

**CITY OF CRAIG
COUNCIL AGENDA
APRIL 18, 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 March 7, 2019
- 2) Introduction and First Reading of Ordinance 720, Application to Sell City Property to Jeremiah and Josia Bigelow, Lots 3A and 4A Salmon Berry Subdivision

HEARING FROM THE PUBLIC

- Open for public comment
- Resolution 19-05, Naming the Tanner Crab Court Park in Honor of Richard Ensley

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 February Report
- 2) Liquor License Application Notice
- 3) 2019 Post Fieldwork Letter
- 4) Craig Cannery Letter of Intent
- 5) A&T Electric Vehicle Incentive Program
- 6) 2019 Stream Habitat Academy
- 7) 2019 Forest Resource Academy
- 8) Ralph Mackie Opposition Letter

**CITY OF CRAIG
COUNCIL AGENDA
APRIL 18, 2019
COUNCIL CHAMBERS 7:00 PM**

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

1. Resolution 19-05, Naming the Tanner Crab Court Park in Honor of Richard Ensley

UNFINISHED BUSINESS

1. Consider approval of lease to Taquan Air
2. Consider approval of lease to Pacific Airways
3. Consider approval of lease to Petro Marine

NEW BUSINESS

1. Consider approval of sale of leased property to Trojan & Son
2. Consider approval of lease to Craig Child Care Center, Inc
3. Consider bid award, Craig North Cove Harbor Lighting Replacement
4. Consider bid award, Craig pool basin refinishing project
5. Consider appointment of Harbor Advisory Committee members
6. Consider approval of the 2019 CEDS Committee Final Report
7. Consider commercial rate for boat launch permit
8. Consider appropriation for harbor repair work

ADJOURNMENT

CITY OF CRAIG
COUNCIL MEETING
THURSDAY MARCH 7, 2019

ROLL CALL

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

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

Audience present: Kelsey Sheakley, Chad Johnson

EXECUTIVE SESSION

CONSENT AGENDA

City Council Meeting Minutes of February 7, 2019

City Council Meeting Minutes of February 21, 2019

DOUVILLE/ moved to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

- Open for Public Comment
- Resolution 19-04, Craig Harbor Advisory Committee Bylaws

REPORTS FROM CITY OFFICIALS

Mayor/Fire Department- Mayor O'Connor reported looking over departmental budgets and working on new harbor plans with the planning commission.

Administrator- Jon provided a written report and reported that the SSRAA board discussed the PSN King Salmon run cost recovery in the upcoming year. SSRAA would like to assume the responsibility of that entirely on their own, and this will be discussed in September. Currently KETA Seafoods has the contract on the cost recovery until 2021. Jon will keep Greg MacMillan in the loop, and when SSRAA discusses this again Jon will report the information back to the council.

Treasurer- Joyce provided a written report

Aquatic Manager- Jessica provided a report.

City Clerk- Kassi reported working on software for the iPads that is more user friendly and the Premium Credit Application. Next meeting is March 21, and Allison Fargo will be at the April meeting for Kassi.

March 7, 2019 Council Meeting

City Planner- Brian provided a written report and appreciated the time to discuss the cannery site with the council and planning commission.

EMS Coordinator- Chaundell reported a donation from the Southeast Tongass department of fire equipment. Training new volunteers and working on a new fee schedule which will be presented at the upcoming meeting. Chaundell reported budget decreases due to the lack of grant funding. Tim reported receiving three fire fighter applications.

Harbormaster- Hans provided a written report and added that the False Island crane has been down but has been repaired and is installed again. The Harbor department utilized a shop in Aberdeen for repairs. Jim would like a cost estimate to have an additional one on hand. Julie asked what the reason for the repair was, and Hans said the wear and tear on the machine didn't seem to be the culprit according to the shop.

Library- Angela provided a written report and mentioned attending the Alaska Library Conference. The library has been working through electrical issues, which seem to have been resolved by the parks and public facilities staff.

Police Chief- RJ provided a written report and reported that the DMV kiosks have officially shipped. RJ should be receiving a little over \$20,000 for equipment for a grant.

Public Works- Russell provided a written report.

Parks and Rec- Victoria provided a written report and reported the date for the April bazaar.

Parks and Public Facilities- Doug provided a written report.

READING OF CORRESPONDENCE

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Resolution 19-04, Craig Harbor Advisory Committee Bylaws

MCDONALD/DOUVILLE

moved to adopt Resolution 19-04, Craig Harbor Advisory Committee Bylaws establishing members from a variety of backgrounds.

Jim asked about the requirements for the applicants for the Harbor Advisory Committee
Jon explained that there can be more stringent requirements added to the bylaws if the council would like.

**MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE**

UNFINISHED BUSINESS

None

NEW BUSINESS

Initial Review of Governor’s FY 2020 Budget

Jon summarized the FY 2020 proposed budget. Jon proposes putting in writing the council’s opinion on the possible loss of revenue. Mike supports making comments, as all 6 of the items on the memo are important. Mike asked about the IFA cut, and Jon explained that the IFA operates on 20% from other sources aside from the fare fee. Jim is concerned about the ferry operations and the raw fish tax. Jim is in favor of submitting a letter opposing these cuts. Jon mentioned the PCE credit and the revenue sharing program are funded around the state out of the same fund.

DOUVILLE/BAZINET

moved to direct staff to submit comments and/or testimony to the legislature and Office of the Governor on the items summarized above, and other areas of policy agreed to by the council.

MOTION CARRIED UNANIMOUSLY

Consider Action on Pool Basins Refinishing Project

DOUVILLE/MCDONALD

moved to direct staff to advertise for bids work on the pool basin refinishing and gutter replacement tasks at the Craig Aquatic Center.

Jim is hesitant to earmark additional funds in the FY 2020 budget for this project. Jon reported that there are portions of the pool that need repaired or replaced. Mike asked about the financial status of the North Cove lighting project. Jon will structure the bids so the council is able to choose. Mike explained that both projects need attention, the harbor and aquatic center. The pool work is expected to last 12 years, and the same type has been on the pool for 23 years. Jessica reported that there isn’t much to fix for the basin itself, it needs these repairs. Jon explained what the bid will include.

MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

MCDONALD/CREIGHTON

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 Mayor and City Council
From: Brian Templin, City Planner
Date: April 11, 2019
RE: Application to Sell City Property to Jeremiah and Josiah Bigelow, Lots 3A and 4A, Salmonberry Subdivision – Ordinance 720 First Reading

The city has included Lots 3A and 4A, Salmonberry Subdivision in land sales in 2013 and in 2017. The properties did not sell in either land sale.

Jeremiah and Josiah Bigelow have submitted an application to purchase the lots. During the 2016/2017 land sale the lots appraised out at \$65,000 each. A new appraisal will have to be completed since this appraisal is more than 12 months old.

The sale notice was published in the Island Post with the public hearing scheduled at the regular city council meeting on April 18, 2019. Even though the public hearing is scheduled for April 18th the final reading of the ordinance is not scheduled until May 2, 2019.

Funds from this sale will be placed in the city's land development fund.

Recommendation: Approve the first reading of Ordinance 720, authorizing the city administrator to negotiate the sale of city owned property to Jeremiah and Josiah Bigelow.

**CITY OF CRAIG
ORDINANCE No. 720**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH JEREMIAH AND JOSIAH BIGELOW, THE TERMS OF A SALE OF CITY OWNED LANDS CONSISTING OF LOTS 3A AND 4A, SALMONBERRY 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 sale of approximately 26,000 square feet of city owned land consisting of Lots 3A and 4A, Salmonberry Subdivision as shown on Plat 2018-24, Ketchikan Recording District. Final terms of said sale are subject to the approval of the Craig city council.

Passed and approved this 2nd day of May, 2019.

Mayor Tim O'Connor

Attest _____
Kassi Bateman, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 10, 2019
RE: April Staff Report

1. Report on Juneau Trip

I was in Juneau March 18-21. A summary of the meetings I attended during the trip is below.

- Meeting at Southeast Conference. I met with Robert Venables at the Southeast Conference office. Mr. Venables is the conference executive director and a former manager of the Haines Borough. I summarized for him the meetings I had arranged during my stay in Juneau, and we discussed local EMS staffing, state budget outlook, Alaska Marine Highway and IFA funding, and other topics.
- Meeting at Alaska EMS Office. I met with Mr. Todd McDowell, EMS Manager at the State of Alaska Office of Emergency Medical Services. We talked about the following:
 - Staffing and billing issues for EMS in Craig and around Southeast Alaska. In discussing Craig's efforts at recruiting full-time EMS staff, it is apparent that our posted wage and benefit offer is competitive for EMT-I hiring. Mr. McDowell offered to post Craig's position vacancy in his agency's newsletter. He noted that a number of other local EMS squads now offer paid compensation to responders.
 - Billing practices for ambulance runs. Mr. McDowell offered some helpful input on billing for EMS runs
 - Other methods for providing EMS service to communities, such as private contracting.
- Meeting with Rep. Kreiss-Tomkins. I spoke with the representative for 20-30 minutes. I spoke to the city's work on the downtown harbor project, and also delivered a copy of the city's capital projects resolution. We also reviewed the March 13 letter that the council authorized staff to send regarding funding for specific state programs in the coming Fiscal Year 2020 state budget. Attending the meeting were two interns working in the representative's office that week, including a Craig High School student.
- Meeting with staff at the Department of Natural Resources. I met with Mr. Lee Cole, Jr. and Mr. Chris Carpeneti at DNR. During the recent process of selling city property to Troy and Di Thain, staff received word from a Ketchikan title company that in their opinion the City of Craig does not have clear title to one of the lots that Hamilton Drive crosses (Lot 2E, USS 3857), despite the fact that a subdivision plat clearly dedicates Lot 2E as public right of way, which the city operates and maintains. I asked DNR staff if the state would issue a deed to the City of Craig for Lot 2E. I was told that the department will solicit a title opinion from their Anchorage office to determine who holds title. If the state determines that it owns Lot 2E, the city can initiate a process to have title to the property conveyed. I will need to follow up with Mr. Cole in a few weeks, at which point he expects to have the title report in-hand.
- Meeting with PERS. I met with Ms. Dawn Bonnett at the offices of the Public Employee Retirement System. I spoke with Ms. Bonnett about city council eligibility for PERS service

going back to 1988. We also discussed statutory requirements for what are called termination studies, a task that public employers must sometimes undertake to determine when they must pay a penalty to PERS for not replacing certain classes of positions due to attempts to reduce payroll costs.

- Meeting with Senator Stedman. I spoke with Sen. Stedman and a member of his staff on the same topics as my meeting with Rep. Kreiss-Tomkins. The senator, who is co-chairman of the Senate Finance Committee, offered his thoughts on the state budget process and the outlook as to all the items on the city's March 13 letter. Suffice it to say that there is much uncertainty as to the outcome of the state's budget process.
- Meeting at Alaska Municipal League offices. I met with Mr. Nils Andreassen, Executive Director of AML. We talked about common concerns among Alaska municipalities in light of the governor's proposed budget for FY 2020, and the potential for that budget to increase costs to local government. Mr. Andreassen asked for copies of the city's correspondence with Alaska legislators as to municipal issues.
- Hearing on Senate Bill 51. I attended a Senate Committee hearing on SB51. This bill would require state agency and legislative approval before a waterway in Alaska can be designated as a Tier 3 waterbody.

2. Status of 2016 Fisheries Disaster Relief Fund

The distribution plan for these funds has yet to be approved by the state and federal agencies working on the matter. As I have reported to the council recently, I believe the City of Craig is eligible for a payment from the fund, but the amount and other terms are not yet public. I will continue to monitor the process.

3. Craig Pool Basin Refinishing Project & North Cove Lighting Project

Both projects are out to bid, and bids open by April 12. Per discussion at the March 7 council meeting, I will bring bid results and financing options to the council at the April 18 meeting.

4. Craig EMS

The city continues to advertise to fill the vacant full-time position at Craig EMS. In the meantime, Chaundell Piburn continues to work for the city part-time, between 25-29 hours per week. We have received zero applications for the posted position in the past sixty days. Chaundell has, however, talked recently with a part time employee with the city who may be interested in assuming some of the duties of the vacant full time EMS position.

5. Donation of Rock from CTA

Craig Tribal Association staff notified the city recently of the CTA's donation of 1,312 yards of 1.5"-minus rock for use along the Port St. Nicholas Road. The rock is stockpiled on city property near the Dog Salmon Creek Bridge. City crews will gradually access the rock for use on and in the road bed. Thanks are due to CTA for this generous contribution.

6. Tract P Road Project

The Craig Tribal Association continues to prepare for work on the Tract P Road, which would be built on city property behind AC Thompson House, Craig Post Office property, and Samson Tug and Barge lot. The road is intended to provide direct access to the north side of the tribal hall from Cold Storage Road, and continue on to intersect with Easy Street. CTA has a draft construction agreement I provided them that will govern the terms of the work. I asked the tribe to review and comment on the agreement.

7. April 19 Closure

As a reminder, city offices are closed Friday, April 19.

8. Travel Schedule

June 12-18: Personal travel.

City of Craig
Cash Balances

2/28/2019

General Fund

Deposit Clearing Account	8,602.54
Checking - First Bank	1,378,840.81
Checking - Wells Fargo	213,784.38
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>3,604,119.28</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
Hatchery Saving Account	109,306.13
Cash MMkt NFR -School FB	465,540.33
Cash Invest School Funds APCM	2,485,188.62
NFR School ProEquities	<u>75,232.67</u>
Total	<u>4,373,300.31</u>

Endowment

Cash Held Endowment	25,203.71
CD Invest, Endowment	504,615.56
Fixed Inc. Investment Endowment	3,486,421.93
Accr. Int., Endowment	20,832.37
Equity Invest., Endowment	4,400,073.15
Unrealized Gain/Loss Endowment	(49,950.48)
Unrealized Gain/Loss Equity, Endowment	<u>2,427,448.06</u>
Total	<u>10,814,644.30</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

February 28, 2019

	M-T-D Actual	Y-T-D Actual	Budget	Variance	% of Budget
01 00.4000.00 000 Property Tax	0	653,740	650,000	3,740	101
01 00.4050.00 000 Sales Tax	67,856	1,338,643	1,522,000	(183,357)	88
01 00.4055.00 000 Delinquent Sales Tax	0	0	2,000	(2,000)	0
01 00.4060.00 000 Liquor Sales Tax	1,101	92,864	120,000	(27,136)	77
01 00.4065.00 000 Transient Room Tax	640	27,606	25,000	2,606	110
01 00.4070.00 000 Property Tax Penalties	0	4,083	0	4,083	0
01 00.4080.00 000 Sales Tax Penalties	3,329	4,465	0	4,465	0
Total Local Taxes	72,926	2,121,401	2,319,000	(197,599)	91
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	0	36,062	50,000	(13,938)	72
01 00.4250.00 000 EMS Training Fees	0	3,310	1,000	2,310	331
01 00.4255.00 000 EMS Estimated NonCollectable	0	(8,698)	(20,000)	11,302	43
01 00.4260.00 000 Aquatic Center Revenue	3,422	39,250	55,000	(15,750)	71
01 00.4270.00 000 Library Fees	0	525	1,000	(475)	53
01 00.4275.00 000 Recreation Revenue	2,170	17,982	13,000	4,982	138
01 00.4280.00 000 Senior Card Fees	100	21,850	1,000	20,850	2,185
01 00.4620.00 000 Taxi Permit Fees	0	0	100	(100)	0
01 00.4640.00 000 Building Permit Fees	560	1,100	1,000	100	110
01 00.4644.00 000 Access Permit Fees	0	12,651	7,000	5,651	181
01 00.4645.00 000 Subdivision Fees	0	60	0	60	0
Total Permits & Fees	6,252	124,092	109,100	14,992	114
01 00.4300.00 000 Property Lease/Rentals	3,192	29,434	72,000	(42,566)	41
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	3,192	41,217	73,000	(31,783)	56
01 00.4700.00 000 Police-Fines,Citation	805	9,623	10,000	(377)	96
01 00.4702.00 000 Drivers License Fees	0	1,324	0	1,324	0
01 00.4703.00 000 Motor Vehicle Commision	6,231	41,398	60,000	(18,602)	69
01 00.4650.00 000 State Trooper Dispatch	0	3,250	7,200	(3,950)	45
01 00.4660.00 000 State Jail Contract Revenue	0	268,143	353,000	(84,857)	76
01 00.4665.00 000 Klawock Dispatch	4,424	35,392	53,088	(17,696)	67
01 00.4670.00 000 Forest Service Dispatch	0	0	3,000	(3,000)	0
Total Public Safety Funds	11,460	359,130	486,288	(127,158)	74
01 00.4800.00 000 Interest Income (CKNG & CD)	0	23	0	23	0
01 00.4820.00 000 Interest Income (A/R)	528	1,966	1,000	966	197
01 00.4830.00 000 Misc Revenue Convenience Fees	0	0	5,000	(5,000)	0
01 00.4900.00 000 Misc Revenue	42	2,139	0	2,139	0
01 00.4910.00 000 Donations Received	0	9,077	0	9,077	0
01 00.4920.00 000 Overhead	0	97,133	0	97,133	0
Total Other Revenue	570	110,338	6,000	104,338	1,839
Total Revenues	\$ 94,400	\$ 3,244,103	\$ 3,406,556	\$ (162,453)	\$ 95

City of Craig, Inc.
Revenue and Expense MTD and YTD
February 28, 2019

	Month to Date	Y-T-D Current Year	Y-T-D Encumbra nce	Total	Budget	Variance	% of Budget
11 Administration							
Total Personnel	23,732	217,799	0	217,799	329,028	111,229	66.19
Total Personnel Benefits	8,656	75,958	0	75,958	133,488	57,530	56.90
Total Contract Services	2,057	71,837	2,556	74,393	131,000	56,608	56.79
Total Personnel Misc.	760	9,758	250	10,008	10,745	737	93.14
Total Material & Supplies	389	9,720	488	10,208	11,670	1,462	87.47
Total Utilities	943	13,166	0	13,166	16,850	3,684	78.14
Total Maintenance	0	707	0	707	2,808	2,101	25.18
Total Misc.	887	19,334	0	19,334	19,135	(199)	(100.04)
Total Capital Assets	0	25,330	0	25,330	22,000	(3,330)	(114.14)
Total Expenditures	<u>37,424</u>	<u>443,609</u>	<u>3,294</u>	<u>446,903</u>	<u>676,724</u>	<u>229,822</u>	<u>66.04</u>
12 Council							
Total Personnel	994	8,447	0	8,447	14,700	6,253	57.46
Total Personnel Benefits	1,190	8,313	0	8,313	37,646	29,333	22.08
Total Contract Services	0	463	0	463	950	487	48.74
Total Personnel Misc.	480	5,315	1,703	7,018	1,550	(5,468)	(451.77)
Total Material & Supplies	0	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	96	0	96	385	289	24.94
Total Capital Assets	0	2,303	0	2,303	0	(2,303)	0.00
Total Expenditures	<u>2,676</u>	<u>25,475</u>	<u>1,703</u>	<u>27,178</u>	<u>57,331</u>	<u>30,153</u>	<u>47.41</u>
13 Planning							
Total Personnel	5,720	47,894	0	47,894	50,259	2,365	95.29
Total Personnel Benefits	1,574	13,457	0	13,457	17,084	3,627	78.77
Total Contract Services	0	667	0	667	0	(667)	0.00
Total Personnel Misc.	0	1,154	0	1,154	0	(1,154)	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.	110	476	0	476	808	332	58.91
Total Capital Assets	0	0	0	0	0	0	0.00
Total Expenditures	<u>7,404</u>	<u>64,147</u>	<u>0</u>	<u>64,147</u>	<u>69,151</u>	<u>5,004</u>	<u>92.76</u>
14 Parks & Facilities							
Total Personnel	9,544	82,231	0	82,231	122,419	40,188	67.17
Total Personnel Benefits	4,942	52,934	0	52,934	103,284	50,350	51.25
Total Contract Services	300	6,775	0	6,775	7,200	425	94.10
Total Personnel Misc.	0	348	0	348	0	(348)	0.00
Total Material & Supplies	6,235	23,157	40	23,196	10,700	(12,496)	(215.79)
Total Utilities	716	13,060	0	13,060	15,300	2,240	85.36
Total Maintenance	0	1,181	0	1,181	10,000	8,819	11.81
Total Misc.	965	7,720	0	7,720	12,178	4,458	63.39
Total Capital Assets	0	0	10,436	10,436	7,800	(2,636)	(132.79)
Total Expenditures	<u>22,702</u>	<u>187,406</u>	<u>10,476</u>	<u>197,881</u>	<u>288,881</u>	<u>91,000</u>	<u>68.50</u>
15 Public Works							
Total Personnel	12,089	102,262	0	102,262	145,264	43,002	70.40
Total Personnel Benefits	8,339	60,860	0	60,860	110,200	49,340	55.23
Total Contract Services	0	1,136	0	1,136	720	(416)	(156.78)

City of Craig, Inc.
Revenue and Expense MTD and YTD
February 28, 2019

	Month to Date	Y-T-D Current Year	Y-T-D Encumbra nce	Total	Budget	Variance	% of Budget
Total Personnel Misc.	0	335	0	335	0	(335)	0.00
Total Material & Supplies	4,602	27,687	10,607	38,294	30,600	(7,694)	(124.14)
Total Utilities	1,566	12,668	0	12,668	14,800	2,132	85.59
Total Maintenance	2,876	21,908	20,437	42,345	25,000	(17,345)	(168.38)
Total Misc.	610	4,910	0	4,910	7,711	2,801	63.68
Total Capital Assets	400	11,553	711	12,264	2,000	(10,264)	(612.20)
Total Expenditures	<u>30,482</u>	<u>243,319</u>	<u>31,755</u>	<u>275,074</u>	<u>336,295</u>	<u>61,221</u>	<u>81.80</u>

16 Police

Total Personnel	41,649	357,104	0	357,104	496,653	139,550	71.90
Total Personnel Benefits	22,370	182,895	0	182,895	371,938	189,043	49.17
Total Contract Services	0	788	0	788	4,200	3,412	18.76
Total Personnel Misc.	0	4,847	278	5,125	3,300	(1,825)	(154.30)
Total Material & Supplies	4,047	32,093	5,118	37,210	46,000	8,790	80.89
Total Utilities	972	18,251	0	18,251	27,000	8,749	67.60
Total Maintenance	0	166	0	166	0	(166)	0.00
Total Misc.	96	14,945	31	14,976	9,148	(5,828)	(162.71)
Total Capital Assets	0	13,150	15,762	28,911	9,500	(19,411)	(303.33)
Total Expenditures	<u>69,134</u>	<u>624,239</u>	<u>21,189</u>	<u>645,426</u>	<u>967,739</u>	<u>322,314</u>	<u>66.69</u>

17 EMS

Total Personnel	5,819	53,176	0	53,176	85,622	32,446	62.11
Total Personnel Benefits	1,478	30,760	0	30,760	58,866	28,106	52.25
Total Contract Services	150	5,598	0	5,598	4,200	(1,398)	(132.29)
Total Personnel Misc.	0	2,284	270	2,554	3,840	1,286	66.51
Total Material & Supplies	788	8,005	714	8,718	19,000	10,282	45.88
Total Utilities	21	4,554	0	4,554	5,400	846	84.33
Total Maintenance	0	180	255	435	950	515	45.79
Total Misc.	507	4,076	0	4,076	5,939	1,863	68.63
Total Capital Assets	5,394	6,389	0	6,389	5,510	(879)	(114.95)
Total Expenditures	<u>14,157</u>	<u>115,022</u>	<u>1,239</u>	<u>116,260</u>	<u>189,327</u>	<u>73,067</u>	<u>61.41</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.	100	1,080	2,929	4,009	5,735	1,726	69.90
Total Material & Supplies	(43)	970	1,139	2,109	4,842	2,733	43.56
Total Utilities	211	3,626	0	3,626	4,830	1,204	75.07
Total Maintenance	0	0	0	0	320	320	0.00
Total Misc.	398	3,194	0	3,194	5,113	1,919	62.47
Total Capital Assets	0	0	0	0	1,980	1,980	0.00
Total Expenditures	<u>666</u>	<u>8,870</u>	<u>4,068</u>	<u>12,938</u>	<u>34,406</u>	<u>21,468</u>	<u>37.60</u>

19 Library

Total Personnel	4,898	38,895	0	38,895	62,250	23,355	62.48
Total Personnel Benefits	2,514	15,797	0	15,797	51,535	35,738	30.65
Total Contract Services	0	1,398	0	1,398	1,250	(148)	(110.84)
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	596	5,340	1,111	6,452	9,150	2,698	70.51
Total Utilities	323	5,263	0	5,263	10,600	5,337	49.65
Total Maintenance	0	0	0	0	1,400	1,400	0.00
Total Misc.	130	1,064	0	1,064	1,365	301	77.95

