

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

ROLL CALL

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

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.

- 1) City Council Meeting Minutes of January 3, 2019
- 2) City Council Meeting Minutes of January 17, 2019

HEARING FROM THE PUBLIC

- Open for public comment
- 1) Resolution 19-03, POWCAC Transportation Priorities 2019
- 2) Final Reading and Public Hearing of Ordinance 717, Authorization to negotiate a lease with Petro Marine Services
- 3) Final Reading and Public Hearing of Ordinance 718, Authorizing the city administrator to negotiate sale of city property to Richard Trojan
- 4) Final Reading and Public Hearing of Ordinance 719, Implementing a road maintenance and improvements fee at Port St. Nicholas

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

READING OF CORRESPONDENCE

- 1) APCM December Report
- 2) Prince of Wales Population Estimations
- 3) Southeast Employment
- 4) Notice of Marijuana License Application
- 5) Letter from Craig Child Care Center

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

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- 1) Resolution 19-03, POWCAC Transportation Priorities
- 2) Ordinance 717, Authorization to negotiate a lease with Petro Marine Services
- 3) Ordinance 718, Authorizing the city administrator to negotiate sale of city property to Richard Trojan
- 4) Ordinance 719, Implementing a road maintenance and improvements fee at Port St. Nicholas

UNFINISHED BUSINESS

NEW BUSINESS

- 1) Consider award of bid: North Cove Breakwater Anchor Chain Replacement project
- 2) Consider operating agreement with SSRAA for Port St. Nicholas king salmon hatchery
- 3) Planning Commission/City Council Workshop February 26, 2019

ADJOURNMENT

CITY OF CRAIG
COUNCIL MEETING
THURSDAY JANUARY 3, 2019

ROLL CALL

Mayor Tim O'Connor called the meeting to order at 7:00 p.m. and the roll was taken. Present were, Jan Trojan, Hannah Bazinet, Jim See (via teleconference), Dave Creighton and Julie McDonald. Absent Excused was Michael Douville.

Staff present: Jon Bolling, City Administrator; Kassi Mackie, City Clerk; Joyce Mason, City Treasurer; Jessica Holloway, Aquatic Center Manager; Hans Hjort, Harbormaster; Chaundell Piburn, EMS Coordinator; Angela Matthews, Librarian; Russel Dill, Public Works Director; RJ Ely, Police Chief; Doug Ward, Parks and Public Facilities Director

Audience present: Pat Tyner, Charles Haydu, Annette Cole, Jeff Lundberg, Troy Pinnick, Jessica Pinnick

CONSENT AGENDA

City Council Meeting Minutes of December 6, 2018

Hill Bar Liquor Store License Renewal

Hill Bar Liquor License Renewal

Introduction and First Reading of Ordinance 716, Craig Child Care Center Lease

TROJAN/BAZINET

moved to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

- Resolution 19-01, Capital Projects List 2019

Jeff Lundburg was present to thank the council for the crews that work outside and the City of Craig staff that has been working diligently to keep Craig a great place to work and live.

REPORTS FROM CITY OFFICIALS

Mayor/Fire Department- Nothing to report.

Administrator- Jon provided a written report.

Treasurer- Joyce provided a report with the upcoming budget calendar for FY20. The auditor was in town and Joyce was pleased with her visit.

Aquatic Manager- Jessica provided a report.

City Clerk- Kassi had nothing new to report.

City Planner- Brian provided a written report and was absent/excused.

EMS Coordinator- Chaundell provided a written report. Jan asked about Chaundell moving on from her position, and Chaundell commented on the need for two individuals working the EMS department.

Harbormaster- Hans provided a written report. Engineer for lights should arrive Saturday or Sunday and have something ready to submit to the public soon. Everything from the service panel down will be new including wiring, fixtures and bulbs.

Library- Angela provided a written report and commented that the book sale in December went well. Made \$155 from the book sale.

Police Chief- RJ provided a written report. Pool siren malfunctioned at the Tsunami alarm but got the software to match up and communicate. Software for NEW ID is in and have issued 3 or 4 new id's already. Jan asked about the post office closure on Sundays, and RJ responded that it is open until late evening.

Public Works- Russell provided a written report.

Parks and Rec- Victoria was absent excused.

Parks and Public Facilities- Doug provided a written report.

READING OF CORRESPONDENCE

1. Airport Plowing Memo

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Resolution 19-01- Capital Projects List 2019

TROJAN/MCDONALD

moved to discuss Resolution 19-01.

MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

Jan asked about the ability of the city to fund the projects that are included on the list. Jon explained that these projects tell the state legislature what the City is interested in, if the State includes some projects in the capital projects budget. When something gets accomplished it is removed from the list. The listed projects do not fund staff or specific programs, just capital projects for the upcoming year.

Jan asked about item 16, improvements to the airport for Klawock. Jon explained that this project is slightly different, because it wouldn't bring anything back to Craig, this is a support item for the Klawock airport. The City of Craig wouldn't be in charge of handling funds or overseeing the project.

Julie asked about the Public Works Heavy Equipment Storage item. Julie asked if something was put in place to help move this item to be less of a need. Russel didn't feel comfortable commenting on the exact need for this project.

Jim See commented that the POWER building renovation construction may need to be increased to \$150,000. Jim has issue with item 18, as it doesn't seem to be cost effective.

Dave Creighton asked about the micro hydro water treatment plant and wondered if anyone has run the numbers on something like that and calculated how much this would save. Jon responded that the city did run some numbers on this, and there is a positive correlation with this system, but having not read the document in a while, it is difficult to recall the exact numbers. There were two different style of generators that the contractor recommended. This would take third party funding.

Julie asked about the Aquatic Center upgrade item. Jon remarked that some of the deficiencies in the building were addressed during the big upgrade to the aquatic center. However, others have not been taken care of due to the cost. Julie remarked that this building should have a generator since it is included as one of the main tsunami evacuation locations. Joyce will work with Brian on submitting this request to homeland security during a grant program that applies to this type of project.

Julie asked about item 19. Jon explained this quota share program.

Dave asked about the duration of the Klawock airport master plan. Jon commented that this has been in place since the early nineties. Dave commented on the parking, and Jon explained that his discussion with the state this morning included a conversation regarding parking.

Jan asked about leaving the number as it is until it is discussed through the budget committee, and Jim commented that it isn't a budget committee item but is included on this wish list. Joyce commented that during discussions with the Rasmussen Grant, and the need for the City to apply for the grant. The City also needs to wait until the library is done with their Rasmussen grant prior to any other applications being submitted through the city.

CREIGHTON/TROJAN

moved to adopt Resolution 19-01, Capital Projects List 2019 with an increase for the POWER roof repair to \$150,000 and including a generator in item #8.

TROJAN/MCDONALD

moved to amend the motion to include a new line item for a new Police Department Building.

AMENDED MOTION CARRIED
UNANIMOUSLY

MAIN MOTION CARRIED
UNANIMOUSLY BY ROLL CALL VOTE

UNFINISHED BUSINESS

Roadless Rule Letter/Information

Julie appreciated the letter and is in favor of sending it off.

TROJAN/MCDONALD

moved to support the Roadless Rule Letter showing the City's support.

MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

Consider proposal-Steam Donkey Components

Jim See is in favor of giving Greg the small winch, but the other is melting down there, and should be refurbished or removed from the property. Dave would like to keep this piece of history and would like to see this piece of equipment refurbished and left as a historical piece of Craig to be included in the new harbor. Dave isn't entirely firm on this decision. The majority of the council agreed that with some preservation efforts or refurbishing of the historical steam donkey, it would be allowable for Greg Head to remove the winch.

CREIGHTON/TROJAN

moved to allow Greg to remove the small winch, in trade for some preservation efforts or refurbishing of the Steam Donkey.

MOTION CARRIED BY ROLL CALL VOTE

HANNAH BAZINET-NO

JIM SEE-YES

DAVE CREIGHTON-YES

JAN TROJAN-YES

JULIE MCDONALD-YES

NEW BUSINESS

Consider appropriation, Installation of Alum Station at Water Treatment Plant

Russell explained the process for pulling the old Alum unit out installing the new unit and re-wiring, and

hooking it back up to the information system for the water treatment plant. Russell added that he is working toward a specific date for this process to happen.

TROJAN/CREIGHTON

moved to appropriate up to \$18,729 of the lapsed FY18 appropriation from the Equipment Replacement Reserve Fund for the purpose of completing installation of the new alum station at the city's water

treatment plant with any unspent balance to lapse on June 30, 2019.

MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

Report on Chinook and Coho Production from SSRAA

Jeff Lundberg was present to report on the chinook production at the hatchery. There is an increase in survivals through the chinook rearing process. Jeff reported about 144,000 fish caught by drift, purse, troll and sport fisherman. Charles Haydu asked about the cost recovery effort and Jon replied that Greg McMillan has done a good job, and the council chose last year to extend his contract by 3 years. Jeff Lundberg commented that there were exactly 500 more than last year, and Greg has done a great job in retrieving these fish for cost recovery.

Policy on Installation of New Water/Sewer Services

Jan asked about additional insurance or paperwork for excavation services. Jon replied that there has not ever been a problem with a contractor using the water service line. If the city has to go in and fix a water break, the parties responsible will receive the bill. Jim commented that the new policy needs to state that any person who does this is bonded and insured. There are contractors available that have this type of insurance and would be covered in the event that anything goes wrong during the process. The policy for coordinating with public works and paying the fee has never been put into policy. Julie asked how often this happens annually. Russell responded that there have been 2-3 in a year. Julie commented that the requirement for insurance and bonded could prevent someone from doing it themselves. Dave asked about the cost to repair a minor waterline break. Russell explained that the cost to repair the waterline is minimal, however if the water goes to another home, or another catastrophic example, this could be a huge liability for the city.

MCDONALD/TROJAN

moved for the city to adopt as policy that the fees set by the City of Craig for new water and wastewater service lines do not include excavation services.

MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

MCDONALD/CREIGHTON

moved to adjourn at 8:20 p.m.

MOTION CARRIED UNANIMOUSLY

APPROVED _____

MAYOR TIMOTHY O'CONNOR

ATTEST

KASSI MACKIE, CITY CLERK

ROLL CALL

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

Staff present: Jon Bolling, City Administrator; Kassi Mackie, City Clerk; Joyce Mason, Treasurer, Hans Hjort, Harbormaster; Russel Dill, Public Works Director

Audience present: Kay Shrammack, Barbi Armstrong, Vincent Thomas, Kyle Ebbighausen, Annette Cole, Brent Cole Sr, Richard Trojan, Jeanette Haydu, Chuck Haydu, Gary Barlow, Troy Pinnick, Jessica Pinnick, Angie Collins, Kyle Ebbighausen, Rusty Reynolds, Cathy Bolling

CONSENT AGENDA

Notice of liquor license renewal application- Zat's Pizza

Notice of liquor license renewal application- Shelter Cove Lodge

Introduction and first reading of Ordinance 717, Authorization to negotiate a lease with Petro Marine Services

Introduction and first reading of Ordinance 718, Authorizing the city administrator to negotiate sale of city property to Richard Trojan

Introduction and first reading of Ordinance 719, Implementing a road maintenance and improvements fee at Port St. Nicholas

TROJAN/DOUVILLE moved to approve the consent agenda.

Jan would like to pull Ordinance 719 for more discussion under New Business. Dave Creighton declared a potential conflict of interest on Shelter Cove Lodge's Liquor License Renewal Application and requested that it be pulled for a vote under New Business. The council agreed with both changes.

MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

- Final reading and public hearing of Ordinance 716, Child Care Center Lease renewal

Chuck Haydu was present to discuss his letter submitted to the council. Chuck asked about the transfer of covenants to the city. Chuck is frustrated that the residents of Port St. Nicholas have no voice. Chuck also asked about the Department of Transportation

memorandum of agreement that the city made. Chuck is interested in the prospect of a home owners association.

Barbi Armstrong is present to discuss the proposed ordinance and request more definition for terms and lot ownership. Barbi is interested in requiring that the city lots past the water treatment plant be required to pay as well, and a lower water service rate.

Richard Trojan was present to discuss Port St. Nicholas road, and the need for a home owners association. Richard believes that this would bring in the south and north side residents and require payment from all. Richard also discussed his lease of city property. Richard has met every lease payment for the last 20 years and would like to purchase the property.

Troy Pinnick explained that he purchased his lot in 1986 and the road was already in place. The city did not build the road.

Brent Cole Sr. commented that the word “tax” has never been used by the city, but it is a tax of sorts as it is requiring someone to pay a fee, they don’t agree with paying. Brent believes this fee is wrong.

Angie Collins was present representing the Craig Child Care Center and reported the need for this service within the community. The childcare center has new staff and board and is grateful for the city’s assistance with the lease.

READING OF CORRESPONDENCE

- Former ADF&G Commissioner to Head Sitka’s Silver Bay Seafoods
- Letter to Governor Mike Dunleavy
- Mental Health Trust Finalizes First Phase of SE Land Exchange
- MCB Notice of Proposed Regulation
- Winter Troll Report

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Resolution 19-02, FY19 Shared Fish Tax

TROJAN/BAZINET

moved to approve Resolution 19-02, FY19 Shared Fish Tax.

MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

Ordinance 716, Craig Child Care Center Lease Renewal

DOUVILLE/MCDONALD

moved to approve Ordinance 716, Craig Child Care Center Lease Renewal.

Julie McDonald would like to see some kind of statement of where the daycare is at financially. Russ Reynolds and Angie Collins were present representing the center and

are in favor of providing a report to the council. Mike asked about monthly reports, and the ability to produce them for the council, but doesn't feel that it is a priority. The council decided not to include reports to the council in the requirements for the daycare lease renewal.

MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

UNFINISHED BUSINESS

NEW BUSINESS

Consider Purchase of Harbor Safety Ladders

BAZINET/MCDONALD moved to appropriate funding for harbor safety ladders in an amount not to exceed \$7000.

Hans stated the proposed location of these ladders and explained that while this won't cover 100% of the dock, these will be placed strategically around the harbors.

MOTION CARRIED UNANIMOUSLY

Ordinance 719, Implementing a road maintenance and improvements fee at Port St. Nicholas

CREIGHTON/TROJAN moved to approve Ordinance 719 at first reading.

Jan asked about the reference to statute within the ordinance, and whether or not it was appropriate as written. Jan also mentioned the reference to capital projects within the ordinance. Jon explained that the fifth "Whereas" in the ordinance, there is a series of definitions at the Alaska Statute mentioned. Jan asked about whether or not the sale of a house would be halted due to lack of payment from the owner. Jon explained that if the sale that involves financing for the bank, the elimination of liens in a superior position will be required prior to the close of a sale. Mike explained that these are all fees and can only be used for the maintenance of the road, and would like to see some relief of the fee on a year where the prior year's fees were more than the maintenance required. Dave's original thought was to go to a percentage-based fee for the very reason of the potential for overpayment of maintenance fees. Prior to next meeting Hannah would like the agreement creating roadway easement document recorded at the Department of Natural Resources. Jan also reiterated Barbi Armstrong's point about lot size. Mike mentioned that there is no relief for the fee payer's if there is a low maintenance year. Jon explained that with this fee schedule there wouldn't be a surplus of funds. Julie asked about the size of lots, and what the fees would be based on that.

CREIGHTON/MCDONALD

moved to amend the motion to change road maintenance and improvement percentage to 45% with a maximum of \$150/year.

AMENDMENT CARRIED
UNANIMOUSLY

MAIN MOTION CARRIED
UNANIMOUSLY

Notice of Liquor License Renewal Application- Shelter Cove Lodge

Dave Creighton declared a financial interest in this application and abstained from voting.

TROJAN/MCDONALD

moved to approve Shelter Cove Lodge’s liquor license application.

MOTION CARRIED UNANIMOUSLY
DAVE CREIGHTON ABSTAINED

ADJOURNMENT

TROJAN/MCDONALD

moved to adjourn at 8:05 p.m.
MOTION CARRIED UNANIMOUSLY

APPROVED _____

MAYOR TIMOTHY O’CONNOR

ATTEST _____
KASSI MACKIE, CITY CLERK

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 24, 2019
RE: February Staff Report

1. Status of Fisheries Disaster Relief Fund

The state is preparing to receive \$56 million of what is called disaster funding in response to a poor pink salmon fishing year in 2016. As far as I can tell from websites of various agencies involved in managing distribution of the funds, this program is still awaiting federal approval at the National Oceanic and Atmospheric Administration, after which any funds distributed will be managed by the Pacific States Marine Commission. I expect the recent partial federal government shutdown has slowed the decision making process. No word yet on what amount, if any, the City of Craig will receive.

2. SBS Staff

Mr. Predrag Josifovic, the manager of the Silver Bay Seafoods plant plans to attend the council's February 7 meeting to introduce himself. Mr. Josifovic recently assumed the role of manager of the plant, and can speak to the company's projected operations in Craig in 2019.

3. Aquatic Center Pool Basins Project

City staff sent the project architect comments on the initial design documents that detail the refinishing needed for the lap pool and wading pool, and rebuilding portions of the gutter surrounding the lap pool. The architect will now bring the plans to a more final condition and develop a cost estimate. I expect that the cost estimate and subsequent bid will be more than the funding appropriated for the project; if it turns out that way staff will develop a recommended course of action regarding the project. In the meantime, staff will work with the project architect to build options into the bid package to lower the eventual project cost.

As a reminder, the council appropriated \$100,000 for the work in the current fiscal year budget.

4. Committee Participation

In my capacity as city administrator, I participate in meetings with a number of POW-based and regional-based groups. A summary of those activities is below.

A. POW LAT

In 2016 I started working with the POW Landscape Assessment Team, a group of POW Island residents to develop recommendations that the group hoped the US Forest Service would include in the agency's planned landscape level assessment project for Prince of Wales Island. That effort is now winding up as the Forest Service nears the end of the public comment process. The landscape assessment is intended to direct Forest Service land management efforts on POW for the next 10-15 years. The assessment document includes measures for recreation, restoration, timber harvest, and other land management tasks. Members of the POW resident group will participate in what is called the Objectors Meeting in February, after which I expect the group will likely meet infrequently.

B. POW Vocational Technical Center

I participate in meetings of the board of directors for the POW Vocational Technical Education Center in Klawock. The purpose of the center is to provide vocational education and technical training programs. The facility was built using funding from a State of Alaska capital budget grant. The building is owned by the City of Klawock. The programs provided in the facility are managed by various entities, including the Klawock City School District, and the board of directors of the center, which is organized as a non-profit corporation. The center struggles financially, and the board has found operating the center challenging. The organization must in the near term find both a contractor or employee to manage the facility, and implement an effort to attract training programs for the benefit of the workforce on POW and in the region.

C. Southeast Alaska Solid Waste Authority

I meet monthly via teleconference with a number of other cities in Southeast Alaska under the umbrella of the Southeast Alaska Solid Waste Authority. The group addresses municipal solid waste issues common to the membership. Work includes leading the effort to coordinate the region-wide annual collection and disposal of household hazardous waste, work on coordinating scrap metal collection efforts, coordinating efforts on the collection and disposal of municipal solid waste, and other tasks.

D. POWCAC

I represent the City of Craig at meetings of the POW Community Advisory Council. POWCAC membership is made up of communities and tribes on POW and Kosciusko Islands. The group meets every other month to discuss issues of island-wide relevance. POWCAC is a great sounding board for organizations, both private and public, that wish to conduct activities on POW.

E. POW RAC

The Prince of Wales Resource Advisory Committee is a US Forest Service-appointed body that makes recommendations to the forest supervisor on the use of what are called "Title II Special Project funds" made available through the federal Secure Schools Act, also known as the forest receipts program. The committee considers a list of projects and selects one or more that it would like to see funded, in whole or in part, with Title II funds. Title II funds have benefited Craig through the North Fork Lake Dam expansion project, and through improvements to the Sunnahae Trail. Title II funds have also provided benefits to other POW communities.

5. North Cove Lighting Project

The city has a design in hand for the lighting project at North Cove Harbor. Unfortunately the engineer's estimate for the work is more than \$250,000, far above the \$50,000 appropriated in the current fiscal year budget. The design calls for replacing electrical panels, conductor, light fixtures, contactors, and other components. Craig Harbormaster Hans Hjort and I spent time recently looking at options to lower the capital cost of the new lights, and will report to the council options for lowering the project cost.

6. Southeast Conference Meeting in Juneau

I plan to attend the Southeast Conference meeting scheduled for Feb 12-13 in Juneau. The meeting agenda (copy attached) includes a number of topics important to the region. Among the items of interest among conference attendees is preparing for issuance of Governor Dunleavy's proposed Fiscal Year 2020 budget for the State of Alaska, due out February 13. The budget will

reportedly include about \$1.6 billion in state general fund spending reductions. Comments from the Dunleavy Administration Office of Management and Budget that state agencies will be asked to do less with less funding indicate that specific programs and services may not be funded. How this will affect programs that provide funding to Craig, such as contract jails, K-12 education, municipal revenue sharing, raw fish tax sharing, DMV contract services and the like remains to be seen.

7. Float Plane Dock Terminal Building Leases

The City of Craig owns and operates the float plane terminal building, float, and underlying property. The building is currently occupied by both Taquan Air, Pacific Air. Both companies are due for new leases to occupy the building. In the past the city has agreed to accept in kind services for some of the cash rent due from the tenants. Those services include air travel credits and custodial care of the building's interior.

The lease rate for the building spaces ranges between \$800 and \$1,000 per month. Both airlines have expressed an interest in continuing to provide a combination of cash and in kind services in return for use of the building. Unless directed otherwise by the council, I will negotiate terms with the tenants that include offsetting some cash payments for in-kind services. Ultimately, the final terms of the leases are subject to approval by the city council, a fact that staff has made known to the tenants. On a related note, staff is working with the State of Alaska on an agreement that would use the travel credits from the float plane terminal building lease for transports that may be reimbursable.

8. Craig EMS

Chaundell Piburn is scheduled to go to part-time status beginning this week. Chaundell will work for the city part time, and part time for Southeast Region EMS. The city is still recruiting for a full time EMS employee, but we have few prospects for filling the vacancy anytime soon. In conversations with Chaundell, the city needs to consider a different model for providing our EMS services, as staffing with volunteers has become increasing difficult over the years, for a variety of reasons.

Chaundell is working very hard to try to keep coverage in place in the interim.

9. CTA Projects

The Craig Tribal Association's new transportation planner, Mr. Damen Woudenberg, contacted me recently to arrange a meeting time to discuss a project that would fund some sidewalk construction in Craig. Staff has a meeting planned with Mr. Woudenberg for Friday afternoon, February 1 to work in the project.

