

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

**ROLL CALL**

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

**CONSENT AGENDA**

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

- City Council Meeting Minutes of October 17, 2019

**HEARING FROM THE PUBLIC**

- Open for public comment
- Resolution 19-16, Setting Sales Tax-Free Day
- Resolution 19-17, Supporting the POW Coordinated Transit Plan and Transit Priorities for Prince of Wales Island

**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. Unit 2 Wolf Closure
2. Alaska Permanent Capital Management (August & September)
3. Craig High School Project Graduation, consideration of donation.
4. Thank you letter from Southeast Senior Services

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

1. Resolution 19-16, Setting Sales Tax-Free Day
2. Resolution 19-17, Supporting the POW Coordinated Transit Plan and Transit Priorities for Prince of Wales Island

**CITY OF CRAIG  
COUNCIL AGENDA  
NOVEMBER 7, 2019  
PAGE 2**

**UNFINISHED BUSINESS**

1. Consider draft naming policy for public places.
2. Consider options for propane boilers at Craig Aquatic Center.

**NEW BUSINESS**

1. Consider award, Craig Ice House Repair Bids.
2. Review Alaska Municipal League on-line sales tax proposal.
3. Cannery Property Harbor Project

**ADJOURNMENT**

**ROLL CALL**

Mayor Tim O'Connor called the meeting to order at 7:00 p.m. and the roll was taken. Present were Jim See, Chanel McKinley, Julie McDonald, Hannah Basinet, and Dave Creighton. Present by teleconference; Michael Kampnich,

**Staff present:** Jon Bolling, City Administrator; Brian Templin, Planning and Zoning; Jillian Carl, City Clerk

**Audience present:** No audience present

**CONSENT AGENDA**

City Council Meeting Minutes of October 3, 2019

CREIGHTON/MCDONALD

moved to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY

**HEARING FROM THE PUBLIC**

- Open for public comment
- Resolution 19-15, Community Development Block Grant (CDBG)

Brian gave a public hearing on the CDBG program. Brian presented PowerPoint slides and told the council that he had placed a copy of the slideshow at the table for all council members. Brian told the council that the public hearing had been well advertised starting ten days before the public hearing and that the public had the opportunity to present alternate projects by submitting them to the city or attending the public hearing. Brian said that no alternate projects had been submitted and that there were no members of the public present at the meeting. He explained what the CDBG Program funds and what different activities it can fund. Brian explained that funds could be used for Community Development projects, Planning projects, or Special Economic Development projects. Brian asked if there were any questions about the types or projects, or if there were questions about what specific projects would be eligible for the grant. Brian used the small boat harbor design as an example of a project that was eligible for CDBG funding. He spoke on our need for a new small boat harbor, the project's public support, match funding, and project readiness and capacity. Council members questioned Brian about other projects that were potentially eligible for CDBG funding. Brian talked about a number of other city projects but noted that they did not have the same level of public

support, match funding, or project readiness. Council members talked about potential future projects for CDBG funding. Brian said he would include those projects in the 2020 capital improvement project resolution to lay the groundwork for including those projects in future CDBG funding cycles. He called for alternative proposals from the council or staff members present at the meeting, there was no alternative projects presented for discussion or consideration. Brian commented to the council that they had further opportunity to discuss potential projects, including the example project, and give direction to staff during consideration of Resolution 19-15 later in the meeting.

### **READING OF CORRESPONDENCE**

- 1) Craig Child Care Center – New Preschool/Toddler Program  
Council discussed measures to support the Craig Child Care Center, and potentially using Craig City School District facilities.
  
- 2) Notice of Utility Tariff Filing  
The filing was briefly described as a public notice of the rate negotiated between AP&T and Silver Bay Seafoods.

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

- 1) Resolution 19-15, Community Development Block Grant (CDBG)  
The council determined that the proposed example project, the small boat harbor design and engineering was the best project to submit for CDBG funding and authorized staff to submit an application for \$275,000 in CDBG funding, to be matched with \$68,750 in other funding for the project. The council moved to approve Resolution 19-15, granting Authority to Participate in the program.

SEE/MCDONALD

moved to approve Resolution 19-15  
MOTION CARRIED UNANIMOUSLY  
BY ROLL CALL VOTE

### **UNFINISHED BUSINESS**

#### **NEW BUSINESS**

1. Set Workshop Time- Steve Silver visit

The council set a workshop start time of 4:30 p.m. on October 25<sup>th</sup> in the Council Chambers.

2. Coordinated Community Transit Meeting

Jon will attend this meeting will continue to support IFA maintenance needs, Southeast Senior Services, and the CTA transit system. The meeting will be held on October 29<sup>th</sup> from 5-6 p.m. at the Klawock Senior Center.

3. Consider Purchase of Heat Exchangers for Craig Aquatic Center

CREIGHTON/MCDONALD moved to approve the purchase of heat exchangers.  
MOTION CARRIED UNANIMOUSLY

Doug Ward is sending one of the heat exchange systems back to the manufacture to get an analysis done to see if the warranty still applies. The council is considering the purchase of a part for the heat exchangers. After discussion, the council decided that they wait for the analysis before approving the purchase of the heat exchangers for the Craig Aquatic Center.

CREIGHTON/MCDONALD moved to differ the purchase of heat exchangers  
MOTION CARRIED UNANIMOUSLY

4. Facility Naming Policy

The sense of the council was to have staff write a policy for council consideration, to include waiting periods for naming, retaining historic family names, and the need that the person for whom a facility is named made significant contribution to the community .

**ADJOURNMENT**

SEE/MCDONALD moved to adjourn at 8:08 p.m.  
MOTION CARRIED UNANIMOUSLY

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR TIMOTHY O’CONNOR

ATTEST \_\_\_\_\_  
JILLIAN CARL, CITY CLERK

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: November 1, 2019  
RE: November Staff Report

---

### **1. Craig Aquatic Center Work**

I continue to work out details with the project architect on rebidding this project. I spoke with Craig City School District staff about drawing cash from the city's school fund to meet a portion of the cost of the work. I still aim to bid out this work in 2019, for completion in 2020

### **2. 2016 Pink Salmon Disaster Funds**

No change here from last month's report. The federal agencies charged with distributing the municipal portion of the funding have yet to publish the criteria for dispersal of \$2.4 million due to cities and boroughs. As I have reported in the past, I hope to secure some of this funding for salmon-related projects in Craig.

### **3. Steve Silver Workshop**

Thanks to the council for attending last Friday's workshop with Steve Silver. Steve is at work following up discussion items from the workshop, including researching NOAA's proposed designation of Southeast Alaska waters as critical habitat for humpback whale populations.

### **4. CTA Rock Storage**

I issued an access permit to CTA a year ago to provide for stockpiling of crushed rock on city property near the Dog Salmon Creek bridge at 5.2 mile of the Port St. Nicholas Road. That permit is about to expire. I intend to issue another access permit to the tribe to continue the storage. CTA has donated rock from the pile for use on the PSN Road.