City of Craig, Inc.
Revenue and Expense MTD and YTD
February 28, 2019

	Month to Date	Y-T-D Current Year	Y-T-D Encumbra nce	Total	Budget	Variance	% of Budget
TotalCapital Assets	0	0	0	0	0	0	0.00
Total Expenditures	8,461	67,757	1,111	68,869	137,550	68,681	50.07
24 Recreation							
Total Personnel	3,662	29,853	0	29,853	44,720	14,867	66.76
Total Personnel Benefits	1,990	15,513	0	15,513	24,965	9,452	62.14
TotalContract Services	1,611	3,981	0	3,981	5,000	1,019	79.62
TotalPersonnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	100	1,615	0	1,615	2,500	885	64.60
Total Utliities	557	11,142	0	11,142	13,000	1,858	85.71
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	375	3,000	0	3,000	4,095	1,095	73.26
TotalCapital Assets	0	0	0	0	2,415	2,415	0.00
Total Expenditures	8,295	65,104	0	65,104	96,695	31,591	67.33
25 Aquatic Center							
Total Personnel	10,354	86,351	0	86,351	154,470	68,120	55.90
Total Personnel Benefits	6,373	48,770	0	48,770	109,484	60,714	44.55
TotalContract Services	3,041	9,576	0	9,576	3,000	(6,576)	(318.20)
TotalPersonnel Misc.	886	2,922	600	3,522	6,110	2,588	57.64
Total Material & Supplies	580	5,944	0	5,944	26,360	20,416	22.55
Total Utliities	10,656	96,257	0	96,257	110,000	13,743	87.51
Total Maintenance	0	0	0	0	2,644	2,644	0.00
Total Misc.	825	6,979	0	6,979	10,500	3,521	66.47
TotalCapital Assets	0	104,373	0	104,373	238,488	134,115	43.76
Total Expenditures	32,715	361,172	600	361,772	661,056	299,285	54.73
31 PSN Hatchery							
Total Personnel	0	0	0	0	0	0	0.00
Total Personnel Benefits	0	0	0	0	0	0	0.00
TotalContract Services	28,000	28,000	0	28,000	0	(28,000)	0.00
TotalPersonnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	0	0	0	0	0	0	0.00
Total Utliities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	13	104	0	104	0	(104)	0.00
TotalCapital Assets	0	0	0	0	0	0	0.00
Total Expenditures	28,013	28,104	0	28,104	0	(28,104)	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
TotalContract Services	0	0	0	0	0	0	0.00
TotalPersonnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	0	0	0	0	0	0	0.00
Total Utliities	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
TotalCapital Assets	206	1,974	0	1,974	0	(1,974)	0.00
Total Expenditures	206	1,974	0	1,974	0	(1,974)	0.00

City of Craig, Inc.
Revenue and Expense MTD and YTD
February 28, 2019

	M-T-D Actual	Y-T-D Actual	Y-T-D Encumbrance	Total	Y-T-D Budget	Variance	% of Budget
Sewer							
Total Revenues	\$ 25,412.56	\$ 204,078.02	\$ 0.00	\$ 204,078.02	\$ 290,000.00	\$ (85,921.98)	\$ (70.37)
Total Personnel Expenditures	6,048.33	59,558.09	0.00	59,558.09	71,586.00	12,027.91	83.20
Total Benefits Expenditures	3,672.61	33,987.22	0.00	33,987.22	46,047.00	12,059.78	73.81
Total Contract Expenditures	0.00	2,416.80	450.00	2,866.80	7,800.00	4,933.20	36.75
Total Travel & Expenditures	0.00	1,380.00	0.00	1,380.00	300.00	(1,080.00)	(459.00)
Total Materials Expenditures	127.32	4,108.58	449.44	4,558.02	5,400.00	841.98	84.41
Total Utilities Expenditures	5,526.95	37,244.67	0.00	37,244.67	44,200.00	6,955.33	84.26
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	432.00	3,420.08	0.00	3,420.08	18,130.00	14,709.92	18.86
Total Capital & Debt Expenditures	0.00	94,073.90	0.00	94,073.90	62,497.00	(31,576.90)	(149.53)
Total Expenditures	<u>\$ 15,807.21</u>	<u>\$ 238,060.46</u>	<u>\$ 1,286.29</u>	<u>\$ 239,346.75</u>	<u>\$ 259,960.00</u>	<u>\$ 20,613.25</u>	<u>\$ 92.07</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 9,605.35</u>	<u>\$ (33,982.44)</u>	<u>\$ (1,286.29)</u>	<u>\$ (35,268.73)</u>	<u>\$ 30,040.00</u>	<u>\$ (65,308.73)</u>	<u>\$ 117.41</u>
Water							
Total Revenues	\$ 29,690.92	\$ 236,402.27	\$ 0.00	\$ 236,402.27	\$ 307,300.00	\$ (70,897.73)	\$ (76.93)
Total Personnel Expenditures	10,176.58	94,009.75	0.00	94,009.75	140,483.00	46,473.25	66.92
Total Benefits Expenditures	5,556.88	48,762.69	0.00	48,762.69	79,614.00	30,851.31	61.25
Total Contract Expenditures	0.00	8,065.80	5,334.45	13,400.25	8,000.00	(5,400.25)	(166.50)
Total Travel & Expenditures	0.00	2,593.25	0.00	2,593.25	0.00	(2,593.25)	0.00
Total Materials Expenditures	11,350.30	37,484.58	10,186.71	47,671.29	51,600.00	3,928.71	92.39
Total Utilities Expenditures	5,458.63	35,023.32	0.00	35,023.32	59,400.00	24,376.68	58.96
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	687.00	5,496.00	0.00	5,496.00	8,850.00	3,354.00	62.10
Total Capital & Debt Expenditures	0.00	50,861.81	21,776.72	72,638.53	47,196.00	(25,442.53)	(152.91)
Total Expenditures	<u>\$ 33,229.39</u>	<u>\$ 283,694.73</u>	<u>\$ 37,297.88</u>	<u>\$ 320,992.61</u>	<u>\$ 405,143.00</u>	<u>\$ 84,150.39</u>	<u>\$ 79.23</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (3,538.47)</u>	<u>\$ (47,292.46)</u>	<u>\$ (37,297.88)</u>	<u>\$ (84,590.34)</u>	<u>\$ (97,843.00)</u>	<u>\$ 13,252.66</u>	<u>\$ 85.46</u>
Garbage							
Total Revenues	\$ 23,502.50	\$ 220,390.20	\$ 0.00	\$ 220,390.20	\$ 315,000.00	\$ (94,609.80)	\$ (69.97)
Total Personnel Expenditures	2,378.62	28,948.75	0.00	28,948.75	39,564.00	10,615.25	73.17
Total Benefits Expenditures	2,161.88	24,833.87	0.00	24,833.87	39,006.00	14,172.13	63.67
Total Contract Expenditures	11,221.00	128,241.18	0.00	128,241.18	212,500.00	84,258.82	60.35
Total Travel & Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Materials Expenditures	372.69	5,789.75	2,616.78	8,406.53	7,000.00	(1,406.53)	(119.09)
Total Utilities Expenditures	28.31	217.61	0.00	217.61	0.00	(217.61)	0.00
Total Repairs & Maint Expenditures	0.00	1,360.32	140.81	1,501.13	5,000.00	3,498.87	30.02
Total Other Expenditures	253.00	2,044.00	0.00	2,044.00	3,700.00	1,656.00	55.24
Total Capital & Debt Expenditures	0.00	29,962.95	0.00	29,962.95	0.00	(29,962.95)	0.00
Total Expenditures	<u>\$ 16,415.50</u>	<u>\$ 221,398.43</u>	<u>\$ 2,757.59</u>	<u>\$ 224,156.02</u>	<u>\$ 306,770.00</u>	<u>\$ 82,613.98</u>	<u>\$ 73.07</u>

City of Craig, Inc.
Revenue and Expense MTD and YTD
February 28, 2019

	<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	<u>\$ 7,087.00</u>	<u>\$ (1,008.23)</u>	<u>\$ (2,757.59)</u>	<u>\$ (3,765.82)</u>	<u>\$ 8,230.00</u>	<u>\$ (11,995.82)</u>	<u>\$ 45.76</u>
Harbor							
Total Revenues	\$ 15,173.22	\$ 237,962.25	\$ 0.00	\$ 237,962.25	\$ 258,500.00	\$ (20,537.75)	\$ (92.06)
Total Personnel Expenditures	12,247.87	97,422.22	0.00	97,422.22	126,220.00	28,797.78	77.18
Total Benefits Expenditures	6,490.02	46,414.24	0.00	46,414.24	90,159.00	43,744.76	51.48
Total Contract Expenditures	0.00	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	2,315.54	14,528.81	1,035.95	15,564.76	7,900.00	(7,664.76)	(196.02)
Total Utilities Expenditures	3,267.55	38,900.25	0.00	38,900.25	27,400.00	(11,500.25)	(140.97)
Total Repairs & Maint Expenditures	940.06	6,151.84	6,213.24	12,365.08	22,450.00	10,084.92	55.08
Total Other Expenditures	963.55	20,482.72	0.00	20,482.72	21,580.00	1,097.28	94.92
Total Capital & Debt Expenditures	<u>4,850.00</u>	<u>31,257.51</u>	<u>754.90</u>	<u>32,012.41</u>	<u>131,000.00</u>	<u>98,987.59</u>	<u>24.44</u>
Total Expenditures	<u>\$ 31,074.59</u>	<u>\$ 262,515.54</u>	<u>\$ 8,004.09</u>	<u>\$ 270,519.63</u>	<u>\$ 431,109.00</u>	<u>\$ 160,589.37</u>	<u>\$ 62.75</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (15,901.37)</u>	<u>\$ (24,553.29)</u>	<u>\$ (8,004.09)</u>	<u>\$ (32,557.38)</u>	<u>\$ 172,609.00</u>	<u>\$ 140,051.62</u>	<u>\$ 17.86</u>
Other Fund Sources	0.00	0.00	0.00	0.00	(130,000.00)	(130,000.00)	1.00
JTB Industrail Park							
Total Revenues	\$ 14,663.08	\$ 537,052.85	\$ 0.00	\$ 537,052.85	\$ 413,023.00	\$ 124,029.85	\$ 129.03
Total Personnel Expenditures	1,917.66	65,577.46	0.00	65,577.46	86,791.00	21,213.54	75.56
Total Benefits Expenditures	968.61	16,952.68	0.00	16,952.68	41,465.00	24,512.32	40.88
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	105.12	5,314.10	455.00	5,769.10	12,200.00	6,430.90	47.29
Total Utilities Expenditures	3,381.46	47,433.91	0.00	47,433.91	55,000.00	7,566.09	86.24
Total Repairs & Maint Expenditures	2,893.91	7,576.99	0.00	7,576.99	5,000.00	(2,576.99)	(150.54)
Total Other Expenditures	972.00	7,826.61	0.00	7,826.61	9,606.00	1,779.39	81.48
Total Capital & Debt Expenditures	<u>0.00</u>	<u>7,458.58</u>	<u>89.37</u>	<u>7,547.95</u>	<u>1,500.00</u>	<u>(6,047.95)</u>	<u>(502.20)</u>
Total Expenditures	<u>\$ 10,238.76</u>	<u>\$ 158,200.33</u>	<u>\$ 1,371.69</u>	<u>\$ 159,572.02</u>	<u>\$ 213,362.00</u>	<u>\$ 53,789.98</u>	<u>\$ 74.79</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 4,424.32</u>	<u>\$ 378,852.52</u>	<u>\$ (1,371.69)</u>	<u>\$ 377,480.83</u>	<u>\$ 199,661.00</u>	<u>\$ 177,819.83</u>	<u>\$ 188.06</u>
Ward Cove Cannery							
Total Revenues	\$ 476.00	\$ 4,258.60	\$ 0.00	\$ 4,258.60	\$ 7,000.00	\$ (2,741.40)	\$ (60.84)
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	38.96	271.02	309.98	0.00	(309.98)	0.00

City of Craig, Inc.
Revenue and Expense MTD and YTD
February 28, 2019

	M-T-D Actual	Y-T-D Actual	Y-T-D Encumbrance	Total	Y-T-D Budget	Variance	% of Budget
Total Utilities Expenditures	214.49	2,004.22	0.00	2,004.22	2,100.00	95.78	95.44
Total Repairs & Maint Expenditures	524.36	3,153.94	0.00	3,153.94	0.00	(3,153.94)	0.00
Total Other Expenditures	84.00	672.00	0.00	672.00	31.00	(641.00)	(2,166.74)
Total Capital & Debt Expenditures	0.00	1,072.37	0.00	1,072.37	2,000.00	927.63	53.62
Total Expenditures	<u>\$ 822.85</u>	<u>\$ 6,941.49</u>	<u>\$ 271.02</u>	<u>\$ 7,212.51</u>	<u>\$ 6,881.00</u>	<u>\$ (331.51)</u>	<u>\$ (103.82)</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (346.85)</u>	<u>\$ (2,682.89)</u>	<u>\$ (271.02)</u>	<u>\$ (2,953.91)</u>	<u>\$ 119.00</u>	<u>\$ (3,072.91)</u>	<u>\$ 2,482.28</u>

City of Craig Memorandum

To: City Mayor & City Council

From: Joyce Mason, Treasurer

Date: April 1, 2019

RE: Monthly Report

The February monthly financial reports are included in this report. There are no major deviations from the normal operations of the city.

The property assessment notices were mailed to property owners Friday, March 29, 2019. The owners have 30 days to appeal the notice. The Board of Equalization meeting is scheduled for May 16, 2019. The property tax notice will be mailed July 1, 2019. The total assessed value for the city is \$116,886,500. Senior exemption's assessed value is \$6,961,800.

The assessors did not do any trending for properties so most of the properties have the same value as last year. The properties that were sold or had improvements done were reevaluated to reflect current market values.

Sherry Purser is our new payroll clerk. She will work part time until school is out as she is currently the high school librarian. Please welcome her to our staff.

	<u>Utility Billing for March</u>		
	# Customers	Consumption	\$ Amount Billed
In city limits	337	2,348,852	\$15,798.14
Outside city limits	93	268,000	\$6,334.28

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

City Of Craig

Memorandum

To: Mayor Tim O'Conner, Craig City Council.

From: Jessica Holloway; Aquatic Center Manager

RE: March Report

Date: March 25, 2019

We are still plugging along with out of town swim lessons. We will have lessons daily until the end of May. Public Lessons are still going on although we are not getting as many kids this second time around as we did the first.

Our annual Easter Egg Swim Will be on Saturday April 20th from 10:00a-11:00am. This year we are going to do it a little different. Every year we charge a fee of 5 dollars. In the past this has been what it would cost to cover prizes and goggles for each person. This year that is not the case. The goggles alone this year were \$5.00 a pair. This year what we are going to do is charge the normal \$5.00 and if they want goggles there will be an extra \$2.00 charge. This will help cover the cost of not only the goggles but the prizes as well. We will see how it goes this year. I want to try it this way before I raise the price completely for everyone.

The wave runners will be very busy in the month of April. They are traveling just about every weekend for swim meets and Junior Olympics.

Jon and I are still working with JYL to get the bid out for the basin project.

Not a lot to report this month. We are continuing to stay busy.

If you have any questions or concerns please feel free to e mail me or call.

City of Craig Memorandum

Date: April 1, 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 investigate 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. These companies had high costs without any way to "cherry pick" the portions of the software that would be best utilized here in Craig. Therefore, I have decided to give the council an opportunity to try a different option before I continue searching for cost effective solutions to navigating the packet material efficiently.

Website

I am still working on updating ordinances and resolutions on our city website. We have clean-up week sign-up forms available for submittal online, and information about the Household Hazardous Waste Disposal day. If you have anything you think should be highlighted on the website, please let Brian or I know.

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 applied for and received a scholarship to cover registration, meals, housing and most all my travel costs. I will be gone June 6-13 at this training with two personal days at the beginning of my trip to see my parents.

Premium Credit Application

I have been working on compiling information for our insurance company for our annual insurance credit we receive for our safety program. I should have numbers for the council by June.

Newsletter

I will be compiling information for the upcoming spring newsletter. If you have any items you would like included, please let me know.

Upcoming leave

June 6-13, Northwest Clerks Institute/personal

September 25th-December 15th *tentative maternity leave (plan to work meetings and misc. days throughout my leave).

Next Meeting

May 2nd.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: April 11, 2019
RE: Planning Department Staff Report – April 2019

1. Craig Harbor Development. Staff has been taking public comment and planning commission discussion regarding the overall site development. In May I will be starting discussion with the Harbor Advisory Committee about the new harbor facilities.
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. The public works director and I recently met with the CTA Transportation Director and the engineer on the project to finalize questions about the design. It is anticipated that construction will start this spring.
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. The public works director and I met with the CTA Transportation Director and their engineer recently to talk about the project.

CTA intends to start work on the project later this spring. Due to some technical issues the work will probably not start right at the schools, but on other sidewalk segments. CTA will submit a list of sidewalk segments that they want to work on this year for the council's input. Staff will continue to work with CTA on the project.

4. Commercial Marijuana in Craig.

Marijuana Retail Establishments. Thee Treasure Chest LLC (Kit Kraft and John Wright) are continuing the work related to remodeling of the space at 9th and Water Street for their retail establishment. No estimated date has been set for opening the shop. The applicant will still have to complete any plan review required for construction, remodel the space and complete a final inspection by the AMCO before they can open for business.

Jaqie Weatherbee has still not initiated an application with the state at this time. Based on the conditional use permit if she does not have a license approved by July 11, 2019 the conditional use permit will be voided.

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.

5. CEDS Committee. The CEDS committee has completed its work and the final CEDS report is included in the April 21, 2019 meeting packet for approval by the city council.
6. 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 base emergency response plan and a number of annexes have been distributed to staff for review.

7. Skateboard Park. Based on direction from the city council I have started the process of looking at interest, evaluating sites, and generally moving forward with the planning for a skateboard park here in Craig. A public hearing is scheduled with the planning commission on February 28, 2019 to take initial input about a number of proposed locations. The planning commission has determined that either the park at East Hamilton Drive (across from the totem park) or the old water tank site on Spruce Street adjacent to the recreation center would be good locations for a new skatepark. The commission will continue discussion at the April 2019 meeting and will likely ask staff to gather a working group of skatepark users to talk about designs that might fit on either site. After the planning commission has a chance to discuss the potential designs and sites a decision on the location should be made by the council to move the project along.
8. Leases
 - a. Petro Marine. On the council's agenda for approval.
 - b. Pacific Airways. On the council's agenda for approval.
 - c. Taquan Air. On the council's agenda for approval.
9. Public Health Emergency Preparedness Exercise. The city has been working with Craig Public Health on their participation in a statewide public health emergency exercise. The exercise simulates dispensing medications to smaller communities on Prince of Wales, at both medical clinics (for staff), and to non-mobile groups, including the Klawock Senior Center and the Craig Jail. The exercise was held on April 11 and 12. Information from the exercise will be used to update the public health point of dispensing (POD) plan.
10. Travel and Leave Schedule:
 - a. I will be attending the State Preparedness Conference in Anchorage from May 1 - 3.



Fire & EMS Department

March wrap up :

- We have been busy the last few months with calls and training.
 - EMT 2 & 3 recerts were due at the end of March. We spent more than 2 weeks completing skills and getting everyone's applications into the state to stay certified.
 - The state has asked us to think about hosting the fire fighter classes every other year, due to our high turnout rate. We had more students than the state class.
 - We have been working with Jon and Joyce on the budget for 2019/2020.
 - We just received our new Monitor (last grant we applied for) its cost was 32,000 It is 99% funded. We were supposed to pay a 10% grant match, but it looks like we can overlap 2 different grants to pay for it , nearly completely.
-
- We plan on working toward a different summer schedule and keeping out town covered with training EMS staff.



To: Craig City Council

From: Hans Hjort, Harbor Master

Date: April 11, 2019

RE: April Staff Report

Harbor department report April 2019

The JB Brown boat yard has been busy and has been almost at full capacity for the last several weeks. We expect it will get even busier as fishing season approaches. The Brownell trailer is working great. We will be sampling and testing the hydraulic fluid soon. We are still doing frequent sample intervals to determine when the fluid needs to be changed.

The safety ladders for the harbors have arrived today. We will be mounting them next week. We intend to mount the ladders in strategic areas that will be both protected from boat damage as well as user friendly.

The North Cove lighting project is out to bid. We will be opening bids tomorrow.

The electric motor that powers the False Island crane has been rebuilt and is up and running. I have been working with the repair shop on trying to find a price for a used back up motor. I should have an estimate soon.

The new creosote beams for the South Cove grid have been treated and are on the way to the barge lines. We expect to see them by the 25th of the month.

Our grids have had many issues that need to be addressed. North Cove grid had some problems with the walkway planks. We were able to take care of those problems this week. City dock is a much larger project. I have come up with a different solution for that grid. You will see a memo requesting funds for the repairs to city dock grid.

City dock crane has some problems that we plan to fix soon. We ordered and replaced the control handles this week. The old ones were worn out and had lots of slack in them.

Diversified Diving Service will be here the 29th to begin work on the North Cove break water anchor chain replacement. The contractor will do the anchor chain work then move into the harbors to install foam billets to level the docks up. We will be working at various locations in North Cove, South Cove, and City dock. The work should last 3-4 days.

South cove water is currently shut off. A dive inspection found that a weld in the 2inch HDPE water main has failed and is leaking. Public Works has a repair band ordered and we will install it next week.



North cove also had a big water leak in the middle of March. The current design of the water line that transitions to from the approach dock down the ramp and onto the float is causing us problems. Clamps don't seem to hold. We are working with Public works to try to come up with a solution to this problem. The system that is in place now has a 3inch braided rubber hose that clamps to 3 inch nipples on stainless steel flanges. The clamps either don't hold or they fail in the salt water. We are looking for a way to replace the heavy 3 inch rubber line with something better.

We have removed the old wood beams that surrounded the dumpsters at North cove harbor. This allowed us to move the dumpsters out away from the parking spaces that they were blocking. With the help of the fire department we also did some parking lot clean up. This summer we plan to restripe the parking lot.

The 7 day extended parking lot at the harbor office got a much needed face lift. We cut a lot of alder and Public Works scraped out all of the mud then hauled and spread gravel. The parking lot is looking very good and we expect to have fewer problems there as well.

Graffiti has been a problem lately at all of our locations. We have been trying to stay on top of getting it removed promptly.

2/26/19-3/27/19

Volunteer Hours: 40

Patron Visits: 1174

Circulation: 2266

Computer Usage: 309

Tests Proctored: 0

Meetings: 10

OWL Video Conferences: 0 Attendance: 0

Alaska Digital Library Usage: 69

Story Times: 8 Attendance: 114

Inter-Library Loans: 36

Library Programs:

- Every Friday, 10:00 am: Preschool Story Time
- Every Wednesday, 10:00am: Head Start Story Time
- Dolly Parton Imagination Library—Continuous Registrations

AkLA (Alaska Library Association Conference)

I had the opportunity to attend AkLA in Juneau at the beginning of March, and it was a wonderful experience. The sessions they offered were full of valuable information and I came home with a lot of notes! I was also able to match faces with names of people I had only spoken with via email, so now I feel much more connected within the Alaska library community.

New Hire

Genevieve Winrod is our new part-time library clerk and regular Saturday employee. She is learning fast and enjoys working with the patrons. I am grateful to have her on the team!

Vacation

I will be in Oregon from April 16th through the 23rd, and Michelle and Genevieve will keep the library fully staffed while I am away.