CTA is in the process of stockpiling crushed rock at various locations in and around Craig. The tribe has asked the city to identify potential storage sites on city-owned property. In November I issued an access permit to the tribe to store rock on city property near Dog Salmon Creek Bridge along the Port St. Nicholas Road. I may issue another permit for rock storage near the burn pit.

10. Travel Schedule

February 11-14: SE Conference Mid-Session Meeting in Juneau.
June: Personal travel.



Tuesday, February 12, 2019
Elizabeth Peratrovich Hall 320 W. Willoughby Ave, Juneau

DRAFT Agenda (updated 1/30)

- 7:00 AM** Registration: *Sponsored by Wostmann Associates*
Breakfast sponsored by *Alaska Committee*
- 8:00 AM** **Welcome**
- Alaska State Flag Song and National Anthem: Sung by the **JDHS Chamber Singers**
 - Welcome – **Dennis Watson**, President, Southeast Conference (5 min)
 - Welcome – **Richard Peterson**, President, CCTHITA (5 min)
 - Welcome – **Beth Weldon Mayor**, City & Borough of Juneau (5 min)
- 8:30 AM** **Keynote Address**
Governor's Policy Advisor, Ben Stevens
- 8:50 AM** **Mining**
Jan Hill, Mining Chair Mayor of Haines
- **Mark Kiessling**: General Manager, Coeur Alaska-Kensington Mine (15 min)
 - **Liz Cornejo**: Constantine Metals (15 min)
 - **Graham Neale**: Director of the University of Alaska Southeast's Center for Mine Training. Chair of the Alaska Miners Association. (5 min)
- 9:25 AM** **Timber**
Bryce Dahlstrom, Timber Chair Vice President Viking Lumber
- **Timber**: Dave Schmid U.S. Forest Service Regional Director (15 min)
 - **Timber and Carbon Trading**: Brian Kleinhenz Terra Verde Vice President (10 min)
- 9:50 AM** *Economic Development Networking Coffee Break Sponsored by (available!)*
- 10:05 AM** **Economic Development**
- **Deputy Commissioner Jon Faulkner**, Department of Commerce Community and Economic Development (15 min)
 - **Meilani Schijvens** – Southeast Alaska by the Numbers (10 min)
 - **Damian Bilbao**, Vice President of Commercial Ventures for BP Alaska (15 min)
 - **McHugh Pierre**: Vice President, Goldbelt (15 min)
 - **Richard Peterson**, President, CCTHITA: Economic Sovereignty (15 min)
- 11:15 AM** **Telecommunications**
- **Ed Cushing**: KPU Telecommunications (10 min)
 - **Annette Jones**, VP, GCI Government, Healthcare & Education (10 min) (invited)

- 11:35 AM Spruce Root Path to Prosperity Winners Awards Announcement**
- 11:55 AM Community Shorts: Mayors updates from across the region** (5 min)
- Noon Tuesday Luncheon: Freight and Southeast Alaska**
 Speaker: **Chief Assistant Attorney General Ed Sniffen** (20 min) *Better understand the dynamics of freight rate costs and service.*
Lunch Sponsored by (available!)
- 1:00 PM Commissioner of Natural Resources, Corri Feige** (15 min)
- 1:15 PM Maritime and Fisheries**
Mark Scheer, Premier Aquatics, Chair
- Keynote: Fish and Game **Deputy Commissioner Ben Mulligan** (15 min)
 - **Julianne Curry:** Icicle Seafoods Public Affairs Manager (15 min)
 - **Max Stanley:** Barnacle Foods, Mariculture, Southeast Alaska's Blue Economy (15 min)
 - **Adam Zaleski:** Data and Evaluation Manager Douglas Island Pink and Chum (DIPAC) (15 min)
- 2:15 PM Energy Industry**
Alec Mesdag, Chair Director of Energy Services, AEL&P
- Biomass Program update: **Karen Petersen, Devany Plentovich** (10 min)
 - **Trey Acteson,** CEO, SEAPA, President, Northwest Hydroelectric Association (10 min)
 - **Connie Hulbert,** President/General Manager, Alaska Electric Light & Power (10 min)
 - **Jodi Mitchell, Inside Passage Electric Cooperative CEO/General Manager** (10 min)
 - Energy Roundtable – Reports from the region
- 3:15 PM Energy Networking Coffee Break sponsored by (available!)**
- 3:30 PM Legislative Leaders Forum** Invited: **Senator Bert Stedman, Senator Jesse Kiehl, Representative Jonathan Kreiss-Tomkins, Representative Dan Ortiz, Representative Sara Hannan, Representative Andi Story**
- 4:30 PM Southeast Alaska Conference of Mayors** Meeting (Breakout)
- 5:30 PM Legislative Reception at the Sealaska Heritage Walter Soboleff Building** 105 S Seward St.

Sponsored by the **Sealaska Heritage Institute, Rain Coast Data, & Alaska Marine Lines**

Wednesday, February 13, 2019

- 7:30 AM** Registration Sponsored by Wostmann Associates
Breakfast *Sponsored by (available!)*
- 8:00 AM** Community Shorts: **Mayors updates from across the region**
- 8:15 AM** **Transportation Committee**
Dennis Watson, Chair Executive Director of the IFA
- Keynote: **John MacKinnon**, Commissioner, Dept. of Transportation (15 min)
 - AMHS Update: **AMHS Director Shirley Marquardt** (15 min)
 - AMHS Reform: **Robert Venables, Susan Bell** McDowell Group (15 min)
 - Questions for the Panel (15 minutes)
- 9:15 AM** *Networking Break sponsored by Southeast Alaska Pilots Association*
- 9:30 AM** **Healthcare Industry**
- **Charles Bill**, CEO at Bartlett Regional Hospital (invited) (15 min)
 - **Rick Caulfield** Chancellor, University of Alaska Southeast: UAS programs and services (15 min)
 - UAA College of Health Dean **Jeff Jessee**: UA partnership in meeting healthcare needs; Regional Healthcare Workforce Assessment Kickoff (10 min)
- 10:15 AM** *Visitor Industry Networking Break Networking Coffee Break Sponsored by the Alaska Travel Industry Association*
- 10:30 AM** **Visitor Industry**
KC Hostetler, Chair Alaska Airlines Sales & Community Marketing Manager
- Cruise Industry 2018 and 2019 expectations: Cruise Line International Association Alaska President **John Binkley** (20 min)
 - Alaska Airlines: **Scott Habberstad**, Director of Sales & Community Marketing (15 min)
 - Icy Strait Point - **Russell Dick** President/CEO, Huna Totem Corporation (15 min)
 - **Patti Mackey**: Ketchikan Visitors Bureau President, CEO (15 min)
- 11:35 AM** **Sealaska**
Anthony Mallott: President and CEO, Sealaska (20 min)
- 11:55 AM** **Southeast Solid Waste Authority** (10 min)
Wayne Benner, Chair
- 12:05 PM** **Wednesday Luncheon: Cyber Security Panel** (40 min)
*Panel including Wostmann Associates: **Chris Letterman** Principal Cyber Security Consultant, **Sander Schijvens** CEO; and GCI and CI Security: **Michael Hamilton**, CI President*

Wednesday Afternoon Break-out Sessions and Legislative Visits

- 1:30 PM Session #1: Tourism Community Discussions** (2 hours)
- **Alaska Native Tourism:** Destination Southeast - community development, sustainability and growth (led by the Sealaska Heritage Institute) (40 min)
 - **Cruise Ship Litigation Update** by Rorie Watt: CBJ Perspective (30 min)
 - **Southeast Cruise Port Association Discussion** (40 min) Moderated by KC Hostetler, Chair of the Southeast Conference Visitor Industry Committee

Afternoon refreshments sponsored by Cruise Lines International Association, Holland America Line & Princess Cruises

- 1:30 PM Session #2: Southeast Solid Waste Authority** (1 hour)
- 2:00 PM Session #3: Cyber Security Discussion** (Breakout with GCI, CI Security, and Wostmann Associates) (1 hour)
- 2:30 PM Session #4: AMHS Reform Steering Committee** (1 hour)

Take time during Mid-Session Summit to go visit with legislators. If you'd like help setting up appointments, let us know.

MID SESSION SUMMIT SPONSORS



City of Craig
Cash Balances
12/31/2018

General Fund

Deposit Clearing Account	31,483.70
Checking - First Bank	1,762,686.90
Checking - Wells Fargo	321,271.19
Petty Cash	300.00
Petty Cash-Harbors	200.00
Petty Cash- Aquatic Center	250.00
Petty Cash - Police	150.00
Petty Cash- Library	50.00
Specail Recreation Savings	1,941.55
Wells Fargo CD Saving Account	<u>2,000,000.00</u>
 Total	 <u>4,118,333.34</u>

Restricted Fund

Cash, , Police Fund	384.67
Cash Evidence, Police	4,402.02
Police Petty Cash	781.17
Cash Equipment Fund	593,883.30
Cash Hatchery Salmon Derby	2.22
MM Park Funds	12,597.08
Fish Quota Funds	15,500.41
MM POW Clinic Funds	42,804.88
MM Invest Muni Land	567,676.81
Saving Account	109,306.13
Cash MMkt NFR -School FB	18,394.83
Cash Invest School Funds APCM	3,011,886.54
NFR School ProEquities/APCM	74,996.53
Accrued Interest, School	<u>8,156.08</u>
 Total	 <u>4,460,772.67</u>

Endowment

Cash Held Endowment	38,911.43
CD Invest, Endowment	504,615.56
Fixed Inc. Investment Endowment	3,539,236.83
Accr. Int., Endowment	15,769.00
Equity Invest., Endowment	4,309,341.78
Unrealized Gain/Loss Endowment	(65,909.70)
Unrealized Gain/Loss Equity, Endowment	<u>1,716,263.55</u>
 Total	 <u>10,058,228.45</u>

Enterprise Fund

Debt Service Savings	14,992.68
Water & Wastewater Cash	4,469.55
DNR Performance CD	<u>8,500.00</u>
 Total	 <u>27,962.23</u>

City of Craig, Inc.
04. Craig Gov Revenue

December 31, 2018

	M-T-D Actual	Y-T-D Actual	Budget	Variance	% of Budget
01 00.4000.00 000 Property Tax	(17)	653,740	650,000	3,740	101
01 00.4050.00 000 Sales Tax	4,132	1,019,585	1,522,000	(502,415)	67
01 00.4055.00 000 Delinquent Sales Tax	0	0	2,000	(2,000)	0
01 00.4060.00 000 Liquor Sales Tax	0	64,450	120,000	(55,550)	54
01 00.4065.00 000 Transient Room Tax	0	24,151	25,000	(849)	97
01 00.4080.00 000 Sales Tax Penalties	0	1,137	0	1,137	0
Total Local Taxes	4,115	1,763,063	2,319,000	(555,937)	76
01 00.4100.00 000 Property PILT Funding	0	289,535	280,000	9,535	103
01 00.4110.00 000 State Revenue Sharing	0	95,942	90,168	5,774	106
01 00.4111.00 000 Liquor Revenue Sharing	0	0	4,000	(4,000)	0
01 00.4112.00 000 Fish Bus Tax - DOR	0	88,948	35,000	53,948	254
01 00.4120.00 000 Shared Fish Tax - DCED	0	0	4,000	(4,000)	0
01 00.4142.00 000 Revenue, Small GF Grants	0	13,500	0	13,500	0
Total State Revenue	0	487,925	413,168	74,757	118
01 00.4220.00 000 EMS Service Fees	1,317	36,062	30,000	6,062	120
01 00.4250.00 000 EMS Training Fees	0	810	1,000	(190)	81
01 00.4255.00 000 EMS Estimated NonCollectable	0	(15,000)	0	(15,000)	0
01 00.4260.00 000 Aquatic Center Revenue	3,698	29,222	55,000	(25,778)	53
01 00.4270.00 000 Library Fees	291	291	1,000	(709)	29
01 00.4275.00 000 Recreation Revenue	2,550	12,853	13,000	(147)	99
01 00.4280.00 000 Senior Card Fees	225	21,300	1,000	20,300	2,130
01 00.4620.00 000 Taxi Permit Fees	0	0	100	(100)	0
01 00.4640.00 000 Building Permit Fees	60	330	1,000	(670)	33
01 00.4644.00 000 Access Permit Fees	25	12,551	7,000	5,551	179
Total Permits & Fees	8,166	98,419	109,100	(10,681)	90
01 00.4300.00 000 Property Lease/Rentals	2,842	22,851	72,000	(49,149)	32
01 00.4400.00 000 Material Sales	0	0	1,000	(1,000)	0
01 00.4450.00 000 K Salmon Hatchery Support	0	11,783	0	11,783	0
Total Local Revenue	2,842	34,634	73,000	(38,366)	47
01 00.4700.00 000 Police-Fines,Citation	1,176	8,306	10,000	(1,694)	83
01 00.4702.00 000 Drivers License Fees	755	755	0	755	0
01 00.4703.00 000 Motor Vehicle Commision	2,498	31,606	60,000	(28,394)	53
01 00.4650.00 000 State Trooper Dispatch	0	1,625	7,200	(5,575)	23
01 00.4660.00 000 State Jail Contract Revenue	0	89,381	353,000	(263,619)	25
01 00.4665.00 000 Klawock Dispatch	4,424	26,544	53,088	(26,544)	50
01 00.4670.00 000 Forest Service Dispatch	0	0	3,000	(3,000)	0
Total Public Safety Funds	8,853	158,217	486,288	(328,071)	33
01 00.4800.00 000 Interest Income (CKNG & CD)	1	23	0	23	0
01 00.4820.00 000 Interest Income (A/R)	100	1,286	1,000	286	129
01 00.4830.00 000 Misc Revenue Convenience Fees	0	0	5,000	(5,000)	0
01 00.4900.00 000 Misc Revenue	224	1,496	0	1,496	0
01 00.4910.00 000 Donations Received	5,330	6,830	0	6,830	0
01 00.4920.00 000 Overhead	14,438	82,695	0	82,695	0
Total Other Revenue	20,093	92,330	6,000	86,330	1,539
Total Revenues	\$ 44,069	\$ 2,634,588	\$ 3,406,556	\$ (771,968)	\$ 77

City of Craig, Inc.
Revenue and Expense MTD and YTD
December 31, 2018

	Month to Date	Y-T-D Current Year	Y-T-D Encumbra nce	Total	Budget	Variance	% of Budget
11 Administration							
Total Personnel	39,775	168,993	0	168,993	329,028	160,035	51.36
Total Personnel Benefits	15,062	60,250	0	60,250	133,488	73,238	45.14
Total Contract Services	23,686	64,365	595	64,960	131,000	66,040	49.59
Total Personnel Misc.	450	6,885	250	7,135	10,745	3,610	66.40
Total Material & Supplies	1,285	7,520	288	7,808	11,670	3,862	66.91
Total Utilities	2,620	10,136	0	10,136	16,850	6,714	60.15
Total Maintenance	0	294	0	294	2,808	2,514	10.47
Total Misc.	1,550	16,382	0	16,382	19,135	2,753	85.61
Total Capital Assets	0	25,330	0	25,330	22,000	(3,330)	(114.14)
Total Expenditures	<u>84,428</u>	<u>360,155</u>	<u>1,133</u>	<u>361,288</u>	<u>676,724</u>	<u>315,436</u>	<u>53.39</u>
12 Council							
Total Personnel	1,491	6,460	0	6,460	14,700	8,240	43.95
Total Personnel Benefits	2,041	6,264	0	6,264	37,646	31,382	16.64
Total Contract Services	0	463	0	463	950	487	48.74
Total Personnel Misc.	808	4,369	825	5,194	1,550	(3,644)	(334.10)
Total Material & Supplies	284	538	0	538	2,100	1,562	25.62
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	12	72	0	72	385	313	18.70
Total Capital Assets	0	2,303	0	2,303	0	(2,303)	0.00
Total Expenditures	<u>4,636</u>	<u>20,469</u>	<u>825</u>	<u>21,294</u>	<u>57,331</u>	<u>36,037</u>	<u>37.14</u>
13 Planning							
Total Personnel	8,445	36,456	0	36,456	50,259	13,803	72.54
Total Personnel Benefits	2,504	10,260	0	10,260	17,084	6,824	60.06
Total Contract Services	0	244	0	244	0	(244)	0.00
Total Personnel Misc.	0	876	0	876	0	(876)	0.00
Total Material & Supplies	0	499	0	499	1,000	501	49.90
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	14	124	0	124	808	684	15.35
Total Capital Assets	0	0	0	0	0	0	0.00
Total Expenditures	<u>10,963</u>	<u>48,459</u>	<u>0</u>	<u>48,459</u>	<u>69,151</u>	<u>20,692</u>	<u>70.08</u>
14 Parks & Facilities							
Total Personnel	14,032	63,145	0	63,145	122,419	59,274	51.58
Total Personnel Benefits	8,029	43,162	0	43,162	103,284	60,122	41.79
Total Contract Services	1,270	5,740	0	5,740	7,200	1,460	79.72
Total Personnel Misc.	0	348	0	348	0	(348)	0.00
Total Material & Supplies	458	12,953	(241)	12,712	10,700	(2,012)	(117.80)
Total Utilities	1,960	9,018	0	9,018	15,300	6,282	58.94
Total Maintenance	0	1,181	0	1,181	10,000	8,819	11.81
Total Misc.	965	5,790	0	5,790	12,178	6,388	47.54
Total Capital Assets	0	0	10,436	10,436	7,800	(2,636)	(132.79)
Total Expenditures	<u>26,714</u>	<u>141,337</u>	<u>10,195</u>	<u>151,532</u>	<u>288,881</u>	<u>137,349</u>	<u>52.45</u>
15 Public Works							
Total Personnel	19,839	76,785	0	76,785	145,264	68,479	52.86
Total Personnel Benefits	11,973	47,439	0	47,439	110,200	62,761	43.05
Total Contract Services	756	1,136	0	1,136	720	(416)	(156.78)

City of Craig, Inc.
Revenue and Expense MTD and YTD
December 31, 2018

	Month to	Y-T-D	Y-T-D				% of
	Date	Current	Encumbra	Total	Budget	Variance	Budget
		Year	nce				
Total Personnel Misc.	0	335	0	335	0	(335)	0.00
Total Material & Supplies	3,792	16,868	6,309	23,176	30,600	7,424	75.74
Total Utilities	1,900	9,203	0	9,203	14,800	5,597	62.18
Total Maintenance	748	13,683	10,750	24,433	25,000	567	97.73
Total Misc.	610	3,680	0	3,680	7,711	4,031	47.72
Total Capital Assets	2,025	5,868	4,703	10,571	2,000	(8,571)	(527.55)
Total Expenditures	<u>41,643</u>	<u>174,997</u>	<u>21,762</u>	<u>196,758</u>	<u>336,295</u>	<u>139,537</u>	<u>58.51</u>

16 Police

Total Personnel	63,737	273,982	0	273,982	496,653	222,672	55.17
Total Personnel Benefits	35,692	142,416	0	142,416	371,938	229,522	38.29
Total Contract Services	0	788	0	788	4,200	3,412	18.76
Total Personnel Misc.	1,248	4,147	278	4,425	3,300	(1,125)	(133.09)
Total Material & Supplies	3,620	23,488	3,906	27,393	46,000	18,607	59.55
Total Utilities	2,122	13,920	0	13,920	27,000	13,080	51.56
Total Maintenance	166	166	0	166	0	(166)	0.00
Total Misc.	1,760	12,635	30	12,665	9,148	(3,517)	(137.45)
Total Capital Assets	0	13,150	15,762	28,911	9,500	(19,411)	(303.33)
Total Expenditures	<u>108,345</u>	<u>484,692</u>	<u>19,976</u>	<u>504,666</u>	<u>967,739</u>	<u>463,074</u>	<u>52.15</u>

17 EMS

Total Personnel	7,556	41,169	0	41,169	85,622	44,453	48.08
Total Personnel Benefits	6,493	27,758	0	27,758	58,866	31,109	47.15
Total Contract Services	249	5,076	0	5,076	4,200	(876)	(119.86)
Total Personnel Misc.	168	1,921	270	2,191	3,840	1,649	57.06
Total Material & Supplies	1,017	6,366	577	6,943	19,000	12,057	36.54
Total Utilities	478	3,098	0	3,098	5,400	2,302	57.37
Total Maintenance	0	180	0	180	950	770	18.95
Total Misc.	507	3,062	0	3,062	5,939	2,877	51.56
Total Capital Assets	0	995	0	995	5,510	4,515	18.06
Total Expenditures	<u>16,468</u>	<u>89,625</u>	<u>847</u>	<u>90,472</u>	<u>189,327</u>	<u>98,856</u>	<u>47.79</u>

18 Fire Department

Total Personnel	0	0	0	0	0	0	0.00
Total Personnel Benefits	0	0	0	0	4,186	4,186	0.00
Total Contract Services	0	0	0	0	7,400	7,400	0.00
Total Personnel Misc.	74	447	0	447	5,735	5,288	7.79
Total Material & Supplies	49	158	0	158	4,842	4,684	3.26
Total Utilities	1,099	2,586	0	2,586	4,830	2,244	53.54
Total Maintenance	0	0	0	0	320	320	0.00
Total Misc.	398	2,398	0	2,398	5,113	2,715	46.90
Total Capital Assets	0	0	0	0	1,980	1,980	0.00
Total Expenditures	<u>1,620</u>	<u>5,589</u>	<u>0</u>	<u>5,589</u>	<u>34,406</u>	<u>28,817</u>	<u>16.24</u>

19 Library

Total Personnel	6,869	30,234	0	30,234	62,250	32,016	48.57
Total Personnel Benefits	3,835	11,705	0	11,705	51,535	39,830	22.71
Total Contract Services	0	1,323	0	1,323	1,250	(73)	(104.84)
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	326	4,139	419	4,557	9,150	4,594	49.80
Total Utilities	1,123	3,963	0	3,963	10,600	6,637	37.39
Total Maintenance	0	0	0	0	1,400	1,400	0.00
Total Misc.	154	804	0	804	1,365	561	58.90