### **5. Raw Fish Tax Payment**

The city's current fiscal year budget anticipated \$80,000 in raw fish tax receipts from the 2018 fishing season. The payment received recently from the State of Alaska totaled \$144,432, or about \$64,432 more than budgeted. Once we identify costs and a contractor to complete work on the ice house, I am likely to recommend that the council authorized the \$64,000 surplus to earmarked for repair work to the ice house.

### **6. Vacancy at Floatplane Terminal Building**

Pacific Air plans to vacate its leased space in the Fredrick G. Hamilton, Sr. Building during the week of November 1. The company will discontinue indefinitely its scheduled service to Craig. The company's departure leaves open one of the two leased counter space and freight room areas in the building. While I would like to find a tenant for this commercial space, I am still hesitant to lease the space to a business other than a float plane operator, given that if a company does come in to provide floatplane service to Craig, or if Pacific Airways elects to restart its Craig service, there are undeniable efficiencies in having the airline's office in the terminal building, as opposed to basing off site. I would welcome suggestions from the council on managing this space.

On a related note, as part of its lease, Pacific Air staff cleaned the public restrooms in the building. With their departure the city will work to find a custodian interested in adding this space to its list of facilities.

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

Oral arguments for this matter are scheduled in Ketchikan Superior Court for this Tuesday, November 5. I plan to attend with the city attorney, and will report back to the council after the session.

#### **8. Travel Schedule**

November 5: Travel to Ketchikan.

November 25: Travel to Juneau (tentative).

CITY OF CRAIG  
MEMORANDUM

October 31, 2019

To: City Council

From: Sheri Purser, Treasurer

Re: October Staff Report

---

1. Joyce and I met for 2 more afternoons. We got a lot done. We were able to finish the list of things we wanted to get me trained on.
2. Last week I went to Colorado Springs for the Accufund Conference. Accufund is the software program we use for our accounting serves. I learned a lot! I am hoping to implement different things I learned to help with our accounting team. I also made contact with different employees with Accufund that I have already been in contact with on the phone for support. They have been very helpful and they expressed that they are wanting to help in any way. Some of the things I learned were:
  - a. Report writing
  - b. Learned about all the new updates they have added to the software and how to use them.
  - c. Auditing
  - d. Budget modules
  - e. Accounts Payable billing
  - f. Utility Billing
  - g. They added quite a bit to the Payroll Module
  - h. Year End modules
  - i. New Apps for Work Orders. Looking at the Work Order module to use with the different Dept. Heads.
3. I am going to the Alaska Government Finance Officers Association conference in Anchorage next month. Looking forward to that.
4. Attached are the financial reports

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



City of Craig  
Memorandum

To: Mayor Tim O'Connor, and Craig City Council  
From: Jessica Holloway; Aquatic manager  
RE: October/November Reports  
Date: October 31, 2019

---

School Lessons are now in complete full swing. We will now be doing lessons for Craig School every day up until Christmas Break and will resume right after the break has ended. I have already started planning and scheduling out of town schools and the head start. During these lessons Chris and I will be training Ezra and Sterling in the water. We are hoping that by the time we reach the kindergarten class they will be ready to teach on their own and Chris and I will get to take a semblance of a break.

High School season has wrapped up with the swimmers in Sitka this weekend competing at Regionals. The wave runner's season is now going to be in full swing with a lot of meets and time trials up ahead. In November there is the "November Rain" meet in Petersburg and the Turkey Time Trial at the end of the month. December brings the 10 and under decathlon meet in Ketchikan and a virtual meet.

We are still recruiting for two part time positions. One of those positions we are hoping will be a person that is willing to do the Aqua Aerobics class during the week. The lead that I had for an outside instructor did not pan out since she is very busy and cannot guarantee that she will be available for what she thought she would have been. We did have two applicants but one of them was unable to complete the swim and the other had to back out due to some medical issues. So we are back to square one.

Currently we are crossing our fingers and praying very hard that the wood boiler continues to work. We had a scare this week. Currently the wood boiler is the ONLY source to heat any of the water for the pools or the air. If the wood boiler does go down we will be forced to close because of not having the ability to heat the water. This is frustrating to say the least since the wood boiler has its own issues.

Jon and I have spoken about emptying the pool so the contractors that want on build on the project will have the opportunity to come and look at the pool basin before they make their decision. We are still trying to find when it would be the best time due to swim meets lessons and other activities going on.

I will be out of town Friday and Saturday November 8<sup>th</sup> and 9<sup>th</sup> on personal time. I will be available by phone if there are any questions or concerns.

If you have any questions please feel free to call or email the pool.

# City of Craig Memorandum

Date: November 31, 2019  
To: Mayor O'Connor and Craig City Council  
From: Jillian Carl, City Clerk  
Re: Clerk's Report

---

## AAMC

I will be attending the annual clerks training up in Anchorage. I will be gone from November 16<sup>th</sup>-20<sup>th</sup>. I am greatly looking forward to this opportunity to learn more about my job and to connect with other clerks in Alaska. Kassi told me that she found these trainings and conferences very beneficial.

## Next Meeting

November 21<sup>st</sup> 2019

Mayor O'Connor and Chanel McKinley will still be at the AML conference.

I would like to advise to either, reschedule the meeting, having the Mayor and Chanel call in, or continue without the Mayor and Chanel.

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: October 31, 2019  
RE: Planning Department Staff Report – November 2019

---

1. Craig Harbor Development. Both the Craig Planning Commission and the Craig Harbor Advisory Committee have both drafted recommendation on the harbor and upland development. The two bodies will tentatively meet on November 15<sup>th</sup> to discuss any overlapping issues. After the joint workshop each body will separately adopt final recommendations and forward them to the city council for discussion.

I recently attended project development team meetings with the US Army Corps of Engineers in Anchorage to discuss issues with various team members assigned to the Craig Small Boat Harbor Project.

I have nearly completed the CDBG grant application that was authorized by the council at the last meeting. I will be submitting the grant application by mid November.

There is a detailed memo and some recommendations regarding financing for the planning, design, and construction of the project on the agenda for the November 7<sup>th</sup> council meeting.

2. Prince of Wales Rural Resilience Workshop. The workshop was a great success. There were 77 people that were present for some or all of the workshop September 10 – 12. I will work with staff at various state agencies, the Local Emergency Planning Committee, and other communities to follow up issues that were raised at the conference.
3. Tract P Access Road. The Craig Tribal Association began construction of a new access road on Tract P from Cold Storage Road, running behind the tribal hall to Easy Street. CTA has started work at Cold Storage Road and will continue to work on the road throughout the current construction season. Planning and Public Works staff will continue to work with CTA throughout the construction project.
4. Sidewalk Development. CTA has completed most of the construction work on the sidewalk project along School Road (middle/elementary school) and is working to complete construction on the sidewalk along Port Bagial Blvd. Staff will continue to work with CTA on this project.
5. Commercial Marijuana in Craig.

Marijuana Retail Establishments. Thee Treasure Chest LLC (Kit Kraft and John Wright) has opened for business.