**CITY OF CRAIG
MEMORANDUM**



Date: March 28, 2019
To: Honorable Tim O'Connor, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report / March 2019

RJ Ely

ACTIVITY

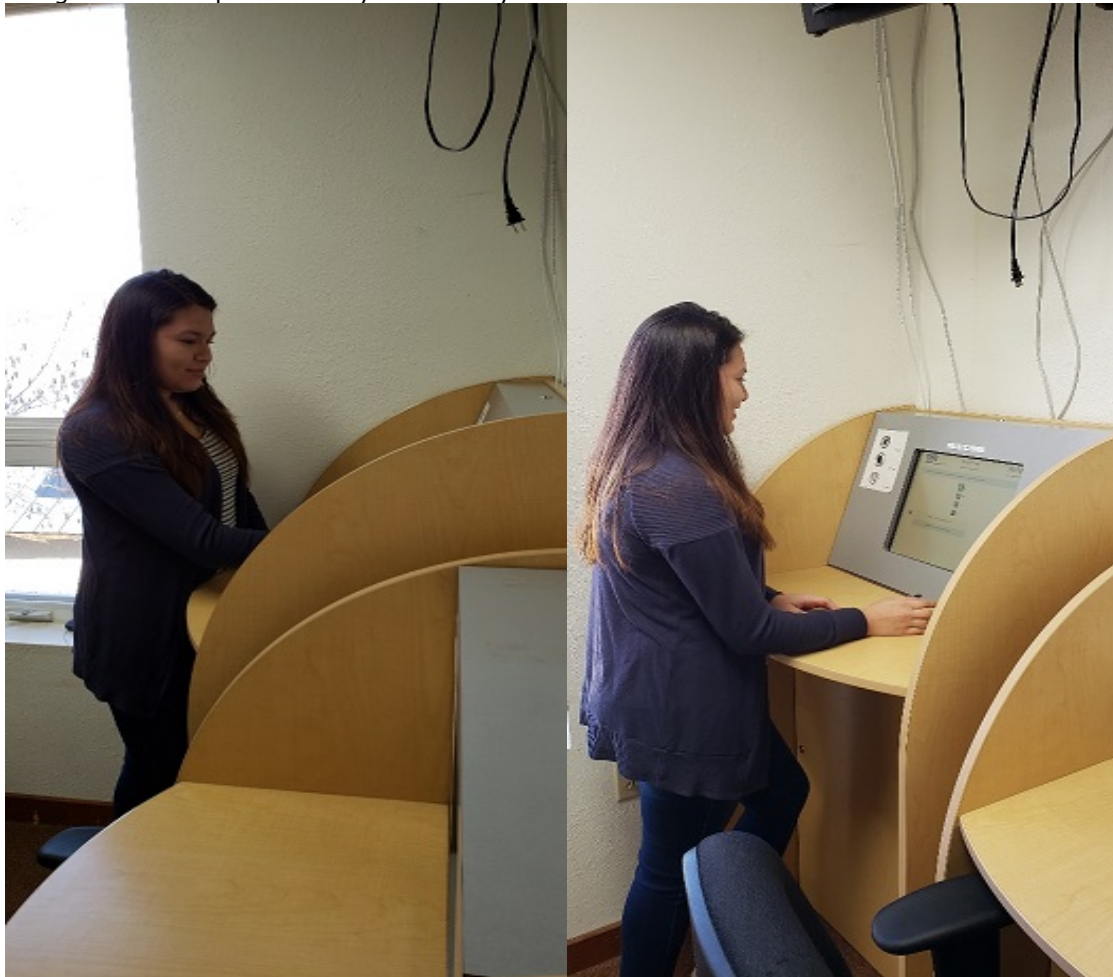
Activity from February 27, 2019 through March 27, 2019. Dispatch Center took the following amount of calls for service:

Craig	866
Klawock	170
AST	7

DEPARTMENT OF MOTOR VEHICLES

Staying busy, seeing slight increases in activity; mainly with new Real ID Licenses and ID Cards.

New Testing Computers have arrived, been set up, tested and are working. Courtney Guthrie was Craig DMV's first person to try out new system.



Both Systems are Touch Screen Testing Computers and will greatly speed up testing times.

**CITY OF CRAIG
MEMORANDUM**



DISPATCHER(S)

Minnie Ellison has been hired, part time / fill in dispatcher. Started training, on March 25, 2019 and will be training on Swing Shift.

OFFICER(S)

Officer Matt Nunnally has resigned and worked his last day.

Currently advertising for another fulltime police officer.

OTHER

Through Grant Process, DPS, CPD was award the following;

- 1) \$520 for the purchase of Field-Testing Drug Kits
- 2) \$2,625 for the purchase of five (5) Portable Breath Testing Devices
- 3) \$8,200 for the purchase of five (5) Radars
- 4) \$9,600 for the purchase of six (6) Level IIIA Ballistic Vests
- 5) \$15,000 for the purchase and installation of an APX 7500 Muhiband Consolette

I will be attending the 2019 Spring Preparedness Conference, end of April, first part of May. Will be in Anchorage, during that time.

DataMaster cdm, instrument used for obtaining breath samples, DUI Cases malfunctioned. Obtained new instrument and have configured, set up and we are again able to use DataMaster cdm. CPD has the only DataMaster cdm on POW.

Public works Report

I. Streets and Alleys:

- a. Conduit installation under street at false island is complete.
- b. Street sweeping started as required.
- c. Pot holes filled as required.
- d. Harbor Master parking lot cleared and material added as required.

II. Sewer:

- a. Daily and Monthly General maintenance and sampling at the wastewater treatment plant as required.

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 03/26/19.
- c. Water meter repair and/or replace as required.
- d. Working with ARWA to update source water protection plan.
- e. New alum station installed as required.
- f. Working on final draft of 2018 consumer confidence report.
- g. Radio read system ordered as required. Paper work and agreement submitted as required. Handheld unit has been received.
- h. Water service repairs complete as required on 8th and cove st.

IV. Equipment:

- a) Motor grader in shop for continued repairs to lock out valves for mold board cylinders.
- b) Sander hopper removed from dump truck for spring and summer operations.
- c) Fuel tank straps replaced on GM dump truck.
- d) Passenger side window crank mechanism replaced.

V. Solid Waste:

- a. Weekly pick-up process performed as require.
- b. Wind rings expected arrival should be the 22nd of March. Installation to begin within the next 10 business days.

VI. Requests:

VII. Projects: Tanner Crab Park dirt work to begin the first week in April.

Public works Report

- 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
- f. Secondary containment system for used oil installed as required. (Complete)

Craig Recreation Report April, 2019

Dear Craig City Council and Mayor O'Connor,

It's Spring! By this report we will have had the first swap meet of the year. The Spring Bazaar is set for April 27th. Seeds are being started for the Flower baskets. #rd to 5th grade basketball is



starting.

We made it through the ballet program with 60 ballerinas and K-2 Elementary Bittyball program with 30 players. Thanks to Alison Fargo, Kim Daggs and Chase Anderson for the wonderful ballet program. They made a lot of girls very happy. Vanessa James had help from MS teacher Hollis Yenna and Middle School coaches Alyssa Durgan, Lacie Lowery, Cooper House, and others. They gym was packed with enthusiastic fan and families.

We still have break dancing with Winston Johnson, we did take Spring Break off. Magic is still happening at the Youth/Rec Center Saturdays with Jon Wilburn. Open Gym Volleyball has been packed! Skating a bit slow on Friday. After school is going strong!

The gym had the back corner bleacher removed-that you Doug and Terry- so we can store the bounce houses and extra tables. The Recreation Center has new cabinets repurposed from the old clinic and the laminate salvaged from a remodel.



We have a new dodgeball player, 4th grade teacher Cody Williams has been a hit with the kids. The police have been awfully busy, but make the kids happy when they can make it.

The 4th of July Carnival is coming up on the Saturday of Easter week. 4th of July purchased 12 tents for the celebration. Summer plans are in the works!

Submitted by
Victoria Merritt,
Craig Recreation Department





Parks & Public Facilities

4/12/2019

Staff Report –March 2019

To: Craig Mayor and City Council

From: Douglas Ward

Current Projects Underway:

1. The slab for the covered picnic table has been poured. The Construction of the structure will take place shortly I have been told. We have been doing other prep work in the park.
2. The Tanner Crab park project has not moved forward at all this month. We are waiting on arrival of the remaining equipment. Public Works has been busy elsewhere. Russell tells me the middle of April is more likely when ground work will start.
3. The state Fire Marshall inspected several of the city's facilities. We had nine infractions cited. All were of a non-serious nature. We will remedy the problems, and report back to the state by the 26th of April.
4. I continue to spend the bulk of my time at the Aquatic center cleaning, and working on my list of items that need to be addressed, both inside and outside the facility.

As always, don't hesitate to call or contact me anytime for questions or concerns.

CITY OF CRAIG

Account Statement - Period Ending February 28, 2019



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

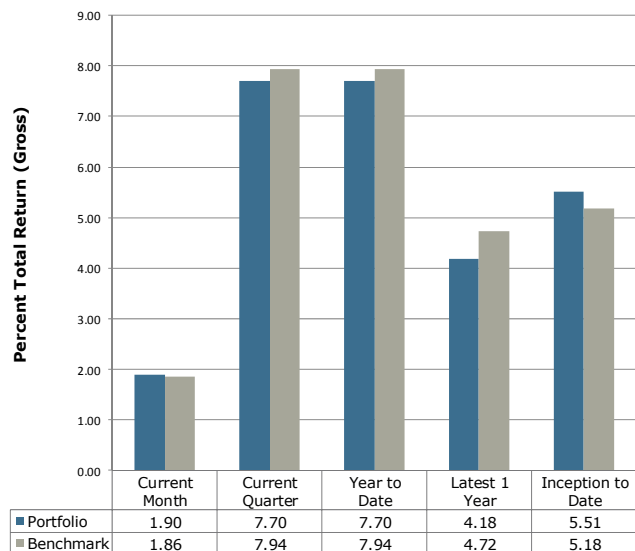
Portfolio Value on 01-31-19	10,121,923
Contributions	0
Withdrawals	-2,530
Change in Market Value	184,020
Interest	8,137
Dividends	0
Portfolio Value on 02-28-19	10,311,550

MANAGEMENT TEAM

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

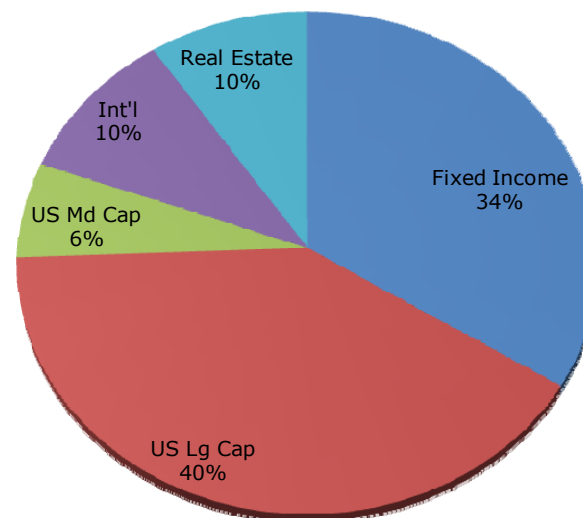
INVESTMENT PERFORMANCE

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
February 28, 2019

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	3,481,241	33.8	20% to 45%
Cash (0.0%)	25,204	0.2	na
Subtotal:	3,506,444	34.0	
EQUITY (56%)			
US Large Cap (40.0%)	4,164,873	40.4	30% to 50%
US Mid Cap (6.0%)	630,828	6.1	0% to 10%
Developed International Equity (10.0%)	1,031,147	10.0	5% to 15%
Subtotal:	5,826,847	56.5	
ALTERNATIVE INVESTMENTS (10%)			
Real Estate (10.0%)	978,258	9.5	5% to 15%
Subtotal:	978,258	9.5	
TOTAL PORTFOLIO	10,311,550	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
February 28, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
4,249	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	4,443	102.80	4,368	0.04	170	14	1.43
			4,443		4,382	0.04		14	
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		25,204		25,204	0.24			
CORPORATE BONDS									
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	99.71	99,707	0.97	2,375	712	2.79
50,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	54,602	102.80	51,400	0.50	2,187	911	2.98
50,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	49,962	98.47	49,237	0.48	1,125	362	2.97
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	97.12	48,560	0.47	975	487	2.96
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	99.96	49,979	0.48	1,437	663	2.89
50,000	COMCAST CORP 2.850% Due 01-15-23	101.83	50,917	99.35	49,676	0.48	1,425	182	3.03
50,000	AFLAC INC 3.625% Due 06-15-23	106.03	53,016	101.94	50,968	0.49	1,812	383	3.14
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	96.16	48,082	0.47	1,100	46	3.13
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	102.43	51,215	0.50	1,937	161	3.34
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	102.32	51,158	0.50	1,800	705	3.11
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	99.52	49,762	0.48	1,650	788	3.39
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	103.11	51,554	0.50	1,950	812	3.37
50,000	TARGET CORP 2.500% Due 04-15-26	96.45	48,223	95.19	47,595	0.46	1,250	472	3.26
50,000	LOWE'S COS INC 3.100% Due 05-03-27 Accrued Interest	100.08	50,039	94.40	47,200	0.46	1,550	508	3.91
			763,947		753,291	7.31		7,195	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
14,945	SPDR S&P 500 ETF	145.76	2,178,436	278.68	4,164,873	40.39	NA		

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
February 28, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
DOMESTIC MID CAP EQUITY FUNDS/ETF									
3,300	ISHARES CORE S&P MIDCAP 400 ETF	102.62	338,645	191.16	630,828	6.12	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
8,575	ISHARES ETF CORE MSCI EAFE	56.65	485,797	60.29	516,987	5.01	NA		
8,000	ISHARES MSCI EAFE INDEX FUND CLOSED-END FU	61.59	492,725	64.27	514,160	4.99	NA		
			978,522		1,031,147	10.00			
REAL ESTATE									
12,025	JPMORGAN BETABUILDERS MSCI US REIT ETF	76.56	920,584	81.35	978,258	9.49	NA		
U.S. TREASURY									
50,000	US TREASURY NOTES 1.500% Due 10-31-19	99.40	49,701	99.31	49,654	0.48	750	251	2.55
65,000	US TREASURY NOTES 1.250% Due 10-31-19	99.42	64,621	99.14	64,444	0.62	812	272	2.55
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	101.11	101,106	0.98	3,500	1,025	2.56
150,000	US TREASURY NOTES 1.750% Due 10-31-20	99.91	149,866	98.69	148,032	1.44	2,625	877	2.56
175,000	US TREASURY NOTES 1.875% Due 12-15-20	99.17	173,549	98.83	172,949	1.68	3,281	685	2.55
100,000	US TREASURY NOTES 2.125% Due 08-15-21	99.29	99,291	99.10	99,098	0.96	2,125	82	2.50
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	98.73	74,045	0.72	1,500	503	2.50
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	98.70	98,703	0.96	2,000	586	2.50
125,000	US TREASURY NOTES 2.125% Due 06-30-22	97.13	121,416	98.82	123,530	1.20	2,656	440	2.49
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	96.89	145,336	1.41	2,437	714	2.51
150,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	149,593	100.42	150,633	1.46	3,937	11	2.51
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	99.93	124,907	1.21	3,125	121	2.52
170,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	169,867	95.16	161,772	1.57	2,337	6	2.52
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	99.09	99,086	0.96	2,375	92	2.56
100,000	US TREASURY NOTES 2.000% Due 08-15-25	98.81	98,807	96.43	96,434	0.94	2,000	77	2.60
40,000	US TREASURY NOTES 2.625% Due 12-31-25	99.90	39,962	100.11	40,045	0.39	1,050	174	2.61
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	93.44	93,445	0.91	1,625	476	2.63

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
February 28, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
150,000	US TREASURY NOTES 2.000% Due 11-15-26	97.14	145,717	95.52	143,280	1.39	3,000	878	2.65
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	96.61	120,766	1.17	2,812	824	2.69
80,000	US TREASURY NOTES 3.125% Due 11-15-28	102.02	81,613	103.48	82,782	0.80	2,500	732	2.71
75,000	US TREASURY NOTES 2.625% Due 02-15-29	99.67	74,751	99.24	74,428	0.72	1,969	76	2.71
	Accrued Interest				8,901	0.09			
			2,288,052		2,273,379	22.05		8,901	
AGENCIES									
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	100.09	100,093	0.97	3,750	1,604	2.55
100,000	FHLMC 1.700% Due 09-29-20	99.73	99,730	98.65	98,652	0.96	1,700	718	2.57
100,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.86	99,865	98.08	98,080	0.95	2,000	589	2.55
100,000	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25	100.00	100,000	98.63	98,632	0.96	2,850	1,005	3.10
50,000	FHLB 3.625% Due 03-19-27	99.82	49,910	100.00	50,000	0.48	1,812	816	3.62
	Accrued Interest				4,732	0.05			
			450,915		450,189	4.37		4,732	
TOTAL PORTFOLIO			7,948,747		10,311,550	100	83,276	20,842	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 02-01-19 To 02-28-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
U.S. TREASURY				
02-15-19	02-19-19	US TREASURY NOTES 2.625% Due 02-15-29	75,000	74,751.30
				74,751.30
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
02-28-19	02-28-19	MANAGEMENT FEES		2,577.89
				2,577.89
INTEREST				
CASH AND EQUIVALENTS				
02-15-19	02-15-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		12.70
CORPORATE BONDS				
02-01-19	02-01-19	ANHEUSER-BUSCH I 3.650% Due 02-07-19		912.50
02-01-19	02-01-19	JPMORGAN CHASE & CO 3.875% Due 02-01-24		968.75
02-07-19	02-07-19	ANHEUSER-BUSCH I 3.650% Due 02-07-19		50.69
02-07-19	02-07-19	ANHEUSER-BUSCH I 3.650% Due 02-07-19		1,500.00
02-19-19	02-19-19	BANK OF NEW YORK MELLON 2.200% Due 08-16-23		550.00
				<hr/> 3,981.94
FNMA & FHLMC				
02-15-19	02-15-19	FHLMC POOL G14203 4.000% Due 04-01-26		14.50

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 02-01-19 To 02-28-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
U.S. TREASURY				
02-15-19	02-15-19	US TREASURY NOTES 2.375% Due 08-15-24		1,187.50
02-15-19	02-15-19	US TREASURY NOTES 2.000% Due 08-15-25		1,000.00
02-15-19	02-15-19	US TREASURY NOTES 2.125% Due 08-15-21		1,062.50
02-15-19	02-15-19	US TREASURY NOTES 2.500% Due 08-15-23		1,562.50
02-28-19	02-28-19	US TREASURY NOTES 1.375% Due 08-31-23		1,168.75
02-28-19	02-28-19	US TREASURY NOTES 2.625% Due 02-28-23		1,968.75
				7,950.00
				11,959.14
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
02-15-19	02-15-19	FHLMC POOL G14203 4.000% Due 04-01-26	100.31	100.31
				100.31
PURCHASED ACCRUED INTEREST				
U.S. TREASURY				
02-15-19	02-19-19	US TREASURY NOTES 2.625% Due 02-15-29		21.75
				21.75
SALES, MATURITIES, AND CALLS				
CORPORATE BONDS				
02-07-19	02-07-19	ANHEUSER-BUSCH I 3.650% Due 02-07-19	50,000	46,986.55
				46,986.55

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 02-01-19 To 02-28-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
WITHDRAW				
CASH AND EQUIVALENTS				
02-21-19	02-21-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		2,530.48
				2,530.48

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 02-01-19 Through 02-28-19

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
02-07-19	50,000	ANHEUSER-BUSCH I 3.650% Due 02-07-19	51,506.50	46,986.55	-4,519.95
02-15-19	100.31	FHLMC POOL G14203 4.000% Due 04-01-26	104.89	100.31	-4.58
TOTAL GAINS					0.00
TOTAL LOSSES					-4,524.53
			51,611.39	47,086.86	-4,524.53

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 02-01-19 To 02-28-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
02-01-19			Beginning Balance		43,461.21
02-01-19	02-01-19	dp	Interest	ANHEUSER-BUSCH I 3.650% Due 02-07-19	912.50
02-01-19	02-01-19	dp	Interest	JPMORGAN CHASE & CO 3.875% Due 02-01-24	968.75
02-07-19	02-07-19	dp	Interest	ANHEUSER-BUSCH I 3.650% Due 02-07-19	50.69
02-07-19	02-07-19	dp	Interest	ANHEUSER-BUSCH I 3.650% Due 02-07-19	1,500.00
02-07-19	02-07-19	dp	Sale	ANHEUSER-BUSCH I 3.650% Due 02-07-19	46,986.55
02-15-19	02-15-19	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	14.50
02-15-19	02-15-19	dp	Interest	US TREASURY NOTES 2.375% Due 08-15-24	1,187.50
02-15-19	02-15-19	dp	Interest	US TREASURY NOTES 2.000% Due 08-15-25	1,000.00
02-15-19	02-15-19	dp	Interest	US TREASURY NOTES 2.125% Due 08-15-21	1,062.50
02-15-19	02-15-19	dp	Interest	US TREASURY NOTES 2.500% Due 08-15-23	1,562.50
02-15-19	02-15-19	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	100.31
02-15-19	02-19-19	wd	Purchase	US TREASURY NOTES 2.625% Due 02-15-29	-74,751.30
02-15-19	02-19-19	wd	Accrued Interest	US TREASURY NOTES 2.625% Due 02-15-29	-21.75
02-15-19	02-15-19	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	12.70

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 02-01-19 To 02-28-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
02-19-19	02-19-19	dp	Interest	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	550.00
02-21-19	02-21-19	wd	Withdrawal	from Portfolio	-2,530.48
02-28-19	02-28-19	dp	Interest	US TREASURY NOTES 1.375% Due 08-31-23	1,168.75
02-28-19	02-28-19	dp	Interest	US TREASURY NOTES 2.625% Due 02-28-23	1,968.75
02-28-19			Ending Balance		25,203.68

CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending February 28, 2019



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

Portfolio Value on 01-31-19	2,497,750
Contributions	0
Withdrawals	0
Change in Market Value	3,010
Interest	1,415
Dividends	0
Portfolio Value on 02-28-19	2,502,174

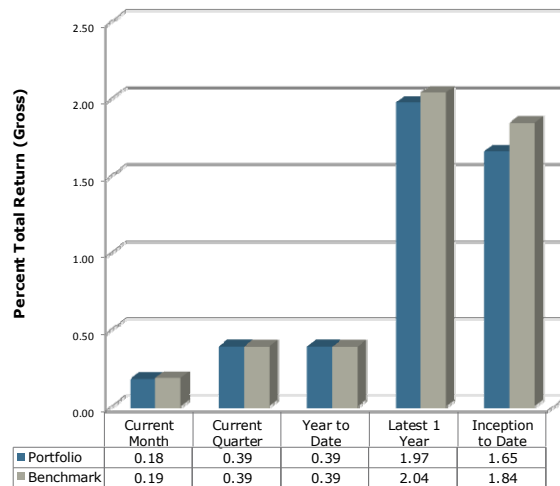
MANAGEMENT TEAM

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

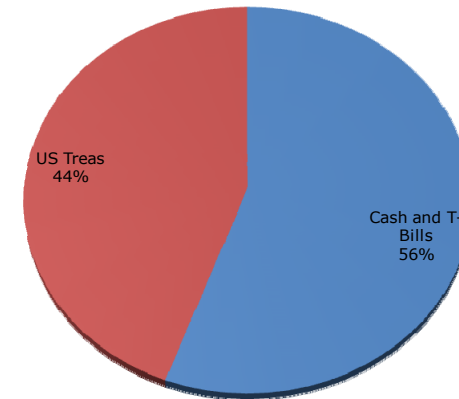
PORTFOLIO COMPOSITION

INVESTMENT PERFORMANCE

Current Account Benchmark:
T-Bill shown for reference



Performance is Annualized for Periods Greater than One Year



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.38% Average Maturity: 0.14 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG - SCHOOL FUNDS
February 28, 2019

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		37,479		37,479	1.50			
U.S. TREASURY									
550,000	US TREASURY NOTES 1.625% Due 04-30-19	99.44	546,936	99.84	549,141	21.95	8,937	2,987	2.54
560,000	US TREASURY NOTES 1.625% Due 07-31-19	99.25	555,810	99.64	557,990	22.30	9,100	729	2.48
	Accrued Interest				3,716	0.15			
			1,102,746		1,110,847	44.40		3,716	
TREASURY BILLS									
1,355,000	US TREASURY BILL 0.000% Due 03-14-19	99.26	1,344,964	99.91	1,353,848	54.11	NA	0	2.20
TOTAL PORTFOLIO			2,485,189		2,502,174	100	18,037	3,716	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG - SCHOOL FUNDS
From 02-01-19 To 02-28-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
INTEREST				
CASH AND EQUIVALENTS				
02-15-19	02-15-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		19.80
				19.80

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG - SCHOOL FUNDS
From 02-01-19 Through 02-28-19

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost</u> <u>Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
TOTAL GAINS					0.00
TOTAL LOSSES					0.00
			0.00	0.00	0.00

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF CRAIG - SCHOOL FUNDS
From 02-01-19 To 02-28-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
02-01-19			Beginning Balance		37,459.67
02-15-19	02-15-19	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	19.80
02-28-19			Ending Balance		37,479.47

LIQUOR LICENSE APPLICATION

The Craig Tribal Association, a federally recognized tribe located in Craig, Alaska is making application for a new Package Store, AS 04-11-260 & 3 AAC 304.105 liquor license doing business as CTA Enterprise located at 1330 Craig/Klawock Highway, Craig, Alaska 99921.

Interested persons should submit written comment to their local governing body, the applicant and to the Alcoholic Beverage Control Board at 550 West 7th Ave., Suite 1600, Anchorage, AK 99501.

Publication Dates: March 9, 16, 23, 2019

Legal #17118

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN MAI / WILLIAM G. FERGUSON,
JOSHUA C. HORAN / SLATER FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666

FAX NUMBER: (907)747-7417

commercial@horanappraisals.com

March 19, 2019

Jon Bolling, City Manager
Joyce Mason, City Treasurer
City of Craig
P.O. Box 725
Craig, AK 99921

Sent via email: finance@craigak.com
jbolling@aptalaska.net

RE: 2018 Assessment Fieldwork

Dear Mr. Bolling and Ms. Mason:

We have completed the fieldwork and made adjustments to the real property assessed values for the 2019 assessment roll, based on our review of the real property records and market trending information. There's little movement in the commercial or industrial real estate segment. Residential values are remaining strong, and may warrant a raise in assessed value next year, however for the time being, no adjustment is made. Trailers remain inconsistent, but overall it appears their values are diminishing as inventory continues to age.

