

**CITY OF CRAIG
COUNCIL AGENDA
JUNE 3, 2021
COUNCIL CHAMBERS 6:30 PM**

ROLL CALL

Mayor Tim O'Connor, Hannah Bazinet, Jim See, Julie McDonald, Michael Kampnich,
Chanel McKinley, Millie Schoonover

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 May 6, 2021
- City Council Meeting Minutes of May 20, 2021
- Ordinance No. 737: Adoption of FY 2022 Operating Budget

HEARING FROM THE PUBLIC

- Open for public comment
- Ordinance No. 736: Updating Section 3.10 of the Craig Municipal Code
- Resolution 21-12, Setting the 2021 Property Tax Levy at 6 Mills
- Resolution 21-13, Establishing a Schedule of Payments for the Payment in Lieu of Employee Health Insurance Benefit
- Ordinance No. 734: Sale of City Owned Tide and Submerged Lands to Rodney Payne

REPORTS FROM CITY OFFICIALS

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

READING OF CORRESPONDENCE

- April 2021 Alaska Permanent Capital Management Fund Statement
- Craig School District Support Thank You Letter

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Ordinance No. 736: Updating Section 3.10 of the Craig Municipal Code
- Resolution 21-12, Setting the 2021 Property Tax Levy at 6 Mills
- Resolution 21-13, Establishing a Schedule of Payments for the Payment in Lieu of Employee Health Insurance Benefit
- Ordinance No. 734: Sale of City Owned Tide and Submerged Lands to Rodney Payne

UNFINISHED BUSINESS

- Consider Acquisition of Garbage Truck

NEW BUSINESS

- Craig Tribal Association Cannery Point Land Allotment Request
- Consider Craig Harbor Advisory Committee Appointment of Ralph Mackie
- Consider Acquisition of Shop Truck

COUNCIL COMMENTS

ADJOURNMENT

Note: City council meetings have limited seating capacity due to COVID-19 protocols. For those wishing to attend the council meeting remotely go to:

<https://zoom.us/j/5281996980?pwd=V1RCbnJVcm85bDIRbURmNTdORjZkdz09> (if you are prompted for a passcode, use code 1111), or watch the meeting at:

<https://www.youtube.com/channel/UCTou8Pn03MIEjLLb9Em0Xrg> . To provide public comment to the council remotely, contact the Craig City Clerk at cityclerk@craigak.com, before 5:00 p.m. the day of the council meeting

CITY OF CRAIG
COUNCIL MEETING
THURSDAY JUNE 3, 2021

ROLL CALL

Mayor Timothy O'Connor called the meeting to order at 6:34 p.m. and the roll was taken. Present were, Julie McDonald, Jim See, Millie Schoonover, Michael Kampnich, Chanel McKinley. Hannah Bazinet and Chanel McKinley were absent and excused.

Staff present: Jon Bolling, City Administrator; Brian Templin, City Planner; Tracey Jensen, City Clerk; Sheri Purser, Treasurer; Jessica Holloway, Aquatic Manager and Russell Dill, Public Works Director. Minnie Ellison, Fire and EMS Coordinator; Hans Hjort, Harbormaster; Angela Matthews, Library Director, RJ Ely, Police Chief; Victoria Merritt, Recreation Director and Doug Ward, Parks and Public Facilities Director attended by telephone.

Audience present: None present.

CONSENT AGENDA

1. City Council Meeting Minutes of May 6, 2021
2. City Council Meeting Minutes of May 20, 2021
3. Ordinance No. 737: Adoption of FY 2022 Operating Budget

SCHOONOVER/KAMPNICH

Moved to approve the Consent Agenda.
MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

No public attended the meeting.

REPORTS FROM CITY OFFICIALS

Mayor- Had nothing new to report.