City of Craig, Inc.
Revenue and Expense MTD and YTD
December 31, 2018

	Month to Date	Y-T-D Current Year	Y-T-D Encumbrance	Total	Budget	Variance	% of Budget
Total Capital Assets	0	0	0	0	0	0	0.00
Total Expenditures	12,307	52,168	419	52,586	137,550	84,965	38.23
24 Recreation							
Total Personnel	5,205	22,452	0	22,452	44,720	22,268	50.21
Total Personnel Benefits	2,836	12,035	0	12,035	24,965	12,930	48.21
Total Contract Services	770	1,770	0	1,770	5,000	3,230	35.40
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	245	1,089	0	1,089	2,500	1,411	43.56
Total Utilities	1,923	7,515	0	7,515	13,000	5,485	57.81
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	375	2,250	0	2,250	4,095	1,845	54.95
Total Capital Assets	0	0	0	0	2,415	2,415	0.00
Total Expenditures	11,354	47,111	0	47,111	96,695	49,584	48.72
25 Aquatic Center							
Total Personnel	15,651	67,599	0	67,599	154,470	86,871	43.76
Total Personnel Benefits	9,039	38,342	0	38,342	109,484	71,142	35.02
Total Contract Services	1,265	1,790	0	1,790	3,000	1,210	59.67
Total Personnel Misc.	0	832	0	832	6,110	5,278	13.62
Total Material & Supplies	381	4,796	0	4,796	26,360	21,564	18.19
Total Utilities	12,054	62,796	0	62,796	110,000	47,205	57.09
Total Maintenance	0	0	0	0	2,644	2,644	0.00
Total Misc.	825	5,329	0	5,329	10,500	5,171	50.75
Total Capital Assets	0	103,714	0	103,714	238,488	134,774	43.49
Total Expenditures	39,215	285,198	0	285,198	661,056	375,859	43.14
31 PSN Hatchery							
Total Personnel	0	0	0	0	0	0	0.00
Total Personnel Benefits	0	0	0	0	0	0	0.00
Total Contract Services	0	0	0	0	0	0	0.00
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	0	0	0	0	0	0	0.00
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	13	78	0	78	0	(78)	0.00
Total Capital Assets	0	0	0	0	0	0	0.00
Total Expenditures	13	78	0	78	0	(78)	0.00
99 Inter Governmental Transfers							
Total Personnel	0	0	0	0	0	0	0.00
Total Personnel Benefits	0	0	0	0	0	0	0.00
Total Contract Services	0	0	0	0	0	0	0.00
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	0	0	0	0	0	0	0.00
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	0	0	0	0	0	0	0.00
Total Capital Assets	340	1,342	0	1,342	0	(1,342)	0.00
Total Expenditures	340	1,342	0	1,342	0	(1,342)	0.00

City of Craig, Inc.
Revenue and Expense MTD and YTD
December 31, 2018

	M-T-D Actual	Y-T-D Actual	Y-T-D Encumbrance	Total	Y-T-D Budget	Variance	% of Budget
Sewer							
Total Revenues	\$ 23,385.89	\$ 154,341.43	\$ 0.00	\$ 154,341.43	\$ 290,000.00	\$135,658.57)	\$ (53.22)
Total Personnel Expenditures	9,797.71	46,514.01	0.00	46,514.01	71,586.00	25,071.99	64.98
Total Benefits Expenditures	5,879.80	27,148.87	0.00	27,148.87	46,047.00	18,898.13	58.96
Total Contract Expenditures	659.70	2,266.80	0.00	2,266.80	7,800.00	5,533.20	29.06
Total Travel & Expenditures	0.00	100.00	0.00	100.00	300.00	200.00	33.33
Total Materials Expenditures	1,457.63	3,696.85	449.44	4,146.29	5,400.00	1,253.71	76.78
Total Utilities Expenditures	4,958.65	25,097.60	0.00	25,097.60	44,200.00	19,102.40	56.78
Total Repairs & Maint Expenditures	0.00	1,871.12	386.85	2,257.97	4,000.00	1,742.03	56.45
Total Other Expenditures	4,208.77	24,445.15	0.00	24,445.15	18,130.00	(6,315.15)	(133.83)
Total Capital & Debt Expenditures	0.00	68,408.06	0.00	68,408.06	62,497.00	(5,911.06)	(108.46)
Total Expenditures	<u>\$ 26,962.26</u>	<u>\$ 199,548.46</u>	<u>\$ 836.29</u>	<u>\$ 200,384.75</u>	<u>\$ 259,960.00</u>	<u>\$ 59,575.25</u>	<u>\$ 77.08</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (3,576.37)</u>	<u>\$ (45,207.03)</u>	<u>\$ (836.29)</u>	<u>\$ (46,043.32)</u>	<u>\$ 30,040.00</u>	<u>\$ (76,083.32)</u>	<u>\$ 153.27</u>
Water							
Total Revenues	\$ 23,865.26	\$ 182,236.26	\$ 0.00	\$ 182,236.26	\$ 307,300.00	\$125,063.74)	\$ (59.30)
Total Personnel Expenditures	15,261.53	75,609.53	0.00	75,609.53	140,483.00	64,873.47	53.82
Total Benefits Expenditures	7,967.37	39,490.19	0.00	39,490.19	79,614.00	40,123.81	49.60
Total Contract Expenditures	1,410.00	5,040.25	5,360.00	10,400.25	8,000.00	(2,400.25)	(129.00)
Total Travel & Expenditures	0.00	2,075.75	0.00	2,075.75	0.00	(2,075.75)	0.00
Total Materials Expenditures	6,089.24	24,981.45	4,273.57	29,255.02	51,600.00	22,344.98	56.70
Total Utilities Expenditures	3,574.12	24,013.11	0.00	24,013.11	59,400.00	35,386.89	40.43
Total Repairs & Maint Expenditures	0.00	1,397.53	0.00	1,397.53	10,000.00	8,602.47	13.98
Total Other Expenditures	4,463.77	26,011.07	0.00	26,011.07	8,850.00	(17,161.07)	(292.91)
Total Capital & Debt Expenditures	0.00	25,195.97	0.00	25,195.97	47,196.00	22,000.03	53.39
Total Expenditures	<u>\$ 38,766.03</u>	<u>\$ 223,814.85</u>	<u>\$ 9,633.57</u>	<u>\$ 233,448.42</u>	<u>\$ 405,143.00</u>	<u>\$ 171,694.58</u>	<u>\$ 57.62</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (14,900.77)</u>	<u>\$ (41,578.59)</u>	<u>\$ (9,633.57)</u>	<u>\$ (51,212.16)</u>	<u>\$ (97,843.00)</u>	<u>\$ 46,630.84</u>	<u>\$ 51.34</u>
Garbage							
Total Revenues	\$ 26,238.00	\$ 166,403.50	\$ 0.00	\$ 166,403.50	\$ 315,000.00	\$148,596.50)	\$ (52.83)
Total Personnel Expenditures	4,380.75	23,076.70	0.00	23,076.70	39,564.00	16,487.30	58.33
Total Benefits Expenditures	3,952.83	20,368.61	0.00	20,368.61	39,006.00	18,637.39	52.22
Total Contract Expenditures	13,108.40	103,989.56	0.00	103,989.56	212,500.00	108,510.44	48.94
Total Travel & Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Materials Expenditures	579.13	4,850.06	2,325.85	7,175.91	7,000.00	(175.91)	(101.51)
Total Utilities Expenditures	28.42	160.47	0.00	160.47	0.00	(160.47)	0.00
Total Repairs & Maint Expenditures	0.00	975.90	140.81	1,116.71	5,000.00	3,883.29	22.33
Total Other Expenditures	4,029.77	23,417.07	0.00	23,417.07	3,700.00	(19,717.07)	(631.89)
Total Capital & Debt Expenditures	0.00	4,297.11	0.00	4,297.11	0.00	(4,297.11)	0.00
Total Expenditures	<u>\$ 26,079.30</u>	<u>\$ 181,135.48</u>	<u>\$ 2,466.66</u>	<u>\$ 183,602.14</u>	<u>\$ 306,770.00</u>	<u>\$ 123,167.86</u>	<u>\$ 59.85</u>

City of Craig, Inc.
Revenue and Expense MTD and YTD
December 31, 2018

	<u>M-T-D Actual</u>	<u>Y-T-D Actual</u>	<u>Y-T-D Encumbrance</u>	<u>Total</u>	<u>Y-T-D Budget</u>	<u>Variance</u>	<u>% of Budget</u>
Excess Revenue Over (Under) Expenditures	\$ 158.70	\$ (14,731.98)	\$ (2,466.66)	\$ (17,198.64)	\$ 8,230.00	\$ (25,428.64)	\$ 208.97
Harbor							
Total Revenues	\$ 18,389.62	\$ 208,927.67	\$ 0.00	\$ 208,927.67	\$ 258,500.00	\$ (49,572.33)	\$ (80.82)
Total Personnel Expenditures	17,360.90	73,407.59	0.00	73,407.59	126,220.00	52,812.41	58.16
Total Benefits Expenditures	8,913.85	35,326.01	0.00	35,326.01	90,159.00	54,832.99	39.18
Total Contract Expenditures	2,124.00	3,671.00	0.00	3,671.00	0.00	(3,671.00)	0.00
Total Travel & Expenditures	0.00	3,686.95	0.00	3,686.95	4,400.00	713.05	83.79
Total Materials Expenditures	1,928.18	10,978.40	1,035.95	12,014.35	7,900.00	(4,114.35)	(151.08)
Total Utilities Expenditures	4,662.73	30,917.73	0.00	30,917.73	27,400.00	(3,517.73)	(111.84)
Total Repairs & Maint Expenditures	876.48	4,047.43	0.00	4,047.43	22,450.00	18,402.57	18.03
Total Other Expenditures	2,869.43	30,549.73	0.00	30,549.73	21,580.00	(8,969.73)	(140.57)
Total Capital & Debt Expenditures	0.00	12,510.03	754.90	13,264.93	131,000.00	117,735.07	10.13
Total Expenditures	\$ 38,735.57	\$ 205,094.87	\$ 1,790.85	\$ 206,885.72	\$ 431,109.00	\$ 224,223.28	\$ 47.99
Excess Revenue Over (Under) Expenditures	\$ (20,345.95)	\$ 3,832.80	\$ (1,790.85)	\$ 2,041.95	\$ 172,609.00	\$ 174,650.95	\$ (2.18)
Other Fund Sources	0.00	0.00	0.00	0.00	(130,000.00)	(130,000.00)	1.00
JTB Industrail Park							
Total Revenues	\$ 12,379.92	\$ 508,420.40	\$ 0.00	\$ 508,420.40	\$ 413,023.00	\$ 95,397.40	\$ 122.10
Total Personnel Expenditures	4,728.19	61,094.80	0.00	61,094.80	86,791.00	25,696.20	70.39
Total Benefits Expenditures	2,409.60	14,851.77	0.00	14,851.77	41,465.00	26,613.23	35.82
Total Contract Expenditures	0.00	60.00	827.32	887.32	1,800.00	912.68	49.30
Total Travel & Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Materials Expenditures	51.97	4,813.23	0.00	4,813.23	12,200.00	7,386.77	39.45
Total Utilities Expenditures	3,428.55	39,809.32	0.00	39,809.32	55,000.00	15,190.68	72.38
Total Repairs & Maint Expenditures	3.69	4,424.32	0.00	4,424.32	5,000.00	575.68	88.49
Total Other Expenditures	2,147.66	9,872.45	0.00	9,872.45	9,606.00	(266.45)	(101.77)
Total Capital & Debt Expenditures	0.00	0.00	2,382.45	2,382.45	1,500.00	(882.45)	(157.83)
Total Expenditures	\$ 12,769.66	\$ 134,925.89	\$ 3,209.77	\$ 138,135.66	\$ 213,362.00	\$ 75,226.34	\$ 64.74
Excess Revenue Over (Under) Expenditures	\$ (389.74)	\$ 373,494.51	\$ (3,209.77)	\$ 370,284.74	\$ 199,661.00	\$ 170,623.74	\$ 184.46
Ward Cove Cannery							
Total Revenues	\$ 476.00	\$ 3,373.80	\$ 0.00	\$ 3,373.80	\$ 7,000.00	\$ (3,626.20)	\$ (48.20)
Total Personnel Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Benefits Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Contract Expenditures	0.00	0.00	0.00	0.00	2,750.00	2,750.00	0.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Materials Expenditures	0.00	28.98	271.02	300.00	0.00	(300.00)	0.00

City of Craig, Inc.
Revenue and Expense MTD and YTD
December 31, 2018

	M-T-D Actual	Y-T-D Actual	Y-T-D Encumbrance	Total	Y-T-D Budget	Variance	% of Budget
Total Utilities Expenditures	207.78	1,551.00	0.00	1,551.00	2,100.00	549.00	73.86
Total Repairs & Maint Expenditures	144.75	2,352.04	0.00	2,352.04	0.00	(2,352.04)	0.00
Total Other Expenditures	84.00	1,576.37	0.00	1,576.37	31.00	(1,545.37)	(5,084.06)
Total Capital & Debt Expenditures	0.00	0.00	0.00	0.00	2,000.00	2,000.00	0.00
Total Expenditures	<u>\$ 436.53</u>	<u>\$ 5,508.39</u>	<u>\$ 271.02</u>	<u>\$ 5,779.41</u>	<u>\$ 6,881.00</u>	<u>\$ 1,101.59</u>	<u>\$ 83.99</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 39.47</u>	<u>\$ (2,134.59)</u>	<u>\$ (271.02)</u>	<u>\$ (2,405.61)</u>	<u>\$ 119.00</u>	<u>\$ (2,524.61)</u>	<u>\$ 2,021.52</u>

City of Craig Memorandum

To: City Mayor & City Council

From: Joyce Mason, Treasurer

Date: February 1, 2019

RE: Monthly Report

With the end of January, the W-2s have been issued to employees and submitted to social security administration. The vendors' 1099 were mailed and submitted to the IRS. All year end reporting was completed timely.

The contract assessors, Horan & Associates will be here the second week of February to do the 2019 field work for the property tax assessments.

The sales tax receipts for the December 2018 quarter are trending higher than a year ago. I will have a report for the meeting as we have not received all returns at the date of this memo.

Melanie McMillan, payroll/accounts payable clerk, has resigned and Michelle Cass has moved from accounts receivable to Melanie's position. We are currently advertising for the accounts receivable position at city hall. We will greatly miss Melanie and wish her the best.

If you have any questions please contact me at finance@craigak.com

City Of Craig

Memorandum

To: Mayor Tim O'Connor and Craig City Council

From: Jessica Holloway, Aquatic Manager

RE: January Report

Date: January 30, 2019

The Slide is almost finished! BY the time the council meeting comes around the slide should be up and running! YAY! Big thanks to Doug and Terry for their hard work.

The Aquatic Center will be closing for 5 full days in February. These days are Feb 15th- Feb 20th. We will reopen on the 21st for normal hours. We are closing because Chris and myself are both going to be gone during this time. Chris will be in Anchorage for Age Group Champs swim meet and I will be in Washington attending the American Red Cross Academy for Instructional Trainers. Normally we would not close down for this length of period due to absences but unfortunately this is going to have to happen. I have hired 3 new employees and they will not be trained enough by the time we leave for me to feel comfortable. I will be draining two of the pools, kiddy pool and Hot Tub while we are gone. I will be asking one of the employees to come up daily to check on the big pool and make sure everything is running correctly.

New hires are Ezra Mohn (full time) Ulric Lehman (part time) and Dayna Jo Johnson (High School work study program). Ezra has been hired for the Full time Lifeguard III position that we have been trying to fill for quite some time. Ulric will work normal part time hours due to school and other activities. Dayna Jo will only be working for an hour a day in the morning. We are still accepting applications for part time employment but we have not been receiving any at this time. With the new hires this means that in a week or two we should be able to get the Big Toy back into the Water!!!

The new Swim lesson has started out very slow. I hope as word gets around and with the hope of putting an ad in Island News that this will draw a bigger following.

Craig School Lessons are coming to a close. We will start with out of town schools at the beginning of March I believe. I am still in the process of getting everyone on the schedule and getting it finalized.

Jon and I have looked over blueprints and made notes for the Architect regarding the pool basin project.

If you have any questions or concerns please feel free to e mail or call at 826-2794, pool@craigak.com

City of Craig Memorandum

Date: January 30, 2019
To: Mayor O'Connor and Craig City Council
From: Kassi Mackie, City Clerk
Re: Clerk's Report

Council iPad Software

I was asked by a couple council members to look into specific meeting management software for the council iPads. A poll from the clerks in Alaska gave me some companies to look at as well as the board packet app the school board utilizes for meetings. In order to have a good grasp on what these companies offer, I have set up some demo appointments with each, and I will have some information on these prepared for the second meeting in February.

Website

Brian and I are still working on website maintenance, public notices and items of interest. I am also going through and fine-tuning departmental pages for departments that need assistance.

NW Clerks Institute

As the council may recall, I attended Professional Development IV last year in Tacoma, WA. This institute includes clerks from WA, OR and AK and is an intense 3.5-day training on a topic geared towards more "seasoned" clerks. I have applied for a scholarship to cover the cost of registration, food and room as well as some travel costs. This institute takes place in June 2019.

Other Duties

This month I have been working on updating cemetery records, preparing for a parliamentary procedure training for another entity in town, assembling items for a PIO/CLERK to-go bag for emergencies, gearing up for the Premium Credit Application process through our insurance company, responding to public records requests, making travel arrangements, finishing up end of the year filing and long-term storage for records, and assisting other departments with misc. tasks as needed. .

Next Meeting

February 21st.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: January 30, 2019
RE: Planning Department Staff Report – February 2019

1. Craig Harbor Development. Staff has been continuing to work with the USACE and staff members at the federal delegation offices on this issue. We are currently waiting on a request by the Washington DC USACE HQ to the Assistant Secretary of the Army for Civil Works (ASA CW) to allow use of remaining funds from our feasibility study and to reprogram about \$500,000 to the federal share of the Preconstruction Engineering and Design (PED) on the project. Once approval to use existing funds is granted we will sign the cost share agreement with the USACE. We have already forward funded \$65,000 of non-federal money. Our total share is likely to be about \$160,000.

In November staff submitted a Community Development Block Grant application that would fund the A/E work for the engineering and design that the city will be responsible for (docks, utilities, upland improvements, etc). We anticipate that the results of that grant application will be announced in February.

Once funding is approved and the agreement is signed the PED phase is anticipated to take the next 9 – 12 months. At the end of the PED phase the USACE will have all plans and specifications needed to bid out construction of the breakwaters. The city will be responsible for all design and construction costs for the floats, piling, approach piers, and upland improvements. We will continue to work with Representative Kreiss-Tompkins to work toward a state capital appropriation for the non-federal share of the project. The federal share of the construction project will be approximately \$26 – 29 million and the non-federal share will be \$7 – 10 million.

Staff will continue to keep the council updated on our work with the USACE as we continue to move forward with the project.

It is also time for the council to begin considering the overall development priorities and direction to staff. Some of the uplands will need to be dedicated to facilities that support the new harbor (i.e. parking, harbormaster sub-station, spill response storage, etc.) but much of the upland will be developed for other uses. The council will ultimately need to make a series of decisions on how this development takes place.

I have scheduled a joint planning commission/city council workshop on February 26, 2019 to spend some time reviewing the project (including the harbor and the upland development to date) and to talk about some of the considerations for the remainder of the upland development moving forward. A more detailed memo is included in the council packet regarding this workshop.

2. Tract P Access Road. The Craig Tribal Association has been working on the design and construction of a new access road on Tract P from Cold Storage Road, running behind the tribal hall to Easy Street. Staff is waiting on CTA for discussions regarding construction schedule and process.
3. Sidewalk Development. CTA has been working on a project to provide funding for design and construction of pedestrian improvements (sidewalks) on several streets in Craig. Staff will continue to work with CTA on the project.
4. Commercial Marijuana in Craig.
 - a. Marijuana Retail Establishments. Staff is continuing to monitor the progress of the applications to the state for the two conditional permits that have been issued for commercial marijuana retail establishments. As of January 11, 2019 the permit for Thee Treasure Chest LLC (Kit Kraft and John Wright) has been completed and the city received formal notice on January 30, 2018. Per the Craig Municipal Code a copy of the application will be sent to the Craig Building Official (Craig City Planner) and Craig Police Department for review and comments to the council. The city has 60 days from the date of the notice to review the application and submit a protest, make specific comments, or waive the right to protest the application. Once staff has reviewed the application their comments will be included in a regular city council meeting along with a memo requesting council action. A copy of the application has been included in the February 7, 2019 meeting packet for information only. The council should not take any action on the application until staff has provided review comments

Jaqie Weatherbee has been issued a conditional use permit but has still not initiated an application with the state at this time. 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.

- b. Marijuana Regulations – The regulations for Onsite Consumption of Marijuana at Retail Stores has been approved by the Marijuana Control Board and will be forwarded to the Department of Law for review and ultimately to the Lt. Governor for adoption. All public comment on these regulations closed on December 19, 2018. These regulations allow commercial retail marijuana establishments to apply for an endorsement to their license that allows for onsite consumption of marijuana products purchased at the retail establishment. The regulations also give municipalities the ability to (by voter referendum or by council action) prohibit onsite consumption. On March 3, 2016 the Craig City Council adopted Resolution 678. Section 5.10.055 of this ordinance prohibits onsite consumption. Based on CMC 5.10.055 no marijuana establishment in Craig will be eligible for an onsite consumption endorsement if/when

the regulations are passed by the state. No further action is required by the council at this time to prohibit onsite consumption in Craig.

5. CEDS Committee. The CEDS has been providing information by survey. CEDS meetings will be scheduled for February.
6. City Web Site. We have been continuing to make edits and updates to the site to add information and to increase usability of the site. Staff continues to work closely with Municode and with the City Assessor to roll out a public interface to our property tax and general property information. We expect that the early version of this system will be live by February 6th. We will continue to make improvements to the site over the next several months.
7. Craig Emergency Response Plan. Part of the planner's salary is funded through a program called the Emergency Management Program Grant. This federal/state grant is intended to partially fund emergency management officials in communities. The grant pays a portion of salary (matched 50/50 with local funds) for the purpose of emergency planning and emergency management. The work plan for this grant over the past two years has included a major update/rewrite of the city's emergency operations plan and its annexes. The emergency operations plan (EOP) is used by the city to prepare for and respond to disasters that affect multiple jurisdictions, require the response of various local/state/federal agencies, and/or exceed the capacity of more routine emergency department responses. The plan is not intended to replace local fire, EMS, or law enforcement response protocols or procedures.

The new EOP is organized into several sections that will make it easier to pull out what is needed for a given emergency/disaster. The plan is generally organized as follows:

- General Plan. This section talks about how the plan is organized, general emergency response in Craig, Incident Management Team (IMT) organization, etc. The majority of this section will be used in preparations for emergencies.
- IMT Position Annex. Most normal positions on the IMT are listed in this annex along with job checklists, forms and additional job information based on the position. This annex will be used during exercises and real world responses. Each member of the IMT will have access to their position information during a response.
- Functional Annex. The federal government has organized all emergency response in 15 Emergency Support Functions (ESF). The 15 ESF are part of the National Incident Management System (NIMS). NIMS is required to be implemented by local jurisdictions that participate in FEMA related grant programs. The City of Craig receives funding from a number of FEMA grants or pass through grants and is required to be NIMS compliant. Functional annex documents are intended to provide information on specific functions that the city will need to do as part of a given disaster. Many functions overlap into different types of disaster. For example, the city's plan for notification and warning could be used for

Tsunami warnings, hazardous materials spills, earthquakes, etc. The plan for Notification and Warning is included in the overall EOP as Annex 15.1 (ESF 15 is the External Affairs function that includes notification and warning.) There will be multiple documents/plans included in the Functional Annex. Several of the ESF listed in the annex will have more than one document/plan included.