Land

Most of the residential land sales we examined from the past two years were the bids received on the City's Ptarmigan Subdivision at the end of January, 2017. A market sale in January, 2018 on Tanner Crab Court, and an October, 2018 purchase on Sunnyside Drive were also examined. The Tanner Court sale was 6% over our assessed value. The Sunnyside Drive sale is nearly 20%, however, the buyer had a trailer on the site, and may have been more motivated to purchase. Overall, residential values may be somewhat low, and an increase might be in order next year if the data supports it.

Residential

In examining residential sales from 2017 and 2018, we considered early 2017 to be a selling season, and late 2017 through 2018 to be another. The sales from early 2017 show on average 5% over our assessed values, while the sales from late 2017 and 2018 show 7% over. The residential market remains active, with a fair amount of activity in new construction and upgrades. We confirmed nine market sales in 2016, which on average sold for about 5% over the 2017 assessment. If similar trends are observed through 2019, residential values may require an increase in 2020.

Mobile Homes

The mobile home market sales continue to be statistically inconsistent relative to the prices paid. Of the six sales observed over the last two years, four had sale prices 50% under their assessed values, and the data set as a whole indicated approximately 20% under the assessed value. The three 2018 sales, on the other hand, are over their assessed values by an average of nearly 25%. When the 2017 and 2018 sales are considered together, they show a sale to assessment ratio of 95%. At this time, no adjustment is warranted for mobile homes, however, we will continue to monitor sales in 2019.

Please see the attached statistical summaries of our assessment to sales ratio study, which will accompany the State Assessor's Alaska Taxable Report later in the year.

There were three confirmed **commercial building** sales, one in July 2017, and two in early 2018. Two sold for 30% over their assessed values, while one sold under by 7%. This was not sufficient to reflect an overall change in the market. We will continue monitoring this market segment. It appears that while the overall island economy is stable, retail sales and the commercial fishing industry remain stagnant in Craig. While no adjustments are made for commercial or industrial properties, we will monitor the impact of Silver Bay's proposed increased operations this coming year.

The Field Work

Our field work involved inspecting new construction and properties which had building permits for additions and deletions, and made appropriate corrections to the assessment records. Possessory Interests were recalculated for the new tax year. We did not add any new Possessory Interest parcels, however, Silver Bay's possessory interest in tidelands around their dock was calculated based on an estimated impacted area.

Value Changes

This year's review of the assessment records resulted in value increases. The 2017 assessment roll of taxable properties compared to our 2018 assessments are contrasted in the table below.

	2018	2019	DIFFERENCE
LAND	\$38,140,600	\$38,230,300	\$89,700
IMPROVEMENTS	\$77,862,500	\$78,656,200	\$793,700
TOTAL	\$116,003,100	\$116,886,500	\$,883,400

Our new values do not consider senior citizen or other exemptions, which may be calculated later.

Henry has already sent the 2019 revised MARS records to Joyce for downloading the 2019 Assessment Roll.

Please feel free to encourage staff to ask questions so we may continually improve the functionality of MARS for the staff and the public.

Please let us know if you have any questions or comments. Thank you once again for the opportunity to be of service.

Sincerely,



Joshua Horan, General Appraiser #123317
Horan and Company, LLC

Addenda:

Craig Sales Analysis for 2018; Land, Residential and Mobile Homes

ANALYSIS FOR 2018; LAND, RESIDENTIAL AND MOBILE HOMES

TABLE 1 - 2019 LAND ASSESSMENT TO SALES RATIO ANALYSIS					
Parcel Number	Address Physical	Sale Date	Sale Price	Assessed Land	Assessment to Sales Ratio
EC-211-090	100 Willow Ct.	01/31/17	\$60,000	\$52,501.0	88%
EC-211-060	602 Ptarmigan St.	01/31/17	\$55,000	\$58,400	106%
EC-211-070	103 Willow Ct.	01/31/17	\$50,000	\$55,600	111%
EC-211-080	102 Willow Ct.	01/31/17	\$52,501	\$56,400	102%
EC-211-100	700 Ptarmigan St.	01/31/17	\$60,001	\$63,400	106%
EC-211-110	702 Ptarmigan St.	01/31/17	\$72,386	\$79,900	110%
NC-503-130	9475 Port St. Nick Rd.	01/09/2018	\$55,000	\$52,100	95%
EC-208-010	1200 Sunnyside Drive	10/17/2018	\$90,000	\$75,100	83%
			\$494,888	\$490,301	101%

TABLE 2 - 2018 MOBILE HOME ASSESSMENT TO SALES RATIO ANALYSIS CONTRASTING 2016 SALES AND 2017 SALES TO THE 2018 ASSESSMENT					
Parcel Number	Address Physical	Sale Date	Sale Price	Assessed Total	Assessment to Sales Ratio
PS-410-212	Shaan Seet	03/07/2018	\$6,500	\$6,200	95%
PS-410-504	Shaan Seet	04/11/2018	\$17,000	\$12,100	71%
PS-410-405	Shaan Seet	04/16/2018	\$14,000	\$11,900.00	85%
PS-410-215	Shaan Seet	4/25/17	\$17,000	\$15,500.00	91%
PS-410-319	Shaan Seet	4/19/17	\$9,500	\$17,300	182%
PS-410-603	Shaan Seet	5/17/17	\$17,500	\$16,800	96%
PS-410-718	Shaan Seet	1/18/17	\$3,300	\$6,500	197%
PS-410-718	Shaan Seet	12/12/17	\$5,000	\$6,500	130%
WC-123-071	Harborview	6/16/17	\$750	\$2,200	293%
Year 2018			\$37,500	\$30,200	81%
Year 2017			\$53,050	\$64,800	122%
Combined Years			\$90,550	\$95,000	105%

TABLE 3 - 2018 RESIDENTIAL ASSESSMENT TO SALES RATIO ANALYSIS CONTRAST AND 2016 SALES TO 2017 SALES¹

Parcel Number	Address Physical	Sale Date	Sale Price	Assessed Land	Assessed Improv.	Assessed Total	A/S* Ratio
EC-204-040	1411 Hamilton Drive	03/17/17	\$485,000	\$205,000	\$235,800	\$440,800	91%
EC-224-100	400 T & H Street	05/19/2017	\$185,000	\$42,600	\$128,000	\$170,600	92%
EC-210-040	101 Eagle Tree Court	05/31/2017	\$355,000	\$52,600	\$274,800	\$327,400	92%
EC-218-070	505 Thomas Court	06/27/2017	\$260,000	\$32,500	\$298,700	\$331,200	127%
WC-127-042	406 3 rd Street	07/18/2017	\$300,000	\$38,500	\$197,300	\$235,800	79%
EC-201-080	501 Hamilton Drive	10/26/17	\$315,957	\$55,200	\$234,100	\$289,300	92%
WC-114-060	205 2nd Street	12/11/2017	\$250,000	\$41,500	\$193,100	\$234,600	94%
WC-117-080	507 Spruce Street	01/10/18	\$377,045	\$46,800	\$288,700	\$335,500	89%
EC-212-030	1400 Kelsey Court	3/02/2018	\$304,500	\$61,800	\$228,300	\$290,100	95%
EC-212-090	600 Brandi Court	05/30/2018	\$380,000	\$61,800	\$298,300	\$360,100	95%
EC-228-030	1900 Hamilton Drive	07/01/2018	\$285,000	\$60,500	\$232,400	\$292,900	103%
WC-131-040	800 Main Street	09/04/2018	\$250,000	\$51,000	\$171,800	\$222,800	89%
Year 2017			\$1,585,000			\$1,505,800	95%
Year 2018			\$2,162,502			\$2,025,300	94%
Combined Years			\$3,747,502			\$3,531,100	94%

***A/S = Assessment to Sales Ratio.**

¹ Note included in the 2017 sales are a 2016 sales occurred (12/30/16) one day before the new year and the 2018 sale occurred (1/10/18) 10 days after the new year.

Klayton Curtis
325 N. Ford Street
Pearce, AZ 85625
(360) 961-8777
klayton.curtis@gmail.com

April 8, 2019
City Council of Craig, AK
Re: Craig Cannery Site

Letter of Intent

Dear Council,

This letter is to inform you of my intention to explore the possibilities of leasing the former Superintendent's Office building at the Craig Cannery Site for use as a small brewpub. I am a home brewer that is looking for a building and small community to take my interests commercial. The intent would be to have a pico-brewery which would produce between 40 and 100 barrels of beer (or 9,000 and 24,000 pints) of beer a year. This would be about 25 to 65 pints a day served. Whether or not food would be served would depend on the needs of the community and if would be desired by the patrons. I can see by the pictures of the building that the upstairs may hold the possibility to have a few rooms for nightly rentals, which would turn the operation into more of a public house type establishment, which I am also open to exploring.

I hope to visit in May or June of this year to have a look at the building and speak to someone in person about it. If this idea would be a suitable one for consideration for the intentions of the council, I would appreciate an email stating this.

Best regards,
Klay Curtis



ALASKA POWER & TELEPHONE COMPANY

136 MISTY MARIE LANE

KETCHIKAN, ALASKA 99901

PHONE: (907) 225-1950 | FAX: (907) 225-4169

Announcement: Alaska Power & Telephone Electric Vehicle Incentive Program

Date of Release: April 4th, 2019

Point of Contact: Jason Custer, Vice President - Business Development

W: 907-225-1950 x 2129

E: Jason.c@aptalaska.com

Growing Our Commitment to Renewable Energy through Electric Vehicle Incentives

Alaska Power & Telephone Company (AP&T) is pleased to announce a new 2-year electric vehicle (EV) incentive program for its electrical service customers, and for AP&T employees. The EV incentive program responds to consumer interest in EVs, and builds off of AP&T's success field-testing an EV in its Prince of Wales service area as a permanent fixture of its fleet. In AP&T's southeast Alaska service areas – where 75% to 90% of energy is generated from renewable hydropower¹, utilization of electrical vehicles represents a meaningful way to significantly reduce fossil fuel costs and associated emissions and environment impacts, while hedging against the potential future fuel price increases.

Effective dates:

April 4th, 2019 to December 31st, 2020

Customer Incentives:

- An AP&T electrical service customer who purchases an EV for use in an AP&T service area will receive a \$1,000 credit on their utility bill.

Employee Incentives:

- An AP&T employee who is also an AP&T electrical service customer who purchases an EV for use in an AP&T service area will receive a \$1,000 credit on their utility bill.
- An AP&T employee who originates a purchase of an EV by a non-employee customer of AP&T electrical service is eligible to receive a \$500 referral bonus.

¹ Depending on weather and other factors.

To sign up for incentives, please contact your local Alaska Power & Telephone Service Center. Incentives will be paid on a first come, first served basis limited by AP&T's internal budget. At the close of the program, AP&T will assess results and determine whether or not to extend additional incentives.

Additional Requirements:

- Must be 100% EV. Does not apply to PHEVs or EREVs.
- Minimum battery size of 16 kWh.
- AP&T must receive documentation the vehicle is titled to one of its electrical customers.
- The incentive is paid to the person on the title.
- AP&T must verify the physical presence of the vehicle in its service area.
- Can apply to used vehicles.
- Only one incentive per VIN number.
- Recipients of incentives will be responsible for reporting and paying any income or other taxes which may be due.
- Does not apply retroactively. Only applies to purchases made during the effective dates of the program.

Growing Alaska Power & Telephone's EV Fleet

In parallel with the incentive program, Alaska Power & Telephone Company will also be increasing its fleet to include additional electric vehicles in its southeast Alaska service areas. This will allow our company to "shop local" by acquiring "clean fuel" from local renewable energy sources, while also reducing our carbon footprint. Additionally, our employees will gain increased familiarity with EVs, and will be able to serve as ambassadors for EV technology, answering questions and demonstrating vehicle performance to our customers.

We look forwards to partnering together to support increased utilization of electric vehicle technology in rural Alaska!

Stream Habitat Survey Academy

May 20-24th, 2019

**Enjoy working outdoors? Interested in local ecology?
Contemplating a career in natural resources?**

Take advantage of this excellent opportunity to gain knowledge and practice skills related to stream habitat surveying.

The USDA Forest Service, in collaboration with State of Alaska Department of Natural Resources, and Spruce Root Community Development, Inc., are working to provide FREE TRAINING for residents of Southeast Alaska who are interested in career opportunities and natural resource development.



Photos by Jess Davila, USFS

- **The Stream Habitat Academy will be held at the Prince of Wales Vocational and Technical Education Center (POW VocTEC) May 20-24th, 2019 with daily field excursions.**
- **Training will cover topics such as field equipment, stream surveying, data entry, species identification, and other skill building activities.**
- **The academy will provide course training materials, transportation to and from field sites, and daily lunches. Participants should be prepared to work in rugged terrain and inclement weather.**

No prior experience is needed. Applicants must be at least 18 years of age and have a valid driver's license.

Applications due by April 30th

Please contact POW VocTEC for more information: 907-401-1456

powvoctec@gmail.com

Forest Resource Inventory Academy

May 27-30th, 2019

Contemplating a career in natural resources?

Like working outdoors?

Take advantage of this opportunity to learn tools and techniques from local foresters, gain knowledge, and practice skills related to forest resource inventory.

The **USDA Forest Service**, in collaboration with **State of Alaska Department of Natural Resources**, **SEALASKA**, and **Spruce Root Community Development, Inc.**, are working to provide **FREE TRAINING** for residents of Southeast Alaska who are interested in career opportunities and natural resource development.



- The Forest Resource Academy will be held at the Prince of Wales Vocational and Technical Education Center (POW VocTEC) May 27-30th, 2019 with daily field excursions.
- Training will cover topics such as forest inventory measurement, field equipment, data collection and entry, vegetation identification, orienteering and navigation, and other skill building activities.
- The academy will provide course training materials, transportation to and from field sites, and daily lunches. Participants should be prepared to work in rugged terrain and inclement weather.

No prior experience is needed. Applicants must be at least 18 years of age and have a valid driver's license.

Applications due by April 30th

Please contact POW VocTEC for more information: 907-401-1456

powvoctec@gmail.com

Craig Bar & Liquor Inc. dba Hill Bar

407 Water St., PO Box 730, Craig, AK 99921 907-826-3423 fax 826-2901

hillbar@aptalaska.net

RECEIVED,

APR 1 2019

April 1, 2019

State of Alaska
Alcohol Control Board
550 West 7th Ave., Suite 1600
Anchorage, AK 99501

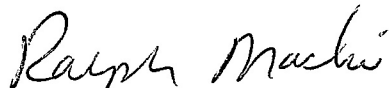
Dear Sir or Madam,

I am writing in response to a public notice in the Ketchikan Daily News, dated March 23, 2019, of a Package Store License application by the Craig Tribal Association of Craig, Alaska.

We are the owners of one of three existing package store licenses currently permitted in Craig.

We object to the issuance of an additional package store license in Craig. The market value of the existing package store licenses in Craig, which on occasion have been bought and sold for significant amounts of money, are based on the fact that the population of Craig is too small, according to State regulations, to be eligible for additional package store licenses. Thank you for your consideration.

Sincerely,



Ralph Mackie, Manager
Craig Bar & Liquor Inc.

Sponsor: Julie McDonald

**CITY OF CRAIG
RESOLUTION 19-05**

**NAMING THE TANNER CRAB COURT PARK IN HONOR OF
RICHARD ENSLEY**

WHEREAS, Mr. Richard Ensley was an active member of the community of Craig; and,

WHEREAS, Mr. Ensley lived on Tanner Crab Ct for more than 18 years; and,

WHEREAS, Mr. Ensley provided consistent support and assistance to neighbors and community members; and,

WHEREAS, Mr. Ensley was active in HOPE, foster parenting, local Civil Air Patrol cadet program, and New Hope Baptist Church on Tanner Crab Ct; and,

WHEREAS, Mr. Ensley enjoyed spending time with the residents of Craig at the park located on Tanner Crab Ct; and,

WHEREAS, Mr. Ensley's dedication to Craig and specifically the residents of Tanner Crab Ct. merit special recognition,

NOW, THEREFORE, BE IT RESOLVED that the park on Tanner Crab Ct. hereby be known as the "Richard Ensley Community Park" in recognition of Mr. Ensley's service to the people of Craig and Prince of Wales Island.

APPROVED _____, 2019.

Mayor Timothy O'Connor

ATTEST _____
Kassi Mackie, City Clerk

Sponsor: Julie McDonald

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Kassi Mackie, City Clerk
Date: March 7, 2019
RE: Resolution 19-05, Naming the Tanner Crab Park in Richard Ensley's Name

Attached you will find Resolution 19-05. The resolution recognizes Mr. Richard Ensley's contributions to the community of Craig and naming the park on Tanner Crab Ct. in his honor.

The council may recall the revitalization project of the park on Tanner Crab Ct. including updated playground equipment, with funds donated by multiple businesses and entities on Prince of Wales Island. Due to Mr. Ensley's exceptional involvement with the neighbors and residents of Tanner Crab Ct. for over 18 years, councilmember McDonald requests the council's consideration of dedicating this park in Mr. Ensley's name.

If the resolution is adopted, councilmember McDonald will acquire signage for the park bearing the name "Richard Ensley Community Park".

Recommendation

Adopt Resolution 19-05.

CITY OF CRAIG MEMORANDUM

To: Mayor and City Council
From: Brian Templin, City Planner
Date: April 9, 2019
RE: Approval of final terms of a lease with Taquan Air

The city owns and manages the Craig Seaplane Terminal and floats. Operators lease space from the city for their counters, office space, and freight storage space. The city provides the common areas of the terminal building (waiting area, bathrooms, mechanical room) and regular non-exclusive access and use of the airplane floats and ramp as part their lease of terminal space.

For several years Taquan Air occupied an old mechanical room in the building under an access permit. When Promech Air vacated the their lease area in the terminal Taquan Air moved into the terminal building and occupied the previous Promech Air lease area. The cost of the access permit was adjusted at that time. As part of getting numerous city leases up to date we are ready to move Taquan Air from an access permit to a longer term lease. Taquan Air has submitted a complete application for this lease and the lease has been properly advertised.

The city council approved Ordinance 709 in June 2018 authorizing negotiations of a lease with Taquan Air for the counter area, offices, freight storage area, common areas, and floats mirroring the area their current access permit allows for.

The lease value is based on the property most recent lease of the seaplane facility adjusted by consumer price index.

The lease calls for a total of \$1,080 per month in cash and in-kind payment. The lessee will pay \$500 per month in cash and will provide a number of round trip tickets to the city for the remaining \$580 per month. For the current year Taquan will provide the city 26 round trip tickets. The city will use the tickets for any purpose or may donate them as it sees fit. The city will likely use most of the tickets transporting prisoners from the Craig Contract Jail to Ketchikan under an agreement with the State of Alaska. The city may also use the tickets for city travel, donations, or any other purpose the city sees fit. The tickets are not redeemable for cash from Taquan but are considered full fare, transferrable tickets.

The lease is for a five year initial term with one five year renewal.

Recommendation: Approve the final terms of a lease with Taquan Air Inc. for city owned property at the Craig floatplane terminal building.

LEASE AGREEMENT

This lease agreement is entered into by and between the City of Craig, Alaska, PO Box 725, Craig, Alaska 99921 (hereinafter "City"), and Venture Travel (DBA Taquan Air), 4085 Tongass Ave. Ketchikan, AK 99901 (hereinafter "Lessee").

WHEREAS Lessee desires to continue operating within the Craig city limits; and

WHEREAS Lessee has determined that the Craig Floatplane Dock terminal building is a suitable location for said activity; and

WITNESSETH:

1. The City hereby leases to Lessee that property described below:

The southern ticket counter, office area, and freight room of the Craig floatplane terminal building. Containing an area of approximately 845 square feet, and shown as outlined on Attachment "A".

2. The effective date of this lease is May 1, 2019. This lease shall expire April 30, 2024.
3. Lease Payments
 - A. The Lessee shall pay to the City a monthly lease payment of \$1,080. The lease payment is due on the first day of each month and is deemed late of not paid by the 20th day of each month. The lease may be paid one year in advance of each lease year at the option of Lessee. City may adjust rent annually at a rate not to exceed the annual increase in the Anchorage (Urban Alaska) consumer price index.
 - B. Lessee may provide City with 26 round trip passenger tickets (tickets are transferrable, full fare tickets, and may not be redeemed for cash) per year for a lease payment credit of \$580 per month. Tickets shall be issued at the beginning of the term of the lease and annually on the anniversary of the lease. Tickets shall be valid for one calendar year from the date of issue.
 - C. Lessee and Lessor may adjust the number of round trip passenger tickets annually, on the anniversary of the lease, based on the current published price for round trip passenger tickets and any changes in lease value.
4. The lease is for the purpose of providing Lessee with a desirable location for office space, counter space, storage, and otherwise for conducting business related to an air taxi/float plane operator. This lease will terminate automatically if and when the Lessee suspends use of the leased premises for the above purposes for a period of six (6) months or longer.
5. Lessee agrees to maintain the leased area, and any appurtenant buildings, equipment or structures in a well-maintained and slightly condition. Lessee agrees to conform to all applicable City land use requirements and shall comply with all laws and regulations of the City, the State of Alaska and the federal government. Lessee will be required to obtain authorization from the City for construction of any and all structures placed on the

lease area. Lessee agrees to pay all electric, heating oil, city garbage, and other operational expenses resulting from lessee's occupation of the building. City agrees to supply paper products and other consumables to the building's restrooms on an as-needed basis, as well as janitorial services to the restrooms and common area. City will include the terminal property in its snow plowing schedule of city properties.

6. The provisions of Craig Code § 16.02.140 (terms and conditions of leases) are incorporated herein by reference, as if fully set forth herein; and Lessee acknowledges receipt of a copy of those provisions.
7. The City shall have the right to enter the leased premises at all reasonable times to examine the condition of same.
8. Lessee agrees to hold harmless, indemnify and defend City against any and all claims for damage, injury, or wrongful death which may be brought or asserted by Lessee, its agents, or third parties resulting from Lessee's use or occupancy of the leased premises.
9. All buildings, fixtures and equipment of whatsoever nature, that Lessee shall have installed upon the leased premises, whether permanently affixed or otherwise, shall continue to be the property of the Lessee and may be removed by it at the expiration or termination of this lease or of any renewal thereof; and at its own expense, Lessee shall repair any injury to the premises resulting from such removal.
10. At no expense to the City, Lessee shall obtain and keep in force throughout the time period of this lease, comprehensive public liability insurance naming the City as an insured or as additional insured, in a coverage amount of at least \$300,000 per occurrence. Lessee will provide the City with proof of insurance coverage in the form of a certificate of insurance; and upon City request, Lessee will additionally provide a copy of the insurance policy. Said insurance policy must provide that the City will be notified at least 30 days before termination, cancellation or material change in the insurance coverage; and include a waiver of subrogation by which the insurer waives all rights of subrogation against the City for payments made under the policy.
11. This lease and all the covenants, provisions and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
12. This lease may be renewed one (1) time for a term of five (5) years under those terms and conditions acceptable to both the Lessor and Lessee.
13. The Lessor or the Lessee may upon mutual agreement terminate this lease by giving (30) days notice in writing.

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year written below.

VENTURE TRAVEL (DBA TAQUAN AIR)

DATED: _____ By: _____
Venture Travel (Authorized Representative)

CITY OF CRAIG, ALASKA

DATED: _____ By: _____
Jon Bolling, City Administrator

ACKNOWLEDGMENT BY LESSEE

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this ____ day of _____, 2019, in _____, Alaska before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, of Venture Travel, to me known and known to me to be the person he represented himself to be and the same identical person who executed the above and foregoing instrument on behalf of himself and Venture Travel. and who acknowledged to me that he had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed on behalf of himself and Pacific Airways Inc. and for the purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

Notary Public, State of Alaska

My commission expires: _____

ACKNOWLEDGMENT BY CITY

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this ____ day of _____, 2019, in _____, Alaska before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JON BOLLING, the city administrator of the City of Craig, Alaska, to me known and known to me to be the person he represented himself to be and the same identical person executed the above and foregoing instrument on behalf of the CITY OF CRAIG, Alaska and who acknowledged to me that he had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed on behalf of the City of Craig, and for the purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

Notary Public, State of Alaska

My commission expires: _____

CITY OF CRAIG MEMORANDUM

To: Mayor and City Council
From: Brian Templin, City Planner
Date: April 9, 2019
RE: Lease of City Owned Property to Pacific Airways Inc.

Pacific Airways has been leasing counter, office and shipping space at the Craig Seaplane Terminal since 2005. The original term of the current lease expired in 2015 and they are operating in the first renewal period of the lease. Along with the negotiations going on with Taquan Air for a new lease staff has been working with Pacific Airways on a renewed lease for Pacific Airways in order to keep the lease terms generally the same. Under the terms of the current lease Pacific Airways pays the city \$800 per month for the 700 square feet that they have exclusive use of and shared use of the dock, bathrooms, and common areas of the building.