Administrator- Submitted a written report. Jon Bolling said the P.O.W.E.R roof is finished, and the council had appropriated up to \$30,000 to help contribute toward the cost, but the actual cost is \$41,000 and Jon asked the Council if they would like to split the cost down the middle with P.O.W.E.R, or if the full \$30,000 should go to the project. Victoria said that fundraising efforts have been successful, but that she would like the extra funds to assist the community. Councilman See said that he thinks windows, siding and additional repairs will be needed in the future. Victoria mentioned that she has been attempting grant funding, but in the case of the Rasmussen Grant, it must be the city who applies as they own the building.

The council directed staff to apply \$25,000 in contribution funding to the POWER roof project while retaining \$5,000 of the appropriated \$30,000 in reserve for future repairs.

Jon updated and invited the council to the upcoming June 11, 2021, at 10 a.m. meeting with Sealaska Corporation that he and the mayor will be attending in the Administrator's office to discuss economic options. Jon and the council discussed Forest Service Resource Advisory Committee (RAC) geographic consolidation areas, seats, and possible funding allocation concerns.

Treasurer- Submitted a written report. Sheri Purser reported that the ordinance first reading for the operating budget is in the council packet for consideration. Sheri said that the current audit is projected to be completed within the next two weeks, and the auditor would like to begin the next one at the end of August.

Councilman Kampnich, Jon Bolling and Sheri discussed budget funds being loosely split between JT Brown Industrial Park and the harbor that is creating budget fluctuations, or if they should be combined as it is the same staff that is working and the same wages. Jon said that if any changes are made that he would be inclined to call the whole as: *Docks and Harbors* heading to combine all the revenues and expenses under a single department. Jon could not remember why the budget was set up this way and said that he is unsure if it was auditor recommendations initially. Sheri said that the water, sewer and garbage is separated even though it is the same workers and wages for grant purposes and that could be why it was set up that way. Jon said that he would ask the auditor for recommendations.

Aquatic Manager- Jessica Holloway said that she was teaching in Washington to recertify her instructor training and will be teaching a full course and a reboot course on the 23rd in Fairbanks. Jessica updated that the pool will be closed from July 12 – 26th due to three staff members getting their certified pool operator (CPO) certifications in Anchorage and that Jessica currently holds the only certification on the staff, and her certification is set to expire in July. Jessica relayed the summer schedule beginning Monday.

Clerk- Submitted a written report. Tracey Jensen said that the next council meeting scheduled date is June 17, 2021.

Planner- Submitted a written report.

Fire/EMS Coordinator- Submitted a written report.

Harbormaster- Submitted a written report. Hans Hjort updated that the harbor staff were able to place a temporary ladder for the summer in lieu of the damaged ladder. Hans explained that he is still working on a ladder that must be built in the lower 48 states and shipped here. Hans explained that the harbor staff will mount the temporary ladder when there is a lower tide which is expected Tuesday so that staff are able to get down in there with a skiff to mount timber behind the temporary ladder to support it. Hans said that the parties for the damage to the ladder are being held financially responsible.

Councilman See questioned why Ken Quigley is buying all his fish on the city dock, all year round instead of buying them at JT Brown Industrial Park. Hans explained that Gary Atkinson and Ken Quigley purchase their fish at False Island but do have a scale and forklift inside the building. Hans said that the Seafood Processing Cooperative (SPC) lease does not start until mid or the end of June and previously there had been talk about getting Quigley an access permit or charging him rent, but it has not been followed up on. Hans added that the water is turned on in Quigley's name at the city dock. Hans relayed that the credit card is still hooked up to the crane and that years ago Seafood Processing Center (SPC) installed the jib crane, but Hans is not sure what the agreement was, or if the jib crane was installed for a back-up crane that is sometimes used for unloading but that crane is not metered. Hans said that the city could charge a rate or deactivate it dependent upon the council's wishes as the crane is used by credit card, whereas the little jib crane is not.

The council directed staff to pursue possible wharfage fees for Mr. Quigley's use of the city dock and to examine the first fire extinguisher at the harbor that has the bottom is rusting out. Mayor O'Connor said that Taylor Services passed the extinguisher as operational on the previous inspection, but that it was not possible to get the nozzle out of the sides of it today. The Mayor expressed his concern of Taylor Services doing proper inspections. Hans said that Doug Ward contacted the Owner of Taylor Services to request better inspection service and the company has not been here since.