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

6. Travel and Leave Schedule: No travel or vacation is scheduled for November or December.



# FIRE & EMS REPORT

# OCTOBER 2019

## TRAINING AND EVENTS

### FIRE:

- We are looking at January & February for most of the Hazmat specific classes we are scheduling for our grant funds. We have had calls from Shaan Seet and CTA asking if outside people can join our classes.
- The new charting for Firefighters is on ELITE, the state program. The guys have started the first phase of the program and will get them trained to use it at the next meeting. It is mandatory for us to report to NFIRS every month.

### EMS:

- New state EMS regulations came out on the 20<sup>th</sup>. There are a lot of changes. The bridge to upgrade all EMTs will take a few months. Lots of classes and training to ensure we can perform to these new standards.

### EVENTS:

- I am starting to roll out the **"Retention Program"** I have talked about for months. I am hoping to get the City of Craig and City of Craig businesses to support this very important campaign. I am hoping to build a new culture together, one that respects and values our first responders like never before. I feel we are so close to a real crisis on our island. We are just one person away from not being able to keep our certification or have 24-hour service. It's a ton of work to volunteer with EMS. I have asked Cammie May to come up with a poster design that incorporates some beautiful part of Craig and include the EMS & Fire Trucks. She is still coming up with it, But I want to hang these posters in local businesses that say "This business supports our Volunteer First Responders"



Cammie's rough draft



(a work of art that I would like to mimic)

When first responders see the poster, they will know that the business offers a discount of some kind for first responders.

I know it is typical for the department head to present ideas for the council to approve, but in this case, I am looking to the council to help me come up Perks that you may feel are appropriate as part of this retention program. I know Petro gives Wrangle and Petersburg first responders a small discount, and Kyle was excited to try to get it enacted here. I am preparing the posters and other documentation to hand out when I go door to door to businesses in support of a healthy support for EMS & Fire first responders. I have included my current roster with volunteer hours and number of calls for each person for the previous year.

Current Fire & EMS Roster . October 10<sup>th</sup> 2019

1	Adelbert (DEL)	Clark	20+ years	Fire - 10 calls a year , drives for EMS when needed.
2	Andria	Hancock	2 years	EMS - Needs EMT training, new kids < 5 calls a year - ETT
3	Beccy	Moots	10+ years	Out of town, 2 new kids < 5 calls a year -EMT 2
4	Chaundell	Piburn	10 years	EMS - 70-80 calls a year- EMT 3 . Instructor for ETT & EMT 1 & recerts on the island. Donated 160 hours to after- hour calls + countless training hours
5	Cody	Eillison	1 year	Youth first responder kid, new - ETT
6	Damion	Pinnow	1 year	Youth first responder kid, new, took fire fighter basic class - ETT
7	David	Nelson	20+ years	Fire & EMS - 20 calls a year, heads up the fire prevention school day Driver only , was an EMT 1 but let it go. Donated 40 after work hours
8	Felicia	McAulley	37 years	EMS - doesn't go on calls, just a lifelong member - EMT 2 – helps coordinate event and training
9	James	Carle	2 years	EMS- Driver only 30 calls a year = 100 hours
10	John	Moots	39 years	EMS & Fire - 90 + calls last year EMT 2 . Donated 350 hours = 8 weeks of full-time work. Donated after hours
11	John	Wylie	5+ years	FIRE- 10 fire calls a year, would consider ems once in a while
12	Josef	Slowick	7+ years	EMS - moved out of town and lost his EMT1 cert. Needs to start over, has a new baby. 30-40 calls a year
13	JT	Ratzat	10+ years	FIRE – 7- 10 fire calls a year
14	Kevin	McDonald	10+ years	FIRE - 7- 10 fire calls per year + school fire program day,
15	Laura	Hamme	19+ years	EMS - 10 calls last year - EMT 2
16	Melyssa	Nagamine	Brand new	EMS - out fishing- will get her training this winter
17	Minnie	Ellison (woods)	15 + years	EMS- EMT 2 , 30 calls this year so far. 20 hours after hours
18	Shane	Hancock	Brand new	FIRE- New
19	Tim	O'Connor	5 years here ( 20 down south)	FIRE & EMS - EMT 1, went on 80 EMS calls last year = 300 hours = 7.5 weeks of full time work. Donated
20	Trampus	Conatser	5 + Years	Both Fire & EMS . EMT 2 - 26 calls last year
21	Trojan	Richard	25 years fire	retired.
22	Venessa	Richter -Russel	10 years	EMS - Part time employee, goes on calls anytime 50 calls this year 6 after hour calls.



To: Craig City Council

From: Hans Hjort, Harbor Master

Date: October 31, 2019

RE: November Staff Report

---

## **Harbor department report November 2019**

The North Cove lighting project is mostly complete. We had the electrical engineer that designed the system come and inspect it. He was very happy with the work that was performed. There is a short punch list of items that still need to be fixed. Tongass Electric plans to get those items taken care of this week.

South cove harbor has been pressure washed and looks very good. We have started getting North cove pressure washed. We hope to get it done before we get cold weather.

We are in the process of replacing the sidewalk in front of the harbor office. The old sidewalk had a very damaged surface that was a tripping hazard. We hope to have the new sidewalks installed soon.

We are winterizing the all of the different areas of the harbor. We have removed the floats from the old fuel dock and closed the bathrooms at false island.

The new haul out trailer building does not have heat. We are going to be installing a propane unit heater in the shop to keep it warm during the winter.

There are several harbor office restroom upgrades that we have planned. We will be shutting the restrooms down sometime in the coming months to do the work.

**9/26/2019 – 10/30/2019**

Volunteer Hours: 34

Patron Visits: 1305

Circulation: 2571

Computer Usage: 339

Tests Proctored: 2

Meetings: 6

Alaska Digital Library Usage: 110

Story Times: 8 Attendance: 116

Inter-Library Loans: 34

**Library Programs:**

- Every Friday, 10:00 am: Preschool Story Time
- Every Friday, 11:00 am: Head Start Story Time
- Dolly Parton Imagination Library—Continuous Registrations
- October 31<sup>st</sup>, All Day: Halloween/No School/Movie Day!

**OWL Videoconferencing Returning Soon**

The Alaska State Library has been working hard to get the Online With Libraries program back up and running after having the funding temporarily cut earlier this year. We've tested our system with their technical team to make sure everything still works, and as soon as I get the green light from the OWL team I will start hosting videoconference events again!

**Winter Reading Program**

This year's Winter Reading program will run from November 23<sup>rd</sup> to January 4<sup>th</sup> (only a six-week program this time). I learned many tough but valuable lessons during the summer reading program about what works for the participants and what doesn't, so I'm looking forward to making this program much simpler and much more fun! Some event ideas I have in mind include a "Noon Year's Eve" party, Christmas craft days, and maybe a "Drive-In" movie night where kids can transform cardboard boxes into cars and then sit in them to watch movies.



**CITY OF CRAIG  
MEMORANDUM**



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

*RJ Ely*

**ACTIVITY**

Activity from September 26, through October 30, 2019 Dispatch Center took the following amount of calls for service.

Craig	920
Klawock	419
AST	9

**DEPARTMENT OF MOTOR VEHICLES**

Several CDL Road Tests were administered

**DISPATCHER(S)**

Margaret "Maggie" Gore has been hired, fulltime and is currently going through training.