Lease value has been adjusted based on the change in the consumer price index.

Final terms of a similar lease with Taquan Air for the other half of the counter/office/storage space in the building is scheduled for consideration by the council.

Based on the calculations of the CPI increase and square footage, Pacific Airways will pay \$896 per month for their space at the Craig Floatplane Terminal. The lease is for a five year interval with one option to renew for an additional five years. The city can adjust the rent annually based on further CPI changes.

The lease requires \$500 per month in cash and the remainder of the lease payment in in-kind services. Pacific Airways does janitorial services for the common areas (including bathrooms) at the floatplane terminal for a \$300 per month credit. Pacific Airways will also provide tickets to the city for any uses that the city wants to use them for. Based on the current lease value and ticket price this comes out to four round trip tickets per year (\$96 per month in-kind value). The tickets will be used for the same types of travel that are outlined in the Taquan Air lease memo.

A copy of the lease is attached.

Recommendation: Move to approve the final terms of a lease of city owned property at the Craig Seaplane Terminal to Pacific Airways.

LEASE AGREEMENT

This lease agreement is entered into by and between the City of Craig, Alaska, PO Box 725, Craig, Alaska 99921 (hereinafter "City"), and Pacific Airways Inc., 1007 Water Street Ketchikan, AK 99901 (hereinafter "Lessee").

WHEREAS Lessee desires to continue operating within the Craig city limits; and

WHEREAS Lessee has determined that the Craig Floatplane Dock terminal building is a suitable location for said activity; and

WITNESSETH:

1. The City hereby leases to Lessee that property described below:

The northern ticket counter, office area, and freight room of the Craig floatplane terminal building. Containing an area of approximately 700 square feet, and shown as outlined on Attachment "A".

2. The effective date of this lease is May 1, 2019. This lease shall expire April 30, 2024.
3. Lease Payments.
 - A. The Lessee shall pay to the City a monthly lease payment of \$896. The lease payment is due on the first day of each month and is deemed late if not paid by the 20th day of each month. The lease may be paid one year in advance of each lease year at the option of Lessee. City may adjust rent annually at a rate not to exceed the annual increase in the Anchorage (Urban Alaska) consumer price index.
 - B. Lessee will provide daily janitorial services to the restrooms and common areas of the terminal building in exchange for a lease payment credit of \$300 per month.
 - C. Lessee may provide City with four round trip passenger tickets per year for a lease payment credit of \$96 per month. Tickets provided shall be valid through the term of this lease.
4. The lease is for the purpose of providing Lessee with a desirable location for office space, counter space, storage, and otherwise for conducting business related to an air taxi/float plane operator. This lease will terminate automatically if and when the Lessee suspends use of the leased premises for the above purposes for a period of six (6) months or longer.
5. Lessee agrees to maintain the leased area, and any appurtenant buildings, equipment or structures in a well-maintained and sightly condition. Lessee agrees to conform to all applicable City land use requirements and shall comply with all laws and regulations of the City, the State of Alaska and the federal government. Lessee will be required to obtain authorization from the City for construction of any and all structures placed on the lease area. Lessee agrees to pay all electric, heating oil, city garbage, and other operational expenses resulting from lessee's occupation of the building. City agrees to

supply paper products and other consumables to the building's restrooms on an as-needed basis. City will include the terminal property in its snow plowing schedule of city properties.

6. The provisions of Craig Code § 16.02.140 (terms and conditions of leases) are incorporated herein by reference, as if fully set forth herein; and Lessee acknowledges receipt of a copy of those provisions.
7. The City shall have the right to enter the leased premises at all reasonable times to examine the condition of same.
8. Lessee agrees to hold harmless, indemnify and defend City against any and all claims for damage, injury, or wrongful death which may be brought or asserted by Lessee, its agents, or third parties resulting from Lessee's use or occupancy of the leased premises.
9. All buildings, fixtures and equipment of whatsoever nature, that Lessee shall have installed upon the leased premises, whether permanently affixed or otherwise, shall continue to be the property of the Lessee and may be removed by it at the expiration or termination of this lease or of any renewal thereof; and at its own expense, Lessee shall repair any injury to the premises resulting from such removal.
10. At no expense to the City, Lessee shall obtain and keep in force throughout the time period of this lease, comprehensive public liability insurance naming the City as an insured or as additional insured, in a coverage amount of at least \$300,000 per occurrence. Lessee will provide the City with proof of insurance coverage in the form of a certificate of insurance; and upon City request, Lessee will additionally provide a copy of the insurance policy. Said insurance policy must provide that the City will be notified at least 30 days before termination, cancellation or material change in the insurance coverage; and include a waiver of subrogation by which the insurer waives all rights of subrogation against the City for payments made under the policy.
11. This lease and all the covenants, provisions and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
12. This lease may be renewed one (1) time for a term of five (5) years under those terms and conditions acceptable to both the Lessor and Lessee.
13. The Lessor or the Lessee may upon mutual agreement terminate this lease by giving (30) days notice in writing.

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year written below.

PACIFIC AIRWAYS INC.

DATED: _____ By: _____
Pacific Airways (Authorized Representative)

CITY OF CRAIG, ALASKA

DATED: _____ By: _____
Jon Bolling, City Administrator

ACKNOWLEDGMENT BY LESSEE

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this ____ day of _____, 2019, in _____, Alaska before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, of Pacific Airways, Inc., to me known and known to me to be the person he represented himself to be and the same identical person who executed the above and foregoing instrument on behalf of himself and Pacific Airways Inc. and who acknowledged to me that he had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed on behalf of himself and Pacific Airways Inc. and for the purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

Notary Public, State of Alaska
My commission expires: _____

ACKNOWLEDGMENT BY CITY

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this ____ day of _____, 2019, in _____, Alaska before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JON BOLLING, the city administrator of the City of Craig, Alaska, to me known and known to me to be the person he represented himself to be and the same identical person executed the above and foregoing instrument on behalf of the CITY OF CRAIG, Alaska and who acknowledged to me that he had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed on behalf of the City of Craig, and for the purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

Notary Public, State of Alaska
My commission expires: _____

CITY OF CRAIG MEMORANDUM

To: Mayor and City Council
From: Brian Templin, City Planner
Date: April 9, 2019
RE: Approval of final terms of 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 the council approved negotiations of a new lease with Ordinance 717 approved February 7, 2019.

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.

Based on the current assessed value of the land and adjusted value of the dock use (based on CPI and adjusted usage) the new lease payment will be \$96,510 per year plus sales tax. The lease will be for an initial 10 year term with two five year renewals included in the lease. All other terms remain substantially the same as the original lease.

Petro Marine has reviewed the lease and is satisfied with the terms.

Recommendation: Approve final terms of a lease of city owned property to Petro Marine Services.

**PETRO MARINE SERVICES LEASE FOR
FALSE ISLAND MARINE INDUSTRIAL PARK**

This lease is entered into on the _____ day of _____, 2019, by and between the CITY OF CRAIG (hereinafter "Lessor"), a municipal corporation, and HARBOR ENTERPRISES, INC., d.b.a. PETRO MARINE SERVICES, (hereinafter "Lessee"), a Corporation, doing business in the State of Alaska, for the purpose of leasing city owned lands for a fuel storage and retail facility to serve fuel deliveries, retail sales of petroleum related products, and fueling of marine vessels in Craig, Alaska. The parties hereby agree to the following conditions:

1. DURATION

This lease begins July 1, 2019 and shall be in effect from that date until the June 30, 2029 with two options for five (5) year renewals each. If the Lessee fails to meet any of the terms or conditions contained herein, all property subject to this lease and any amendments to this lease, shall revert back to the Lessor.

2. LEASED PROPERTY

The property subject to this lease is described a portion of Lot 1, False Island Subdivision and the entirety of Lot 4, False Island Subdivision as shown on plat 2001-15, Ketchikan Recording District. The portion of Lot 1 subject to this lease is further described as:

Beginning at Corner No. 1 of Tract A, Block 1, shown on plat 95-57, Ketchikan Recording District:

Thence N 19°17'51"W, a distance of 390.19 feet, to the TRUE POINT OF BEGINNING,

Thence S 74°00'00"E, a distance of 413.91 feet;

Thence N 21°42'05"W, a distance of 82.70 feet;

Thence N 16°00'00"E, a distance of 67.97 feet;

Thence N 34°39'21"W, a distance of 57.72 feet;

Thence N 74°00'00"W, a distance of 95.36 feet;

Thence S 16°00'00"W, a distance of 85.00 feet;

Thence N 74°00'00"W, a distance of 162.41 feet;

Thence S 51°37'57"W, a distance of 104.58 feet to the TRUE POINT OF BEGINNING, encompassing an area of 41,032 square feet more or less.

3. LESSEE UTILIZATION

A. Lessee shall utilize the property for the purpose of operating a fuel storage facility as well as associated retail distribution facilities. Lessee shall be allowed to build structures on the leased

premises with the approval of the Lessor. Accessory uses of the property are allowed if pre-approved in advance in writing by the Lessor. Approval of additional buildings needed to operate the fuel storage facility or retail sales facilities will not be unnecessarily delayed or withheld. The terms and conditions of sections 21 and 25 are incorporated herein by reference.

B. Lessee shall enjoy: (1) exclusive use of the dock with respect to the transfer and/or sale of petroleum products across the dock; and (2) priority use of the dock for ship/boat operations associated with such transfers and/or sales. With respect to Lessee's priority use of the dock, should a conflict be deemed to exist and, after due consideration by the parties involved, failed of resolution, the matter shall be settled in favor of Lessee. The Craig Harbormaster should be immediately notified of conflicts that cannot be resolved between the parties involved.

C. Lessee shall enjoy the use of all other common areas of the Marine Industrial Complex (JT Brown Marine Industrial Park) as a tenant of the Marine Industrial Complex.

D. Lessee agrees to abide by all federal, state, and local laws in the operations and maintenance of the fuel storage facility.

E. Lessee assumes all risks associated with the location of the leased premises.

4. PAYMENTS AND OTHER CONDITION OF LEASING

A. Lease payments shall be in the amount of \$96,510 plus sales tax per annum. Payment will be made annually to the City of Craig for a fiscal year commencing on July 1st of each year and ending on June 30th of the following year. In accordance with CMC 16.02.140(I) payment will be prorated and paid in advance each calendar month.

B. The lease rate may be adjusted by the Lessor on the fifth anniversary of the date of the lease and at each five year interval. The city may adjust the lease rate using one of the approved methods found at CMC 16.02.140(B).

5. RENEWAL

A. If Lessee is not in default at the time each option is exercised or at the time the renewal term is to commence, Lessee shall have the option to renew this lease for up to two (2) successive terms of five (5) years each, all in compliance with CMC 16.02.140(O). The option to renew shall be exercised in writing more than ninety (90) days before the expiration of the current term.

B. The terms and conditions of this lease for each renewal term shall be identical with the original term except for any rent modifications made under the terms of this Lease Agreement.

6. OPERATIONS AND MAINTENANCE

A. Lessee shall maintain the leased premises and facilities at all times in a clean, safe, and sanitary condition.

B. Lessee is responsible and shall pay all costs of utilities furnished to the leased premises, during the term of this lease.

C. Lessee shall pay all property taxes owed according to its possessory interest. Lessee shall pay taxes on Lessee's improvements in accordance with CMC 4.04. Lessee shall also collect and remit sales tax in accordance with CMC 3.08.

7. INDEMNITY AND INSURANCE

A. Lessee shall defend, indemnify, and hold harmless the Lessor from any and all claims or actions for injuries or damage sustained by any person or property arising out of, or in connection with, or incident to the operation of the leased premises.

B. Lessee shall comply with AS 46.04.040 and 18 AAC Chapter 75, and provide adequate off-site, sudden, and accidental pollution liability, property liability, and personal injury damage insurance at a minimum of \$10,000,000. The Lessor shall be listed as an additional insured on each policy, including any policy or other proof of financial responsibility provided to the State of Alaska. Proof of such insurance shall be provided to the Lessor as a condition of entering into the lease. Lessee must notify the Lessor thirty (30) days in advance of any cancellation or alteration of such insurance. Failure to maintain insurance as specifically described in this section shall constitute default by Lessee.

C. Lessee shall keep the leased premises insured at Lessee's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Lessee covenants that it shall maintain at all times and pay the premiums on such policy or policies of casualty insurance to the building and leased premises, said policy to be in such amount and contain such terms as shall be from time to time determined sufficient by the Lessor. Lessee shall furnish Certificate of Insurance in support of the above requirement.

8. ENVIRONMENTAL INDEMNITY

A. Lessee acknowledges and agrees that environmental contamination may exist on or adjacent to the leased property prior to commencement of the lease. Lessor has not made, and Lessee has not relied on, any representations as to the presence, absence, nature, or extent of any such environmental contamination. Lessee hereby expressly assumes the risk that any such environmental contamination exists as a result of Lessee's previous lease and use of the site which commenced on July 1, 1999. Lessee also assumes the risk that any such environmental contamination may cause loss of or damage to, Lessee's real and personal property and improvements and might render the leased premises unfit for Lessee's purpose. However, nothing in this paragraph creates any obligation, financial or otherwise, on the part of the Lessee to clean up or otherwise remediate any environmental contamination existing prior to July 1, 1999.

B. Lessee shall use, store, handle, and deal with environmental substances (as defined below) in compliance with all environmental laws (as defined below). Lessee shall take prompt and responsible action to correct any noncompliance reported by Lessee or alleged by the Alaska

Department of Environmental Conservation (AKDEC) or the Environmental Protection Agency (EPA) with any requirements of any environmental law or any contamination or pollution caused by a release (as defined below) of an environmental substance. Lessee shall obtain all necessary permits, licenses, and other authorizations issued pursuant to environmental laws required for Lessee to own or operate the leased premises. Operation of the leased premises shall be in compliance with any terms and/or conditions of such permits, licenses, and other authorizations. "Environmental Laws" means all federal, state, or local laws, statutes, ordinances, codes, rules, regulations, orders, decrees, and directives imposing liability or standards of conduct for, or relating to, the protection of health, safety, or the environment. "Environmental Substances" include without limitation any substance, material, waste, pollutants, contaminants, or chemical, regardless of how it is referred to or defined, that is regulated in or pursuant to, any environmental laws. "Release" includes an actual or potential discharge, deposit, spill, leak, pumping, pouring, emission, emptying, injection, escape, leaching, seepage, or disposal that is, or may be, in breach of any environmental law, regardless of cause. "Lessee" includes Lessee, any subsidiaries, employees, or contractors of Lessee's subsidiaries, partnerships, or joint ventures.

C. Lessee acknowledges and agrees that the creation, use, handling, storage, release, and disposal of waste, garbage, pollutants, and toxic or hazardous substances, and the investigation, remediation, and clean up of environmental contamination, are governed by a wide variety of environmental laws. Lessee shall comply with all environmental laws and exercise the degree of care that a reasonably prudent operator would exercise in the use, handling, and storage of hazardous substances and environmental substances used, handled, or stored on the leased premises.

D. Lessee shall defend, indemnify, and hold harmless Lessor from and against all claims, including nuisance as described in section 9 of this lease, liabilities, suits, obligations, fines, judgments and penalties, and any other expenses, including attorneys' fees and other costs of litigation, raised, sought, or imposed by third parties in connection with Lessee's violation of any environmental law or in connection with Lessee's creation, use, handling, storage, release or disposal of an waste, garbage, pollutants, or toxic or hazardous substances (regardless of whether the creation, use handling, storage, release, or disposal violated an environmental law) on the leased premises or in connection with Lessee's use of the leased premises or by the persons or entity associated with the Lessee as outlined in section 8B above.

E. Lessee shall defend, indemnify, and hold harmless the Lessor from any environmental liability pertaining to the leased premises. As used in this paragraph, "Environmental Liability" means any lawsuit or administrative proceeding arising from the alleged release of hazardous materials upon the leased premises during the lease term or the alleged violation by Lessee of any environmental law pertaining to the leased premises and any judgment or other sum which becomes due as a result of such a lawsuit or administrative proceeding.

9. WASTE AND NUISANCE PROHIBITED

During the term of this lease, Lessee shall comply with all federal, state, and local laws affecting the leased premises, the breach of which might result in any penalty on Lessor of forfeiture of Lessor's title to the leased premises. Lessee shall not commit or suffer to be committed, any waste on the lease premises or any nuisance. Lessee shall not operate the leased premises in any manner which might constitute a nuisance. For the purpose of this lease, the normal operations of a tank farm and fuel distribution point shall not be considered a nuisance.

10. ABANDONMENT OF LEASED PREMISES

Lessee shall not vacate or abandon the leased premises at any time during the term of this lease. If Lessee shall abandon, vacate, or surrender the leased premises, or be dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the leased premises shall be deemed to be abandoned after sixty (60) days, and at the option of the Lessor, the personal property may, at the discretion of the Lessor, become the property of the Lessor and may be removed by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefore. Lessee agrees to defend, indemnify, and hold harmless the Lessor for any harm, damage, or injury to person or property, alleged to arise out of the actions of the Lessee in vacating or abandoning the leased premises, and as to any harm, damage, or injury to person or property arising out of the condition of the property at the time of vacating or abandoning the leased premises.

11. LIENS

Except as provided in section 16 contained herein, with respect to activities for which Lessor is responsible, Lessee shall pay all claims for work done on and for services rendered or material furnished to the leased premises, and shall keep the leased premises free from any liens. If Lessee fails to pay such claims or to discharge any lien, the Lessor may do so and collect the cost as additional rent. Any amount so added shall bear interest at the Federal prime interest rate from the date of payment by the Lessor. Any amount paid by the Lessor on behalf of the Lessee shall be payable on demand. Such action by the Lessor shall not constitute a waiver of any right or remedy which the Lessor may have on account of Lessee's default.

12. RIGHTS UNDER THIS LEASE

A. The Lessor may sue periodically to recover damages during the period corresponding to the remainder of the lease term, and no action for damages shall bar a later action for damages subsequently accruing.

B. If lessee fails to perform any obligation under this lease, the Lessor shall have the option to do so after twenty (20) days written notice to Lessee. All of the Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand with interest at the Federal prime interest rate from the date of payment by the Lessor. Such action by the Lessor shall not waive any other remedies available to the Lessor because of the default.

13. GOVERNING LAW

This lease is governed under the terms and conditions of CMC Section 16.01, "Leasing of City Owned Lands." As such, any conflicts of the lease with CMC 16.02 shall be ruled in favor of CMC 16.02. Alaska law shall govern any dispute arising under this lease. Any claim based upon this lease or any agreement pertaining to this lease shall be filed in the First Judicial District, Prince of Wales Court in Klawock, Alaska. Any dispute arising under this lease which is litigated is subject to Alaska Civil Rule 82. Lessor and Lessee agree that in the event of any dispute during the term of this lease, or any extension of this lease, no action will be instituted in court by either party unless and until the parties have made a good faith effort to resolve the dispute through mediation conducted by a mutually agreed upon professional mediator, with the fees of such mediator to be shared equally by the parties.

14. DEFAULT AND REMEDIES

A. Default by Lessee. Each of the following shall be deemed a default by Lessee and breach of this lease:

(1) The failure to pay rent within ten (10) days after the first day of the month which is not cured within twenty (20) days after notice of default in the payment of rent to Lessee from Lessor;

(2) A default in the performance of any material covenant or condition of this Lease Agreement for a period of thirty (30) days after the service of notice thereof by Lessor; provided, however, that no default on the part of the Lessee in the performance of any covenant or condition of this Lease Agreement shall be deemed a default if, after receipt of notice thereof from Lessor, Lessee diligently and continuously begins to take all reasonable actions to cure the default and, where feasible, completes the cure within the said thirty (30) day period.

(3) In the event of a written notice of default by the city without remedy by Lessee of the default, the Lessor shall take such action as is necessary to protect the rights and best interest of the Lessor, including the exercise of any or all rights after default permitted by the lease. No improvements may be removed by Lessee or any other person during the time the Lessee is in default.

B. Remedies. In the event of any default of Lessee as above provided, the Lessor shall have the following rights or remedies, in addition to any rights or remedies that may be given to Lessor by statute, law, or otherwise:

(1) Declare the lease term ended;

(2) Recover from Lessee such damages attributable to its default from the date of such breach to the date of the expiration of the original term thereof.

C. If the Lessor determines that the provisions of the lease are not being met and attempts to resolve the dispute in a reasonable manner are unsuccessful, written notice shall be given to the

Lessee stating the nature of the deficiency and the necessary corrective action. Lessee shall either take immediate corrective action or respond to the Lessor within ten (10) calendar days stating the reason for the noncompliance and a schedule for compliance. Lessee shall have thirty (30) days to entirely remedy the breach to the Lessor's satisfaction. If the Lessor determines that the response is unacceptable, the Lessor shall give Lessee written notice of default and the lease may be terminated, Lessor will provide a reasonable amount of time to remove all personal property. If the personal property is not removed within the time stated in the notice of default, the Lessor may take possession of the property.

D. Re-entry or re-letting of part of all of the premises as herein provided is not to be deemed a termination of this lease unless expressly declared to be so by Lessor. However, if this lease is deemed terminated, the Lessee's liability shall survive, and Lessee shall be liable for damages for the remainder of the term existing at the said termination date. The enumeration of the Lessor's remedies herein is not intended to imply that they are mutually exclusive nor that they are in lieu of any or all other statutory common law or other rights.

E. Lessor may seek any remedy it may have in law or at equity. Lessor may exercise its rights and remedies at the time, in order, to the extent, and as often as it deems advisable, without regard to whether the exercise of any one right or remedy precedes, concurs with, or succeeds the exercise of another. A single or partial exercise of a right or remedy shall not preclude a further exercise of the right or remedy or the exercise of any other right or remedy from time to time. No delay or omission in exercising a right or remedy shall exhaust or impair the right or remedy or constitute a waiver of, or acquiescence to, and event of default. All overdue sums owed by Lessee to Lessor under or with respect to this Lease Agreement shall bear interest at the legal rate.

15. TERMINATION

A. Lessee acknowledges and understands that the Lease is for a term of ten (10) years with two (2) five (5) year renewal periods. The Lessee understands that it shall be liable for the full value for the full term or current renewal period of the lease unless the Lessor provides written authority to permit an early termination of this lease, except for default during the term of the Lease Agreement.

B. Lessor shall mitigate its damage by making reasonable efforts to re-let the premises on reasonable terms. Lessor may re-let for a shorter or longer period of time than the lease term and make any necessary repairs or alterations. Lessor may re-let on any reasonable terms. If Lessor re-lets for a period of time longer than the current lease term, then any special concessions given to the new Lessee shall be allocated throughout the entire re-letting term to not unduly reduce the amount of consideration received by Lessor during the remaining period of Lessee's term.

16. RIGHT TO ENCUMBER

Lessee may encumber by mortgage or deed of trust, or other property instrument, its interest in the leased premises, together with all buildings and improvements placed by the Lessee thereon, as security for any indebtedness of Lessee. The Lessee is precluded from any mortgage of Lessor's fee simple ownership of the property. The execution of any such mortgage or deed of trust, or other

instruments, or the foreclosure therefore, or any sale thereunder, either by judicial proceedings or by virtue of any power reserved in any mortgage or deed of trust, or conveyance by Lessee to the holder of such indebtedness, or the exercising of any right, power, or privilege reserved in any mortgage or deed of trust, shall not be held as a violation of any of the terms or conditions hereof, or as an assumption by the holder of such indebtedness personally for the obligations hereof. No such encumbrance, foreclosure, conveyance, or exercise of right shall relieve Lessee from its liability as provided for in this lease.

17. RESTORATION OF LEASED PREMISES BY LESSEE AT THE END OF THE TERM

At the expiration of this lease, Lessee, in accordance with CMC 16.02.140 "Terms and Conditions of Lease," may within sixty (60) calendar days after the termination of the lease remove any improvements owned by the Lessee, provided such removal will not cause injury or damage to the lands or improvements demised. Lessee will also pay the cost necessary to restore the leased premises to the standard required by AKDEC. If Lessor shall desire that the leased premises remain as a fuel storage facility, Lessee at the discretion of the Lessor, may not be liable to pay any sum on account of this covenant in this Lease Agreement.

18. TERMS AND CONDITIONS

The provisions of CMC 16.02 "Leasing of City Owned Lands", including but not limited to CMC 16.02.140 "Terms and Conditions of Leases" are hereby incorporated by reference to this Lease Agreement.

19. NOTICE

All notices and requests in connection with this lease shall be in writing and shall be addressed as follows:

LESSOR:	Jon Bolling	LESSEE:	
	City Administrator		
	City of Craig		Petro Marine Services
	PO Box 725		PO Box 389
	Craig, AK 99921		Seward, AK 99664

20. ASSIGNMENT OR SUBLEASE

Lessee agrees that it will not assign or sublease without advance written approval from the Lessor. Such approval shall not be unreasonably withheld. All provisions of this lease are incorporated into any assignment or sublease. The provisions of CMC 16.02 shall govern any assignment or sublease.

21. IMPROVEMENTS

Lessee shall not construct any improvements on the leased premises absent review and approval by the Lessor. Such approval shall not be unreasonably withheld.