Library- Submitted a written report. Angela Matthews said the Summer Reading Program started on Tuesday and there are already 35 people signed up.

Police Chief- Submitted a written report. RJ Ely said that the new Tahoe is striped, has a radio in it and is serviceable but that he is working with Public Works to get the remaining items installed on it.

Public Works- Submitted a written report.

Recreation- Submitted a written report. Victoria Merritt thanked everyone that helped when she fell and was injured. Victoria thanked Councilwoman McDonald for the ballet recital and said the *Blessing of the Fleet* was postponed and rescheduled to Sunday at 4:00 p.m. due to weather. Victoria updated that Maranda Hamme is running volleyball, skating, and planting baskets, Victoria listed the upcoming fishing derbies and July events, and recognized Councilwoman Schoonover for being the Parade Judge.

Parks and Public Facilities- Submitted a written report. Mayor O'Connor directed staff to investigate the issue of cemetery trees pushing into Thomas family graves and destroying the steps. Doug Ward updated that he and Jon have been working on a columbarium for the cemetery. Councilwoman McDonald inquired about the status of the Craig Tribal Association playground equipment that they had offered to the city. Doug explained that he did look at the equipment and surmised that although it is nice equipment, that trying to remove and replace it would destroy it and he thinks the city should pass on taking it. The Council commented at how nice the park, cemetery and trail look which makes them proud to be a citizen of Craig.

READING OF CORRESPONDENCE

1. April 2021 Alaska Permanent Capital Management
2. Craig School District Support Thank You Letter

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

1. Ordinance No. 736: Updating Section 3.10 of the Craig Municipal Code

Jon Bolling said that the overhead cost of the Remote Sellers Sales Tax Commission is a little high at 16-18% and it is the goal of the Commission made up by members of Alaska Municipal League to get the overhead costs down. Jon relayed that this is funding that the city would normally not have access to if this provision were not in our municipal code.

KAMPNICH/SCHOONOVER

Moved to adopt Ordinance No. 736:
Updating Section 3.10 of the Craig
Municipal Code. MOTION CARRIED
UNANIMOUSLY BY ROLL CALL VOTE

2. Resolution 21-12, Setting the 2021 Property Tax Levy at 6 Mills

Councilman Kampnich thinks it is remarkable that the city has been able to maintain the same tax rate for 30 years and still meet the community's financial needs.

SCHOONOVER/MCDONALD

Moved to adopt Resolution 21-12, Setting
the 2021 Property Tax Levy at 6 Mills.
MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

3. Resolution 21-13, Establishing a Schedule of Payments for the Payment in Lieu of Employee Health Insurance Benefit

MCDONALD/KAMPNICH

Moved to adopt Resolution 21-13,
Establishing a Schedule of Payments for the
Payment in Lieu of Employee Health
Insurance Benefit. MOTION CARRIED
UNANIMOUSLY BY ROLL CALL VOTE

4. Ordinance No. 734: Sale of City Owned Tide and Submerged Lands to Rodney Payne
Council and staff discussed previous city property sale rates, processes, and terms. Brian Templin said that he did not believe that Shaan-Seet had spoken with Mr. Payne, but Brian said that he had spoken with Mr. Payne last week, and that he was agreeable to platting to incorporate the upper and lower parcels into one individual property. Brian requested council clarification for price points and up-front appraisal terms of city property sales. Brian explained that the tideland has no appraisal or assessment as it has never been sold, and never been taxed. Jim See said that the property values have gone up in the last 20 years and the buyer should break even at 15 to 20% above appraised value within 6 or 7 years. The Council agreed the 15 to 20% pricing above the appraised value property sales would apply to tidelands in front of owner residential property sales only, as that property would be the only one impacted.

The Council directed staff to negotiate the tideland sale at 20% above the appraised value.