- Incident Specific Annex. This annex is intended to provide preplanning information for specific hazards or potential incidents that will have a large impact on the city. For example, there are a number of immediate actions that need to be taken when the city receives a credible Tsunami warning. Normally there is very little time to make the decisions and take actions. Preplanned Immediate Tsunami Response actions immediately go into effect. This preplanning gives departments and responders the opportunity to practice and prepare for these responses so that immediate action can be taken when needed.

The plan (including all annexes and attached documents) is rather large and will likely be several hundred pages when complete. Ultimately the plan (and all annexes) will be adopted by the city council.

The draft EOP General Plan is nearly complete and is being sent out for review by departments. Many of the annexes are also complete, or are in the process of being completed and sent out for department/agency review. Documents will also be reviewed by the Planning Commission with input from the general public.

Given the overall size of the document it is unwieldy to send to the council as a single document so I will be sending portions of the document to the council for review and adoption over the next several months and will bring the final complete document to the council after all individual parts have been approved. This will allow the council to adopt the final documents without having to review the entire document at one sitting.

8. Leases

- a. Petro Marine. The final reading for the ordinance authorizing negotiations with Petro Marine is on the February 7, 2019 agenda for approval.
- b. Pacific Airways. We are currently negotiating the terms of a renewal of their lease at the floatplane terminal.
- c. Taquan Air. We are currently negotiation the terms of a lease (to replace their access permit) for space at the floatplane terminal.

9. Travel and Leave Schedule:

- a. I will be attending the Spring Preparedness Conference and LEPC/SERC meetings in Anchorage May 1-3, 2019.

Craig FIRE & EMS
PO Box 331
Craig, AK 99921



CITY COUNCIL REPORT

JANUARY 2019

TRAINING AND EVENTS

FIRE:

Basic Firefighter Class was an awesome success. We had 27 students from around the island. The 2 instructors were amazing. Chief Dave Miller out of Sitka & Chief Travis Miller out of Gustavus. We ended up having SEREMS deal with the financial piece of the class. We had everyone sign waivers and I purchased a youth event insurance package out of my youth first responder account. We had 2 high schoolers in the class. Dave Nelson saved the day with preparing the burn pans, and live fire events. Fred Ensign came and spoke to the class.

Got our Fire team established in the State reporting system, Elite. It will be much easier for them to complete reports.

The Fire department applied for the State Volunteer Assistance grant in collaboration with the Harbor department for a mobile cart mounted firefighter pump to be stored in the harbor, with accessories. Brian and Hans put the grant together.

We are moving things along getting our Fire, EMS and Police officers on a First Net platform through the AT&T network. They have now completed our account and we have begun the process of getting our volunteers on the platform. It will allow our volunteers to have priority broadband over any other users in the area. We are working on ID's or official notarized paperwork to finish the process.

EMS:

It is difficult for me to step down when I do not have any other employees that understand the multifaceted and complex medical system that the federal & state government has put us in. Everything from certifications to medication log mandates, I have tried to shoulder the brunt of these regulations so my volunteers can be responsible only for the lifesaving job at hand when they are called out on a 911 call.

One misconception is that by being a "volunteer", they are held to a lower standard of training and professionalism. It is quite the contrary. Our EMS personnel must go through an initial 250+ hours of training to become an EMT 1 and then an additional 48 hours of continuing medical training per recert cycle which is more than a doctor. Our EMT 1 class curriculum is based on national standards of provider medicine to meet or exceed any college program in the country. Add an additional 100+ hours for an EMT 2 and higher. Our training is audited, and our volunteers are scrutinized for "performance" through a QA/ QI process. Craig Volunteers are the most competent, respected, professional volunteers on POW and throughout southeast Alaska by community members. Ethically we stand for

everything you would expect from a loving program that always makes its citizens and their families the first priorities on any call.

One big issue we face, is our certification and the public expectation for services. We need an EMT 1 or higher available 24 hours a day with a driver. All our EMT 1's work, so they are only available for calls during the night shift. This leaves around 730 am - 530 pm (roughly 10 hour open slots for day coverage M-F.) For the past 4 - 5 years, I have covered this under a salaried position. Plus stayed an additional 4 - 5 hours on Mondays to host training that is a requirement for any medical provider, like our volunteers. In addition, I have worked weekends to support the community with the needed CPR classes and bring in more money in hopes of hiring another person. This has been a problem for more than 4 years. With me going part time this week, this leaves us open to not having complete coverage along with a shortfall of income we currently bring in.

Another issue we face is a complex billing program. We currently bill for 6 categories of services. Basic Life Support Emergency Care, Advanced Life Support Emergency Care, Advanced Life Support Emergency Care II, Treat & Release care, Department of Correction (jail) calls, Training and Supplies. All these categories are multifaceted and have their own issues as to our accountability to compliance and assurance regulations. At this time, we are putting our Billing on hold, until we can conduct a thorough "self-audit" and reroute some of these categories to be 100% certain we are billing in a way that our patients' insurance is covered, and we are within the insurance regulations.

We completed 228 calls in 2018. Our volunteers spend an average of 95 minutes on a 911 call and between 3-4 hours on medivac calls. That is only response time. The reporting adds an additional hour or more to each call. (which currently my office manages), Then there is decontamination and cleaning. Last summer we had days where we had 3 & 4 calls per day. We were the busiest I have ever seen it in Craig. We need to restructure this department, so all the admin duties, certifications, billing, cleaning, laundry, restocking, and reporting doesn't lie on one person's shoulders. We need more than one paid person (or 1.5) to hold this department up and be familiar with all the reporting requirement.

I have a few ideas but would appreciate the opportunity to have a strategic planning session, as I need help and ideas to plan out the next chapter of Craig's EMS & Fire Department. There are many changes coming in the next few years health care systemwide that will help us support ourselves. Perhaps, you as council members may feel we should dial down to a first responder only service, if so, I would like to help line out how we can accomplish that. I have included some information on the following pages as to our responsibilities and regulations. This is just scratching the surface. Each item carries more details I am available to answer questions anytime.

In 2018 our Volunteers contributed more than 2,300 hours on calls.

I personally logged 2,738.25 worked hours last year & I volunteered after regular hours more than 20 times, and that's not reportable on my time sheet.

I really believe every person in City Hall and on the council must be invested in this department's success if we are to continue to rely on volunteers for the bulk of the response. There needs to be a shift of respect for our team. They give everything to help our community. The pressure is even greater when we can't drive to a hospital but must coordinate immediate services off island.

Right now on my volunteer list I currently have:

Andria Handcock	ETT	works at SEARHC
Beccy Moots	EMT 2	works at SEARHC
Chaundell Piburn	EMT3	
Duane Wood	EMT 1	seasonal, summer only
Felicia McAuley	EMT 3	consultant only, no calls
James Carle	Driver	works at forest service

John Moots	EMT 2	works at AP&T
Laura Hamme	EMT 3	works at peace health
Robert Omstead	MICP	works majority of hours in Klawock, sold his home and will be leaving in march
Tim O'Connor	EMT-1	works out of town
Trampus Conaster	EMT 2	works at school
Josef Slowik	Driver	seasonal , winter only

As I move to a part time position, I can complete the following list of duties in those hours:

Legal documentation to include: Supply license agreements, Requisitions and supply ordering, state medical reporting for all categories of mandatory reporting and documentation, ensuring volunteers have what they need for their own protection and safety at a call and the supplies they need as well as ensuring they have the CME & specific classes for to recert their provider licenses at the end of March. My patients and my volunteers are basically the only thing on my list at this point. I have Joey here part time until the first of March and he has agreed to help with Ambulance supply restocking and decontamination and help on calls.

I will have to let go of the following list:

Billing (on hold only, we can go back to this in the future when I have an employee)

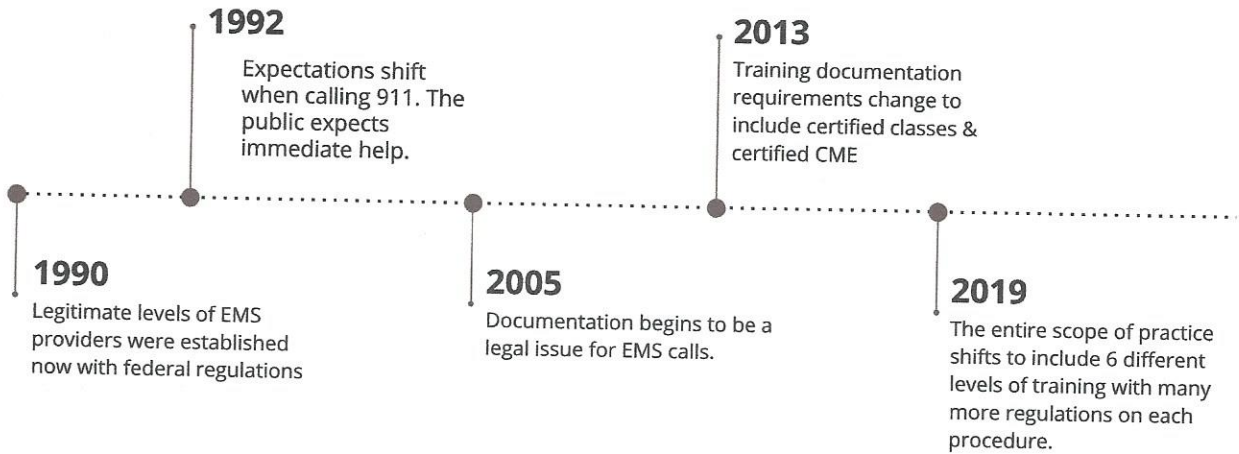
Community Training of any kind

Grants for equipment will have to go on the budget instead of trying to acquisition them from state funds.

Classroom cleaning, firehall cleaning, laundry, bathrooms.

I know this is a lot of information. I would appreciate the opportunity to explain in more detail any of the topics listed or the process.

EMS changes



First Responder Volunteers

- Helping neighbors, not government
- No pressure to respond, completely voluntary, the community understands someone may not be available.
- May or may not exceed CPR or ETT training
- Can use paper charting for 1-2 more years.

Professional EMS Members

- Must meet medical training standards for care. EMT 1 classes are now 250+ hours of training, they must be certified classes.
- Must have all training / CME documented according to healthcare fields for audit
- Must have 48 hours of continuing education to recertify
- Must meet performance criteria
- Under the Healthcare Continuum
- Expected to respond to Jail calls

Things that need to get done, regardless of staff

Admin

Volunteer Certifications, Medications, narcotic management, purchasing licences, equipment grants and community contract agreements, D. Bowman paperwork, CME logging and second round of work in med charts / QAQI & First Net management of Volunteers

25 - 30 hours a week

Mandatory Reporting

Trauma Activations
Trauma Registry
Suspected Child Abuse
Vulnerable Adults
Naloxone Administrations
STEMI's & CARES
Out of area hospital designation paperwork

Volunteer CME

Accredited classes for our EMS members that meet the national standard. All classes are subjected to an on-demand style audit to confirm legitimate CME to EMS providers includes class lesson plans.

(we have had 2 audits)

5 hours a week CMEs

30-40+ hours a week during classes

Medical Charting

One chart includes, face sheets from SEARHC, Police Call sheets w/ milage, signature sheets, HIPPA consent forms plus the online medical charting system to include over 600 data fields.

If billing, charting is very deliberate or strategic in nature with regard to the picture you paint.

Someone will have to do these tasks

Cleaning Ambulance

Cleaning , Stocking , Inventory management, Expiration dates, laundry, Decontamination of supplies, and training equipment , oxygen tank records and community supplies.

20 hours a week in the summer with part time help.

10- 12 in the winter

Cleaning classrooms & offices

Cleaning after meetings , bathrooms, breakrooms, vacuuming & lots of laundry.

Safety Program to the public

Right now we use the AC receipts money to keep our Bike Helmet - Ice Cream cone program going or any fun public safety program

Someone will need to collect receipts & then add them up with form and turn them in.

Track Calls

Ensure we are tracking calls and logging them.

Tasks Craig will temp. let go of

Billing

Different process for all types of billing. BLS, ALS, Treat & release, Dept. Of Corrections, Public Classes & supplies to communities. Must gather all chart docs upload and make batches to send to systems design , city hall, Dept. of corrections.

25- 30 hours a week in the summer, 12 -15 in the winter.

Public Classes

As many hours as one is willing to put into it Public CPR classes and other large classes for the other teams.

Takes a ton of work. An average of 15-30 hours a month is the minimum I have spent on these.

Fire Department Admin

Just now pulling out of the dark ages. Understanding the public safety standards on a fire department. Reporting to NFIRS after every call not monthly.

Keeping records of training & attendance

Ordering supplies

5-8 hours a week to do a good job.

Communications

Went after several grants to provide mass notification communications to volunteers across the island as well as public notifications.

Going to have to let this go. I don't have time to chase a grant for this. .

Getting Craig Volunteers to the Call

Ambulance Supplies

- **Stocked with ALS & BLS equipment.**
- **200 items that get used on any call & at any time.**
- **Expiration dates on everything.**

Dr. Bowman

Dr. Bowman

- Everything we do is tied to his personal licence.
- He approves all our standing orders
- He approves every responder individually.
- He adits our response and procedures

Volunteer Readiness

- **Vaccine program (grant)**
- **PPE & Safety supplies in place, coveralls, etc.(grant)**
- **Communication program , mass notification (grant)**
- **Whos in town, available**

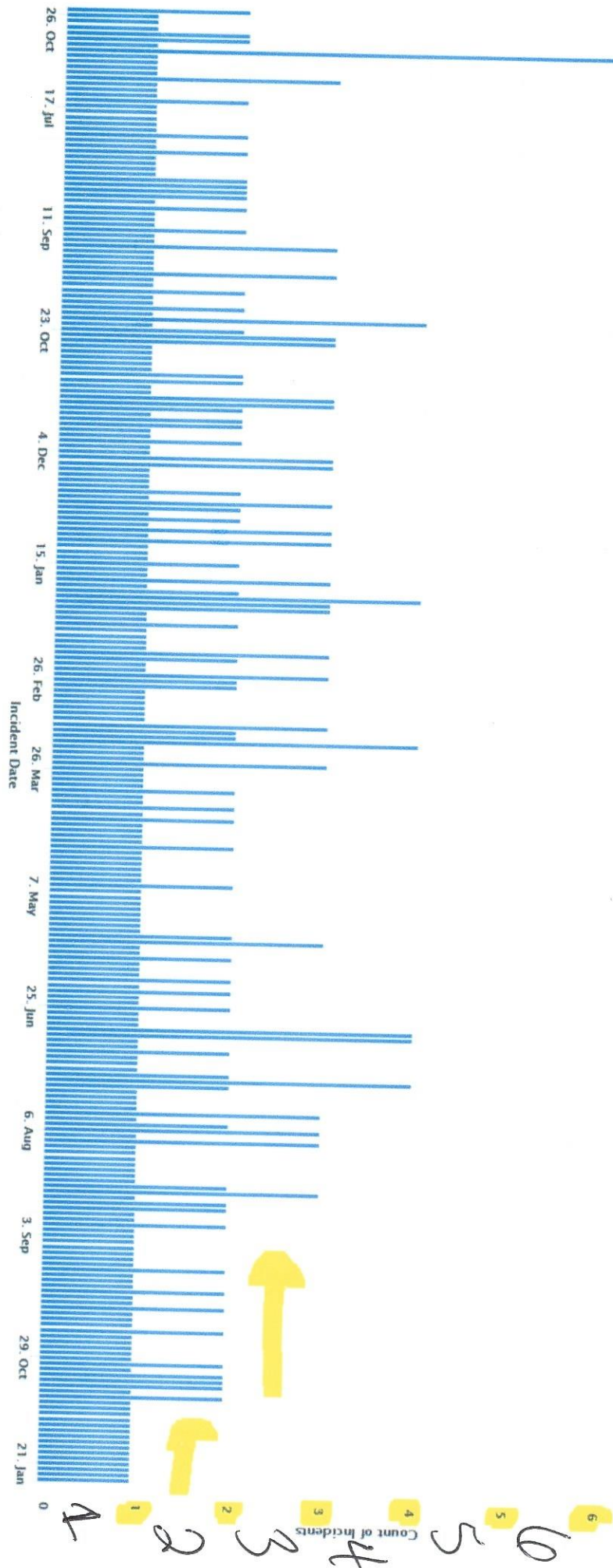


Alaska EMS Scope of Practice (EMD, EMT-1, EMT-2, EMT-3, EMT-A)

Effective Date:

State of Alaska Approved EMS Provider Scope of Practice	
* = Not in current EMS Ed Standard Objectives ^ = Medical Director Choice / Approval BOLD = requires Online Medical Control	
Provider Level	Procedures
Procedures	Medications
EMT-1 Emergency Medical Technician-1 National Standards Course 140-160 +/- hours	<ul style="list-style-type: none"> • Spinal Motion Restriction • Bag Valve Mask Ventilation (BVM) • Nasopharyngeal and Oropharyngeal airways • Automated External Defibrillation • CPR [*Mechanical CPR Device]^ • Tourniquets & Wound Packing • Splinting • Pulse Oximetry • Glucometry
Requires Additional Department Approved Training 20 hours	<ul style="list-style-type: none"> • Oxygen • Aspirin PO for Acute Coronary Chest Pain • Narcotic Antagonist IN, Narcotic Antagonist Auto-Injector • Assist patient with own Nitroglycerin SL and Bronchodilators Inhaler • Epi-Auto Injector IM [*Epinephrine IM injection] • DuoDote® self/peer rescue for Chemical Exposure • Oral Glucose • Activated Charcoal
<ul style="list-style-type: none"> • Supraglottic Airway Device^ [limit training to 2 types] • End-tidal CO2 [colorimetric] • CO2 & CO Monitoring^ • CPAP^ 	<ul style="list-style-type: none"> • Narcotic Antagonist IN, IM Injection • Assist patient with own Nitroglycerin SL and Bronchodilators Inhaler • Bronchodilators Nebulized SVN^ • Antipyretic^ (acetaminophen or ibuprofen) • Medical Director approved IM injections or vaccinations in special circumstances^
Certification Levels below require an EMS Service Medical Director approval	
Emergency Medical Dispatchers	Provide pre-arrival advice and CPR Instructions including Compressions Only CPR and AED use <ul style="list-style-type: none"> • Specific EMD Medical Director approved pre-arrival Procedures or Medications
EMT-2 Emergency Medical Technician-2 Course 40-50 hours	All EMT-1 skills plus the advanced skills below: <ul style="list-style-type: none"> • Intravenous Access • Intra Osseous Access • Intramuscular Injections • Obtain blood for laboratory analysis
Requires Additional Department Approved Training Approx. 15 hours	All EMT-1 medications plus: <ul style="list-style-type: none"> • Naloxone IV, IM • Intravenous Fluid (D5W, Normal Saline, Ringer Lactate) • Nitroglycerin Sublingual^ • Dextrose IV IO
<ul style="list-style-type: none"> • Capnography, Capnometry Monitoring^ • Carbon Monoxide (CO) Monitoring • ECG Cardiac Monitoring^ 	<ul style="list-style-type: none"> • Antiemetic^ • Diphenhydramine (antihistamine) IM, IV, PO • Glucagon IM^ • Lidocaine (analgesic) for IO Flush
EMT-3 Emergency Medical Technician-3 Course 50-80 hours	All EMT-2 skills plus: <ul style="list-style-type: none"> • Manual Defibrillation • 12 Lead ECG Cardiac Monitoring
Requires Additional Department Approved Training Approx. 15 hours	All EMT-2 medications plus: <ul style="list-style-type: none"> • Analgesic [Opioid] • Atropine • Antiarrhythmic IO, IV^ [per current ILCOR cardiac arrest guidelines] • Epinephrine IO, IV [per current ILCOR cardiac arrest guidelines]
<ul style="list-style-type: none"> • Endotracheal Intubation • Synchronized Cardioversion / Pacing 	<ul style="list-style-type: none"> • Adenosine • *Ketamine (non-barbiturate anesthetic) • *Benzodiazepine^ • *Analgesic [non-opioid analgesic]
EMT-Advanced Emergency Medical Technician-Advanced National Standards Course 160-200 hours	All EMT-1 plus the advanced skills below: <ul style="list-style-type: none"> • Intravenous Access • Intra Osseous Access • Intramuscular Injections • Obtain blood for laboratory analysis • Endotracheal intubation • Manual Defibrillation • 12 Lead ECG Cardiac Monitoring • Capnography, Capnometry Monitoring^ • Carbon Monoxide (CO) Monitoring
References for dosing should follow the current NASEMSO Model EMS Clinical Guidelines available at State of Alaska EMS Website or as approved by service Medical Director. Drug shortage questions should be directed to the Office of EMS and State EMS Medical Director.	All EMT-1 plus the advanced medications below: <ul style="list-style-type: none"> • Atropine • Dextrose IV IO • Glucagon IM • *Analgesic^ (opioid, non-opioid) • Antiemetic^ • *Benzodiazepine^ • Diphenhydramine (antihistamine) • Epinephrine IM, [IV per current ILCOR cardiac arrest guidelines] • Intravenous Fluids (D5W, Normal Saline, Ringer Lactate) • Ketamine (non-barbiturate anesthetic) • NSAIDS^ • Naloxone IN, IM, IV • Nitroglycerin SL • Nitrous Oxide^ • Antiarrhythmic IO; IV^ [per current ILCOR cardiac arrest guidelines] • Adenosine • Lidocaine (analgesic) for IO Flush
Approved and valid only with both signatures from Office of EMS and State EMS Medical Director	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Department of Health & Social Services - Office of EMS _____ Date </div> <div style="width: 45%;"> State of Alaska EMS Medical Director _____ Date </div> </div>
Replaces last version dated	Effective Date:

calls per day



Basic Options Additional Filters Additional Options

Date Generated January 30, 2019 1:57:17 PM

In closing, I want to add that I set out to finalize a few projects before stepping down.

- Basic Firefighter class for POW – Completed
- Tim's Fire assistance grant 2018- completed
- SHSP Grant for EMS equipment - 50% completed (6,107.00) Brian may help us finish this.
- Grant to purchase a matching monitor for Ambulance #2 - 35% completed (we will use the 13,00.00 from SEREMS to pay our 10% match on the 35,000.00 unit
- Grant for a new power gurney - 35% completed (we will use the 13,000.00 from SEREMS to pay our 10% match on the 9,200.00 unit)



To: Craig City Council

From: Hans Hjort, Harbor Master

Date: January 30, 2019

RE: February Staff Report

Harbor department report February 2019

The Brownell boat trailer will be taken out of service February 11th and return to service the 15th or 16th. The harbor department will be doing some scheduled maintenance and giving the trailer a paint job. We have sourced some very high quality paint from Vigor the Ketchikan Ship and Dry dock. We will be doing all the surface preparations necessary and then sealing the metal with Ospho. After that we'll put two coats of International Intershield 300 on the trailer. We will have to rent a heater from Tyler Rental to heat the new storage building that the trailer is stored in. If any emergencies arise the trailer will still be functional to haul a boat.