**OFFICER(S)**

Still searching for another police officer.

**OTHER**

Secured funding to send one officer to SAKI Training (Sexual Assault Investigation Best Practices), being held in Ketchikan, December of 2019.

I will be attending Chiefs Meetings, AACOP, SEACAD Meetings, in Anchorage, first week of December 2019. Other Executive Development Training will occur. During my absence, Sgt. Medina will be in charge of the Police Department.

Officers participated in Red Ribbon Week, Craig Elementary & Middle School giving drug awareness talks, Halloween Safety Tips and fielding several questions.

Sgt. Medina assisted the POW Shooting Club with a recent CCW Class, giving presentation on the criminal law section, needed for citizens to obtain a concealed weapons permit.

# Public works Report

---

## Important Notice to City of Craig council

A review of our test results for the HAA5 sample shows that our treated water exceeded the allowable maximum contaminant level for this regulated disinfection byproduct. Currently, the locational running average for HAA5 in our water system is 65 ppb. A public notice will be issued within 30 days of the receive results date of October 25<sup>th</sup>, 2019. Public works Department will continue to work with DEC to ensure that the City of Craig is in compliance with DBP levels and will continue to sample quarterly as required.

### I. Streets and Alleys:

- a. PSN road grading past Water treatment Plant, 10.07.2019
- b. Finished PSN road grading past water treatment plant. 10.10.2019
- c. Begin cleaning of expansion joints on Dog Salmon Creek Bridge. 10.11.2019
- d. Graded causeway 10.11.2019
- e. Ordered Ice Slicer and sand for winter operations. 10.15.2019
- f. Road sand delivered 10.17.2019 85 cuyds.
- g. Removed damaged asphalt on Sunnyside Ave. Fill in: millings till spring. 10.22.2019
- h. Catch basin raised and prepared for concrete. 10.22.2019
- i. Street sweeping of West Craig. 10.24.2019
- j. Hydrant valve boxes raised for sidewalk project on Port Bagail. 10.29.2019
- k. D1 added to 105 PSN drive approach. 10.29.2019

### II. Sewer:

- a. Daily and Monthly General maintenance and sampling at the wastewater treatment plant as required.
- b. Responded to power outages as required.
- c. R.V. station service water disconnected for winter season. 10.23.2019

# Public works Report

---

## III. Water:

- a. Daily and Monthly General maintenance and sampling at the water treatment plant and distribution system as required.
- b. Water meter repair and/or replace as required.
- c. TTHM, HAA5, and bacti samples collected as required. 10.07.2019
- d. Monthly water meter reading routes 2 and 3 complete. 10.25.2019
- e. Monthly water meter reading route 1 complete. 10.28.2019
- f. Hydrant extensions on Port Bagail complete as required.
- g. (x2) water meter with new touch pads installed in distribution system. 10.14.2019
- h. Hydrant repaired on 5<sup>th</sup> and Main St. 10.21.2019
- d. R.V. station service water disconnected for winter season. 10.23.2019
- e. Meter pit installed at 402 Hill Top. 10.30.2019

## IV. Equipment:

- a) Sander installed on Ford Sterling dump truck; heater repaired and installed. 10.17.2019
- b) Rear tires replaced on garbage truck.
- c) Garbage truck is being scheduled for work on the EGR system.
- d) Heavy equipment bids were received and opened on 10.11.2019.
  - (i) Motor Grader: \$3,565.00
  - (ii) Front Loader: \$3,055.00

## V. Solid Waste:

- a. Weekly pick-up process performed as require.
- b. (x3) wind rings installed and delivered to mall. 10.23.2019
- c. Double route pick-up due to holiday. 10.21.2019
- d. Scheduled end of (x3) week pick routine for Shaan Seet, 11.01.2019.

# Public works Report

---

## **VI. Requests:**

## **VII. Projects:**

- a. Safety Program review ( work in progress)
- b. Fallen trees limbed and bucked on false island. 10.08.2019
- c. Fire Hydrant installation on PSN Road- Spring 2019( work in progress)
- d. Installed advisory signs at day care center. 10.30.2019
- e. D1 added to youth center parking lot. 10.17.2019
- f. New signs installed at R.V. station. 10.24.2019
- g. Received quote for new soda ash machine 10.21.2019(work in progress)

To Mayor O'Connor and City Council  
Report from Craig Recreation,  
submitted by Victoria Merritt for November 2019  
Busy time of year!

November 2nd we had both a swap meet and the finale for Julie McDonalds Gymnastics classes at the Island Grind. There was no school on Halloween or on November 1st. Damien is working out well as my assistant. I was gone for a week in October and will be gone from November 14-18th also. Regular activities continue. After school is busy. Dodgeball always popular and Karate tested a couple of weeks ago.



Bazaar season is getting close! The Fall Bazaar is on November 30! The Christmas Bazaar on December 14! Spaces for rent \$20 each Wall/bleacher electric\$30 each, Table and 2 chairs included.

**\*\*Up coming Holiday Events\*\***

Saturday, December 7 Christmas tree lighting at Hill Bar at 6pm. Then on Sunday December 8 POWER Concert is at 3pm at the Craig High School Auditorium. Rachel Balcom is conducting a Community Christmas choir that practices on Thursdays at 7:30 at the Presbyterian Church and performing at the Tree lighting and the POWER concert.



# Parks & Public Facilities

11/1/2019

## Staff Report –Octoberber 2019

To: Craig Mayor and City Council

From: Douglas Ward

Terry on PTO 10/7 – 10/26

Current Projects Underway:

1. Propane Boilers at Aquatic Center..
2. Medical Center HVAC controller upgrade. (has been shipped)
3. Ralph James shelter re-roofing project.
4. Tree cutting project at ballfield, and cleanup of branches.
5. Ballfield restroom project. Fixtures for the restrooms have arrived and have been installed.
6. Final mowing and weed eating throughout the city and parks.
7. Water Plant office heater replacement.

Completed Items:

1. Tree cutting project at ballfield, and cleanup of branches.
2. Tree lights at Totem Park.
3. A/C unit replacement in server room at Medical Center Building.
4. Boiler repair at Craig Child Care Center.
5. Assist PW on Fuel dispenser calibration.
6. Shut down Ralph James restroom for season.
7. Install headstone at cemetery.
8. Heating issues in Public Health suite.
9. Day to day service calls

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

# HUNTING-TRAPPING

## Emergency Order

ALASKA DEPARTMENT  
OF FISH AND GAME

Under Authority of AS 16.05.060

Emergency Order No. 01-17-19

Issued at Juneau, Alaska

Effective Date: 29 October, 2019

Expiration Date: 30 June 2020  
(unless superseded by a subsequent  
emergency order)

### EXPLANATION:

This emergency order closes the state resident and nonresident wolf trapping and hunting seasons in Game Management Unit 2. This order is effective at 11:59 PM, 15 January, 2020.