22. PARTIES BOUND

The covenants and conditions herein shall, subject to the provision as to assignments, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto, and all of the parties hereto shall be jointly and severally liable.

23. SECTION/PARAGRAPH CAPTIONS

The captions appearing next to the section/paragraph numbers are for convenience only and are not a part of this lease and do not in any way limit or amplify the terms or provisions of this lease.

24. PROHIBITION OF INVOLUNTARY ASSIGNMENT; EFFECT OF BANKRUPTCY OR INSOLVENCY

A. Neither this nor the leasehold estate of Lessee nor any interest of Lessee hereunder in the leased premises or in the buildings or improvements thereon shall be subject to involuntary assignment, transfer, or sale; or to assignment, transfer, or sale by operation of law in any manner whatsoever (except through statutory merger or consolidation, or devise, or intestate succession) and any such attempt at involuntary assignment, transfer, or sale shall be void and of no effect.

B. Without limiting the generality of the provision of the preceding paragraph A of this section, Lessee agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto be commenced by or against Lessee, and , if against Lessee, such proceedings shall not be dismissed before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan, or reorganization, or in the event Lessee is adjudged insolvent or makes an assignment for the benefit of its creditors, or if a receiver is appointed in any proceeding or action to which Lessee is a party, with authority to take possession or control of the leased premises or the business conducted thereon by the Lessee, and such receiver is not discharged within a period of thirty (30) days after the appointment, any such event or involuntary assignment prohibited by the provision of the preceding paragraph A of this section shall be deemed to constitute a breach of this lease by the Lessee and shall, at the election of the Lessor, but not otherwise, without notice or entry or other action of Lessor terminate this lease and also all rights of Lessee under this lease in and to the leased premises and also all rights of any and all persons claiming under Lessee.

25. CONSTRUCTION OF NEW BUILDINGS OR OTHER IMPROVEMENTS

A. On or before beneficial occupancy by the Lessee, Lessee shall, at Lessee's sole expense, prepare plans and specifications for new buildings, structures, or improvements to be erected or constructed on the premises which shall provide for fuel storage and dispensing facility as well as associated retail distribution facilities. Such plans and specifications shall be submitted to Lessor for Lessor's written approval or any revision required by Lessor. Lessor shall not unreasonably withhold such approval, and in the event of disapproval, Lessor shall give to Lessee an itemized statement of reasons therefore within ten (10) business days after the same are submitted to Lessor. Lessee shall have thirty (30) days to remedy the reasons for the disapproval and submit new plans to the Lessor for approval.

B. Lessee shall have the right to make such alterations, improvements, and changes to any building, structure, or improvement which may from time to time be on the premises as Lessee may deem

necessary, or to replace any such building, structure, or improvement with a new one, provided that prior to making any structural alterations, improvements, or changes, or to replacing any such building, structure, or improvement, Lessee shall obtain Lessor's written approval of plans and specifications therefore, which approval Lessor shall not unreasonably withhold, provided the structural integrity of the building, structure, or improvement shall not be compromised by any such alterations, improvements, or changes. In the event of disapproval, Lessor shall give to Lessee an itemized statement of reasons therefore. If Lessor does not disapprove of the plans and specifications provided for in this section within ten (10) business days after the same have been submitted to Lessor, such plans and specifications shall be deemed to have been approved by Lessor. Lessee will in no event make any alterations, improvements, or other changes of any kind to any building on the leased premises that does not comply with the International Building Code or will adversely affect the structural integrity of the building.

C. Any structure erected on the leased premises by the Lessee is subject to the approval of the Lessor and shall be built in a workmanlike manner, and all plans and designs shall comply with and all city, state, and federal codes and standards. Any violation of these codes shall constitute default on the part of the Lessee.

26. REMEDIES CUMULATIVE

All remedies conferred herein shall be deemed cumulative and no one exclusive of the other or of any other remedy conferred at law. In the event any term or clause in this lease is determined to be invalid by a court, the remaining terms and clauses are severable and remain in full force and effect for the term of the lease and any extension of the lease.

27. ACCRUAL OF RIGHTS AND OBLIGATIONS

This lease conveys no rights to Lessee or obligations to Lessor until the commencement of this lease, as provided for in section 1 above.

LESSOR:

Date

Tim O'Connor
Mayor, City of Craig

LESSEE:

Date

<name and title>
On behalf of Harbor Enterprises Inc.
dba Petro Marine Services

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 10, 2019
RE: Consider Sale of Lot 9, JT Brown Subdivision to Richard Trojan

Trojan and Son LLC leases Lot 9 (lot size: 21,753 square feet) 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 purchase permits the application of up to 20 percent of the lease payments against the purchase price of the lot. Since 2001, Trojan & Son has made approximately \$100,000 in lease payments to the city.

I corresponded and spoke with Richard recently about the value of the property. The assessed value of the lot is \$4.00 per square foot. That value has not changed in more than 15 years, and in my view does not reflect the additional value of improvements the city has made to the area, including paving JT Brown Street, installing the boat launch ramp and improving the berthing float and fish cleaning float at the ramp, upgrading the ice house initiating boat haul out services and storage, and generally increasing commercial traffic through development on other city property in the industrial park. I suggested to Richard that I thought those improvements increase the value of properties on the site, and suggested that value of the lot is at least \$4.40 per square foot. At that value, a lot size of 21,753 sq. ft. totals \$95,713.

As noted above, the lease to Trojan & Son provides the option for the city to apply twenty percent of rents paid by Trojan & Son to the purchase price of the property. Twenty percent of total lease payments made to date amounts to approximately \$20,274. If the council chooses to sell the property and apply the 20 percent lease payment credit amount to the lot value, the proposed sales price amounts to \$75,439.

When the council met on June 25, 2018 to decide whether to move ahead with consideration of sale of the lease lot, among council comments 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. The attached letter from Richard Trojan is meant to provide reasons for the city to sell the property.

Any sale transaction is voluntary: Trojan and Son is not obligated to purchase the property, and the City of Craig is not obligated to sell the property. The existing lease does require that the tenant construct "permanent industrial building(s)" on the lease area before petitioning to purchase the property.

If the council moves to sell the property, it should set a definitive cash sales price at least equal to \$75,439, and require that the sale close no later than a specific date (i.e. 90 days or 120 days from council authorization of the sale).



Trojan and Son LLC
P.O. Box 275, Craig AK 99921
907-826-3734

RECEIVED
APR 5 2019

Honorable Mayor and City Council Members,

3 April 2019

We are writing this to state my case for the purchase of lot 9. "The Car Wash". After many years of owning my business and leasing the lot, **WITH AN OPTION TO BUY**, I am asking to be allowed to exercise the privilege of buying the lot. Having met all of my lease payments, meeting my permitting requirements for the buildings I have developed on the lot, I would like to buy the lot.

The idea was floated to take a look at the taxes my company pays to the city. Please do. Please remember that much of my work falls under City of Craig building permits and is exempt from taxes. The city receives money from; more value in the property (increased property tax). Even my jobs out of Craig, bring revenue. The home builders come to Craig to purchase supplies. (supplies = Sales tax to the city JS Hardware and Ac Thompson sales tax).

If I owned my lot, I would certainly feel more inclined to do an over the counter sewer and water supply shop. Not being an owner may affect my future business plans.

I have been doing my own welding and fabricating on my projects. I have found a few morsels for some of our council members projects in the past and was able to help them out. I have considered expanding the fabrication business for Trojan and son.

I hear and respect that The Car Wash is one of the first things seen and intend to get it cleaned up. Perhaps a view separator along the highway side could be considered.

Trojan and son has done many jobs and has had to meet many needs for my customers. One part that I have developed is metal recycling. I have cleaned up the city's scrap metal from the burn pit and yard, a number of times. I also encourage customers, to scrap cars and metal off the island. **Trojan and son has a good history of being environmentally responsible and I intend to continue doing so.**

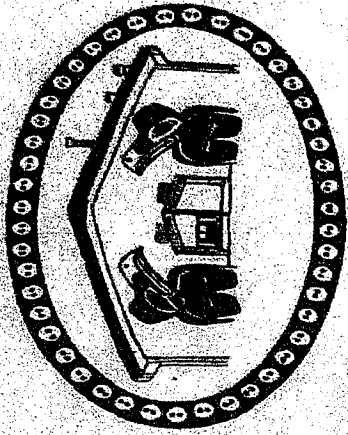
Attached is a Certificate of Appreciation for donating time to clean up our island.

Rich and Jan Trojan

Central Council
Tlingit and Haida



Indian Tribes of Alaska



CERTIFICATE
OF
APPRECIATION

This certificate is awarded to

TROJAN AND SON LLC.

*in recognition of valuable contributions to the removal of
abandoned vehicles from POW Island*

*On behalf of Mother Earth, SE Tribes, and the residents of Craig,
Many Thanks*

Maria Olsen

Millie Evers, President of CCA

Edward K. Thomas

Edward K. Thomas, President of T&H

Elena James

Elena James, Craig Project Coordinator

Date 4-13-05

Date 4-19-05

Date 4/13/05

Date

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 11, 2019
RE: Consider Final Approval, Lease with Craig Child Care Center, Inc.

In January, the city council approved Ordinance No. 716, authorizing staff to negotiate the terms of a lease of the Craig Child Care Center Building to Craig Child Care Center, Inc. (CCCC, Inc.), the nonprofit corporation that has operated the facility for many years.

After adoption of the ordinance, I drafted a new lease and submitted it to CCCC, Inc. for review and comment. The corporation returned the signed lease to me recently without any proposed changes. At this point the lease is ready for consideration by the council of final approval. A copy of the proposed lease is attached.

In short, the lease calls for CCCC Inc. to provide all heat and utilities to the building. The City of Craig provides water, wastewater, and solid waste collection to the building at no cost to the tenant. The city also maintains the mechanical systems providing heat and hot water to the building, and city staff is also responsible for maintaining the building's exterior, replacing windows as needed, and other capital improvements. The lease term is five years, with the lease expiring in 2023.

Recommendation

Grant, by motion, final approval to the attached lease between the City of Craig and Craig Child Care Center, Inc.

LEASE AGREEMENT
CRAIG CHILD CARE CENTER BUILDING

This lease agreement is entered into by and between the City of Craig, Alaska, whose address is PO Box 725, Craig, Alaska 99921 (hereinafter "City"), and Craig Child Care Center, Inc. whose address is PO Box 296 Craig, AK 99921 (hereinafter "Lessee").

WHEREAS Lessee desires to continue operating a non-profit child care center on City-owned property at Tract 15, USS 1430 (301 Main Street) within the Craig city limits; and,

WHEREAS Lessee has determined that the building at 301 Main Street is a suitable location for said activity; and

WHEREAS, City maintains it is in its interest to lease the building at 301 Main Street to an operator qualified to deliver licensed child care services to the public.

WITNESSETH:

1. Lease of Property. The City hereby leases to Lessee the building commonly known as the Craig Child Care Center, located at 301 Main Street in Craig.
2. Lease Term. The effective date of this lease is July 1, 2018. This lease shall expire June 30, 2023.
3. Lease Payments. Lessee shall pay to City the sum of \$1 (one dollar) per year for the term of this lease.
4. Purpose of Lease. Lessee shall provide child care services to the general public. City may cancel this lease if and when the Lessee suspends use of the leased premises for the above purposes for a period of one (1) months or longer.
5. Good Care. Lessee agrees to maintain the leased area, and any appurtenant buildings, equipment or structures in a well-maintained and slightly condition. Lessee agrees to conform to all applicable City land use requirements and shall comply with all laws and regulations of the City, the State of Alaska and the federal government. Lessee agrees to obtain authorization from the City for construction of any and all structures placed on the lease area.
6. Obligations of Lessee. Lessee agrees to:
 - A. Offer to the general public fee-based, licensed child care services at least Monday through Friday every week during the term of this lease.
 - B. Bear the cost of all electric, heating oil, janitorial, and other operational expenses resulting from Lessee's occupation of the building.
 - C. Perform simple maintenance duties to the building, including opening clogged drains and toilets, replacing light bulbs, and other day-to-day maintenance tasks.
 - D. Repaint interior finishes from time to time.
 - E. Maintain kitchen appliances in good working order.

6. City-Provided Services. City will provide water, wastewater, and solid waste collection services at no cost to Lessee. City will maintain fire alarm system, floor, subfloor, roof, and exterior walls and surfaces when, in city's judgement, maintenance of these areas is needed.
7. Standard Terms and Conditions. The provisions of Craig Code §16.02.140 (terms and conditions of leases) are incorporated herein by reference, as if fully set forth herein; and Lessee acknowledges receipt of a copy of those provisions.
8. City Access. City staff shall have the right to enter the leased premises at all reasonable times to examine the condition of same.
9. Indemnification. Lessee agrees to hold harmless, indemnify and defend City against any and all claims for damage, injury, or wrongful death which may be brought or asserted by Lessee, its agents, or third parties resulting from Lessee's use or occupancy of the leased premises.
10. Disposition of Lessee Improvements. All buildings, fixtures and equipment of whatsoever nature, that Lessee shall have installed upon the leased premises, whether permanently affixed or otherwise, shall continue to be the property of the Lessee and may be removed by it at the expiration or termination of this lease or of any renewal thereof; and at its own expense, Lessee shall repair any injury to the premises resulting from such removal.
11. Insurance Provided by Lessee. At no expense to the City, Lessee shall obtain and keep in force throughout the time period of this lease, comprehensive public liability insurance naming the City as an insured or as additional insured, in a coverage amount of at least \$1,000,000 per occurrence. Lessee will provide the City with proof of insurance coverage in the form of a certificate of insurance; and upon City request, Lessee will additionally provide a copy of the insurance policy. Said insurance policy must provide that the City will be notified at least 30 days before termination, cancellation or material change in the insurance coverage; and include a waiver of subrogation by which the insurer waives all rights of subrogation against the City for payments made under the policy.
12. Adjacent Facilities. The playground adjacent to the building at 301 Main Street, and the City Gym are not subject to this lease. Both facilities are retained by the City for public use.
13. Obligation on Successors. This lease and all the covenants, provisions and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
14. Notice of Termination. Either Lessor or the Lessee may terminate this lease by giving the other (30) day's notice in writing.

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year written below.

CRAIG CHILD CARE CENTER, INC.

DATE: 3/27/19

By: [Handwritten Signature]
Authorized Signature

RUSTY V. REMOUDS
Printed Name

CITY OF CRAIG, ALASKA

DATE: _____

By: _____
Jon Bolling, City Administrator

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 11, 2019
RE: Bid Opening Results, North Cove Lighting Replacement Project

Earlier today staff opened bids received for the North Cove Harbor lighting replacement project. The project includes replacing the overhead lighting system in North Cove, including luminaires, conductor, panels, messenger wire, and electrical service to the North Cove grid. The bid price does not include the cost of the actual light fixtures. The city will purchase those separately. The apparent low bidder is Tongass Electric at \$123,060. A summary of the bid results are shown in the table below.

Bidder	Bid Amount
Tongass Electric	\$123,060
Northern Powerline	\$125,000
Channel Electric	\$133,500

The table below lists the estimated full project cost.

Item	Cost
Contractor cost	\$123,060
Lighting fixtures	\$20,750
Freight	\$625
Inspection	\$5,000
Total	\$149,435
Current appropriation	(\$98,000)
Balance needed	\$51,435

Funding appropriated by the council for the project amounts to approximately \$98,000, which includes \$80,000 designated for the project, and approximately \$18,000 remaining from the North Cove breakwater anchoring project. An additional \$51,435 is needed to fund the project as designed.

The city has reserve funds from which the council may draw whatever balance is needed to fund the project. As of June 30, 2018 the city's three primary reserve funds had the following balances:

Fund Name	Balance
Harbor Reserve	\$342,710
Equipment Reserve	\$135,019
Capital Project Res.	\$116,040

The city also holds prior year reserves in its primary General Fund account at First Bank.

Recommendation

That the council appropriate \$52,000 to fund the North Cove Harbor lighting replacement project and direct staff to draw that amount from city reserves.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 12, 2019
RE: Bid Opening Results, Craig Aquatic Center Pool Refinishing Project

Yesterday bids were opened for the project to refinish the basins in the wading pool and lap pool at the Craig Aquatic Center, and replace about one-half of the concrete gutter around the lap pool. A summary of the bid results is below.

	Orion Construction	Wolverine Supply
BASE BID	\$630,000	\$557,000
Alternate I	\$0	\$8,000
Alternate II	\$0	\$57,000
Total Bid	\$630,000	\$622,000

The low bidder is Wolverine Supply, based in Wasilla. Both bids are more than twice what I anticipated the cost of the project would amount to. The city has available for this project about \$95,000, of which about twenty five percent is already obligated to the project design. The council should consider options for the project in response to the high bids.

Project Options

1. Negotiate with Contractor via Value Engineering

A common practice in situations where a low bid exceeds the funding available is for the project owner to meet with the contractor to identify areas where the contractor thinks it can complete certain components of the job at less cost if the owner approves a design change. This process, typically called value engineering, allows the project owner and contractor to identify cost savings, if any are to be had, at the start of the project. This approach is practical only if the council chooses to move ahead with the project, but it is not likely in this case to result in a substantial project cost savings.

2. Delete additive alternates

There are two additive alternates that are part of the bid package. Additive alternates are work items that the city can choose to retain or reject at the city's discretion. The sum total of the additive alternates in Wolverine Supply's bid amount to \$65,000. Deleting these alternates lowers the company's bid to \$557,000, still well above the funding available.

3. Redesign and rebid

Another option available to the council is to reject all bids received and rebid the project later in 2019 for construction in 2020 in the hope of receiving more affordable bids. This option would increase our architectural costs by engaging in another bidding process, and we have no assurance that we would receive at least as many bids from another round of bidding. This option also has the disadvantage of potentially delaying the project start and completion dates. However, this option could also lead to receiving additional bids. Further, if bid out this fall/winter with work scheduled to begin around May 2020, experience has shown that the long

lead time and winter bidding can improve the project price for the city. In addition, one prospective bidder commented during a prebid meeting that there is apparently a lot of pool work to be had in the railbelt area of Alaska in 2019, meaning that bidders have other options for working on projects closer to home.

4. Draw from City Reserves

The city has reserves—cash savings—from which it can draw to match project expenses. The reserves include earnings from the Craig Endowment Fund, the Land Development Fund, reserve funds held for eventual distribution to the Craig City School District, our Capital Project and Equipment Reserve Funds, cash in the General Fund, and a few other accounts. The council may choose to direct staff to draw an amount from these fund(s) to fund the shortfall between the project cost and available bond funding. The city does hold cash reserves sufficient to fund the project; however the project dollar amount needed is high relative to some reserve fund balances.

My preference here is for the city is to rebid the project later this year, likely in November or December. Doing so provides an opportunity for a lower bid by asking for pricing in the winter, when contractor work is slow, and provides a long lead time for bidders to schedule other work, after bidding the city's project. It could also avoid what is apparently a busier than typical year in 2019 for pool work in other parts of the State of Alaska. In addition, by bidding the work late this year the council will know if the electorate has approved or rejected the proposed one percentage point increase in the sales tax rate that is scheduled for the October municipal ballot, and can consider the outcome of that vote as it decides how to proceed with this project.

Please consider these options between now and the council's April 18 meeting date.

City of Craig Memorandum

Date: April 11, 2019

To: Mayor O'Connor and Craig City Council

From: Kassi Mackie, City Clerk

Re: Harbor Advisory Committee Appointments

As the council may recall, Resolution 19-04 approved at the March 7, 2019 meeting established the Harbor Advisory Committee. Staff solicited letters of interest for service on this committee until March 15th and received 5 letters of interest for service on the committee from Gail Slentz, Steven Peavey, Pat Tyner, Ralph Mackie and Doug Rhodes. Staff also received a letter of interest to serve as the council liaison (non-voting member) for this committee from Dave Creighton, councilmember.

The Harbor Advisory Committee Bylaws state that the committee shall be composed of 5 voting members appointed to staggered three-year terms by the mayor with the approval of the council. The Craig Municipal Code states the same process for appointments to advisory committees.

The Harbor Advisory Committee members once appointed will nominate a chair and assign staggered terms to its members.

Recommendation: The council should discuss the interested applicants, and the Mayor should make appointments with the council consensus.

March 6, 2019

Mayor Tim O'Conner & City Council
Craig, Alaska

Dear Mayor & Council,

I would like to put my name into consideration for one of the vacancies on the Craig Harbor Commission. I have a commercial fishing vessel currently moored at the North Cove Harbor. I am a long time resident of Craig, currently living year round in my home at 512 First St.

I am interested in the issues surrounding our harbors, and would look forward to being involved in the planning process for the new harbor.

Thanks for your consideration,

A handwritten signature in cursive script that reads "Ralph".

Ralph Mackie

PO Box 252

Craig

Cell 406-465-1784, home 907-826-3321

February 28, 2019

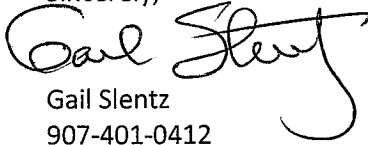
Dear Mayor O'Connor and Council Members,

This letter is to express my interest in serving on the Harbor Advisory Board for the City of Craig. I am a long time City resident and know the importance of good, safe harbor for our commercial fisherman and local sailors of all occupations. I've served on the Craig Planning and Zoning Board in the past and enjoyed that involvement very much.

Please consider my name when you are deciding members to the Harbor Advisory Board.

Thanks.


Sincerely,

A handwritten signature in cursive script that reads "Gail Slentz". The signature is written in black ink and is positioned to the left of the typed name.

Gail Slentz
907-401-0412
PO Box 98
Craig, AK 99921

As a lifelong harbor user who has grown up in a commercial fishing family working on our boat the F/V Anne Louise, I have used the harbor, grids and hoists on a near daily basis. I have now ventured into co-owning my own boat with Melyssa Nagamine and feel it is time to get more involved in my community. I think that I am a great candidate for the Craig Harbor Advisory committee because I talk with a lot of the different users about the harbor facilities. About not only concerns but, where there is room for improvement of the current harbors. Also, I feel like I would be an asset to the Harbor Committee to provide fresh perspective on some of the current issues such as future harbor expansion design. Thank you for considering me for the vacant Craig harbor advisory committee position.

Thanks,

A handwritten signature in cursive script, appearing to read "Steve Lee". The signature is written in black ink and is positioned to the right of the word "Thanks,".

Dear Craig Mayor and Council-

I am interested in being appointed to the Craig Harbor Committee. I have been a member of the harbor committee for at least the past 25 years and have had a boat in the Craig Harbors since 1981. I feel that I can provide continuity from where we have come to where we are going as a harbor.

Thank you for your consideration.

Doug Rhodes
965-1780

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: April 9, 2019
RE: 2019 Community Economic Development Strategy (CEDS) Committee Final Report

In September 2018 the city council approved the formation of a CEDS committee for 2018/2019 and at the December city council meeting the council approved the membership of the committee.

The purpose of the CEDS Committee is to solicit input on economic and related quality of life development priorities from local businesses, non-profits, service agencies, Craig School District, planning commission, city council and the general public. This committee supplements the work done by city staff, planning commissioners, and council members and adds another perspective to the city's development priorities and strategies. This process is in addition to, not a replacement for, the annual Capital Improvement Projects Resolution and other planning documents that the city prepares. The CEDS process and report does not create an obligation to the council to follow the priorities in the report, rather the report acts as additional information for the council to consider when prioritizing resources and projects.

Between December 2018 and March 2019 the committee was given information to review and completed a number of online surveys and emailed questions about economic development in Craig. The purpose of the surveys and email was to form the basis for the discussion about priority strategies and projects for Craig.

The work of the CEDS was based on the general goals and strategies outlined in the 2017 Craig Comprehensive Plan. Appendix D of the approved comprehensive plan will be updated annually with a new CEDS report.

The committee met in person on March 12th and 14th to review the results of the surveys and email questions and to discuss strategies and projects that would be beneficial to Craig's economic development. The committee prioritized the strategies and the resulting projects from each strategy in the report.

The attached report contains material that was reviewed by the committee; strengths, weaknesses, opportunities, and threats identified by the committee; and the strategy/project recommendations that the committee made.

The final draft of the report was distributed to all committee members for final review and all comments/changes recommended by committee members have been included in the final report.

Recommendation: By motion, adopt the 2019 CEDS report.



Craig Community Economic Development Strategy (CEDS)

2019 Committee Report



Adopted: April 18, 2019

2019 CEDS Annual Report

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Executive Summary

The Craig Community Economic Development Strategy (CEDS) Committee is part of the city's overall economic development and capital improvement project planning process.

In addition to staff projects and recommendations and capital planning and project decisions made by the Craig City Council, the CEDS committee provides an opportunity for local agencies, non-profits, businesses, and the general public to participate in the city's capital and economic development planning.

The CEDS committee consists of representatives from a variety of agencies, businesses, non-profits, and the public. The full committee membership for 2019 is listed on the following page.