KAMPNICH/MCDONALD

Moved to adopt Ordinance No. 734:
Authorizing the City Administrator to
Negotiate the Sale of City Owned Tide and
Submerged Lands to Rodney Payne.
MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

UNFINISHED BUSINESS

1. Consider Acquisition of Garbage Truck

Councilman See and Russell Dill discussed single axle, dual purpose specialty manufacturing availability challenges. Councilman Kampnich thanked Russell for looking into the other truck options and said that due to bear and availability issues the city would have to go with the original concept of the dual axle truck at the higher cost of the garbage system operations. Russell explained that the city went through a Sourcewell Program which is a government entity that does the procurement process to obtain the lowest pricing.

SEE/SCHOONOVER

Moved to approve the selection of Option 2 of Jon Bolling's April 8, 2021, Memo to replace the existing box truck with a similar, new vehicle estimated at \$156,046.00, plus shipping, and financed through the dealer at a three-year \$55,222.00 annual payment option for purchase with an interest rate of around 3.05%. The Funds shall be appropriated from the City's Capital Project/Equipment Reserve Fund.
MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. Craig Tribal Association Cannery Point Land Allotment Request

Jon Bolling said that Craig Tribal Association asked that their request be deferred until the second council meeting in July. Mayor O'Connor postponed the agenda item request until the second council meeting in July 2021.

2. Consideration of Craig Harbor Advisory Committee Appointment of Ralph Mackie

SCHOONOVER/SEE

Moved to approve the appointment of Ralph Mackie to fill the Craig Harbor Advisory Committee Vacancy. MOTION CARRIED UNANIMOUSLY

3. Consider Acquisition of Shop Truck

Russell Dill said that Daniel Nelson would be able to do the basic mechanic maintenance and repairs on the truck and that it was purchased in California, has been on Prince of Wales Island for about 1-2 years and has 50,000 miles on it. Russell described all the options on the truck and that he believes it is in good shape.

Jon Bolling said that he would ask Sheri Purser to modify the ordinance documents to deduct the \$40,000 transfer in the expenditure to next year's budget and that Councilwoman Schoonover had also pointed out some changes to the budget that will be modified as well. Councilwoman McDonald requested that any changes to the budget before the second reading be highlighted so that the council members do not have to re-read the budget. Councilman See requested and received his paper copy of the budget to mark up.

SCHOONOVER/KAMPNICH

Moved to appropriate \$15,000 of Craig Endowment Fund Earnings to acquire a 2007 Ford F-550 shop truck. MOTION CARRIED UNANIMOUSLY

COUNCIL COMMENTS

The Council and Jon Bolling discussed the upcoming meeting with Senator Murkowski's and Congressman Young's staff Saturday at 9 a.m. at City Hall. Jon explained that there is a bill in the House of Representatives, but not in the Senate, so there is not a bill to co-sponsor with Senator Sullivan currently. Councilwoman McDonald said that she had a previously scheduled conference at that time but could try to be available if needed.

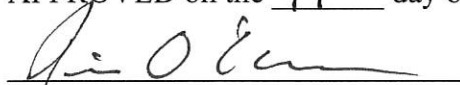
Mayor O'Connor said that the Coast Guard needs to repair their radio equipment and he relayed a non-emergency situation that EMS were called to respond at the city's expense unnecessarily due to the parties not being able to hear each other. Councilman Kampnich relayed that he had called the Coast Guard, spoke with a senior member, then left a message for the appropriate person to call, but no one has gotten back to him yet. Councilman Kampnich said he would call the Coast Guard again and update the council and staff by memo with the results. Councilwoman McDonald liked the idea of contacting the Senators and added another idea of contacting the Ketchikan Daily News, as well.

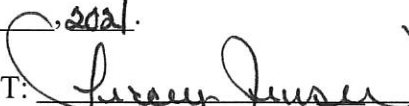
ADJOURNMENT

SCHOONOVER/MCDONALD

Moved to adjourn at 8:05 p.m.
MOTION CARRIED

APPROVED on the 17th day of June, 2021.


MAYOR TIMOTHY O'CONNOR

ATTEST: 
TRACEY JENSEN, CITY CLERK