### REGULATORY TEXT:

Therefore, the provisions of 5 AAC 84.270 (13), TRAPPING SEASONS AND BAG LIMITS FOR WOLF and of 5 AAC 85.045, HUNTING SEASONS AND BAG LIMITS FOR WOLF, are superseded by this emergency order, and the following provisions are effective for trapping and hunting wolves in Unit 2:

Unit and Bag Limit	Resident Open Season	Nonresident Open Season
(1) .....		
Unit 2		
No limit wolves per regulatory year by trapping only:	Nov. 15-Jan. 15	Nov. 15-Jan. 15
5 wolves per regulatory year by hunting; .....	Dec. 1-Jan. 15 (General hunt only)	Dec. 1-Jan. 15

All other hunting and trapping regulations in Unit 2 remain unchanged and are not affected by this emergency order.

Doug Vincent-Lang  
Acting Commissioner

By delegation to:



Tom Schumacher  
Regional Supervisor

JUSTIFICATION:

Through the Board of Game process in January 2019, the Alaska Department of Fish and Game (ADF&G) changed the harvest management strategy for wolves in Game Management Unit (Unit) 2 from one based on a harvest objective to one based on a population objective. The Alaska Board of Game adopted a Unit 2 fall population objective range of 150 to 200 wolves. ADF&G's most recent estimate of the Unit 2 wolf population is 170 wolves. Under ADF&G's harvest management plan, when the most current population estimate (170) is within the objective range (150-200) the trapping season may be up to two months long. During regulatory year 2019 (July 1, 2019 – June 30, 2020) the Unit 2 wolf trapping season will be open for the full two months. ADF&G believes a two-month season will allow the greatest harvest opportunity possible while also maintaining the population within the objective range.

DISTRIBUTION:

The distribution of this emergency order is to the attached listing. Copies are available from Alaska Department of Fish and Game offices in Juneau, Douglas, Petersburg, Ketchikan, Wrangell, Sitka, Yakutat, Haines, Anchorage, Nome, and Fairbanks.

Lieutenant Governor's Office  
Assistant Attorney General (Board of Game Liaison)  
Commissioner, Department of Fish and Game  
Division of Wildlife Conservation  
    Director  
    Deputy Director  
    Assistant Director  
    Regional Supervisors  
    Region 1 Area Biologists  
    Region 1 Wildlife Conservation Program Technicians  
    Marie Lam, HQ, Juneau  
    Webmaster HQ, Juneau  
Section of Boards  
    Director  
Division of Subsistence  
    Southeast Alaska Subsistence Resource Specialist  
Fish and Game Advisory Committee Chairpersons  
    Craig  
    East Prince of Wales  
    Petersburg  
    Ketchikan  
    Sitka  
Department of Public Safety, Division of Fish and Wildlife Protection  
    Director  
    Ketchikan Field Office  
    Prince of Wales Field Office  
    Petersburg Field Office  
    Sitka Field Office  
U.S. Forest Service  
    Craig Ranger District  
    Thorne Bay Ranger District  
    Ketchikan Misty Fjords Ranger District  
U.S. Fish and Wildlife Service  
    Law enforcement  
Native Corporations  
    Sealaska, Assistant Lands Manager  
Municipal  
    City of Craig



City of Hydaburg  
City of Wrangell  
Craig City Clerk  
Ketchikan City Clerk  
Ketchikan Mayor  
Klawock City Clerk  
Thorne Bay City Clerk

Ketchikan Daily News  
KCAW Radio, Sitka  
KRBD Radio, Ketchikan  
KSTK Radio, Wrangell  
KFSK Radio, Petersburg  
KFMJ Radio, Ketchikan  
Petersburg Pilot, Petersburg  
Sitka Sentinel, Sitka  
SitNews website, Ketchikan  
Prince of Wales License Vendors

# CITY OF CRAIG

Account Statement - Period Ending August 31, 2019



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

## ACCOUNT ACTIVITY

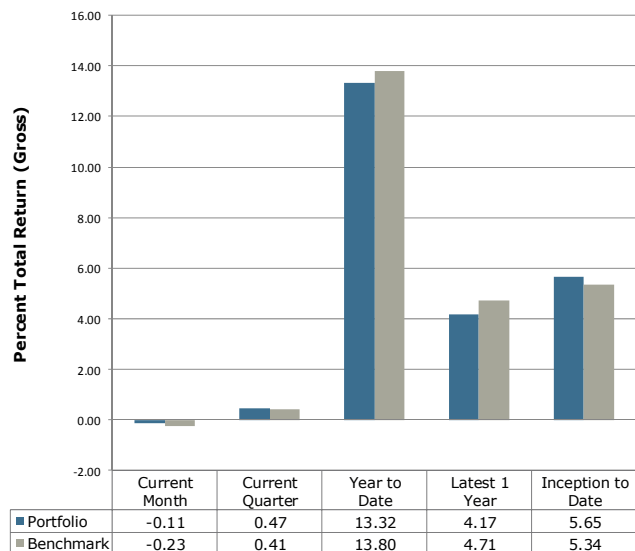
Portfolio Value on 07-31-19	10,463,657
Contributions	250,000
Withdrawals	-2,616
Change in Market Value	-18,711
Interest	6,708
Dividends	0
Portfolio Value on 08-31-19	10,699,037