The purchase of safety ladders for the harbors was approved at the last council meeting. Those ladders have been ordered. The factory does not have them built yet. They estimate having the ladders built and ready to ship by the middle of March. The installation should only take a day or two.

Brian Templin has applied for a grant for the harbor department to purchase a portable firefighting pump mounted on wheels that could be used for vessel fires or structural fires that are not accessible by land or road. The pump would be stored in a shed on the approach of North cove harbor and could serve both harbors or be put on the Harbor Response boat.

The North Cove lighting project design and engineers estimate has been completed and turned in. when we reviewed the estimate we realized that the specified fixture is going to make the project too expensive. We have been working with the electrical engineer and looking at different options. We are currently waiting for the engineer to get a sample light fixture from the manufacture to inspect. He will look the fixture over to make sure that it will be a good choice for our harsh weather and marine conditions.

This month we have done some more power pedestal maintenance in North Cove harbor. We are replacing the rings that hold the meter to the pedestal. AP&T has to send down a lineman to work with us to do this. We are slowly but surely working our way through all the bad meter rings.

The electric motor for the false island crane had a failure this month. We had an electrical contractor diagnose the problem. The motor had not been in service very long since its last rebuild. Harbor staff removed the motor the next day and sent it via AML to a rebuild facility in Washington State. It should



be repaired in a week or two then another week to be shipped back. We expect to have it back in service by the last week of February. The crane at city dock is still working and available to those who need it. The City's website will be updated when the crane is back in service.

1/1/19-1/30/19

Volunteer Hours: 32

Patron Visits: 1102

Circulation: 3239

Computer Usage: 299

Tests Proctored: 0

Meetings: 8

OWL Video Conferences: 0 Attendance: 0

Alaska Digital Library Usage: 119

Story Times: 9/ Attendance: 107

Inter-Library Loans: 37

Library Programs:

- Every Friday, 10:00 am: Preschool Story Time
- Every Wednesday, 10:00am: Head Start Story Time
- Dolly Parton Imagination Library—Continuous Registrations
- January 19th: Winter Reading Program Ended

Winter Reading Program:

We had a total of 81 participants in the Winter Reading Program: 18 Adults/Young Adults, 44 Independent Readers (Middle/Elementary), and 19 Read-to-Me kids (Pre-K/Early Elementary). Readers turned in a total of 58 completed reading logs, which amounts to 522 hours of reading! Our top Independent Reader not only completed 135 hours of reading, but she also turned in 36 book reviews and listened to 36 audiobooks! The library hosted a snow globe craft day, a cookie decorating day, and a galaxy painting class. The snow globes were such a hit, I have twenty more kids signed up to do a second round in the next week or so! I have learned so much from these experiences and I can't wait for the summer reading program!

New Audiobooks

The library received a grant from the Rasmuson Foundation to update our audiobook collection, and the first round of titles has arrived! Over the next few months we will add between 200-300 audiobooks to the library shelves and over 100 to our digital library.

CITY OF CRAIG
MEMORANDUM



Date: January 31, 2019
To: Honorable Tim O'Connor, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report / January 2019

RJ Ely

ACTIVITY

Activity from December 26, 2018 through January 30, 2019. Dispatch Center took the following amount of calls for service:

Craig	785
Klawock	204
AST	4

2018 Information:

Craig Calls For Service	<u>10,882</u>
Craig Bookings	<u>282</u>
12 Home Confinement Bookings	

PED Checks / Pretrial Enforcement Division 1,540

Klawock Calls For Service	<u>2,665</u>
AST Calls For Service	<u>115</u>

<u>Total Calls / CFS</u>	<u>2018</u>	<u>13,691</u>	<u>Cases:</u>	<u>460</u>
	<u>2017</u>	<u>13,178</u>		<u>401</u>
	<u>2016</u>	<u>12,636</u>		<u>387</u>
	<u>2015</u>	<u>13,426</u>		<u>518</u>

DEPARTMENT OF MOTOR VEHICLES

Craig DMV is on list to get computer and/or Tablets for issuing/taking written tests.

New equipment installed, set up, tested and working. In January of 2019, Craig DMV will be able to issue Driver's Licenses and Identification Card's that conform to the Federal ID Act. You will be able to get a standard ID Card or Driver's License, even after January, if you don't want the Real ID License or ID Card.

DISPATCHER(S)

Still advertising for a part time / fill in position.

OFFICER(S)

At present time, fully staffed.

OTHER

Ofc. Page attended advanced strangulation training, in Anchorage.

Secured funding for 2 officers to attending basic & advanced Crime Scene Training, in Ketchikan. Sgt. Medina and Ofc. Bixler attended this training.

Klawock PD has hired another officer, but will not start till March

Public works Report

I. Streets and Alleys:

- a. Ditched drainage easement on East Hamilton as required.
- b. PSN road monthly grading performed as required.
- c. Repaired pot hole on Main and 2nd street.
- d. Sanding and snow removal on going as needed.
- e. Built pad for pavilion at Triangle Park.
- f. Millings added to the intersections of East and West Hamilton. Hilltop and water tower Road.
- g. Graded causeway as required.
- h. Replaced street sign at 9th and Cove.
- i. Storage shed moved from public works to library parking lot.

II. Sewer:

- a. Daily and Monthly General maintenance and sampling at the wastewater treatment plant as required.
- b. Videoed sewer main on Beach road; located 6" and 4" laterals.
- c. North Hamilton lift stationed scheduled for cleaning the week of 02.11-15

III. Water:

- a. Daily and Monthly General maintenance and sampling at the water treatment plant and distribution system as required.
- b. Monthly water meter reading completed as required on 1/28/19.
- c. Water meter repair and/or replace as required.
- d. Working with ARWA to update source water protection plan.
- e. Working with local contractor to locate and install water services on beach road.
- f. Continued preparation for alum station install, parts received 01.30.19 for bench unit to be plumbed in as alternate treatment during installation of new unit. After clean out of treatment train A, crew will begin on alum station install.
- g. North and South cove PRZ backflow plan reviewed and awaiting response from engineering firm for final plan.
- h. Radio read system ordered as required.
- i. Received certification to operate North Fork Dam from DNR

IV. Equipment:

- a) Installed slope meter on Motor grader.
- b) Installed new starter on box truck.

V. Solid Waste:

- a. Weekly pick-up process performed as require.

Public works Report

- b. Wind rings expected arrival should be the middle of February.

VI. Requests:

VII. Projects:

- a. Assist Public Facilities in removal of tree in Triangle Park.(Complete)
- b. Safety Program review
- c. Re-grade False Island boat haul-out parking lot before early April.
- d. Finish Cove Street pavement-early summer 2019.
- e. Fire Hydrant installation on PSN Road- Spring 2019

Craig Recreation has a lot going on this year!

I had a great time in Spain and London! Brought home a Spanish cold that knocked me down for a couple of weeks. I do have to go for a cancer check up in March.

Ballet has over 30 sign ups when this report was written, and it hasn't even started! Thanks to Alison Fargo, our multitalented front office person! Classes begin February 2nd for ages 3 and up. \$5 per class. Recital March 16th at the CHS.



Kassi Mackie has a city volleyball team who is learning fast! We have 6 teams 5 are captained by women including a high schooler! Gianna Vickers! Jose' is the only male captain! Soccer didn't happen due to health issues with our volunteer coach.



We hope to begin soccer when he is well.

Gymnastics and Break Dance coming soon!

After School weekdays 3-5 and Fridays 2-5! Michelle Winrod has been working as my assistant. Attendance is usually between 3 and 30 kids. Tuesdays we skate at the Craig City Gym, Thursdays we play dodgeball with the Craig Police- also during break!-and Fridays we have pizza and watch a movie Monday and Wednesday we do art, projects, puzzles, play games and let the kids decide what they want to do. Bus drops off at the Rec Center. \$10 for 5 days or \$2 a day. includes a snack, and activities.

Magic, the Gathering. Saturdays at 4pm at the Rec Center, ages MS to young adult. Thanks again to facilitator Jon Wilburn.

The Craig MS is hosting the Stikine Wrestling tournament and we let the visiting teams use the Gym and Rec Center Friday, Feb. 1st. Girl Scouts also hold activities as part of our partnership. Girl Scout camp will be the last week of July this year.

Swap Meet! Saturday, March 22, 9am-1pm Sign up.

Submitted by Victoria Merritt

City Council Report Feb. 2019

	City Gym						
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
6am	TAbata Interval Aerobics \$3		TAbata Interval Aerobics \$3		TAbata Interval Aerobics \$3		
8am	CCCC	CCCC	CCCC	CCCC	CCCC		
9am	CCCC	CCCC	CCCC	CCCC	CCCC		
10am				HEAD START		2-2-19 Ballet	
11am	Parent Tot	Parent Tot	Parent Tot	Parent Tot	Parent Tot		
Noon	Parent Tot	Parent Tot	Parent Tot	Parent Tot	Parent Tot		
1pm	CCCC	CCCC	CCCC	CCCC	CCCC		
2-3	CCCC	CCCC	CCCC	CCCC	CCCC		
4pm		ASchool Skating		A Schoo Dodgeball			
5pm		Karate		Karate	Karate		
6pm		Karate		Karate	Karate		
7pm		Volleyball	r	Volleyball	Skating		
8pm		Volleyball	Open Vball	Volleyball	Skating		
	Rec Center	Rec Center	Rec Center	Rec Center	Rec Center	Rec Center	Rec Center
2pm					After School		
3pm	After School	After School	After School	After School	After School		
4pm	After School	Skating at Gym	After School	Dodgeball at Gym	After School	MAGIC!	
5pm						MAGIC!	

Recreation Regular Activities



Parks & Public Facilities

1/31/2019

Staff Report –January 2019

To: Craig Mayor and City Council

From: Douglas Ward

During the last month, our department encountered 4 major maintenance issues. I would like to give some detail on each.

1. **The wood boiler** for the Aquatic Center, and schools malfunctioned. The PLC would randomly switch one of the auger conveyors from Automatic operation to Manual operation. This effectively shut down the boiler, as it would stop the flow of fuel feeding the boiler. It got to the point where the malfunction occurred anywhere from 5 seconds to several minutes after putting the auger back into automatic operation. When this occurred during the night, the gasifier temperatures would fall significantly overnight, to the point that re-lighting the boiler became difficult. It finally died with nothing but wet fuel in the hopper. The operator was unable to relight the boiler in this condition. We had to manually remove several loads of wet chips and dump them outside the building to get to dry chips, so that the boiler could be restarted. After nearly three weeks of painstaking troubleshooting, and replacing suspect parts, I identified a faulty component, replaced it and the boiler is back in service.

This episode brings to light some serious concerns. The manufacturer of this equipment went out of business over 2 years ago. They were not bought out or taken over by any other entity, effectively leaving the City of Craig without any support, or service help for this piece of equipment. I bring this to your attention so that you are aware that this thing will break down again, and at some point, decisions need to be made on how to handle repairs.

2. **One of the two new propane boilers** at the aquatic center malfunctioned, and would not fire. This became very stressful, as the wood boiler was malfunctioning at the same time. Keeping the pool heated was a challenge. An attempt to get support from the manufacturer drug on for two weeks as they would not return my calls. Finally I reached someone who was more than happy to help. Their help was excellent in finally troubleshooting the problem. A component was identified as faulty, and a new one has been ordered and will be here soon
3. **AHU-1 / Air handler # 1**, the main air handling and dehumidifying unit at the Aquatic Center also malfunctioned during this same period. The unit is 26 months old. The warranty ran out at 24 months. Several components on the unit failed causing the temperature to rise in the natatorium. After consulting with the manufacturer (POOLPAK) several expensive replacement



Parks & Public Facilities

1/31/2019

parts were ordered. Upon replacement of the parts, it was discovered that the unit “fried” the new parts. We are now waiting on more replacement parts, and a new controller which is suspected of causing the other components to fail. Frustrating because the unit is not that old.

4. **The three way valve** that switches the hot water from the wood boiler over to the propane boilers at the pool was also malfunctioning during all of this. After several attempts to troubleshoot the problem, I finally discovered a loose and corroded connection. Repair of this has brought the valve back into proper operation. Because of chemicals used to operate the pool, the environment in the building is very hard on all the equipment housed within.

I have no definitive proof, but I personally believe that some of these issues may have been caused by the numerous power bumps, brown outs, and the frequent electrical events we endure from our local utility.

Our department was able to finally finish construction of the new slide platform at the swimming pool. The project was funded by a grant that the Waverunners received.



We handled all other emergencies that arose during the month.



Parks & Public Facilities

1/31/2019

I will be on PTO from 2-7 thru 2-18 so I will not be present at the meeting.

Also, I am enrolled in online schooling which has face to face classes via video every Thursday night. I will probably miss most council meetings for the foreseeable future. As always, feel free to contact me anytime at 401-1038, or stop by the PPF shop to ask any questions, or to visit with me.

Douglas Ward

CITY OF CRAIG

Account Statement - Period Ending December 31, 2018



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

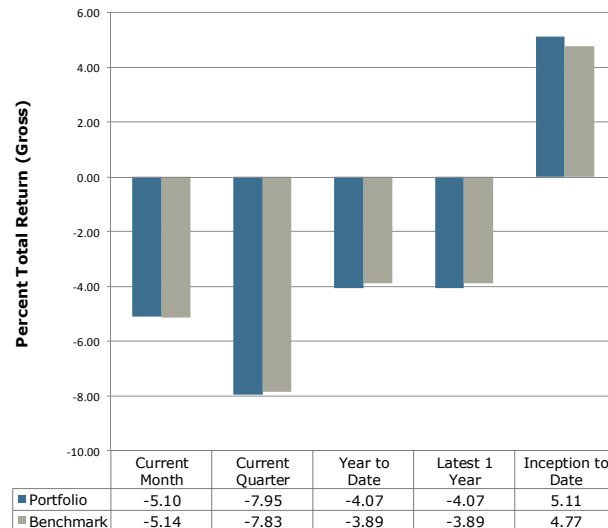
Portfolio Value on 11-30-18	10,096,985
Contributions	0
Withdrawals	-2,524
Change in Market Value	-564,762
Interest	7,005
Dividends	42,450
Portfolio Value on 12-31-18	9,579,154

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA®
Contact Phone Number:	907/272 -7575

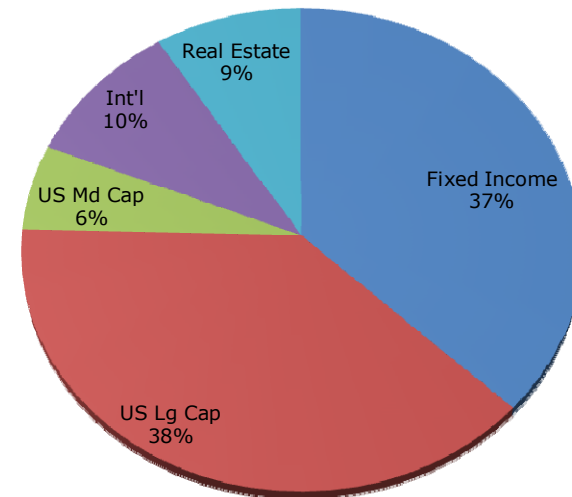
INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
CITY OF CRAIG
December 31, 2018

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	3,493,558	36.5	20% to 45%
Cash (0.0%)	59,991	0.6	na
Subtotal:	3,553,549	37.1	
EQUITY (56%)			
US Large Cap (40.0%)	3,670,075	38.3	30% to 50%
US Mid Cap (6.0%)	547,998	5.7	0% to 10%
Developed International Equity (10.0%)	941,865	9.8	5% to 15%
Subtotal:	5,159,938	53.9	
ALTERNATIVE INVESTMENTS (10%)			
Real Estate (10.0%)	865,668	9.0	5% to 15%
Subtotal:	865,668	9.0	
TOTAL PORTFOLIO	9,579,155	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
December 31, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
4,425	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	4,627	102.58	4,539	0.05	177	15	1.43
					15	0.00			
			4,627		4,554	0.05		15	
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		38,911		38,911	0.41			
	DIVIDEND ACCRUAL		21,079		21,079	0.22			
			59,991		59,991	0.63			
CORPORATE BONDS									
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	99.95	49,976	0.52	1,050	478	2.94
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	99.36	99,363	1.04	2,375	317	3.11
50,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	54,602	102.50	51,249	0.54	2,187	547	3.21
50,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	49,962	97.86	48,928	0.51	1,125	175	3.20
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	96.33	48,165	0.50	975	325	3.17
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	99.20	49,602	0.52	1,437	423	3.13
50,000	COMCAST CORP 2.850% Due 01-15-23	101.83	50,917	98.06	49,028	0.51	1,425	657	3.37
50,000	AFLAC INC 3.625% Due 06-15-23	106.03	53,016	100.33	50,166	0.52	1,812	81	3.54
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	94.95	47,477	0.50	1,100	412	3.39
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	100.26	50,128	0.52	1,937	807	3.82
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	100.69	50,344	0.53	1,800	405	3.45
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	96.73	48,367	0.50	1,650	513	3.94
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	100.63	50,315	0.53	1,950	487	3.79
50,000	ANHEUSER-BUSCH INBEV FIN 3.650% Due 02-01-26	103.01	51,506	94.26	47,131	0.49	1,825	760	4.61
50,000	TARGET CORP 2.500% Due 04-15-26	96.45	48,223	93.36	46,680	0.49	1,250	264	3.54

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
December 31, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
50,000	LOWE'S COS INC 3.100% Due 05-03-27 Accrued Interest	100.08	50,039	91.37	45,687	0.48	1,550	250	4.34
					6,902	0.07			
			865,693		839,512	8.76		6,902	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
14,685	SPDR S&P 500 ETF	143.69	2,110,124	249.92	3,670,075	38.31	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
3,300	ISHARES CORE S&P MIDCAP 400 ETF	102.62	338,645	166.06	547,998	5.72	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
8,575	ISHARES ETF CORE MSCI EAFE	56.65	485,797	55.00	471,625	4.92	NA		
8,000	ISHARES MSCI EAFE INDEX FUND CLOSED-END FU	61.59	492,725	58.78	470,240	4.91	NA		
			978,522		941,865	9.83			
REAL ESTATE									
12,025	JPMORGAN BETABUILDERS MSCI US REIT ETF	76.56	920,584	71.99	865,668	9.04	NA		
U.S. TREASURY									
50,000	US TREASURY NOTES 1.500% Due 10-31-19	99.40	49,701	99.07	49,533	0.52	750	128	2.64
150,000	US TREASURY NOTES 1.250% Due 10-31-19	99.42	149,126	98.87	148,306	1.55	1,875	321	2.63
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	101.25	101,246	1.06	3,500	454	2.57
150,000	US TREASURY NOTES 1.750% Due 10-31-20	99.91	149,866	98.63	147,949	1.54	2,625	450	2.52
175,000	US TREASURY NOTES 1.875% Due 12-15-20	99.17	173,549	98.81	172,916	1.81	3,281	153	2.50
100,000	US TREASURY NOTES 2.125% Due 08-15-21	99.29	99,291	99.09	99,090	1.03	2,125	803	2.48
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	98.71	74,036	0.77	1,500	260	2.47
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	98.72	98,719	1.03	2,000	260	2.46
125,000	US TREASURY NOTES 2.125% Due 06-30-22	97.13	121,416	98.81	123,516	1.29	2,656	7	2.48
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	96.81	145,213	1.52	2,437	316	2.49
150,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	149,593	100.51	150,762	1.57	3,937	1,338	2.50

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
December 31, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	99.97	124,961	1.30	3,125	1,180	2.51
170,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	169,867	95.06	161,600	1.69	2,337	794	2.50
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	99.08	99,082	1.03	2,375	897	2.55
100,000	US TREASURY NOTES 2.000% Due 08-15-25	98.81	98,807	96.41	96,406	1.01	2,000	755	2.59
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	93.38	93,383	0.97	1,625	211	2.62
150,000	US TREASURY NOTES 2.000% Due 11-15-26	97.14	145,717	95.46	143,185	1.49	3,000	390	2.64
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	96.60	120,747	1.26	2,812	365	2.68
40,000	US TREASURY NOTES 3.125% Due 11-15-28	100.72	40,287	103.73	41,491	0.43	1,250	162	2.69
	Accrued Interest				9,246	0.10			
			2,216,518		2,201,389	22.98		9,246	
AGENCIES									
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	100.30	100,300	1.05	3,750	979	2.43
100,000	FHLMC 1.700% Due 09-29-20	99.73	99,730	98.37	98,373	1.03	1,700	434	2.66
100,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.86	99,865	98.09	98,095	1.02	2,000	256	2.52
100,000	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25	100.00	100,000	98.62	98,621	1.03	2,850	530	3.09
50,000	FHLB 3.625% Due 03-19-27	99.82	49,910	100.00	50,000	0.52	1,812	514	3.62
	Accrued Interest				2,713	0.03			
			450,915		448,103	4.68		2,713	
TOTAL PORTFOLIO			7,945,618		9,579,155	100	82,952	18,876	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 12-01-18 To 12-31-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
12-31-18	12-31-18	MANAGEMENT FEES		2,394.79
				2,394.79
DIVIDEND				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
12-21-18	01-31-19	SPDR S&P 500 ETF		21,079.27
DOMESTIC MID CAP EQUITY FUNDS/ETF				
12-21-18	12-21-18	ISHARES CORE S&P MIDCAP 400 ETF		1,535.95
INTERNATIONAL EQUITY FUNDS/ETF				
12-24-18	12-24-18	ISHARES MSCI EAFE INDEX FUND CLOSED-END FU		5,103.92
12-24-18	12-24-18	ISHARES ETF CORE MSCI EAFE		6,448.37
				<u>11,552.29</u>
REAL ESTATE				
12-28-18	12-28-18	JPMORGAN BETABUILDERS MSCI US REIT ETF		7,566.97
12-28-18	12-28-18	JPMORGAN BETABUILDERS MSCI US REIT ETF		715.97
				<u>8,282.94</u>
				42,450.45

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 12-01-18 To 12-31-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
INTEREST				
CASH AND EQUIVALENTS				
12-15-18	12-15-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		8.50
CORPORATE BONDS				
12-15-18	12-17-18	AFLAC INC 3.625% Due 06-15-23		906.25
FNMA & FHLMC				
12-15-18	12-17-18	FHLMC POOL G14203 4.000% Due 04-01-26		15.03
U.S. TREASURY				
12-15-18	12-17-18	US TREASURY NOTES 1.875% Due 12-15-20		1,640.63
12-31-18	12-31-18	US TREASURY NOTES 2.125% Due 06-30-22		1,328.13
				2,968.76
				3,898.54
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
12-15-18	12-17-18	FHLMC POOL G14203 4.000% Due 04-01-26	84.08	84.08
				84.08
WITHDRAW				
CASH AND EQUIVALENTS				
12-14-18	12-14-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		2,524.25
				2,524.25

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 12-01-18 Through 12-31-18

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
12-15-18	84.08	FHLMC POOL G14203 4.000% Due 04-01-26	87.92	84.08	-3.84
TOTAL GAINS					0.00
TOTAL LOSSES					-3.84
			87.92	84.08	-3.84

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 12-01-18 To 12-31-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
12-01-18			Beginning Balance		16,081.85
12-14-18	12-14-18	wd	Withdrawal	from Portfolio	-2,524.25
12-15-18	12-15-18	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	8.50
12-15-18	12-17-18	dp	Interest	AFLAC INC 3.625% Due 06-15-23	906.25
12-15-18	12-17-18	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	15.03
12-15-18	12-17-18	dp	Interest	US TREASURY NOTES 1.875% Due 12-15-20	1,640.63
12-15-18	12-17-18	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	84.08
12-21-18	12-21-18	dp	Dividend	ISHARES CORE S&P MIDCAP 400 ETF	1,535.95
12-24-18	12-24-18	dp	Dividend	ISHARES MSCI EAFE INDEX FUND CLOSED-END FU	5,103.92
12-24-18	12-24-18	dp	Dividend	ISHARES ETF CORE MSCI EAFE	6,448.37
12-28-18	12-28-18	dp	Dividend	JPMORGAN BETABUILDERS MSCI US REIT ETF	7,566.97
12-28-18	12-28-18	dp	Dividend	JPMORGAN BETABUILDERS MSCI US REIT ETF	715.97
12-31-18	12-31-18	dp	Interest	US TREASURY NOTES 2.125% Due 06-30-22	1,328.13
12-31-18			Ending Balance		38,911.40
DIVIDEND ACCRUAL					
12-01-18			Beginning Balance		0.00

Alaska Permanent Capital Management Co.