The committee membership was approved by the Craig City Council at the December 6, 2018 regular council meeting and began reviewing information and participating in surveys electronically.

Surveys were provided to all primary and alternate committee members and some surveys were available to the general public to solicit additional information and feedback.

Using the information gathered by email and electronic surveys, the Craig City Planner drafted an agenda and a packet of information for CEDS meetings at Craig City Hall.

The committee met on March 12, 2019 and on March 14, 2019 to review the information gathered and to discuss strategies and projects. City department managers and staff were available to discuss aspects of city operations and to answer questions by the committee.

The committee drafted a list of priority strategies and projects to present to the city council and adopted the draft 2019 CEDS Annual Report. The report was forwarded to the Craig City Council and adopted at their regular meeting on April 18, 2019.

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2018/2019 Committee Members

Craig City Council

Jan Trojan, Council Member

Craig Planning Commission

Barbara Stanley

Millie Schoonover

Craig Library Board

Jeff Lundberg

Carolyn Gardner (alternate)

Craig Harbor Committee

Pat Tyner, Craig Harbor Advisory Committee Member

Craig City School District

Chris Reitan, Superintendent

Zack Scheidecker, Maintenance Supervisor (alternate)

PeaceHealth

Matt Eisenhower, Executive Director of Community Health and Foundation

Shaan-Seet, Inc.

Ed Douville, President

Prince of Wales Chamber of Commerce

Sharilyn Zellhuber, Board President

US Forest Service

Matt Anderson, District Ranger

Tyler Gunn, Deputy District Ranger (alternate)

Business Members

Gail Slentz, SE Alaska Bookkeeping and Administrative Services

Non-Profit Organizations

Community Connections

Brynn Bolling

Bess Clark (alternate)

PAWS

Allison Weyhmiller

Shannon Crossthaite (alternate)

HOPE

Tiffany Mills

Tammy England (alternate)

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CEDS as part of Craig's Economic/Capital Improvement Planning

Economic development and capital improvement planning in Craig is a multi-faceted and often complicated process. The city uses a variety of tools to develop the Capital Improvement Project (CIP) resolution annually, which outlines the city's projected priorities for funding and other city resources.

Projects and strategies for development are developed using input from city staff, proposals from the private sector, infrastructure needs, community input, planning commission and city council discussion, and general direction from the city's comprehensive plan.

The CEDS committee is an opportunity for local community representatives to participate in that process. The CEDS committee has broad representation and will submit concrete strategies and project priorities to the council to use when considering the annual CIP resolution.

Once projects are determined as a priority for the city there are a number of ways that projects move forward. Many projects are funded using grants or low interest loans from government entities. Some projects are funded locally through bonding, use of general fund revenues, or use of capital project reserve funds established in the budget.

As funding and opportunity come available the city has clear direction on the priority of projects to work on each year.

2019 CEDS Annual Report

CEDS in relationship to the City’s Comprehensive Plan

The city’s comprehensive plan is the overarching strategic document for the City of Craig and discusses a number of issues, including Craig’s economy. Section 4.0 of the 2017 Craig Comprehensive plan discusses Craig’s economy and outlines the general economic goals and strategies for the city.

As the CEDS committee discusses strategies, projects, and priorities it keeps the comprehensive plan in mind and works to show a direct link to comprehensive goals and strategies for all priorities listed in the CEDS report.

Strategy E.2 directly calls for the formation of the annual CEDS committee and the completion of an annual report that becomes part of the city’s comprehensive plan as Annex D.

Following is an excerpt containing the Economy section of the 2017 Comprehensive Plan. Additional information about Craig’s economy and history can be found in Section 2 of the 2017 Comprehensive Plan which is available on the city web site at www.craigak.com under the key documents directory.

4.0 Economy

Issues

Craig supports moderate economic development. Most existing infrastructure adequately serves the existing and future needs of businesses — especially with regards to sewer, telephone, electricity, and roads. With the addition of Silver Bay Seafoods in 2009 the city is near maximum capacity for water treatment and distribution, especially in the summer months. Increasing water capacity should be considered as economic development proceeds in Craig. Projects like the False Island development, JT Brown Industrial Park, and currently, the Craig Cannery site are important economic development efforts supported by the community. These developments help diversify the local economy, create long-term, year-round jobs and open up more lands for mixed uses in Craig.

Craig’s economy took a sharp downturn with the collapse of the timber industry, cancellation of long term timber contracts and the closing of a regional pulp mill in the late 1990’s. Since 2001 the economy has been fairly stable with some recovered growth. Capitalizing on its place as a center of government and economic activity on Prince of Wales Island to ensure that it remains stable, while continuing to grow a diversified economy, will be the focus during the next 20 years. Craig has seen an increase to value added processing in the fishing industry and growth in the tourism industry. The tourism industry is generally viewed as desirable provided it is compatible with the local lifestyle and does not negatively impact the quality of life valued by Craig residents. Supporting the continued growth of existing businesses will also be important; newer is not always better. Many of the existing local businesses have great opportunity to expand and contribute to Craig’s economy. Supporting their growth could be as important as seeking new developments.

2019 CEDS Annual Report

Economy Goal Statements (E)

- Goal E1.1** Encourage a diverse economy that provides long-term, year-round employment for local residents compatible with the local lifestyle.
- Goal E1.2** Keep the cost of doing (private and public) business low by concentrating on reliable and efficient marine and air transport access and facilities, efficient local traffic circulation and delivery of goods, and keeping energy and utilities costs as low as possible.
- Goal E1.3** Promote private and governmental cooperation and coordination in developing small businesses and enterprises and in attracting and locating new industry that benefits Craig.
- Goal E1.4** Encourage development that capitalizes on Craig's economy and strategic location on Prince of Wales Island and in Southeast Alaska.
- Goal E1.5** Encourage development of value-added industries.
- Goal E1.6** Work with local businesses to promote hazard mitigation, emergency preparedness, and continuity of operations planning and development.
- Goal E1.7** Promote improved quality of life for Craig residents in all aspects (health, recreation, and other socioeconomic activities) to encourage business location and growth in Craig.

Economic Strategies (E)

- Strategy E1** Use the land use codes and plan policies to protect existing and planned commercial and industrial areas from intrusion by incompatible land uses.
- Strategy E2** Support community economic development planning efforts such as the Community Economic Development Strategy (CEDS) Committee. This committee should meet at least annually and provide a report to the city council. The CEDS report should outline priority projects and strategies that are incorporated into the comprehensive plan by reference.
- Strategy E3** Support educational and occupational training programs and when appropriate, make city resources available for these programs.
- Strategy E4** Provide adequate industrially zoned upland and tideland at North Cove, False Island, Craig Cannery site, Craig Fisheries, and on the western and southwestern shore of Crab Bay to allow for expansion of marine related industries.
- Strategy E5** Zone tidelands seaward of commercial and industrial uplands to allow for commercial and industrial uses, except where otherwise noted in this plan.

2019 CEDS Annual Report

Strategy E6 Encourage and/or partner with private industry to promote increased suitable tourist activities.

Strategy E7 Encourage and support existing business and industries in Craig.

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Economic Indicators

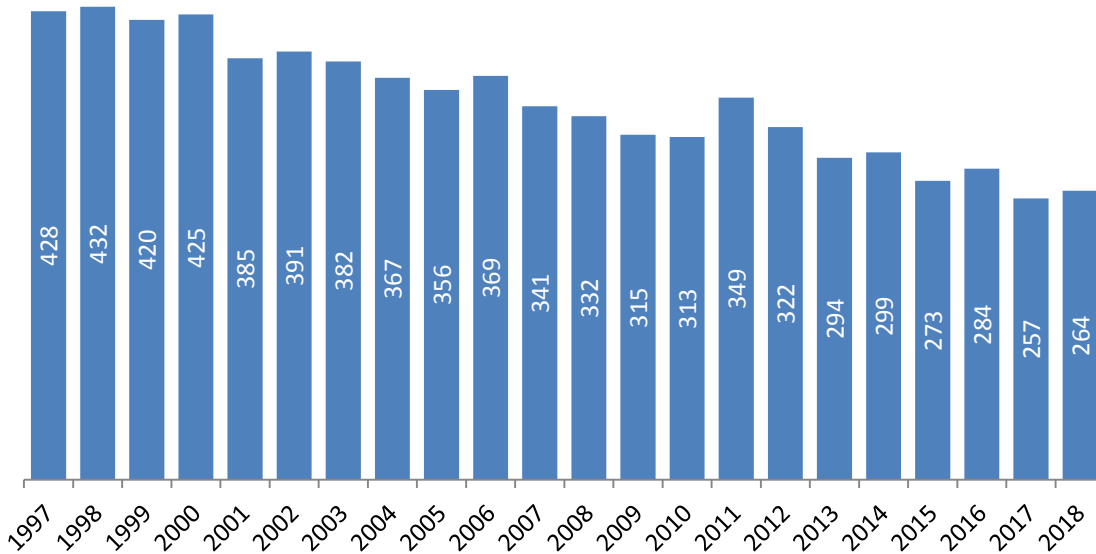
While raw data doesn't always tell the full story, it is helpful to see what some of the recent historical trends are for some economic indicators. This section does not provide an analysis or projections for most data but makes some key indicators available for review. A more detailed set of data is available in Section 2 of the 2017 Craig Comprehensive Plan.

Historic Population Craig, Alaska 1970 - 2018

1970	1980	1990	1999	2000	2005	2010	2013	2014	2015	2016	2017	2018
272	587	1,260	2,136	1,397	1,146	1,201	1,197	1,205	1,181	1,102	1,189	1,195

Sources: Alaska Department of Labor, U.S. Census Bureau, City of Craig Planning Department

Annual Average Enrollment City of Craig Schools Craig, Alaska 1997-2018



Source: Craig City School District, 2018.

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Total Value of Fish Catch (\$) Craig, Alaska

	Crab	Halibut	Herring	Other Groundfish	Other Shellfish	Sablefish	Salmon	Total
2005	**	914,216*	79,560*	0	980,145*	157,753	2,049,889*	4,958,375*
2006	60,725*	1,224,968*	93,783	0	1,013,574*	293,303	3,039,312*	5,711,628*
2007	199,194*	1,054,317*	190,978*	0	1,035,538*	112,867	3,422,166*	6,111,224*
2008	**	837,361	1,083,023*	44,465*	896,798*	**	4,631,358*	7,824,845*
2009	118,565*	516,917	404,796*	**	1,220,789	**	3,064,316*	5,773,321*
2010	100,658*	714,287	144,200*	**	453,329*	**	4,478,265*	7,409,382*
2011	180,457*	448,449	202,570*	87,266	628,703*	**	6,166,110*	8,930,747*
2012	84,688*	455,486	524,243*	**	799,740*	**	5,769,144*	8,915,881*
2013	100,393*	440,443	647,889*	**	710,016*	**	7,981,954*	10,941,130*
2014	**	615,908	997,237*	**	511,940*	**	6,536,329*	9,866,437*
2015	**	631,064	304,837*	**	639,404*	**	4,691,255*	7,387,228*
2016	**	711,515	414,409	**	1,514,799	**	6,656,833*	9,785,508*
2017	**	738,264	112,538	**	790,040*	**	7,528,162*	10,364,942*

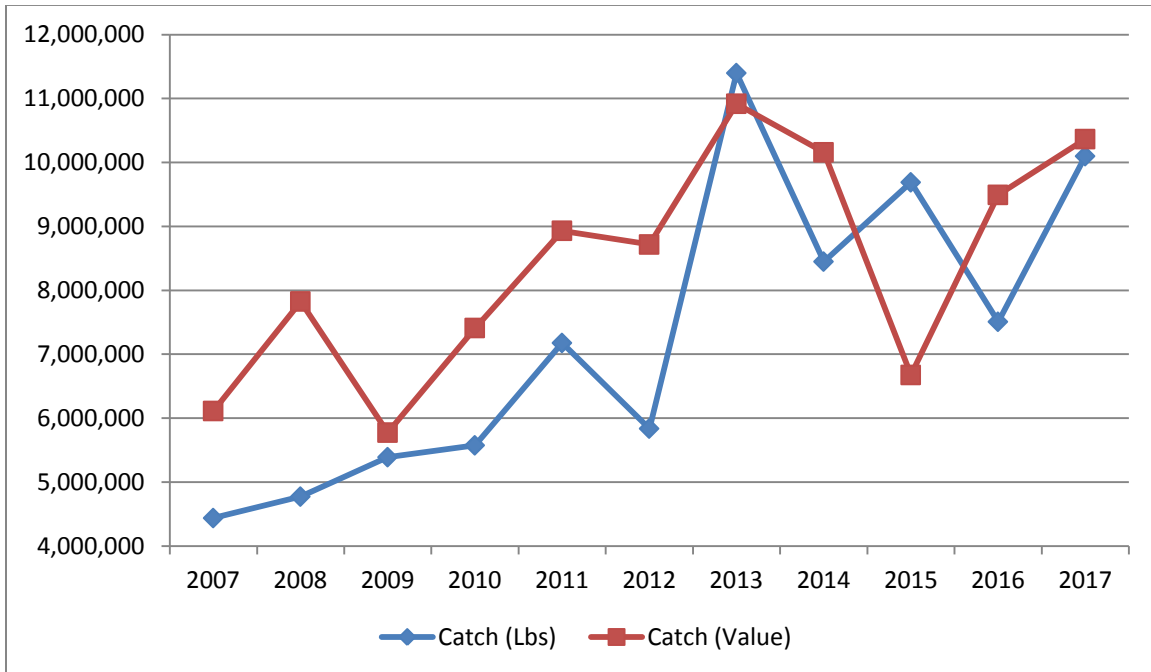
Source: Alaska Department of Fish and Game, Commercial Fisheries Entry Commission

NOTE: Fisheries data is masked based on the number of permits and fishermen for each species. Most data shown above is partial because much of the data is masked.

*Some fishery codes within the species are masked, total value is partial due to masked data.

**All fishery codes within the species are masked; no data is available for that species for that year.

Fisheries Catch and Value Data 2007-2017



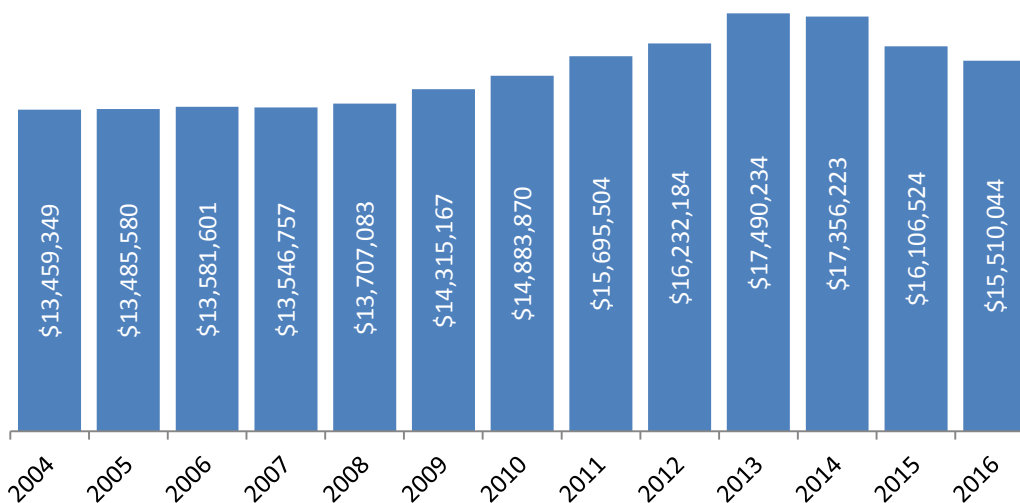
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Sport Fish Angler Fishing Days Prince of Wales Island, Alaska 2004-2014

Year	Saltwater		Freshwater	
	Angler Days Fished – Non-Alaska Residents	Angler Days Fished – Alaska Residents	Angler Days Fished – Non-Alaska Residents	Angler Days Fished – Alaska Residents
2004	40,858	16,770	11,463	3,969
2005	52,135	16,333	10,100	3,527
2006	46,460	11,828	10,820	5,161
2007	49,444	13,666	10,968	6,124
2008	46,921	18,023	11,098	7,092
2009	38,246	10,829	9,836	4,124
2010	37,547	14,019	10,529	4,355
2011	47,728	17,106	16,193	4,668
2012	51,349	14,751	14,495	5,660
2013	50,369	17,307	9,017	4,725
2014	53,039	15,372	13,300	7,464

Source: Alaska Department of Fish and Game

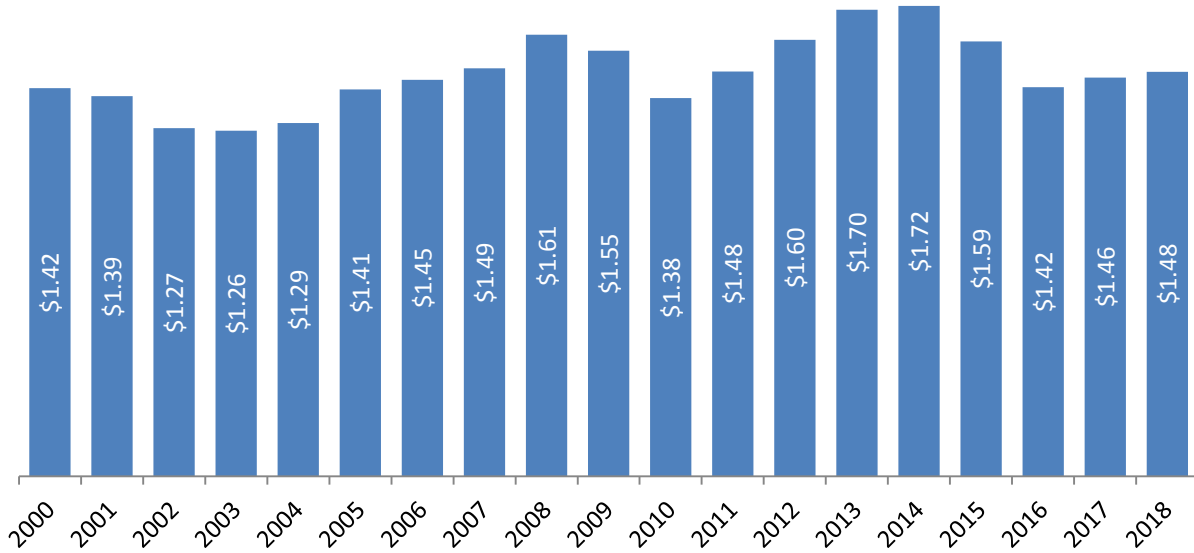
Total Resident Wages Craig, Alaska 2004 – 2016



Source: Alaska Department of Labor, Research & Analysis, Alaska Local and Regional Information Database (ALARI)

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**Craig Sales Tax
(Shown in Million of \$)
2000-2018**



**Real Property Assessed Values (In Thousands of \$)
Craig, Alaska
2010-2018**

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	87,300	84,700	86,000	89,400	99,500	106,000	109,000	110,740	115,877

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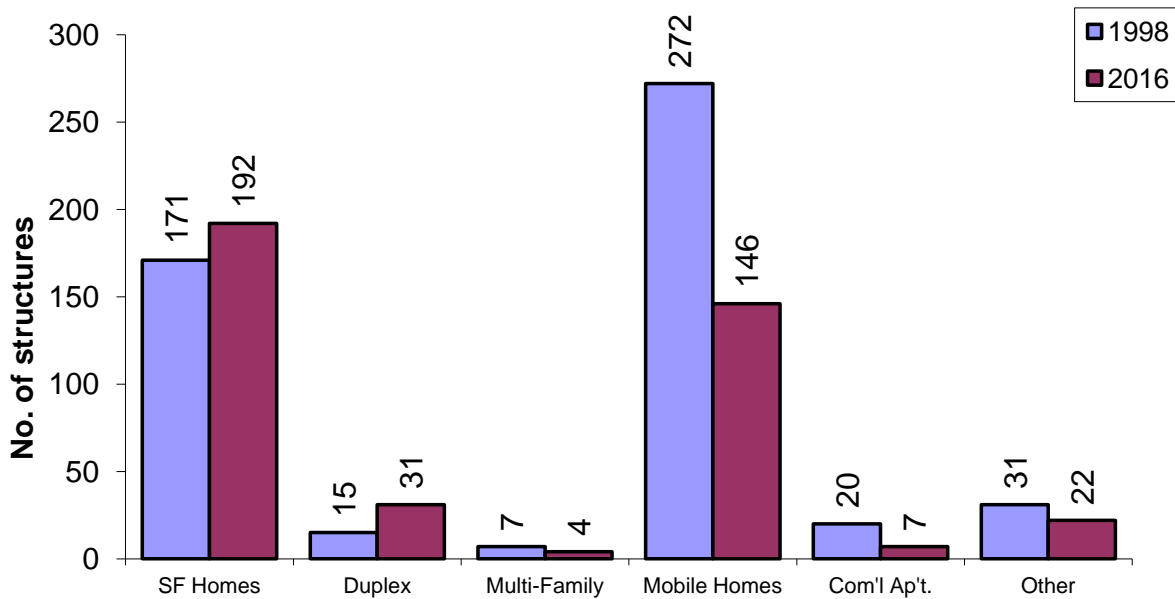
Housing Vacancy Rates 2000 and 2010

	2000		2010	
	Homeowner Vacancy Rate	Rental Vacancy Rate	Homeowner Vacancy Rate	Rental Vacancy Rate
Craig	1.7%	10.0%	1.3%	6.9%
Alaska	1.9%	7.8%	1.7%	6.6%
Prince of Wales ¹	4.5%	10.9%	1.8%	13.3%

Source: 2000 and 2010 Decennial Census Data

¹Prince of Wales Subarea

Aggregate Housing Types: 1998 and 2016



Local harbor slips and moorage

Facility	Number of Slips	Feet of transient moorage
North Cove Harbor	102	700
South Cove Harbor	120	125
City Dock	0	350
False Is. Dock	0	223
Total	222	1,398

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Strengths, Weaknesses, Opportunities, and Threats (SWOT)

The committee discussed strengths, weaknesses, opportunities, and threats to Craig's economy both through surveys prior to committee meetings and during committee meetings. The SWOT surveys were also made available to the general public.

Strengths – what are some of the things that the community is doing well or can use in order to encourage and support economic development? What are some of the economic sectors that exist that can be enhanced?

- Small Town Feel/Sense of Community
- Access to natural resources
- Being a hub for other communities
- Access to harbors
- Access to outdoors
- Citizen involvement in creating public attractions
- Local businesses have a sense of community
- City staff, services and infrastructure
- Community culture among businesses
- Stable and safe community
- Tourism activities and focus
- Local government is responsive, reliable, not over restrictive, fiscally responsible and pro-business

Weaknesses – what are some of the things that the community is not doing in order to encourage and support economic development? What are some of the things that the community does or community conditions that discourages development?

- High business operational costs
- High cost of travel
- High drug and alcohol abuse rate
- Retail competition from online sources
- Lack of available land for development
- Lack of or high cost of housing
- Lack of skilled employees/difficult to retain
- High prices and limited selection of goods
- Slow and Expensive Internet
- High energy/utility cost

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Opportunities – what are some of the things that are not being done, or used, but can be if the community takes advantages of some of its strengths or overcomes some of its weaknesses? What are some of the emerging or future opportunities for economic development?

- Support development of more small businesses
- Encourage and develop local tourism (DIY style)
- Figure out how to decrease the cost of getting goods to the island
- Improve internet service
- Maintain, expand and promote outdoor recreational opportunities and facilities
- Promote and expand use of voc tec center
- Workforce development and retention
- Expand public parking
- Support and expand boat maintenance/repair options available
- Development of Cannery Site into multi-use tourist type businesses and community meeting space
- Maintain small town/community feel

Threats – What are some of the things (potential future conditions or events) that threaten future economic development in the community/region?

- Cost of shipping and transportation
- Lack of skilled/qualified work force
- State budget shortages and resulting shortages to community
- Future access to island
- Reduction or total shutdown on resource extraction due to regulation or declining resources
- Declining economy
- Cost of utilities
- Crime associated with drug activity
- Drug use
- Declining city revenue and loss of non-essential services due to loss of city businesses

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Recommended Strategies and Projects

The 2019 CEDS Committee developed 11 general strategies for economic development in Craig. Many of the general strategies also identify specific projects to accomplish that general strategy. Projects recommended by the committee can be direct (things that the city should do to provide a service or facility), indirect (things the city should do to supplement a service or facility), or support (supporting particular industry sectors or development).

Examples of direct projects include the ice house and boat haul out trailer. Direct projects are capital projects where the city is the service provider, has made a significant financial contribution, or assumes operations.

Indirect strategies and projects include things like land sales, leases, and access permits to make land available for economic development.

Support strategies and projects include things like supporting or opposing legislation or rulemaking in the fishing industry.