## MANAGEMENT TEAM

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

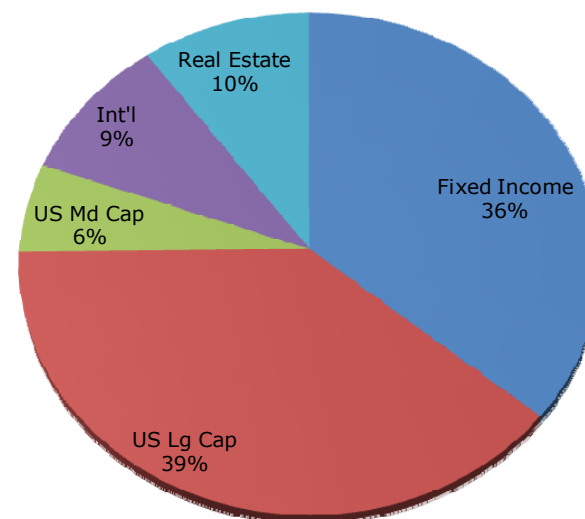
## INVESTMENT PERFORMANCE

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***  
*August 31, 2019*

Asset Class & Target	Market Value	% Assets	Range
<b>FIXED INCOME (34%)</b>			
US Fixed Income (34.0%)	3,573,856	33.4	20% to 45%
Cash (0.0%)	293,690	2.7	na
<b>Subtotal:</b>	<b>3,867,546</b>	<b>36.1</b>	
<b>EQUITY (56%)</b>			
US Large Cap (40.0%)	4,136,705	38.7	30% to 50%
US Mid Cap (6.0%)	608,730	5.7	0% to 10%
Developed International Equity (10.0%)	1,012,951	9.5	5% to 15%
<b>Subtotal:</b>	<b>5,758,387</b>	<b>53.8</b>	
<b>ALTERNATIVE INVESTMENTS (10%)</b>			
Real Estate (10.0%)	1,073,104	10.0	5% to 15%
<b>Subtotal:</b>	<b>1,073,104</b>	<b>10.0</b>	
<b>TOTAL PORTFOLIO</b>	<b>10,699,037</b>	<b>100</b>	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*August 31, 2019*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>FNMA &amp; FHLMC</b>									
3,720	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	3,890	104.36	3,883	0.04	149	12	1.77
					12	0.00			
			3,890		3,895	0.04		12	
<b>CORPORATE BONDS</b>									
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	100.01	100,011	0.93	2,375	712	2.27
50,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	54,602	103.68	51,841	0.48	2,187	911	2.00
50,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	49,962	100.49	50,246	0.47	1,125	362	1.95
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	99.93	49,963	0.47	975	487	1.98
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	102.04	51,022	0.48	1,437	663	2.04
50,000	COMCAST CORP 2.850% Due 01-15-23	101.83	50,917	102.85	51,424	0.48	1,425	182	1.97
50,000	AFLAC INC 3.625% Due 06-15-23	106.03	53,016	105.76	52,879	0.49	1,812	383	2.04
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	100.76	50,382	0.47	1,100	46	2.00
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	107.52	53,762	0.50	1,937	161	2.08
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	106.55	53,275	0.50	1,800	705	2.10
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	105.17	52,585	0.49	1,650	788	2.21
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	109.69	54,847	0.51	1,950	812	2.19
50,000	TARGET CORP 2.500% Due 04-15-26 Accrued Interest	96.45	48,223	103.13	51,567	0.48	1,250	472	1.99
					6,687	0.06			
			713,908		730,494	6.83		6,687	
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
14,145	SPDR S&P 500 ETF	148.52	2,100,836	292.45	4,136,705	38.66	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
3,235	ISHARES CORE S&P MIDCAP 400 ETF	108.07	349,622	188.17	608,730	5.69	NA		
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>									
8,550	ISHARES ETF CORE MSCI EAFE	56.78	485,453	59.33	507,271	4.74	NA		

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***CITY OF CRAIG***  
*August 31, 2019*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
8,000	ISHARES MSCI EAFE INDEX FUND	61.59	492,725	63.21	505,680	4.73	NA		
			978,178		1,012,951	9.47			
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>									
12,175	JPMORGAN BETABUILDERS MSCI US REIT ETF	77.43	942,733	88.14	1,073,104	10.03	NA		
<b>U.S. TREASURY</b>									
75,000	US TREASURY NOTES 1.750% Due 10-31-20	99.91	74,933	100.02	75,012	0.70	1,312	442	1.74
150,000	US TREASURY NOTES 2.125% Due 08-15-21	99.45	149,169	101.11	151,663	1.42	3,187	147	1.55
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	101.03	75,776	0.71	1,500	505	1.51
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	101.09	101,094	0.94	2,000	592	1.49
100,000	US TREASURY NOTES 1.875% Due 01-31-22	100.10	100,101	100.92	100,918	0.94	1,875	163	1.49
200,000	US TREASURY NOTES 2.125% Due 06-30-22	98.10	196,209	101.93	203,860	1.91	4,250	728	1.43
100,000	US TREASURY NOTES 1.750% Due 07-15-22	99.89	99,894	100.86	100,863	0.94	1,750	228	1.44
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	100.61	150,913	1.41	2,437	722	1.43
150,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	149,593	104.04	156,064	1.46	3,937	11	1.44
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	104.13	130,161	1.22	3,125	144	1.42
170,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	169,867	99.84	169,721	1.59	2,337	25	1.42
115,000	US TREASURY NOTES 2.125% Due 03-31-24	98.81	113,630	103.12	118,585	1.11	2,444	1,029	1.42
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	104.56	104,563	0.98	2,375	110	1.42
75,000	US TREASURY NOTES 2.000% Due 02-15-25	100.63	75,469	103.00	77,250	0.72	1,500	69	1.43
175,000	US TREASURY NOTES 2.000% Due 08-15-25	98.46	172,301	103.14	180,490	1.69	3,500	162	1.45
55,000	US TREASURY NOTES 2.625% Due 12-31-25	101.31	55,718	107.05	58,876	0.55	1,444	247	1.46
100,000	US TREASURY NOTES 2.500% Due 02-28-26	100.40	100,397	106.45	106,449	0.99	2,500	7	1.46
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	101.07	101,070	0.94	1,625	481	1.46
150,000	US TREASURY NOTES 2.000% Due 11-15-26	97.14	145,717	103.71	155,572	1.45	3,000	889	1.45

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*August 31, 2019*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	105.92	132,397	1.24	2,812	833	1.48
80,000	US TREASURY NOTES 3.125% Due 11-15-28	102.02	81,613	113.85	91,078	0.85	2,500	740	1.51
125,000	US TREASURY NOTES 2.625% Due 02-15-29	99.82	124,774	109.79	137,241	1.28	3,281	152	1.51
	Accrued Interest				8,428	0.08			
			2,574,643		2,688,047	25.12		8,428	
<b>AGENCIES</b>									
100,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.86	99,865	100.02	100,016	0.93	2,000	589	1.99
50,000	FHLB 3.625% Due 03-19-27	99.82	49,910	100.00	50,000	0.47	1,812	816	3.62
	Accrued Interest				1,405	0.01			
			149,775		151,421	1.42		1,405	
<b>CASH AND EQUIVALENTS</b>									
	CASH RECEIVABLE		4,387		4,387	0.04	NA		
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		289,303		289,303	2.70			
			293,690		293,690	2.75			
<b>TOTAL PORTFOLIO</b>			<b>8,107,275</b>		<b>10,699,037</b>	<b>100</b>	<b>79,680</b>	<b>16,532</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 08-01-19 To 08-31-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>DEPOSITS AND EXPENSES</b>				
CASH AND EQUIVALENTS				
08-29-19	08-29-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		250,000.00
MANAGEMENT FEES				
08-31-19	08-31-19	MANAGEMENT FEES		2,674.76
				<b>252,674.76</b>
<b>INTEREST</b>				
CASH AND EQUIVALENTS				
08-15-19	08-15-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		4.39
CORPORATE BONDS				
08-01-19	08-01-19	JPMORGAN CHASE & CO 3.875% Due 02-01-24		968.75
08-16-19	08-16-19	BANK OF NEW YORK MELLON 2.200% Due 08-16-23		550.00
				<u>1,518.75</u>
FNMA & FHLMC				
08-15-19	08-15-19	FHLMC POOL G14203 4.000% Due 04-01-26		12.67
U.S. TREASURY				
08-15-19	08-15-19	US TREASURY NOTES 2.625% Due 02-15-29		1,640.63
08-15-19	08-15-19	US TREASURY NOTES 2.375% Due 08-15-24		1,187.50
08-15-19	08-15-19	US TREASURY NOTES 2.000% Due 02-15-25		750.00