CASH LEDGER

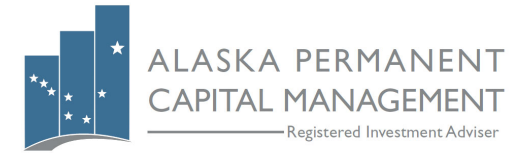
CITY OF CRAIG

From 12-01-18 To 12-31-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
12-21-18	01-31-19	dp	Dividend	SPDR S&P 500 ETF	21,079.27
12-31-18			Ending Balance		21,079.27

CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending December 31, 2018



ACCOUNT ACTIVITY

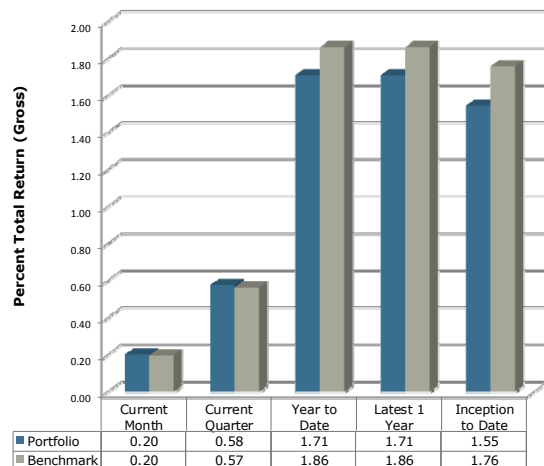
Portfolio Value on 11-30-18	3,036,324
Contributions	0
Withdrawals	0
Change in Market Value	4,102
Interest	2,066
Dividends	0
Portfolio Value on 12-31-18	3,042,493

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Bill Llerman, CFA®
Contact Phone Number:	907/272-7575

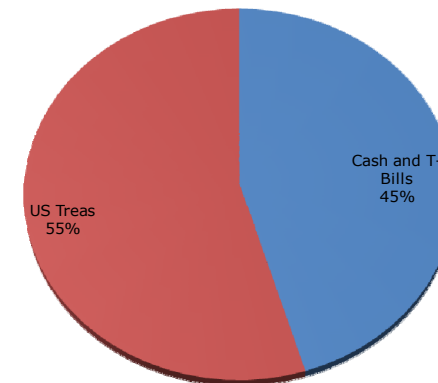
INVESTMENT PERFORMANCE

Current Account Benchmark:
T-Bill shown for reference



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.44% Average Maturity: 0.26 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG - SCHOOL FUNDS
December 31, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		30,433		30,433	1.00			
U.S. TREASURY									
550,000	US TREASURY NOTES 1.125% Due 01-15-19	99.53	547,415	99.96	549,774	18.07	6,187	2,858	2.12
550,000	US TREASURY NOTES 1.625% Due 04-30-19	99.44	546,936	99.72	548,453	18.03	8,937	1,531	2.47
560,000	US TREASURY NOTES 1.625% Due 07-31-19	99.25	555,810	99.46	557,004	18.31	9,100	3,808	2.55
	Accrued Interest				8,197	0.27			
			1,650,161		1,663,429	54.67		8,197	
TREASURY BILLS									
1,355,000	US TREASURY BILL 0.000% Due 03-14-19	99.26	1,344,964	99.53	1,348,631	44.33	NA	0	2.34
TOTAL PORTFOLIO			3,025,557		3,042,493	100	24,225	8,197	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG - SCHOOL FUNDS
From 12-01-18 To 12-31-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
TREASURY BILLS				
12-13-18	12-14-18	US TREASURY BILL 0.000% Due 03-14-19	500,000	497,042.50
12-13-18	12-14-18	US TREASURY BILL 0.000% Due 03-14-19	355,000	352,900.18
				849,942.68
				849,942.68
INTEREST				
CASH AND EQUIVALENTS				
12-15-18	12-15-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		13.24
				13.24
SALES, MATURITIES, AND CALLS				
TREASURY BILLS				
12-11-18	12-11-18	US TREASURY BILLS 0.000% Due 12-11-18	350,000	350,000.00
12-13-18	12-13-18	US TREASURY BILLS 0.000% Due 12-13-18	500,000	500,000.00
				850,000.00
				850,000.00

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG - SCHOOL FUNDS
From 12-01-18 Through 12-31-18

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
12-11-18	350,000	US TREASURY BILLS 0.000% Due 12-11-18	348,947.57	350,000.00	1,052.43
12-13-18	500,000	US TREASURY BILLS 0.000% Due 12-13-18	498,081.60	500,000.00	1,918.40
TOTAL GAINS					2,970.83
TOTAL LOSSES					0.00
			847,029.17	850,000.00	2,970.83

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF CRAIG - SCHOOL FUNDS
From 12-01-18 To 12-31-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
12-01-18			Beginning Balance		30,362.20
12-11-18	12-11-18	dp	Sale	US TREASURY BILLS 0.000% Due 12-11-18	350,000.00
12-13-18	12-13-18	dp	Sale	US TREASURY BILLS 0.000% Due 12-13-18	500,000.00
12-13-18	12-14-18	wd	Purchase	US TREASURY BILL 0.000% Due 03-14-19	-497,042.50
12-13-18	12-14-18	wd	Purchase	US TREASURY BILL 0.000% Due 03-14-19	-352,900.18
12-15-18	12-15-18	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	13.24
12-31-18			Ending Balance		30,432.76

PRINCE OF WALES-HYDER CENSUS AREA

POPULATION ESTIMATES

Area Name	Census April 2010	Estimate July 2011	Estimate July 2012	Estimate July 2013	Estimate July 2014	Estimate July 2015	Estimate July 2016	Estimate July 2017	Estimate July 2018
<u>POW-Hyder Census Area</u>	6,172	6,460	6,462	6,513	6,515	6,516	6,444	6,380	6,251
Coffman Cove city	176	175	179	162	175	194	202	198	168
Craig city	1,201	1,249	1,239	1,197	1,205	1,177	1,098	1,087	1,095
Edna Bay city	42	50	40	50	47	48	41	43	43
Hollis CDP	112	112	113	114	93	116	115	130	124
Hydaburg city	376	408	366	406	407	402	404	377	398
Hyder CDP	87	95	97	94	91	83	83	89	80
Kake city	557	576	596	621	627	620	606	606	601
Kasaan city	49	80	80	75	76	86	92	84	81
Klawock city	755	804	794	779	803	819	812	833	777
Metlakatla CDP	1,405	1,416	1,441	1,434	1,446	1,439	1,435	1,424	1,398
Naukatli Bay CDP	113	121	115	123	120	104	104	114	124
Point Baker CDP	15	13	14	14	12	13	13	13	13
Port Alexander city	52	54	56	55	45	62	55	53	55
Port Protection CDP	48	52	43	57	56	54	53	35	31
Thorne Bay city	471	495	511	514	530	507	527	534	524
Whale Pass city	31	32	38	38	38	45	43	43	57
Balance	682	728	740	780	744	747	761	717	682

Source: Alaska Department of Labor - <http://live.laborstats.alaska.gov/pop/>

Southeast employment stabilizes after losses

By **KARINNE WIEBOLD**

1

Slight Job Growth Likely This Year

SOUTHEAST CHANGE IN JOBS, 2009 TO 2019 FORECAST

Growth is in Southeast's forecast for the first time since 2012: a slight gain of about 50 jobs, or 0.1 percent. We expect a handful of industries to add a modest number of jobs in 2019, offsetting losses that come from government cuts and poor fishing runs. (See exhibits 1 and 2.)

Southeast has underperformed the state as a whole for most of the last decade. The region lost a greater share of its jobs in 2009 — the only year Alaska lost jobs during the national recession — and regained fewer before taking another blow when the state recession began in 2015. (See Exhibit 1.)



*Preliminary **Forecast

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Continuing population loss also dampens Southeast's outlook. State demographers project the region will lose an additional 550 people from 2017 to 2020.

Continual population declines are a long-term concern

As with the state overall, more people left Southeast than moved in from 2016 to 2017. This marked five straight years of net migration losses for both the region and the state, and for Southeast it was the third straight year that natural increase wasn't large enough to offset the net migration loss, shrinking the overall population. (See Exhibit 3.)



Southeast lost 900 people overall in 2017, bringing its total population loss to 1,600 since 2014. The current state recession and relative strength of the Lower 48 economy have largely driven the decline.

Net migration losses mean fewer workers and less local spending because households that move tend to have at

least one working-age adult. This is especially relevant in Southeast because the region is older so its economy has fewer potential workers to lose.

The region's largest age group is between 55 and 59 and the second largest is 60 to 64. Many baby boomers arrived when Alaska was awash in oil money during the late 1970s and early '80s, and they will continue to age out of the workforce in the near future.

Health care growth continues with an aging population

An aging population increases demand for health care, and Southeast's health care industry is forecasted to add 50 jobs in 2019.

Health care has grown most years and we expect that to continue unless the population continues to decline or health care policies change at the state or national levels.

Some gains for mining and construction

Southeast is home to two active mines near Juneau, Kensington and Greens Creek, which extract gold and

2

Southeast Job Forecast by Industry

WAGE AND SALARY EMPLOYMENT, 2017 TO 2019

	2017 monthly average ¹	2018 monthly average ¹	Change in jobs 2017-18	Percent change 2017-18	FORECAST		
					2019 monthly average	Change in jobs 2018-19	Percent change 2018-19
Total Nonfarm Employment ²	36,350	36,350	0	0%	36,400	50	0.1%
Natural Resources and Mining	1,000	1,050	50	5.0%	1,100	50	4.8%
Construction	1,350	1,300	-50	-3.7%	1,350	50	3.8%
Manufacturing	1,900	1,900	0	0%	1,900	0	0%
Trade, Transportation, and Utilities	7,050	7,050	0	0%	7,100	50	0.7%
Information	550	550	0	0%	550	0	0%
Financial Activities	1,000	1,000	0	0%	1,000	0	0%
Professional and Business Services	1,650	1,650	0	0%	1,650	0	0%
Educational ³ and Health Services	4,050	4,100	50	1.2%	4,150	50	1.2%
Leisure and Hospitality	4,200	4,150	-50	-1.2%	4,200	50	1.2%
Other Services	1,150	1,150	0	0%	1,100	-50	-4.3%
Government	12,550	12,450	-100	-0.8%	12,300	-150	-1.2%
Federal Government ⁴	1,450	1,450	0	0%	1,450	0	0%
State Government ⁵	4,850	4,750	-100	-2.1%	4,650	-100	-2.1%
Local Government ⁶	6,250	6,250	0	0%	6,200	-50	-0.8%

¹Preliminary and adjusted estimates

²Excludes self-employed workers, fishermen, domestic workers, and unpaid family workers

³Private education only

⁴Excludes uniformed military

⁵Includes the University of Alaska

⁶Includes public school systems

Note: Sectors may not sum due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

silver. Natural resources and mining employment grew by 50 jobs in 2017 and another 50 in 2018, and we forecast similar growth for 2019.

Construction is also set to add 50 jobs this year, but this is less a sign of recovery than of the industry finding its bottom. At 1,300 jobs in 2018, Southeast's construction employment was at its lowest point since 1992.

Numbers of visitors continue to hit records

Tourism remains one of Southeast's strengths, and the number of cruise ship visitors is anticipated to increase by 16 percent this year with nearly all of the 1,361,400 passengers stopping in Southeast.

With a sizable increase in tourist traffic, the leisure and hospitality industry is forecasted to add 50 jobs.

The outlook is similar for trade, transportation, and utilities, at 50 jobs, after three years of flat or slightly decreased employment. Most of the growth will be tied to tourism, such as sightseeing transportation.

Trade, transportation, and utilities includes retail, another industry that depends on tourism as well as local demand. Retail will likely hold steady in 2019, with strong visitor demand offsetting tepid local demand due to population loss.

Retail in Juneau, the largest community in Southeast and a regional hub, has been through ups and downs in recent years, such as the closure of Walmart and the opening of Sportsman's Warehouse, but no major changes are on the horizon this year.

The fishing outlook is grim for a second year in a row

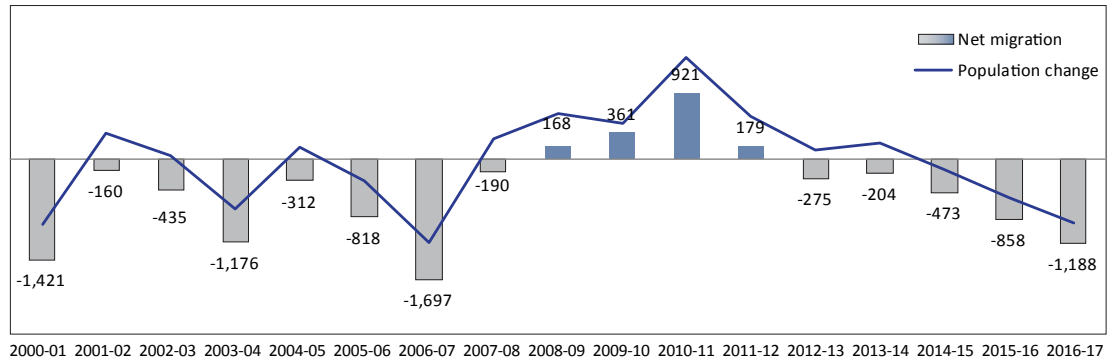
Southeast had weak salmon runs in 2018, with sockeye, coho, and pink harvests coming in at least 50 percent lower than expected.

On the upside, chinook and chum salmon exceeded expectations. While chum (also called keta) is one of the lowest value species, it made up 61 percent of the region's estimated ex-vessel value in 2018, up from 50 percent the year before.

3

Population Declines With Years of Out-Migration

SOUTHEAST ALASKA, 2000 TO 2017



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

This year brings continued challenges. The pink harvest is forecasted at 18 million fish, which would be about half the 10-year average and the lowest odd-year harvest in 32 years. Pink salmon, which have two-year life cycles, produce larger runs during odd years.

The Alaska Department of Fish and Game also expects very low chinook returns in the Taku and Stikine rivers in 2019. While chinook, or king, is one of the smaller harvests in Southeast, it's the highest-value species.

Halibut harvests are expected to be low as well, which could hurt charter fishing.

Commercial fishing jobs aren't included in our estimates because fishermen are mainly self-employed, but weak fish returns will also affect seafood processing and charter fishing employment, and the effects can bleed into other industries. For example, if fishermen have particularly bad years, they have diminished purchasing power in their communities.

Government to shed more jobs, but degree uncertain

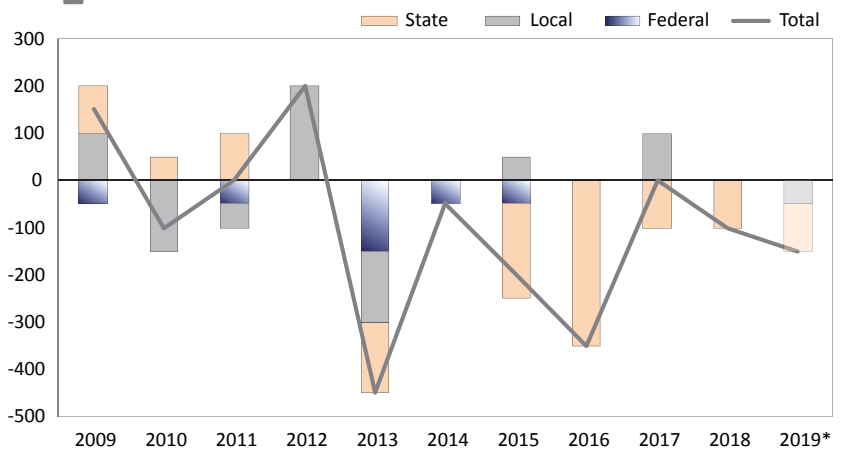
About a third of Southeast's employment is in government, making the region especially vulnerable to cuts.

State government has lost jobs in recent years, and not just during the recession. (See Exhibit 4.) Southeast's state government employment, which includes the University of Alaska Southeast, has declined or remained flat every year since 2011.

4

Downward Trend for Government

SOUTHEAST ALASKA, 2009 TO 2019 FORECAST



*Forecast

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

For 2019 we forecast loss of another 100 jobs, but as mentioned earlier, a lot depends on state policy decisions that are not yet known.

We expect local government to lose 50 jobs in 2019, following the statewide trend, as its funding is now feeling the pinch of the lengthy state recession and regional population loss.

Southeast's federal employment has been stable for several years and is forecasted to remain flat in 2019.

Karinne Wiebold is an economist in Juneau. Reach her at (907) 465-6039 or karinne.wiebold@alaska.gov.



January 30, 2019

City of Craig
Attn: City Clerk
VIA Email: cityclerk@craigak.com

License Number:	16184
License Type:	Retail Marijuana Store
Licensee:	Thee Treasure Chest llc.
Doing Business As:	THEE TREASURE CHEST LLC.
Physical Address:	1000 Water St. Craig, AK 99921
Designated Licensee:	John Wright
Phone Number:	907-629-4226
Email Address:	alaskahome633@yahoo.com

New Application

AMCO has received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

To protest the approval of this application(s) pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200, or when a local government protests an application on the grounds that the proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

This application will be in front of the Marijuana Control Board at our February 20-22, 2019 meeting.

Sincerely,

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

This letter is in regards to the lease renewal for Craig Child Care Center. I want to first apologize for not being prepared to speak on behalf of the Center at the meeting on January 10th. I am fairly new at this, on that note I felt that I should write this letter as well.

The Craig Child Care Center greatly appreciates the City of Craig leasing us the building at a very low cost. I feel the center is a much-needed Child Care Facility for the families of Craig and outlining communities. We are licensed through the State of Alaska this makes child care services available to families with low income and other state assisted programs. The facility has had its ups and downs over the years but I believe we have started 2019 off well. We have new Administrators Erica Charles and Katelyn Cook., and we are still looking to fill a couple positions at this time. We currently have 5 Board members that have been working hard to get the facility in order.

We as a board would like to thank you for your time and the use of your building for the operations of the Child Care Center.

Sincerely,

Russ Reynolds - President

Angelique Collins - Vice President

Nicole Gray - Secretary

Raina Rjerke - Member

Amanda Polpoka - Member

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 30, 2019
RE: Resolution 19-03

Attached you will find City of Craig Resolution 19-03. The resolution adopts Prince of Wales Community Advisory Council Resolution 19-01.

Each year, POWCAC prioritizes Island transportation projects and sets the priorities out in a resolution. The resolution, once approved, is sent to Alaska DOT/PF, where they ostensibly use it to earmark funding for island projects.

As the council will recall, POWCAC resolutions become effective only after they are approved by a majority of governing bodies of the participating communities. Craig is one of the participating POWCAC communities.

POWCAC members adopted the resolution unanimously.

Recommendation

Adopt Resolution 19-03.

**CITY OF CRAIG
RESOLUTION 19-03**

ADOPTING PRINCE OF WALES COMMUNITY ADVISORY COUNCIL
RESOLUTION 19-01 PRIORITIZING DOT/PF ROAD PRIORITIES FOR
PRINCE OF WALES ISLAND

WHEREAS, the Prince of Wales Community Advisory Council is made up of representatives from each community of Prince of Wales Island; and,

WHEREAS, the Prince of Wales Community Advisory Council acts on behalf of Prince of Wales communities on issues that include transportation; and,

WHEREAS, the Prince of Wales Community Advisory Council adopted its Resolution 19-01 in January, 2019; and,

WHEREAS, said resolution prioritizes road projects on Prince of Wales Island for 2019; and,

WHEREAS, POWCAC resolutions must be adopted by the ruling bodies of a majority of its members.

NOW, THEREFORE, BE IT RESOLVED that the City of Craig hereby adopts POWCAC Resolution 19-01, a copy of which is attached.

Adopted this 7th day of February, 2019.

