. Or, you could have requested to talk to that State Officer which is there to help the council with all kinds of collecting and dispersing of funds. He requested from Administration, a meeting with the council, but he never got a reply and was never asked by the council. I would like you to check with other Cities when there is a problem presented, to see how others handle it. My problem and others before me, is the utility rates. In all my years of trying to find a reason for the "flat rate" (\$30.00) on each service for SEWER, (and multiplied per unit on the multi-family use, but not the B & B's or Lodges or Hotels) which is then added to every service's "metered rate"! I still haven't found another City that has this flat rate added on to SEWER with metered customers if they already have a flat rate for billing and meter reading on the WATER portion of each service! A "flat rate" MAY be added to your "metered rate" on WATER, like it is in Craig (\$16.43), but is ONLY to cover the City Employee's cost of their time used to calculate and print out the utility bill (one bill per meter/pipe) and for the meter readers time. If you have that "flat rate" on the water, you don't put it on the sewer also! (\$30.00 in Craig) Then there's another problem that needs to be looked in to with utilities. When someone has MORE (some buildings have 3) than one City pipe (service) going to their home or building, there should be a meter on each! Everyone should pay for ALL the gallons they use! When you look at your bill at the gallons used and don't notice \$30.00 extra has been added to the sewer portion for a home, even if it only uses 3,000 gallons, it isn't so horrible to let it go, and most people don't even know there is a "flat rate" added to their metered use, but it's still an over charge to all users including the small users and it should be looked in to! When you add \$30.00 to a multi-family building and multiply it "per unit", which in Craig are mostly small users, say 6 to 10,000 gallons, it is grossly noticed! Each "flat rate" (\$30.00) is like adding 8,000 gallons to each unit! Some multi-family customers pay more on Sewer than on their property taxes, and insurance combined and only average 10,000 gallons usage per month! There are multi-family buildings in Craig that don't pay "per family" and have more people residing there and use more gallons, but they aren't called a multi-dwelling building. What is that about? I talked to a 3 plex and the owner wasn't aware of the "flat rate" on Sewer so she said she was going to talk to the City. The next time I drove by her place there was a sign in the yard like it was a B and B and they are exempt from having to pay "per unit" like the Lodges and families that live together. I presume they said they were a B and B. If you just paid per gallon, this couldn't happen! Please take some time to look in to these ongoing problems that need drastic revision, and save this letter to pass on to the new council members taking their oath soon so they know there are problems right from the start that apparently no one has been looking into.

Sincerely frustrated! Carolyn Chapman



# SSRAA

Southern Southeast Regional Aquaculture Association, Inc.  
14 Borch Street, Ketchikan, Alaska 99901  
Phone: 907-225-9605 Fax: 907-225-1348

RECEIVED  
SEP 13 2019

September 10, 2019

Mayor  
City of Craig  
P.O. Box 2  
Craig, Alaska 99921

Dear Mayor:

The Board of Directors of the Southern Southeast Regional Aquaculture Association (SSRAA) is made up of 21 members, including representatives of several interested groups and the general public. One of the positions on the Board is established for municipalities within the region. This position is currently held by David Powell, City of Wrangell.

We invite you to nominate an individual to serve during 2020 and 2021 in this position on the SSRAA Board. The appointment will be made prior to January's board meeting. The Board meets approximately four times from October through May, usually on a Friday, and all travel expenses are paid by SSRAA. Additional involvement in active standing and special committees of the Board is at the discretion of the individual Board members.

Please submit your nomination with a brief biographical description by December 2, 2019. Thank you for your continued interest in aquaculture in this region.

Sincerely,

Liz Jones  
Election Supervisor



RECEIVED  
SEP 27 2019

September 25, 2019

To Whom It May Concern:

Beginning October 1st, 2019 all scheduled flights to Craig, Alaska will be suspended. At this time there are no plans to reinstate a scheduled service. We will be operating a limited schedule to Thorne Bay, Hollis, and Metlakatla. Flights to these 3 locations will operate Monday, Wednesday, Thursday, And Friday. We will be available this fall and winter for charters to all locations 7 days a week. Thank you very much for your support and we apologize if this causes any inconvenience. Please feel free to call us at (907) 225-3500 if you have any questions.

Sincerely,

Christopher Montanus  
General Manager  
Pacific Airways, Inc.

**CITY OF CRAIG  
RESOLUTION NO. 19-14**

**AMENDING THE RATE STRUCTURE FOR  
EMERGENCY MEDICAL SERVICES**

**WHEREAS**, the City of Craig owns, operates and maintains the Craig Emergency Services department, and;

**WHEREAS**, the City of Craig seeks to offset some of its EMS cost through the assessment and collection of fees for services,

**NOW THEREFORE BE IT RESOLVED** that the Craig City Council approves the fee for services schedule shown below, effective November 1, 2019.

<b>Service</b>	<b>Fee</b>
Treat & Release	\$225.00
BLS, Scheduled	\$450.00
BLS, Emergent	\$625.00
ALS non-Emergency	\$800.00
ALS Emergency	\$925.00
ALS Emergency II	\$1,025.00
Specialty Transport	\$925.00
Extra Attendant Fee	\$75.00
Standby Wait Time	\$100.00
Milage	\$15.00
Supplies	Actual Cost
DOA	Supplies Only
Deceased Transport to Ferry	\$550.00

Approved this Third day of October, 2019.

\_\_\_\_\_  
Mayor Timothy O'Connor

Attest \_\_\_\_\_  
Allison Fargo, City Clerk Pro-Tem

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: September 27, 2019  
RE: Resolution 19-14

---

Attached you will find Resolution 19-14. The resolution sets new rates for EMS services.

At its September 5 meeting the council reviewed a draft list of the services and proposed rates. Based on that review the attached resolution is now before the council for consideration of approval.

**Recommendation**

Approve Resolution 19-14

**CITY OF CRAIG  
MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: September 25, 2019  
RE: Consider Appointment of City Clerk

---

Following the notice of resignation of Kassi Mackie from the position of City Clerk, staff advertised the vacancy publicly to encourage applications to fill the position.

A committee of staff interviewed two candidates for the vacant position. After the interviews and follow up on prior employment, I consulted with Mayor O'Connor. My recommendation to the mayor is to offer the position to applicant Ms. Jillian Carl. The mayor concurred, and directed me to make the offer of employment.

Section 2.04.040.C of the Craig Municipal Codes provides for the appointment of some staff positions by the mayor, including the clerk position, subject to confirmation of the city council. The council should take an affirmative action in response to the city clerk appointment, per the section of the municipal code cited here.

**Recommendation**

Confirm, by motion, appointment of Jillian Carl to the position of City Clerk.