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 08-01-19 To 08-31-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
08-15-19	08-15-19	US TREASURY NOTES 2.000% Due 08-15-25		1,750.00
08-15-19	08-15-19	US TREASURY NOTES 2.125% Due 08-15-21		1,593.75
08-15-19	08-15-19	US TREASURY NOTES 2.500% Due 08-15-23		1,562.50
08-31-19	09-03-19	US TREASURY NOTES 1.375% Due 08-31-23		1,168.75
08-31-19	09-03-19	US TREASURY NOTES 2.625% Due 02-28-23		1,968.75
08-31-19	09-03-19	US TREASURY NOTES 2.500% Due 02-28-26		1,250.00
				12,871.88
				<b>14,407.69</b>

**PRINCIPAL PAYDOWNS**

FNMA & FHLMC

08-15-19	08-15-19	FHLMC POOL G14203 4.000% Due 04-01-26	80.84	80.84
				<b>80.84</b>

**WITHDRAW**

CASH AND EQUIVALENTS

08-15-19	08-15-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		2,615.91
				<b>2,615.91</b>



Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG***  
*From 08-01-19 Through 08-31-19*

<b>Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Avg. Cost Basis</b>	<b>Proceeds</b>	<b>Gain Or Loss</b>
08-15-19	80.84	FHLMC POOL G14203 4.000% Due 04-01-26	84.53	80.84	-3.69
TOTAL GAINS					0.00
TOTAL LOSSES					-3.69
			<b>84.53</b>	<b>80.84</b>	<b>-3.69</b>

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 08-01-19 To 08-31-19*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>CASH RECEIVABLE</b>					
08-01-19			Beginning Balance		0.00
08-31-19	09-03-19	dp	Interest	US TREASURY NOTES 1.375% Due 08-31-23	1,168.75
08-31-19	09-03-19	dp	Interest	US TREASURY NOTES 2.625% Due 02-28-23	1,968.75
08-31-19	09-03-19	dp	Interest	US TREASURY NOTES 2.500% Due 02-28-26	1,250.00
<b>08-31-19</b>			<b>Ending Balance</b>		<b>4,387.50</b>
<b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b>					
08-01-19			Beginning Balance		31,817.60
08-01-19	08-01-19	dp	Interest	JPMORGAN CHASE & CO 3.875% Due 02-01-24	968.75
08-15-19	08-15-19	wd	Withdrawal	from Portfolio	-2,615.91
08-15-19	08-15-19	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	12.67
08-15-19	08-15-19	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	80.84
08-15-19	08-15-19	dp	Interest	US TREASURY NOTES 2.625% Due 02-15-29	1,640.63
08-15-19	08-15-19	dp	Interest	US TREASURY NOTES 2.375% Due 08-15-24	1,187.50
08-15-19	08-15-19	dp	Interest	US TREASURY NOTES 2.000% Due 02-15-25	750.00
08-15-19	08-15-19	dp	Interest	US TREASURY NOTES 2.000% Due 08-15-25	1,750.00
08-15-19	08-15-19	dp	Interest	US TREASURY NOTES 2.125% Due 08-15-21	1,593.75
08-15-19	08-15-19	dp	Interest	US TREASURY NOTES 2.500% Due 08-15-23	1,562.50

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 08-01-19 To 08-31-19*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
08-15-19	08-15-19	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	4.39
08-16-19	08-16-19	dp	Interest	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	550.00
08-29-19	08-29-19	dp	Addition	to Portfolio	250,000.00
<b>08-31-19</b>			<b>Ending Balance</b>		<b>289,302.72</b>

# CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending August 31, 2019



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

## ACCOUNT ACTIVITY

Portfolio Value on 07-31-19	3,429,560
Contributions	0
Withdrawals	0
Change in Market Value	5,486
Interest	1,638
Dividends	0
Portfolio Value on 08-31-19	3,436,684