Mayor Tim O'Connor

ATTEST

Kassi Mackie, City Clerk

**PRINCE OF WALES COMMUNITY ADVISORY COUNCIL
RESOLUTION No. 19-01**

**A JOINT RESOLUTION BY AND BETWEEN THE COMMUNITIES OF THE PRINCE
OF WALES COMMUNITY ADVISORY COUNCIL (POWCAC) SETTING
TRANSPORTATION PRIORITIES FOR PRINCE OF WALES ISLAND FOR 2019**

WHEREAS, the Prince of Wales Community Advisory Council acts in an advisory capacity for participating communities on Prince of Wales Island; and,

WHEREAS, the representatives from the Alaska Department of Transportation and Public Facilities have discussed proposed road projects for Prince of Wales Island and have suggested that communities on the island develop a consensus of road projects priorities for inclusion in the State of Alaska’s STIP, Public Forest Service Roads Program, and the Bureau of Indian Affairs Roads Program; and,

WHEREAS, the Prince of Wales Community Advisory Council has discussed road needs on Prince of Wales Island and recommends that the following projects and priorities be adopted by the Island communities and submitted to the Alaska Department of Transportation and Public Facilities for inclusion in the State’s planning and prioritization process; and,

NOW, THEREFORE, BE IT RESOLVED that the communities of the Prince of Wales Community Advisory Council hereby adopt the following regional transportation projects and priorities for roads on Prince of Wales Island:

FOREMOST TRANSPORTATION PRIORITY

<u>Priority</u>	<u>Project Name</u>	<u>Project Description</u>
1.	Operational Support to IFA	Continue annual appropriation in the State of Alaska General Fund operating budget.

SURFACE TRANSPORTATION PRIORITIES

<u>Priority</u>	<u>Project Name</u>	<u>Project Description</u>
1.	Kasaan Road	Phase I-Goose Creek to Tolstoi Bay; Phase II-Tolstoi Bay to Kasaan: Upgrade to a two-lane road at 35 mph design speed. Surface with D1 and asphalt. The road is critical to Kasaan and carries school bus traffic, daily commuting from S. Thorne Bay to the balance of Prince of Wales Island, and industrial truck traffic, making upgrade of the right of way priority.
2.	Resurfacing Hydaburg Road	Redesign, straighten, and resurface the Hydaburg road to provide safe driving conditions.
3.	Whale Pass Road	Upgrade and pave the Neck Lake road from the existing pavement into Whale Pass to the harbor.
4.	Port Saint Nicholas Road	Upgrade and improve the remainder of the Port Saint Nicholas Road system located outside of Craig.

- | | | |
|----|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | Sandy Beach Road | Upgrade and reconstruct between Thorne Bay and Coffman Cove. Evaluate merits of construction of the low elevation Eagle Creek road segment. |
| 6. | Ratz Harbor-Eagle Creek Rd. | Construct a low elevation road between Ratz Harbor and Eagle Creek. |
| 7. | Twin Island Road | Upgrade and pave the Twin Island road to create a suitable road base for El Capitan cave and north island traffic. |
| 8. | Naukati Bay Road | Upgrade and pave Naukati Bay access road between the terminus of the existing pavement and the Naukati Seaplane float. |

AIR TRANSPORTATION PRIORITIES

- | <u>Priority</u> | <u>Project Name</u> | <u>Project Description</u> |
|-----------------|----------------------------------------------|--------------------------------------------------------------------------------------------|
| 1. | Frank Peratrovich Airport | Construct/install improvements detailed in the airport master plan. |
| 2. | Frank Peratrovich Airport Winter Maintenance | Attain designation change from being listed as an unattended to attended airport facility. |
| 3. | Public Parking | Provide a public parking facility. |

ROADS TO RESOURCES

- | <u>Priority</u> | <u>Project Name</u> | <u>Project Description</u> |
|-----------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| 1. | POW Minerals and Hydropower Road | Construct road access to POW mine and hydro-electric project sites, including Reynolds Creek, Niblack Mine, and Bokan Mountain sites. |

ALTERNATIVE TRANSPORTATION PRIORITIES

- | <u>Priority</u> | <u>Project Name</u> | <u>Project Description</u> |
|-----------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Community Transit System | Establish an Island-wide bus system to connect communities and transportation hubs. |
| 2. | Roads and Trails vegetation control | Mechanical not chemical means for controlling noxious and/or invasive plants. |
| 3. | Pull outs along main roads on Prince of Wales Island | Add additional pull outs along the main roads and plow them in the winter for sightseeing, woodcutting, hunting, hiking, parking, emergency breakdowns, cell phone conversations and access to winter recreation |
| 4. | Prince of Wales North End Ferry Service | General support of future efforts to establish a ferry from the North End to neighboring island communities. |

NON-MOTORIZED FACILITY PRIORITIES

1. Craig-Klawock Path Construct a multi-use path for 4.7 miles along the uphill side of the highway between Craig and Klawock.

2. Multiple Use Paths Construct multi-use paths along the mainline road system Prince of Wales Island.

3. POW Discovery/Visitor Center Planning, design, and construction of a POW Discovery/visitor's center.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the Bureau of Indian Affairs, US Forest Service and FHWA Western Federal Lands Division in Vancouver, Washington, Alaska Department of Transportation and Public Facilities, Governor Mike Dunleavy, Senator Bert Stedman, Rep. Dan Ortiz, Rep. Jonathan Kreiss-Tomkins, and other members of the Alaska Legislature that represent Southeast Alaska communities.

PASSED AND APPROVED this 30th day of January, 2019 by the Prince of Wales Community Advisory Council.

POWCAC Chair

Milie Schoonover

-
- 1.
 - 2.

CITY OF CRAIG MEMORANDUM

To: Mayor and City Council
From: Brian Templin, City Planner
Date: January 30, 2019
RE: Ordinance 717, Authorization to negotiate a lease with Petro Marine

The city owns the upland and tidelands where Petro Marine currently operates from under a 20 year lease with the city. Petro's lease expires July 1, 2019 and they are interested in having their lease renewed.

The Craig Municipal Code allows for renewal of leases to existing tenants with approval by the council. The municipal code allows for renewed leases to be calculated using a current appraisal; assessed value; or adjusted value based on the Anchorage Consumer Price Index (CPI).

Petro's lease consists of three parts:

1. Fee simple lease of approximately 41,000 square feet of upland
2. Fee simple lease of approximately 10,500 square feet of tideland
3. Partial use lease of the industrial dock for pump equipment, storage, traffic, barge offloading, and transmission pipes

Currently Petro pays \$90,000 per year plus sales tax for their lease.

We have current assessed value for the upland and tideland areas and can use the assessed value as a basis for the land/tideland value. Since the industrial dock is city owned and non-taxable we do not have a current assessed lease. The value that was used for the 1999 lease was based on an appraised value. The current municipal code allows us to adjust lease values based on the change in consumer price index for Anchorage. That method would be appropriate here. The lease will be a market value lease at a minimum of 8% of market value based on the current assessed value of the property and the CPI adjusted value of the industrial dock. Based on use patterns and the calculated assessment/CPI values the lease will likely increase some, but not significantly.

The council may consider requiring that a new appraisal of the property is prepared, however it is unlikely that an appraisal would change the value (we have not seen a significant increase in marine industrial property in recent assessments). Based on a clause in the current lease the appraisal cost would be at city expense. An appraisal of the property would likely cost \$5,000 - \$10,000.

Final terms of a negotiated lease will be brought to the city council for approval.

Recommendation: Approve Ordinance 717 to authorize the city administrator to negotiate with Petro Marine the terms of a renewed lease of city owned property at False Island.

Sponsor: Craig Municipal Code 16.02.020

**CITY OF CRAIG
ORDINANCE No. 717**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH PETRO 49 INC. (DBA PETRO MARINE), THE TERMS OF A LEASE OF CITY OWNED PROPERTY CONSISTING A PORTION OF LOT 1 AND LOT 4, FALSE ISLAND SUBDIVISION

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the lease of approximately 41,032 square feet of city owned upland and 10,585 square feet of city owned tideland consisting of portions of the Lots 1 and 4, False Island Subdivision, Plat 2001-15, Ketchikan Recording District. Final terms of said lease are subject to the approval of the Craig city council.

Passed and approved this 7th day of February 2019.

Tim O'Connor, Mayor

Attest

Kassi Mackie, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 31, 2019
RE: Ordinance No. 718

Attached you will find Ordinance No. 718. The ordinance, once adopted, authorizes staff to negotiate the sale of Lot 9 at the JT Brown Industrial Park to Richard Trojan.

At its June 25, 2018 meeting, the city council passed a motion to proceed with negotiating a sale of Lot 9 to Richard Trojan. That motion requires the consideration of the attached ordinance.

As a reminder to the council, Trojan and Son LLC leases Lot 9 at the industrial park from the City of Craig. The original lease began in 2001, was renewed in 2008, and again in 2018. The original lease and the renewals include an option to purchase the property. The option for the tenant to purchase permits the application of up to 20 percent of the lease payments against the purchase price of the lot.

Among council comments at the June 25 meeting regarding whether to proceed toward the sale of the property were those stressing the need for the applicant to put forward reasons why the city should sell the property, reasons apart from just receiving cash for the sale of the property. I have reminded Mr. Trojan about these comments and encouraged him to think about why selling the property is in the city's interest.

Recommendation

Approve Ordinance No. 718 at second reading.

**CITY OF CRAIG
ORDINANCE No. 718**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH MR. RICHARD TROJAN THE TERMS OF A SALE OF CITY PROPERTY AT LOT 9, PLAT 2002-44, AT THE JT BROWN INDUSTRIAL PARK

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the sale of Lot 9, Plat 2002-44, at the JT Brown Industrial Park to Mr. Richard Trojan. Final terms of said sale are subject to the approval of the Craig city council. This action is enabling only. Neither the City of Craig nor Mr. Trojan is obligated to complete a sale of the subject property.

Passed and approved this ____ day of _____, 2019.

Mayor Tim O'Connor

Attest _____
Kassi Mackie, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 31, 2019
RE: Ordinance No. 719: Port St. Nicholas Road Maintenance Fee

Attached you will find Ordinance No. 719. The ordinance provides for maintenance to a defined segment of the Port St. Nicholas Road and sets a fee to recover some cost tied to maintenance of the road. The ordinance is scheduled for second reading at the council's February 7, 2019 meeting.

Also attached are the council packet materials from first reading of the ordinance.

At the first reading of the ordinance, the city council amended the ordinance to collect 45 percent of the annual maintenance costs from the properties subject to the ordinance, and cap the aggregate dollar amount collected at \$150 per lot. The council also amended the ordinance to provide an additional opportunity for formal public comment on the process to adopt an Annual Plan of Work for the road.

As of today's date, staff has received no new public input or correspondence as to the ordinance, other than a written request from Shaan-Seet Inc. for public records on this matter.

The proposed ordinance has a July 1, 2019 effective date. If the council adopts the ordinance prior to July 1, staff will begin the process of compiling a database of property owners and US Mail addresses in preparation for implementing the fee. Staff will also spend time preparing an Annual Plan of Work as provide for in the ordinance. Depending on the final wording in the ordinance, billings may not be issued until after production of the Annual Maintenance Report and the public comment period that follows the report.

Proposed amendment

In considering public comments on this matter, I recommend that the city council amend Section 12.10.040.A of the proposed ordinance, adding a formal public comment period to the process to adopt the Annual Maintenance Report. This step is worthwhile because the Annual Maintenance Report establishes the total cost to the city to maintain the PSN Road in any given year, from which the 45% fee amount is established. To keep the process as simple as possible, the public comment period for the Annual Maintenance Report can be exactly the same as for the Annual Plan of Work that is already defined in the ordinance. The recommended amendment is below, in italics.

12.10.040

- A. *The Public Works Department shall prepare an annual maintenance report. The report shall include a description of all capital and maintenance activities performed within the road corridor during the course of the reporting period. The report shall also include an accounting of all fees collected and all expenses incurred during the reporting period. The proposed annual maintenance report shall be made available for a 30-day public review and comment period. At the conclusion of the 30-day comment period the City of Craig shall consider all comments received and report the same to the city council. The report shall be provided to the City Council for public comment and consideration of adoption no later than 90 days following the end of the reporting period.*

Recommendation

That the council consider public comment made at second reading of Ordinance No. 719, consider amending the proposed ordinance to modify Section 12.10.040.A, then consider adoption of the ordinance at second reading.

Recommended motion to adopt: I move to adopt Ordinance No. 719.

Recommended motion to amend: I move to amend Ordinance No. 719, striking the text in Section 12.10.040.A and replacing the text that section with text recommended by staff.

SPONSOR: CRAIG CITY COUNCIL

**CITY OF CRAIG
ORDINANCE NO. 719**

**ADDING CHAPTER 12.10 TO THE CRAIG MUNICIPAL CODE PROVIDING FOR
ROAD MAINTENANCE AND CAPITAL IMPROVEMENTS ALONG THE PORT ST.
NICHOLAS ROAD AND ESTABLISHING A FEE FOR MAINTENANCE AND
IMPROVEMENTS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG, ALASKA:

WHEREAS, the City of Craig exercises general powers per Alaska Statutes 29.35.010 and other enabling statutes, including street and road maintenance powers; and,

WHEREAS, Section 1, Article 10 of the Alaska Constitution provides that a liberal construction shall be given to the powers of local government units; and

WHEREAS, the City of Craig provides maintenance and capital improvements to the Port St. Nicholas Road outside the Craig city limits; and,

WHEREAS, the City of Craig is authorized to provide services, including streets, outside its boundaries per Alaska Statutes 29.35.020, and may regulate the use and operation of streets outside its boundaries to the extent that the jurisdiction in which they are located does not regulate them; and,

WHEREAS, Alaska Statutes 29.71.800 defines streets to include roads; and,

WHEREAS, there is no jurisdictional entity within the Port St. Nicholas Road as defined in this ordinance that provides maintenance to and improvement of the Port St. Nicholas Road in the manner proposed in this ordinance; and,

WHEREAS, the City of Craig has a property interest in the Port St. Nicholas Road consisting of an easement and fee simple title to surface estate conveyed by quitclaim deed; and,

WHEREAS, the Port St. Nicholas Road contains a water main that is the sole means of transmission of potable water between the city's water treatment plant and its water customers, which includes both city residents and many Port St. Nicholas residents, and constitutes vital public infrastructure for city and Port St. Nicholas residents; and,

WHEREAS, ongoing maintenance to the Port St. Nicholas Road benefits the water main by ensuring reasonable access to and functioning of the main; and,

WHEREAS, the City of Craig agreed to provide maintenance to the Port St. Nicholas Road in cooperation with the State of Alaska to meet a state-imposed condition to accept federal funding to upgrade and pave the road; and,

WHEREAS, the City of Craig assumed all the rights of ownership from Shaan Seet contained in the Declaration of Protective Covenants, Restrictions, Easements and Agreements, as recorded August 14, 1984 at Book 124 in the Ketchikan Recording District, including but not limited to determining a reasonable manner to partially reimburse the City of Craig for providing maintenance and improvement to the Port St. Nicholas Road; and

WHEREAS, the maintenance and improvements to the Port St. Nicholas Road by the City of Craig benefit the owners of properties along the Port St. Nicholas Road; and

WHEREAS, the Council finds it to be an unfair burden on the residents of the City of Craig to bear the entire cost for the maintenance and improvement of the Port St. Nicholas Road; and

WHEREAS, Alaska law does not allow the City of Craig to establish the Port St. Nicholas Road as a service area because the service could be provided by annexation of the Port St. Nicholas area to the City of Craig; and

WHEREAS, maintenance, repair, and improvement activities on the Port St. Nicholas Road are a significant cost to the City of Craig; and

WHEREAS, by adoption of this ordinance, the Craig City Council authorizes the delivery, outside of the city's municipal boundaries, of road operation, repair, maintenance, construction, improvements and any other road services and facilities as described in this ordinance; the council further authorizes the exercise of the powers necessary for the provision of those services.

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby shall become a part of the code of the City of Craig, Alaska.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall take effect July 1, 2019.

Section 4. Action. This ordinance establishes a new chapter at 12.10 of the Craig Municipal Code.

Chapter 12.10

Port St. Nicholas Road Maintenance and Improvement and Road Maintenance and Improvement Fee - Extraterritorial

Sections:

- 12.10.010 Road Maintenance and Improvement Fee.**
- 12.10.020 Fee Set.**
- 12.10.030 Use of Fee.**
- 12.10.040 Annual Maintenance Report; Plan of Work.**
- 12.10.050 Prohibition Applied to Delinquent Properties.**
- 12.10.060 Notices to Property Owner.**
- 12.10.070 Notices from Property Owner.**
- 12.10.080 Appeal; Judicial Review.**
- 12.10.090 Definition.**

12.10.010 Road Maintenance and Improvement Fee

- A. The owner of record of any lot or property intersecting with the Port St. Nicholas Road, or any lot or tract that lies within 350 feet of the Port St. Nicholas Road, shall pay to the City of Craig a road maintenance and improvement fee.
- B. Road maintenance and improvement fee bills shall be mailed by regular US Mail to property owners of record on a regular basis as established by the City Council.
- C. Each bill rendered shall be due when mailed. All bills not paid within sixty (60) days of the mailing date shall be considered delinquent.
- D. At any time after the account becomes delinquent, a notice of delinquency may be sent to the owner.
- E. Upon delinquency, the city may lien the delinquent property in accordance with Chapter 1.20 of the Craig Municipal Code and provide notice of the lien to the owner of record. The city may seek to recover the delinquent fee and costs of collection, including attorney's fees, by any manner allowable by law.
- F. Chapter 12.10 applies to areas outside the city limits.
- G. Each lot owner shall be responsible for providing the City of Craig with a valid mailing address. The City of Craig shall have no responsibility other than mailing to the last known address as provided by the lot owner.

12.10.020 Fee Set

The annual road maintenance and improvement fee is set at 45 percent of costs reported in the Annual Maintenance Report, divided by the number of lots and tracts subject to the fee; provided, that the aggregate dollar amount of the fee shall not exceed \$150.00 per lot or tract for any given year.

12.10.030 Use of Fee

- A. Fees collected under this section shall be held in a special revenue fund, subject to annual audit and reporting in the same manner as other special revenue funds maintained by the city.

- B. Road maintenance and improvement fees collected will be appropriated from time to time by the city council to meet maintenance, repair, capital improvement, and operational costs of the Port St. Nicholas Road. Fees collected under this chapter shall not be used for the maintenance, repair, capital improvement, or operational costs of the city's water main within the Port St. Nicholas Road.

12.10.040 Annual Maintenance Report; Plan of Work.

- A. The Public Works Department shall prepare an annual maintenance report. The report shall include a description of all capital and maintenance activities performed within the road corridor during the course of the reporting period. The report shall also include an accounting of all fees collected and all expenses incurred during the reporting period. The report shall be provided to the City Council no later than 90 days following the end of the reporting period.
- B. The Public Works Department of the city shall prepare an annual plan of work and budget estimating the work tasks and the capital and operational costs for the Port St. Nicholas Road. The annual plan of work may include road brushing, plowing, sanding, sweeping, striping, surfacing, grading, excavation, maintenance of culverts and drainage structures, repair and maintenance of asphalt and concrete, and all other tasks and costs reasonably related to operation, maintenance, and improvement of the road. The proposed plan of work shall be made available for a 30-day public review and comment period. At the conclusion of the 30-day comment period the City of Craig shall consider all comments received and report the same to the city council. The annual plan shall be presented to the City Council for public comment and consideration of adoption no later than 180 days following the end of the reporting period.

12.10.050 Prohibition Applied to Delinquent Properties

The City of Craig shall not approve or authorize installation of a new water service connection, where no service previously existed, to any property for which the fees required to be paid by the property owner of record under this chapter are delinquent.

12.10.060 Notices to Owner

Notices from the City of Craig to the owner of record will be given in writing and either mailed to or delivered to the owner's last known address. Where conditions warrant in emergencies, the city may notify the owner verbally by telephone or messenger or by text message or e-mail.

12.10.070 Notices from Owner

Notices from owners to the city shall be in writing and mailed to Craig City Hall or delivered to the office of the city clerk at Craig City Hall.

12.10.080 Appeal; Judicial Review.

- A. An owner of record who receives a billing pursuant to 12.10.010 of this chapter may file a protest in writing to the city administrator within thirty days (30) of the mailing of the bill in accordance with 12.10.010. The protest shall state all of the factual and legal grounds for the protest and submit all supporting documents to be considered by the city administrator in deciding the protest. Any outstanding bill for the road maintenance and improvement fee must be paid in full at the time of the filing of the protest. The failure to

submit full payment of any outstanding bill shall result in the city clerk notifying the owner of record that the protest is incomplete and not in compliance with this provision and will not be considered by the city administrator. The decision of the city administrator shall be a final decision and shall be provided to the owner of record by certified mail.

- B. Judicial review by the Superior Court, First Judicial District, at Prince of Wales Island, Alaska, may be had by filing a notice of appeal in accordance with Alaska Rules of Appellate Procedure 602(a)(2) no later than thirty days (30) after the city's receipt of the return of service of the decision of the city administrator to the owner of record.

12.10.090 Definition

Except where otherwise defined in this chapter, "Port St. Nicholas Road" is defined as the 60 foot wide road corridor beginning at the intersection of the City of Craig municipal boundary with the Port St. Nicholas Road, and ending at Station 278+89.57, a point 29.57' bearing S88°32'W of Point of Curvature No. 37 of the Port St. Nicholas Road, as shown on Sheet 11 of 14 of Plat 95-57, Ketchikan Recording District.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 10, 2019
RE: Ordinance No. 719: Port St. Nicholas Road Maintenance Fee

Attached you will find Ordinance No. 719. The ordinance implements a road maintenance fee on lots bordering the Port St. Nicholas Road between the Craig city limits to a point near the city's water treatment plant.

I. Background

In 2016, the council directed staff to consider options available for collecting a fee to offset some of the cost of road maintenance from properties bordering the portion of the road to which the city has a property interest, and along which runs the city's water transmission and distribution mains. The city has a decades-long history of providing maintenance to this portion of the road.

The council is aware of the efforts in recent years to address this matter. Since 2016, city staff has taken specific steps and considered options for implementing the road maintenance fee. Some of those activities are those listed below:

1. City staff met with PSN property owners on the following dates:
 - a. November 10, 2016
 - b. November 30, 2016
 - c. January 10, 2017
 - d. February 21, 2018
2. Staff developed, implemented, and made available results of, an on-line survey seeking input from PSN residents on maintenance and financing or PSN Road maintenance.
3. Staff researched toll road options for the PSN Road.
4. Staff provided documentation to PSN residents regarding estimates of recent PSN Road maintenance costs and future projected costs, PSN Road ownership documentation, a copy of the PSN Road maintenance agreement with the State of Alaska, and handout on low volume toll roads around the United States.
5. PSN residents and property owners have attended many city council meetings to provide comments on the project.
6. Staff has circulated publicly numerous drafts of an ordinance to implement a road maintenance fee, and made many wording changes based on public and council input.
7. Staff has prepared multiple reports updating the council on activities related to the project.

II. Ordinance Implementation

Below is a summary description of how the maintenance and fee process in the ordinance would work, and assuming the work revolves around the city's fiscal year, and not the calendar year.

1. Per 12.10.040.A, city staff prepares the annual maintenance report by September 30. The report details work tasks and expenses to maintain the PSN Road for the prior fiscal year. The report is presented to the city council via a council meeting agenda item.