The 2019 CEDS Strategy Priority List

1	Maintain, Upgrade and Expand Harbor Facilities in Craig <ul style="list-style-type: none">• Convert Ice House to Salt Water Cooling System*• Development of Cannery Site Property and Harbor Construction*• Harbor Improvements (existing harbors)
2	Support Industry Sectors and Businesses Important to Craig <ul style="list-style-type: none">• Fishing Industry Value Added Input and Support• Marine Trades/Industry Input and Support• Expand Small Business Opportunities• Eco Tourism Development and Support• Support and Encourage Expanded Internet/Fiber Optic Connection• Timber and Value Added Processing Input and Support• Community Quota Entity Share Purchase*• Upgrade and Expand Boat Launch Area at Industrial Park*
3	Maintain and Expand Infrastructure <ul style="list-style-type: none">• Water System Upgrades*• Wastewater Collection System (Lift Station Replacement)*• Heavy Equipment Replacement (Garbage Truck)*• Port St. Nicholas Road Upgrade• Street Improvements• Float Plane Terminal Access and Parking*• Bridge Structures Inspection and Upgrade*• Asphalt Surfacing (Parking Lots, etc.)*

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4	<p>Maintain, Upgrade and Expand Public Facilities in Craig</p> <ul style="list-style-type: none"> • Craig Public Safety Building (Police, Jail, etc.)* • Firehall/EMS Building Construction* • Library Expansion Planning and Design • Animal Control/Shelter • Expand Emergency Planning and Preparedness • Prince of Wales Emergency Resources (POWER) Building Renovation/Construction*
5	<p>Support Behavioral Health Services and Substance Abuse Treatment on Prince of Wales</p>
6	<p>Maintain, Upgrade, and Expand Recreation in Craig</p> <ul style="list-style-type: none"> • Aquatic Center Repairs, Upgrade and Expansion* • Upgrade Bicycle and Pedestrian Improvements (walking trails and sidewalks) • Indoor/Outdoor Recreational Facilities • Craig – Klawock Separated Bike Trail* • Maintain and Repair Existing Parks (including tiny parks) • Skateboard Park*
7	<p>Improve and Expand Recycling and Solid Waste Management (Cleaner and Greener Community)</p>
8	<p>Support Development of Increased Residential Development</p> <ul style="list-style-type: none"> • Affordable Housing • Assisted Living/Pioneer Home • Residential Land Availability
9	<p>Support Island Wide Economic Planning and Development</p> <ul style="list-style-type: none"> • Complete Phase II Improvements in Klawock Airport Master Plan* • Island Wide Electrical Intertie • Island Wide Transportation System • Island Wide Recreational Facilities
10	<p>Support Craig City School District Capital Projects</p>
11	<p>Support and Develop Alternative Energy Resources</p> <ul style="list-style-type: none"> • Micro Hydro Generator at Water Treatment Plant* • Connect Craig Tribal Hall to Wood Boiler*

*Denotes Projects that were contained on the 2019 Capital Improvements Project Resolution

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Strategy/Project Descriptions

1. **Maintain, upgrade and expand harbor facilities in Craig.** Access to marine waters is important to Craig's economy both for quality of life (recreation, subsistence) and economic purposes (tourism, commercial fishing, charter fishing, etc.). Craig's harbors, boat launches, and other marine facilities play an integral role in this access. The city should work to both maintain existing harbors and expand harbor access and capacity in order to facilitate economic growth related to marine industries and to continue to make marine access an important and attractive part of living in Craig. Identified projects under this strategy include:
 - a. **Convert ice house to salt water cooling.** This project includes conversion of the city owned and operated ice plant to a salt water cooling system making it more reliable and energy efficient. The ice plant is used throughout the year to provide support to commercial, charter, and recreational fishing.
 - b. **Development of Cannery Site property and harbor construction.** The city has been working with the US Army Corps of Engineers (USACE) since 2000 on the development of a new harbor at the Craig Cannery Site. The city has completed feasibility and environmental studies and is currently working with the USACE on the design of the navigation improvements (breakwaters, harbor basin) and the local support facilities (docks, piers, harbor support facilities, utilities, etc.) for a new 10.1 acre harbor that will contain approximately 145 slips. The project also includes development of the remainder of the upland property to allow for harbor support facilities, city owned facilities, roads, utilities, and privately developed parcels. The city has started a public process to discuss the upland development.
 - c. **Harbor improvements (existing harbors).** The city maintains three existing harbors (North Cove, South Cove, City Dock) that were previously state built and owned harbors but were transferred to the city's ownership. All existing harbors are aging and in need of utility improvements, reconstruction of sections of the float system, replanking, and a number of other maintenance and improvement items. Currently the city is working to replace shackles and chain on the floating breakwater in North Cove, replace electrical pedestals, upgrade the water system, upgrade lighting, and performs other maintenance related projects as resources allow. The city should continue to make maintenance and upgrade of existing harbors a priority.
2. **Support Industry Sectors and Businesses Important to Craig.** There are a number of existing and emerging business sectors in Craig. It is important that city staff stay current on issues related to these industry sectors and provide support when needed. Support may include access grants or other funding; commenting on rulemaking; participating in litigation; and other support as needed. Some specific projects/strategies identified under this strategy include:
 - a. **Fishing industry value added input and support.** Commercial, sport, and charter fishing are important aspects to Craig's economy. Resource availability, allocation, regulation, and potential fisheries changes greatly affect Craig. The city should support a balanced approach that maximizes access to fishing resources and encourages local development and processing that adds value to the raw resource.

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- b. **Marine trades/industry and support.** Fishing and access to the marine waters has always been important to Craig but there has historically been limited repair, maintenance, storage, and other support for marine vessels in Craig. With the development of the JT Brown Industrial Park in the late '90s there is more opportunity for this type of industry. The industrial park now has a marine transmission repair provider, public boat work yard, boat storage, washdown, and other services. But, there is room for more boat maintenance, repair, and building services in Craig. The city should support development of marine trades and industry to make Craig not just a fishing destination, but a regional center of vessel repair, maintenance, and storage.
- c. **Expand small business opportunities.** A large portion of Craig's local economy includes small businesses located in Craig that serve its residents, Prince of Wales Island, visitors, and the larger regional economy. Currently the city provides support for all businesses through infrastructure, "tax free" day, leases, access permits, small business education (through the library), and other services. The city should continue to look for opportunities to make Craig an inviting place for small businesses to locate and operate.
- d. **Eco Tourism Development and Support.** Historically, Craig has been a tourism destination related to access to the Tongass National Forest and area waters for resource use (i.e. sport fishing) but there is a growing trend for tourism related to access to marine and forest resources not related to resource extraction (wildlife viewing, etc.) The city should look for opportunities to expand Craig's place as a base for tourism related to these types of uses.
- e. **Support and encourage expanded internet/fiber optic connection.** In today's economy access to high speed, reliable access to the internet is critical. Craig has traditionally had limited options and internet speeds and bandwidth have been an impediment to some development. The local internet provider has been working for several years to install fiber optic cable within the local system to increase speeds and bandwidth. A number of carriers have looked at Prince of Wales to determine if it was economically viable to land an undersea fiber optic cable on the island to increase service. Cellular access in Craig has been better than other areas of the island, but is still limited. The city should keep current on issues regarding internet and cellular access to the island (and Craig) and should support efforts to increase speed and bandwidth at reasonable costs.
- f. **Timber and value added processing input and support.** Historically, timber has been a primary economic driver on Prince of Wales. While large scale logging contracts were cancelled prior to 2000, the operation of the Viking Lumber mill in Klawock and local value added industries have continued to be an important part of the local economy. The city should encourage and support balanced timber harvest and businesses that add value to wood products.
- g. **Community Quota Entity (CQE) share purchase.** In 2004 the National Marine Fisheries Services approved the CQE system which allowed small coastal communities in Alaska who had historic participation in halibut and sablefish fisheries to purchase, hold, and lease individual fishing quota (IFQ) shares. The intent of the program was to maintain IFQ in communities for use by local fishermen and stop some of the outmigration of

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time spent on garbage collection. There is no backup automated truck and the current vehicle is about five years old. The city is working on purchasing a replacement for the current vehicle which will allow the current truck to be placed in a “backup” status. The city should continue to rotate new vehicles in as the current vehicles age.

- d. **Port St. Nicholas Road upgrade.** The Craig Tribal Association has been working on improvements to the Port St. Nicholas road over the past several years. The city owns the road easement/right-of-way and maintains the road. There are still large sections of the road that should be paved. CTA is working to secure funding for this work. The city should continue to support CTA’s work on this road.
 - e. **Street Improvements.** Over the past several years the city has used a variety of funding sources to pave most streets in town. There are some short, lower priority sections of city owned streets that have not been paved. As funding becomes available the city will work to complete paving of all city streets.
 - f. **Float plane terminal access and parking.** The city has looked at a number of alternative access points for the float plane terminal over the years in order to avoid some of the narrow streets/sharp corners that currently access the terminal. The city will continue to look at whether or not this is necessary and feasible. In addition the current terminal parking is insufficient for the building and its uses. The city will continue to watch this need and work to develop additional parking if the opportunity arises.
 - g. **Bridge structures inspection and upgrade.** The city owns and maintains three bridge structures: one on the Port St. Nicholas Road which was replaced as part of CTA’s road improvements (item d above), one on the access road to the dam at North Fork Lake (was inspected in recent years), and the bridge between the JT Brown Industrial Park and False Island. The city should continue to monitor the condition of these bridges and plan for repairs, upgrades, and replacement as needed.
 - h. **Asphalt surfacing (parking lots, etc.).** As part of the street improvement project described in item e above, the city has been working to hard surface city owned parking lots and other facilities. This improves drainage and reduces maintenance. The city will continue to look for opportunities to pave the city hall parking lot, float plane terminal parking lot, and other public parking lots.
4. **Maintain, Upgrade, and Expand Public Facilities in Craig.** The city owns and operates public facilities and buildings for a number of municipal purposes. Many buildings need major maintenance or uses have outgrown their current buildings. The city works to ensure proper maintenance of buildings, and where necessary, to plan for expansion or construction of new facilities to allow for adequate services. Specific projects under this strategy include:
- a. **Craig public safety building (police, jail, etc.).** The city currently operates the police department, DMV, dispatch center, and contract jail from one facility. The facility is undersized for all of the uses and upgrades to keep up with communications equipment, police services, and necessary jail improvements. In addition there are other public safety entities (i.e. Alaska State Troopers and Alaska Court System) that have facilities that are not co-located with Craig public safety. This causes duplication of equipment, higher manpower demands, and general inefficiencies in operations. The city is

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considering construction of a new facility that would house the Craig Police Department, DMV, jail, and dispatch center with room for growth and would include potential space for other agencies in order to create efficiencies or add services.

- b. Firehall/EMS building construction.** The current firehall is undersized and is not able to house existing fire/EMS vehicles and equipment. With the help of an architectural firm the city has completed design and specifications for a new firehall to be located on Cold Storage Road. The new facility will include room for existing fire/EMS vehicles and equipment with significant room for expansion; upgraded training room; backup power; and facility improvements like an exhaust extrication system to make operations safer. The new firehall would also be more centrally located near major streets with easier access to all areas of town. The city will continue to look for construction funding for this project.
 - c. Library expansion planning and design.** The city currently operates a public library. Public demand for services is greater than the facility can support and staff has been looking at ways to expand the current facility or to construct a new facility to meet public service demands and allow room for expansion. The city will continue to work on this project.
 - d. Animal control shelter.** Historically animal control services have been performed by the Craig Police Department in addition to their other duties. In 2017 the city entered into an agreement with the Prince of Wales Animal Welfare Society (PAWS) to operate the facility. PAWS has identified a number of potential upgrades to the current facility but is limited by size with little room for expansion. The city and PAWS should continue to work together to identify and make improvements to the existing facility and should consider inclusion of a new animal control facility if a new public safety building is constructed (item a above).
 - e. Prince of Wales Emergency Resources (POWER) building renovation/construction.** POWER currently operates a thrift store, food bank, and offices that provide other emergency assistance out of a city owned building that was constructed in the 1930s. The building is serviceable but maintaining it to current standards is difficult. In addition there are major maintenance items that need to be completed including a new roof. The city and POWER should continue to work together to determine whether renovation or a new facility are required to meet the city's needs. The city and POWER should continue to work together to maintain the current facility in a safe and serviceable condition and to plan for expanded or new facilities in the future.
5. **Support Behavioral Health Services and Substance Abuse Treatment on Prince of Wales.** With the closure of Communities Organized for Health Options (COHO) in the mid 2000's much of the mental health and substance abuse treatment options for Craig went away. In the aftermath of COHO's closure, existing healthcare providers increased their services and new providers began offering services. The city should continue to support efforts by providers and the Prince of Wales Health Network to ensure that adequate mental health and substance abuse treatment programs are available.

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6. **Maintain, Upgrade, and Expand Recreation in Craig.** Recreation is an important aspect to the quality of life in Craig and both indoor and outdoor recreation opportunities factor into being able to recruit and retain employees in Craig. The city should continue to support recreation activities and opportunities. Specific recreation projects include:
- a. **Aquatic Center Repairs, Upgrade, and Expansion.** The Craig Aquatic Center is over 20 years old and is used by all school districts, Craig residents, visitors, and island residents and is home to the Craig Waverunners Swim Club. The center offers swim lessons, open swims, a whirlpool, sauna, kiddie pool, health activities, a fitness center, and a myriad of other programs to promote health and recreation in Craig. The building recently had the roof and most mechanical systems (heating and air handling) replaced. There are a number of other projects identified for improvements, maintenance, or repair at the facility. The community has discussed expanding the fitness room. The city should continue to support the Aquatic Center and find ways to promote its use for recreation and fitness.
 - b. **Upgrade bicycle and pedestrian improvements (walking trails and sidewalks).** Much of Craig is connected by a network of trails, bicycle paths, sidewalks and pedestrian improvements. The Craig Tribal Association is currently working to expand the number of streets with sidewalks in the community. These improvements are heavily used by the public. The city should strive to maintain, upgrade, and expand walking trails, bicycle paths, sidewalks and other pedestrian improvements.
 - c. **Indoor/Outdoor recreational facilities.** The city maintains a number of indoor and outdoor recreation facilities. Facilities include the city gym, recreation center, ball fields, basketball courts, playground equipment, restrooms, etc. These facilities are heavily used by the public and should be maintained and improved.
 - d. **Craig-Klawock Separated Bike Path.** The current separated bike path from the Healing Heart Totem Park to the Craig High School is owned by the State of Alaska and maintained by the city. A concept has been developed for a continuation of the separated bike path from the Craig High School to Klawock.
 - e. **Maintain and repair existing parks (including tiny parks).** The city owns and maintains a number of parks and playgrounds in Craig, including several small parks located along Beach Road. The city should continue to maintain and upgrade these parks to encourage maximum use by the public.
 - f. **Skateboard Park.** During deliberation of the 2019 Capital Improvement Projects resolution by the Craig City Council the council added development of a skateboard park to the list of priorities. Staff has been working with a local resident interested in this development on planning for a new park. In February 2019 the Craig Planning Commission heard public testimony and considered a number of potential sites. Based on the public comments and planning commission discussion the commission narrowed the potential sites down to two sites with a plan to continue discussions at future planning commission meetings. Staff will continue to work on this project with local citizens and the planning commission.

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7. **Recycling and solid waste management (Cleaner and Greener Community).** Solid waste management is challenging for Craig (and most Prince of Wales communities). Most solid waste is transshipped to landfills located in the Pacific Northwest. In recent years the city has participated with a regional organization, the Southeast Alaska Solid Waste Authority (SEASWA) to handle solid waste issues. There are currently some efforts to separate recyclable materials but volumes and cost of transport have made general recycling a difficult prospect. The city should continue efforts to improve recycling, separating recyclable materials, and should continue to work with SEASWA on solid waste management issues.
8. **Support increased residential development.** Available and affordable housing is a significant limiting issue for further economic development in Craig. The CEDS committee recognized that lack of available/affordable housing inhibits employee recruitment and retention. Most lots in Craig have been developed fully. More commercial properties are seeing multi-use development with residential units being built within commercial buildings (accessory to the commercial/industrial uses). Much of the current affordable housing is contained within area trailer parks (the largest of which is Shaan-Seet Trailer Park) with most of the trailer stock dating back to the end of the large scale logging contracts on Prince of Wales in the late '90s. The city should encourage development of available land and housing stock to meet a variety of housing needs. Some of the areas of focus regarding residential development include:
 - a. **Affordable housing.** The city should encourage a good mix of affordable housing options including ownership and rentals. The city should work with local landowners, particularly trailer park owners, to develop options to replace existing housing needs currently being met by trailers.
 - b. **Assisted living/Pioneer Home.** Currently there is limited space and availability of senior housing in Craig. Existing Tlingit Haida Regional Housing Authority (THRHA) senior housing in Craig and Klawock are at capacity with waiting lists. Decennial census from 2000 and 2010 show a steady overall population but an increasing aged population in Craig. The city should work with regional housing authorities and other agencies to increase the amount of senior housing available to Craig residents.
 - c. **Residential land availability.** One of the limiting factors for housing availability in Craig is limited undeveloped residential land. In 2013 and 2017 the city developed about 20 city owned lots for sale to the public. Nearly all lots have been sold and many have been developed. With these sales the city has exhausted its supply of city owned residential land. The city should work with landowners and developers to increase residential land availability for the development of housing.
9. **Support island wide economic development planning and development.** Much of the economic development of Craig is dependent on development or planning in other communities. The Prince of Wales Chamber of Commerce, tribal organizations, and communities have been supporting area wide development planning (i.e. mining, tourism, etc.) for years. The city should continue to participate in these planning efforts. Some specific efforts that the city should consider important include:
 - a. **Klawock Airport Master Plan Phase II Improvements.** The Klawock Airport has a 5,000' asphalt runway, aprons, and limited lease areas for air carriers and support. Over the

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past several years multiple air carriers have added service to the airport. Scheduled air service now serves Ketchikan, Sitka, and Juneau. The state has expanded the lease areas to allow offices and limited parking for most of the scheduled carriers. The 2007 Klawock Airport Master Plan includes expansion of lease lots, development of a parallel taxiway, instrument navigation improvements, expansion of the apron, and other improvements that will expand the usability and capacity of the airport. The city should support Alaska DOT&PF, FAA, and local efforts to make these improvements to the airport.

- b. Island wide electrical intertie.** Power generation on Prince of Wales is a mix of diesel generators and hydro-electric. Most communities, including Craig, are tied into the system. The city should support efforts to develop additional economically feasible power generation projects and ensure that all communities on Prince of Wales are tied into the electrical grid.
- c. Island wide transportation system.** There has been ongoing discussion for several years about developing public transportation across the island. In recent years several of the tribes (including the Craig Tribal Association) have procured busses and have been operating transportation to and from their communities. The city should continue to support efforts to develop and operate transportation options around the island.
- d. Island wide recreational facilities.** The city has recognized the importance of recreation and other quality of life issues to economic development in Craig. The Prince of Wales Chamber of Commerce has done significant tourism development planning over the past few years. The US Forest Service maintains a wide variety of cabins, trails, and recreation sites on Prince of Wales. Sealaska Corporation has been increasing their trail development on corporation lands. The city should continue to support and encourage development of island wide recreational facilities that attract tourists and increase the quality of life.

10. Support Craig City School District capital projects. The Craig City School District annually develops a list of capital projects for the school district. The city should continue to support projects identified by the school district as priorities. 2018/2019 projects identified by the school district include:

- a. Craig High School Biomass Boiler.** Install a biomass fueled heating system to augment the fuel oil boilers already in the school.
- b. CCSD School Security Improvements.** Improve CCSD's building security by installing electronic key card systems at all front and rear entrances at all campuses. Upgrade video surveillance camera systems. Install PA system to improve security communication.
- c. Craig High School HVAC Controls Upgrades.** Replace the mechanical controls systems which are not functioning as designed. Ensure that mechanical controls will operate with the new woody biomass boiler system.
- d. Craig Elementary School Boiler Replacement.** Install two new propane boilers and propane tank.

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- e. **Craig Middle School Gym Roof Replacement.** Replace 10,575 square feet of the metal roofing, flashing, gutters, downspouts, drains, and metal fascia over the Middle School gym. Add insulation and truss space ventilation.
- f. **Craig High School Flooring Replacement.** Replace carpeting that has exceeded its useful life span.
- g. **District Bus Barn Construction.** Construct storage building for district busses and vehicles.

11. Support and develop alternative energy resources. The city recognizes that high energy costs (heating, electricity, etc.) are an impediment to economic development and impact the quality of life in Craig. The city has worked over the years to support development of alternative energy projects to offset city costs for maintaining facilities and providing services. Projects like the woody biomass boiler used to heat the aquatic center and middle/elementary school are a prime example. The city should continue to look for and support development of alternative energy opportunities. Some of the alternative energy items currently being considered by the city include:

- a. **Micro Hydro generator at water treatment plant.** In 2015 the city updated its water and wastewater utility master plans. These plans outline upgrades and major maintenance to the system over the next 10 – 20 years. One of the items included in the water master plan was the construction and installation of a micro-hydro electric generator in line with the raw water transmission line from North Fork Lake to the city's water treatment plant. The generator would take advantage of the existing raw water transmission to generate between 40 kWh and 85 kWh which would be used to offset electrical needs at the water treatment plant and nearby hatchery building located adjacent to the water treatment plant. The city should continue investigation and construction of this improvement.
- b. **Connect Craig Tribal hall to wood boiler.** The city constructed and began operations of a 4 million BTU/hour woody biomass boiler and hydronic heating system to heat the city's aquatic center and nearby middle/elementary school campus. Until the last couple of years the heating capacity of the plant has been at maximum, with a large portion of the heat generated used to dry wood chips used as fuel. The boiler burns about 750 tons of wood chips per year. More recently the city acquired drying equipment that it leases to Viking Lumber (source of the wood chips). As part of the lease agreement Viking dries the chips prior to delivery to the city's boiler, freeing up heating capacity at the plant. In addition, Viking uses the drying equipment to dry material for compressed woody biomass bricks that can be used in lieu of firewood. The city has long looked at ways to use excess heating capacity of the boiler if it was available. One of the options that have been discussed includes adding a hydronic loop to the Craig Tribal Association hall to supplement or reduce diesel fuel use. During the last round of improvements to the state highway culverts were installed to facilitate supply and return lines for the system. The city should continue discussion with the Craig Tribal Association to determine interest and feasibility in connecting this facility to the woody biomass boiler system.

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**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 12, 2019
RE: Consider Commercial Rate for Boat Launch Permit

The city issues boat launch ramp use permits for use of the launch ramps at North Cove and the JT Brown Industrial Park. The \$30 fee provides for use of the ramp by a given boat trailer for one year.

Harbor staff has had inquiries from commercial users that own and operate many trailers about purchasing a single commercial annual launch permit, rather than many individual permits. Harbor staff contacted communities around Southeast Alaska as to their policy as to and pricing on commercial permits. The result of this research is that harbor staff recommends that the city create a launch permit for commercial users, with an annual commercial permit fee set at \$250. Commercial users would receive a rearview mirror-mounted permit that would hang in the vehicle typically used for launching and retrieving boats, and would not have to acquire and attach many launch permit stickers to their many boat trailers. Likely commercial users would include local lodges and outboard dealers. Staff recommends that the council adopt the commercial boat launch permit rate.

Rates for city services are set by the city council, either by ordinance or, more commonly, by resolution. Staff will prepare an updated harbor rate resolution as part of the annual budget process. In the meantime, the council can set a commercial rate in the interim by motion.

Recommendation

That the council approve a \$250 commercial boat launch permit

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 12, 2019
RE: Consider Appropriation for Harbor Department Repair Work

Craig Harbormaster Hans Hjort recently identified two maintenance projects that are in need of repair in the near term, that is, before the start of the next fiscal year.

The text below is from Hans, and describes the need for each project.

1. City Dock crane

The crane needs a new roto seal. The roto seal is the hydraulic swivel that connects the hydraulic hoses from the pump and controls to the mast and lets the crane swivel. The crane also needs to have several more hoses replaced at the same time that the roto seal is being replaced. We intend to hire CMI to complete the repair work. The total estimated cost of the project is \$7,200.

2. City grid

Some wood planks at the city grid have rotted away, and are always very slick. I would like to replace the wood planks with heavy duty grip strut planks. This is a galvanized steel plank that would never get slippery due to its design. It also would not rot like the wood planks do. I believe this would provide a very long service life and outlast multiple wood planks. The installation work would be done by the harbor department and the estimated cost would be \$18,000.

I think the need for both projects is immediate. The crane at City Dock will be used extensively again this summer by the general public through the middle of June, followed by Seafood Producers Cooperative between June and September. Given this intensive use the crane should be put in good working order prior to the height of the commercial fishing season.

Similarly, the grid receives use year round. The improvements proposed by the harbormaster will replace failing planking with new material that will have the added benefit of resisting slippery walking surfaces common to wood planking.

Hans will be available at the April 18 council meeting to address any questions the council may have about the merits of the two projects as the council considers appropriating funding to make the specified repairs.

Recommendation

Appropriate, by motion, the sum of \$25,200 from the Harbor Reserve Fund to cover the cost of repairs to the City Dock crane and City Dock grid.