2. City staff produces the plan of work, (per 12.10.040) documenting the work planned for the PSN Road for the coming fiscal year. This report is due to the council by December 31 via council meeting agenda item.
3. City staff issues billing statements to the PSN property owners, based on the fee set in the ordinance. This may occur in December. A formal appeal process then begins per 12.10.080.
4. The process restarts at step 1.

This process provides for scheduled public comment at steps 1 and 2, and a formal appeal process at step 3.

The ordinance has two enforcement mechanisms. One is to file a lien on a property where the owner has not paid the maintenance fee. This process documents the debt owed based on the ordinance and provides for a mechanism of payment of the amount owed upon sale of the property. The city could also move to foreclose on a delinquent lot, based upon processes outlined in state statute. A second mechanism to assist with collection of the fee is withholding new water service connections to properties delinquent in paying the maintenance fee.

Enforcement mechanisms are rarely popular provisions of laws and ordinances. This ordinance is no exception, as the enforcement provisions have been the subject of much discussion. The enforcement measures included in Ordinance 719 are already available to the city for collection of debts, but are rarely used. While other measures can be considered, some method of implementing this ordinance, and any other, is necessary.

I recommend that the council consider two changes to the ordinance at either first or second reading. The recommended changes are detailed below.

1. Change the proposed maintenance fee to 45 percent of costs, with a \$150.00 cap

At its December 6 meeting, the council directed staff to include in the ordinance an annual per lot maintenance fee of \$150.00. The council took this action in response to requests by some PSN property owners to provide some certainty as to the out of pocket cost of the fee, rather than setting a percentage of maintenance cost recovery. My concern with setting the fee at \$150 is two-fold. First, a \$150 per lot fee is likely to generate about \$27,000 each year. While staff estimates a typical year's maintenance cost at about \$41,000, it is possible that some years the city may spend less than that amount on maintenance, and may spend less than even the \$27,000 collected by the fee. Given that the council does not intend to collect the full cost of road maintenance from the PSN properties subject to the fee, collecting more from the fee than is spent on maintenance, or collecting funds that exceed the intended percentage of cost recovery becomes problematic. Second, there is merit in the city setting a cost recovery goal of less than fifty percent of annual PSN Road maintenance costs. While one source of documentation I have shows that trips by residents on a given road account for between two thirds and three quarters of road traffic, we don't have similar data specific to the PSN Road. While one can make a good case that PSN resident traffic accounts for most of the vehicle volume along the PSN Road, setting a cost recovery goal of less than 50 percent shows the city's intent to offset only a fraction of the actual maintenance costs through the proposed fee, and account for the presence of non-local traffic loads along the road. Setting the fee to a level less than fifty percent of actual costs, and capping the dollar amount at \$150.00 achieves both the council's goal of providing

certainty as to the upper dollar limit of the fee, while ensuring that the fee does not generate more than a set percentage of maintenance costs as a matter of policy.

2. Formally solicit PSN comments on Plan of Work

The city received a request recently from a PSN property owner asking for more formal participation with the city council as to the fee setting process. While the ordinance already contains more than one opportunity for formal public participation in setting the fee, the council can consider adding wording to Section 12.10.040.B of the ordinance in an attempt to formalize PSN property owner participation.

Section 12.10.040.B calls for the preparation of a plan of work and budget for the coming year's expected maintenance work at the PSN Road. As a means to formally consider PSN property owner comments, the council can add the underlined text below.

B. The Public Works Department of the city shall prepare an annual plan of work and budget estimating the work tasks and the capital and operational costs for the Port St. Nicholas Road. The annual plan of work may include road brushing, plowing, sanding, sweeping, striping, surfacing, grading, excavation, maintenance of culverts and drainage structures, repair and maintenance of asphalt and concrete, and all other tasks and costs reasonably related to operation, maintenance, and improvement of the road. The proposed plan of work shall be made available for a 30-day public review and comment period. At the conclusion of the 30-day comment period the City of Craig shall consider all comments received and report the same to the city council. The annual plan shall be presented to the City Council for public comment and consideration of adoption no later than 180 days following the end of the reporting period.

III. Authority

The basis for the proposed PSN road maintenance fee is found at various provisions of Alaska Statutes and the Alaska Constitution, some of which are listed in the ordinance. Some property owners at PSN have voiced doubts about the authority of the City of Craig to assess and collect a road maintenance fee, and have retained the services of an attorney, who has contacted city staff as to the matter. Copies of letters from the attorney are attached. If the council chooses to adopt an ordinance implementing the road maintenance services and fee, it should be prepared to defend the action in court. The outcome of any such litigation, like any court action, is uncertain.

Recommendation

Approve Ordinance 719 at first reading, and adopt the two changes recommended by staff in Section II of this memo.

Attachments: Ordinance 719

Correspondence from Law Office of Guess & Rudd

GARY A. ZIPKIN
LOUIS R. VEERMAN
JAMES D. LINXWILER
GEORGE R. LYLE
MICHAEL S. MCLAUGHLIN
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KRISTINA BRYANT
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OF COUNSEL
JAMES D. DEWITT
ROBYN K. LINXWILER
PATRICK N. BERGT

September 19, 2017

RECEIVED
SEP 25 2017

Jon Bolling
City Administrator, City of Craig
P.O. Box 725
Craig, Alaska 99921

Re: Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

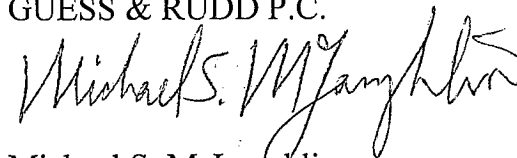
Dear Mr. Bolling:

This office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I understand the City may attempt to assess properties outside the city limits for improvements to and maintenance of the road. Please notify me of any upcoming efforts by the City to do so and provide any legal justification for making such assessment of properties outside the city limits.

Thank you for your attention to this matter.

Very truly yours,

GUESS & RUDD P.C.



Michael S. McLaughlin

cc: Jessica Pinnick

GARY A. ZIPKIN
JAMES D. LINXWILER
GEORGE R. LYLE
MICHAEL S. MCLAUGHLIN
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ROBYN K. LINXWILER
PATRICK N. BERGT

RECEIVED
APR 16 2018

April 12, 2018

Jon Bolling
City Administrator, City of Craig
P.O. Box 725
Craig, Alaska 99921

VIA Facsimile (907) 826-3278
& First Class Mail

Re: Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

Dear Mr. Bolling:

As you know, this office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I have reviewed the draft ordinances contained in the April 5, 2018 City Council packet related to the road and the City's attempts to regulate it.

While the City can, under AS 29.35.020, regulate the use and operation of certain assets located outside the boundaries of the City, there are limits to the City's powers under that statute. The statute specifically refers to regulating the use and operation of the facilities. However, there is nothing giving the City the ability to assess, charge, or levy fees or record liens on properties extraterritorially. We view this as a step too far. While a city in Alaska may, for its own purposes, decide to build infrastructure beyond its boundaries, it may not charge the residents outside the city for maintaining that infrastructure in which they had no voice in deciding to construct. The residents outside the City do not have representation on the City Council, and are not allowed to vote in City elections. While we appreciate your outreach to the PSN community, the City is really attempting to impose fees and liens on people who have no representation in connection with the proposed ordinances.

The City did not build the Port St. Nicholas Road nor took any maintenance responsibility outside the City until it entered into the maintenance agreement with the State of Alaska. Now the City is seeking to impose those ongoing costs of maintaining and improving that infrastructure on others after the fact. We understand that you are trying to collect funds from various sources to help pay the costs of road improvement and maintenance, and that budgets are tight, but since this road was built by someone else

Jon Bolling
April 12, 2018
Page 2

and the maintenance was only taken over relatively recently by the City, it should bear the maintenance and improvement costs itself or with the federal money it receives for that purpose. The water line for the City also runs along the road. Maintaining the road appears to be related to the water line maintenance, which does not benefit most of the property owners outside the City.

Please have the City of Craig's attorney contact me about this matter so I can discuss this issue further with him or her and obtain the full legal justification for the proposed fees and liens. We do not believe the legal justification offered in your memorandum in the April 5, 2018 City Council packet is sufficient or correct. The time to resolve this issue is right now, before the City passes and attempts to implement a potentially faulty fee and lien system which could lead to litigation to protect the rights of my clients and others.

Thank you for your immediate attention to this matter and I look forward to hearing from the City's attorney.

Very truly yours,

GUESS & RUDD P.C.

A handwritten signature in black ink, appearing to read "Michael S. McLaughlin", written in a cursive style.

Michael S. McLaughlin

cc: Jessica Pinnick

GEORGE R. LYLE
MICHAEL S. MCLAUGHLIN
CHRISTINA RANKIN
KRISTIN E. CRABB
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OF COUNSEL
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JAMES D. DEWITT
ROBYN K. LINKWILER
PATRICK N. BERGT

December 12, 2018

RECEIVED
DEC 17 2018

Robert P. Blasco, Esq.
Hoffman & Blasco, LLC
9360 Glacier Highway, Suite 202
Juneau, Alaska 99801

Re: City of Craig Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

Dear Bob:

As you know, this office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I have reviewed the most recent draft ordinance provided to the City Council related to the road and the City's attempts to regulate it.

My clients continue to object to the draft ordinance adding Chapter 12.10 to the City of Craig Municipal Code. As you and I discussed earlier this year, my clients and I do not agree that AS 29.35.020 grants the City the ability to assess, charge, or levy fees or record liens on properties extraterritorially. As we have discussed, the residents outside the City do not have representation on the City Council, and are not allowed to vote in City elections. For example, section 12.10.040 provides for the Public Works Department to prepare an annual plan of work and budget for review and, presumably, approval by the City Council. My clients have no voice in this process. This is, in effect, taxation without representation.

It is particularly troublesome in that only a small number of property owners along the road close to town are being charged when none of the other property owners along the road are being included. In addition, I believe that new section 12.10.050 prohibiting delinquent properties from obtaining water service may not be legal in light of the obligations imposed by the City's Certificate of Public Convenience and Necessity No. 1167 issued by the Regulatory Commission of Alaska. Water service and road maintenance are unrelated, particularly in light of section 12.10.030(B)'s prohibition of any of the road fees being used for the water main.

Robert P. Blasco, Esq.
December 12, 2018
Page 2.

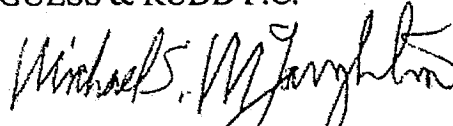
As we have noted before, the City did not build the Port St. Nicholas Road nor took any maintenance responsibility outside the City until it entered into the maintenance agreement with the State of Alaska. Now the City is seeking to impose those ongoing costs of maintaining and improving that infrastructure it voluntarily agreed to assume on my clients after the fact. We certainly understand that the City is trying to collect funds from various sources to help pay the costs of road improvement and maintenance, and that budgets are tight, but since this road was built by someone else and the maintenance was only taken over relatively recently by the City, it should bear the maintenance and improvement costs itself or with the federal money it receives for that purpose.

Please have the City permanently withdraw the proposed ordinance adding Chapter 12.10. The time to resolve this issue is right now, before the City passes and attempts to implement a potentially faulty fee and lien system which will very likely lead to litigation to protect the rights of my clients and others.

Thank you for your immediate attention to this matter and I look forward to hearing from you.

Very truly yours,

GUESS & RUDD P.C.



Michael S. McLaughlin

cc: Jessica Pinnick

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 31, 2019
RE: Bid Opening, Floating Breakwater Anchor Chain Replacement

City staff opened bids today for the project to replace some anchor chain segments for the floating breakwater at North Cove. The bid results are below. Note that the “Base Bid” is the cost to replace the floating breakwater shackles and anchor chain segments. “Billets” is the cost to place 25 foam floatation billets at various locations beneath floats at North and South Cove. “Total Bid” sum is the cost of the base bid, plus the cost to place all 25 billets.

	BIDDERS		
	Global Diving & Salvage	Alaska Commercial Divers	Diversified Diving
Base Bid	\$39,299.00	\$23,000.00	\$18,750.00
Billets	\$13,000.00	\$10,125.00	\$6,200.00
Total Bid	\$52,299.00	\$33,125.00	\$24,950.00

The apparent low bidder is Diversified Diving, in the amount of \$24,950.

I was happy to receive three bids for the advertised work. The low bid is within the city’s budget, and the low bid contractor is qualified and capable of completing the scope of work.

Recommendation

Award the Floating Breakwater Anchor Chain Replacement and billet placement project to Diversified Diving Services in the amount of \$24,950.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 31, 2019
RE: Consider Operating Agreement with SSRAA

Attached is a draft operating agreement between the City of Craig and the Southern Southeast Regional Aquaculture Association (SSRAA) that governs activities at the king salmon hatchery facility at Port St. Nicholas.

As a reminder for the council, the city owns a small hatchery facility adjacent to the city's water treatment plant at about 5.2 mile of the Port St. Nicholas Road. For many years the city has contracted with third parties to operate the facility. Originally the city contracted with the POW Hatchery Association to operate the hatchery. More recently, the operating agreement has been with SSRAA, which also operates the coho hatchery located on the Klawock River.

Under prior recent operating agreements with SSRAA, the city agreed to pay between \$65,000 and \$67,000, with higher payments in at least one prior year. The payments were based on staffing and operational costs to raise king salmon there. The target release for several years running now is typically 100,000 king salmon smolts per year.

For the current year, the draft agreement proposes that the city pay SSRAA \$0.56 per smolt released, up to a cap of \$56,000. If SSRAA releases measurably fewer smolts than 100,000, the city's payment to SSRAA is reduced. SSRAA tells city officials that they have been able to reduce the king salmon operational costs at the PSN facility now that SSRAA will also culture chum salmon there.

The agreement is beneficial to Craig and the surrounding area. The city-sponsored PSN king salmon release benefits local commercial trollers, charter fishing businesses, the sport fishing sector, and employs a few people during the cost recovery phase that takes place in May-July. Thanks to productive efforts from the cost recovery contractor, direct cash payments to the City of Craig from cost recovery have averaged \$20,000 over the past two years. The local king salmon derby usually brings in additional revenues to support the king salmon program.

SSRAA has, in my view, been an excellent partner: the organization released some 225,000 additional king salmon smolts into PSN recently, and apparently plans to do so again to further enhance king salmon fishing opportunities for its membership; SSRAA staff at the Klawock River Hatchery play an important role in the cost recovery process by working closely each day with the city's cost recovery contractor; and SSRAA's effort to establish a chum salmon terminal release area at Port Asumcion is likely to bring new economic benefits to Craig.

Recommendation

Approve, by motion, the proposed FY 2019 Port St. Nicholas king salmon hatchery operating agreement with SSRAA.

OPERATION AGREEMENT
between the
CITY OF CRAIG & SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION
For operation of the
PORT ST. NICHOLAS KING SALMON PROGRAM

July 1, 2018 through June 30, 2019

The City of Craig and the Southern Southeast Regional Aquaculture Association (SSRAA) agree to perform the following tasks by June 30, 2019, in support of the Port St. Nicholas (PSN) King Salmon Program.

Section 1. The parties agree to perform the following tasks:

SSRAA Agrees To:

- Operate and maintain hatchery property according to the existing lease agreement entered into October 9, 2017;
- Hatch, rear, transport, and release into Port St. Nicholas a minimum of 100,000 chinook salmon smolts each year, as outlined in the Annual Management Plan with ADF&G;
- Install and maintain weir on Port Saint Nicholas River;
- Provide technical and logistical support to Craig for duration of the project;
- Provide quarterly production reports to the City of Craig showing rearing progress for the anticipated PSN release;
- The City of Craig will be invoiced on a per smolt cost basis established from the average SSRAA cost per chinook smolt of \$0.56 (for the per smolt cost structure see Exhibit A attached);
- Invoice the City of Craig twice a fiscal year. First invoice will be during second quarter for fifty percent (50%) down payment for 100,000 smolt and a final invoice on release in the fourth quarter for the cost of the number of smolt released up to a total not to exceed the cost for 100,000 smolt unless otherwise agreed to;

City of Craig Agrees To:

- Provide continuous supply of biologically safe, high pressure water for hatchery operations;
- Perform yearly maintenance on pressure reducing valves in Mechanical Room of hatchery;
- Provide electricity, diesel fuel, and propane for the hatchery site;
- Continue to donate the \$1.00 per year for the lease to the grounds of the facility;
- Perform cost recovery on returning chinook salmon specific to the City sponsored release, in accordance with all regulations;
- Reimburse SSRAA for chinook rearing costs not to exceed fifty six thousand dollars (\$56,000) per annum unless agreement for additional production struck. First payment of \$28,000 and second payment up to \$28,000;
- Furnish reimbursements twice a fiscal year to SSRAA for the rearing costs in a timely manner upon receipt of invoice.

Section 2. The parties hereto expressly agree that SSRAA shall be and is an independent contractor and is not an employee or agent of the City of Craig, and is, therefore, entitled to no insurance coverage, whether worker's compensation or otherwise and no other benefits accorded to city employees. No

withholding, FICA, or other taxes (whether income sales or otherwise) or other amounts will be withheld from payments due to SSRAA, it being understood that SSRAA is solely responsible.

Section 3. No claim for additional work, services or materials, not specifically and expressly requested and authorized as provided for in this Agreement, or by a written amendment thereto signed by all parties, done or furnished by SSRAA, will be allowed or paid by the City of Craig, and Hatchery expressly waives any claim therefore.

Section 4. SSRAA agrees to keep and maintain in full force during the entire period of the project or work called for herein, broad form comprehensive public liability insurance with limits of not less than three hundred thousand (\$300,000.00) combined single limit insuring Hatchery, and include the City of Craig as an additional named insured, from any and all claims for bodily injury and death, and for property damage, that may arise out of, or in relation to, this Agreement. Such insurance shall require the insurance company give not less than thirty (30) days prior written notice to Cities prior to any cancellation, non-renewal or reduction in the amount of coverage of such insurance coverage. Each policy, or certificate of the policy, together with evidence of payment of premiums, shall be deposited with the cities prior to execution of this Agreement by the cities, and on renewal of the policy not less than twenty (20) days before expiration of the term of the policy.

WHEREFORE the parties have entered into this Agreement the date and year first above written at the City of Craig, Alaska.

City of Craig, Alaska

**Southern Southeast Regional
Aquaculture Association**

By: _____
Jon Bolling, City Administrator Date

By: _____
David Landis, General Manager Date

EXHIBIT A

2018 Average Cost Per Smolt SSRAA Production:

Species	SSRAA Cost Production	Cost Yearlings vs. Chum	Cost as a Percent of Production	Average Smolt Cost
COHO	\$3,453,561			\$0.290
CHINOOK	\$1,811,422	\$5,264,982	56.2%	\$0.557
SCHUM	\$3,918,538			\$0.025
FCHUM	\$179,128	\$4,097,666	43.8%	\$0.021

CITY OF CRAIG MEMORANDUM

To: Mayor and Craig City Council
From: Brian Templin, City Planner
Date: January 30, 2019
RE: Planning Commission/City Council Workshop February 26, 2019 – Cannery Site
Development

Background

The City of Craig has been working to develop a new harbor in town for several years. Currently the city has about 225 moorage slips and 1,700 linear feet of transient moorage available in existing harbors and a number of other harbor related facilities (grids, boat launches, boat haul-out, etc.). Currently there are about 80 names/vessels on the waiting list for permanent moorage slips and transient moorage is inadequate for summer traffic. It is not uncommon during seine openings to have as many as 5-6 commercial vessels rafted together in the harbor to accommodate all of the vessels.

In January 2003 the US Army Corps of Engineers (USACE) finished a Section 905b Analysis in Craig. The analysis selected a new harbor at the Ward Cove Cannery site as the preferred alternative. In 2006 the city closed on the purchase of the Cannery Site to allow development of the harbor and the five acres of adjacent uplands.

In 2006 the city completed the sale of the Sunnahae Mountain trail and property (along with some property in town) to the US Forest Service pursuant to congressional legislation passed by Senator Ted Stevens and Senator Lisa Murkowski. The revenue from the sale of these lands was used as part of the funding to purchase the cannery property.

In 2007 the council adopted Phase 1 of the Ward Cove Site Development plan. Phase 1 concentrates on development of the harbor and some development on the east end of the upland parcel. Since the purchase of the property and the adoption of the Phase 1 development plan the city has taken a number of actions including surveying, minor improvements to the existing industrial dock, and extending utilities into the area.

In 2015 the city and the USACE completed the Integrated Feasibility Study and in 2016 the project was approved by the USACE and congress to proceed. Based on the conceptual design included in the 2015 report the project includes a 10.1 acre harbor basin capable of 125 – 145 slips. The project also includes about 1,900 linear feet of rubble mound breakwater. The estimated cost of the project is about \$39 million. As the project is laid out the USACE would provide about \$28 million in construction costs for the breakwaters and the city would be expected to provide about \$11 million in construction costs. Although the USACE does not provide funding for construction of the actual float system or access ramps their funding will provide up to 80% of the funding necessary for breakwaters and dredging (90% up front with 10% being paid back to the USACE over 30 years).

The city is currently working with the USACE Alaska District, USACE Washington DC office, Assistant Secretary of the Army for Civil Works, and the Alaska congressional delegation staff to begin the Preconstruction Engineering and Design (PED) phase of the project. Once this phase is initiated the design will take 9 – 18 months to complete. While the USACE is working

on PED for the breakwaters and other navigation improvements the city will contract with an A/E firm to do design, engineering, and permitting for the remainder of the harbor facilities, utilities, and upland facilities related to the harbor. In November 2018 the city submitted a Community Development Block Grant application for the harbor design. The results of that grant application have not been announced yet.

In 2007 the city undertook an extensive public comment process on how to develop the uplands. The city council ultimately determined that most upland development should wait until the harbor design was closer to being completed to ensure that the upland development strongly supported the new harbor. In April 2007 the city council adopted the Ward Cove Site Plan – Phase 1. The 2007 development plan left most of the upland development undetermined.

Additional information and documents on the project can be found at www.craigak.com/planning/page/craig-cannery-site-development.

Conclusion

We are at a point where we should start some discussion, public comment, and deliberation on a number of issues related to the upland development. These discussions and decisions affect both the Craig Planning Commission and the Craig City Council. To that end, and given that many of the current council members were not part of the previous discussions on the issue it will be helpful to staff, the planning commission, and the city council to meet in a less formal environment to talk about the project, ask questions, and discuss general strategies. Staff is requesting that the city council set a joint workshop with the Craig Planning Commission at 7 pm on February 26, 2019 for this purpose.

Recommend Motion

Move to schedule a joint workshop with the Craig Planning Commission at 7 pm on February 26, 2019.