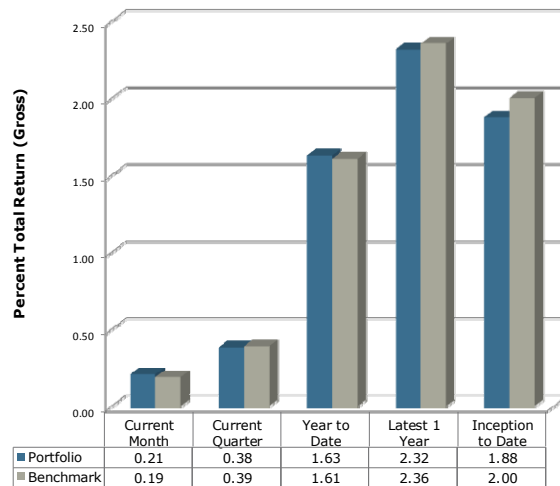
## MANAGEMENT TEAM

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

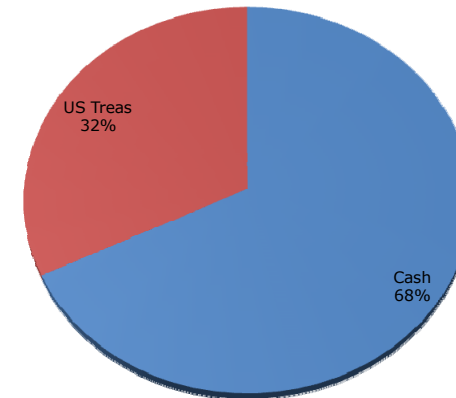
## PORTFOLIO COMPOSITION

## 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: 1.64% Average Maturity: 0.22 Yrs

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG - SCHOOL FUNDS**  
*August 31, 2019*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
550,000	US TREASURY NOTES 1.375% Due 01-15-20	99.08	544,923	99.82	549,010	15.97	7,562	986	1.86
560,000	US TREASURY NOTE 1.250% Due 01-31-20 Accrued Interest	99.65	558,024	99.72	558,425	16.25	7,000	609	1.93
					1,595	0.05			
			1,102,947		1,109,030	32.27		1,595	
<b>TREASURY BILLS</b>									
410,000	US TREASURY BILLS 0.000% Due 09-19-19	98.98	405,822	99.91	409,643	11.92	NA	0	1.69
440,000	US TREASURY BILLS 0.000% Due 10-03-19	99.46	437,620	99.83	439,270	12.78	NA	0	1.84
550,000	US TREASURY BILLS 0.000% Due 11-14-19	99.12	545,183	99.61	547,855	15.94	NA	0	1.88
500,000	US TREASURY BILL 0.000% Due 12-26-19	99.00	495,002	99.40	496,976	14.46	NA	0	1.90
			1,883,627		1,893,744	55.10		0	
<b>CASH AND EQUIVALENTS</b>									
	CASH RECEIVABLE		408,291		408,291	11.88	NA		
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		25,620		25,620	0.75			
			433,910		433,910	12.63			
<b>TOTAL PORTFOLIO</b>			<b>3,420,484</b>		<b>3,436,684</b>	<b>100</b>	<b>14,562</b>	<b>1,595</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG - SCHOOL FUNDS**  
*From 08-01-19 To 08-31-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
U.S. TREASURY				
08-08-19	08-09-19	US TREASURY NOTE 1.250% Due 01-31-20	560,000	558,024.20
				<b>558,024.20</b>
<b>INTEREST</b>				
CASH AND EQUIVALENTS				
08-15-19	08-15-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		27.39
U.S. TREASURY				
08-31-19	09-03-19	US TREASURY NOTE 1.625% Due 08-31-19		3,290.63
				<b>3,318.02</b>
<b>PURCHASED ACCRUED INTEREST</b>				
U.S. TREASURY				
08-08-19	08-09-19	US TREASURY NOTE 1.250% Due 01-31-20		171.20
				<b>171.20</b>
<b>SALES, MATURITIES, AND CALLS</b>				
U.S. TREASURY				
08-31-19	09-03-19	US TREASURY NOTE 1.625% Due 08-31-19	405,000	405,000.00
				<b>405,000.00</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG - SCHOOL FUNDS***  
*From 08-01-19 Through 08-31-19*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
08-31-19	405,000	US TREASURY NOTE 1.625% Due 08-31-19	403,954.71	405,000.00	1,045.29
TOTAL GAINS					1,045.29
TOTAL LOSSES					0.00
			<b>403,954.71</b>	<b>405,000.00</b>	<b>1,045.29</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**CITY OF CRAIG - SCHOOL FUNDS**  
*From 08-01-19 To 08-31-19*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>CASH RECEIVABLE</b>					
08-01-19			Beginning Balance		0.00
08-31-19	09-03-19	dp	Sale	US TREASURY NOTE 1.625% Due 08-31-19	405,000.00
08-31-19	09-03-19	dp	Interest	US TREASURY NOTE 1.625% Due 08-31-19	3,290.63
<b>08-31-19</b>			<b>Ending Balance</b>		<b>408,290.63</b>
<b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b>					
08-01-19			Beginning Balance		583,787.61
08-08-19	08-09-19	wd	Purchase	US TREASURY NOTE 1.250% Due 01-31-20	-558,024.20
08-08-19	08-09-19	wd	Accrued Interest	US TREASURY NOTE 1.250% Due 01-31-20	-171.20
08-15-19	08-15-19	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	27.39
<b>08-31-19</b>			<b>Ending Balance</b>		<b>25,619.60</b>



# CITY OF CRAIG

Account Statement - Period Ending September 30, 2019



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

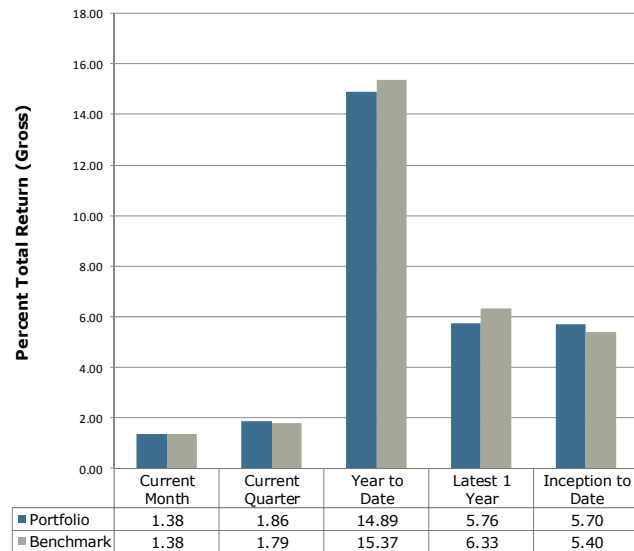
## ACCOUNT ACTIVITY

Portfolio Value on 08-31-19	10,699,037
Contributions	0
Withdrawals	-2,675
Change in Market Value	113,097
Interest	6,523
Dividends	28,427

Portfolio Value on 09-30-19 10,844,410

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend



Performance is Annualized for Periods Greater than One Year

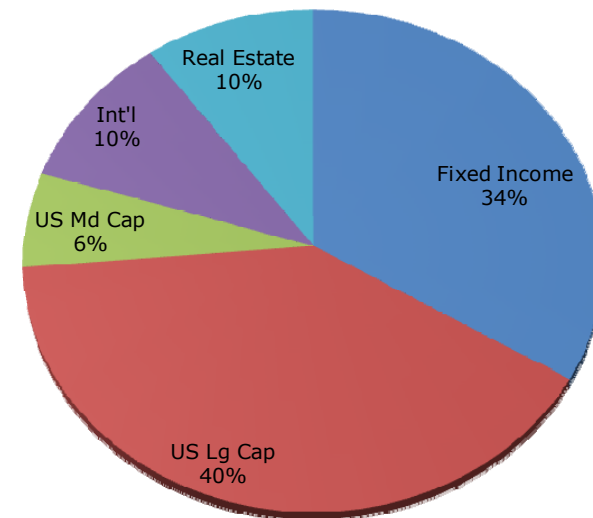
## MANAGEMENT TEAM

Client Relationship Manager: Amber Frizzell, AIF®  
Amber@apcm.net

Your Portfolio Manager: Bill Lierman, CFA®

Contact Phone Number: 907/272 -7575

## 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***  
*September 30, 2019*

Asset Class & Target	Market Value	% Assets	Range
<b>FIXED INCOME (34%)</b>			
US Fixed Income (34.0%)	3,603,858	33.2	20% to 45%
Cash (0.0%)	45,707	0.4	na
<b>Subtotal:</b>	<b>3,649,565</b>	<b>33.7</b>	
<b>EQUITY (56%)</b>			
US Large Cap (40.0%)	4,338,777	40.0	30% to 50%
US Mid Cap (6.0%)	658,914	6.1	0% to 10%
Developed International Equity (10.0%)	1,100,551	10.1	5% to 15%
<b>Subtotal:</b>	<b>6,098,243</b>	<b>56.2</b>	
<b>ALTERNATIVE INVESTMENTS (10%)</b>			
Real Estate (10.0%)	1,096,602	10.1	5% to 15%
<b>Subtotal:</b>	<b>1,096,602</b>	<b>10.1</b>	
<b>TOTAL PORTFOLIO</b>	<b>10,844,410</b>	<b>100</b>	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
September 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>FNMA &amp; FHLMC</b>									
3,621	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	3,786	104.30	3,776	0.03	145	12	1.89
			3,786		3,789	0.03		12	
<b>CORPORATE BONDS</b>									
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	100.02	100,022	0.92	2,375	910	2.17
50,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	54,602	103.53	51,765	0.48	2,187	1,094	1.98
50,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	49,962	100.35	50,177	0.46	1,125	456	2.02
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	99.97	49,987	0.46	975	81	1.96
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	101.81	50,903	0.47	1,437	64	2.12
50,000	COMCAST CORP 2.850% Due 01-15-23	101.83	50,917	102.54	51,270	0.47	1,425	301	2.05
50,000	AFLAC INC 3.625% Due 06-15-23	106.03	53,016	105.31	52,656	0.49	1,812	534	2.13
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	100.35	50,173	0.46	1,100	137	2.11
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	106.55	53,273	0.49	1,937	323	2.28
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	105.93	52,966	0.49	1,800	855	2.22
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	104.39	52,196	0.48	1,650	101	2.35
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	109.05	54,526	0.50	1,950	975	2.28
50,000	TARGET CORP 2.500% Due 04-15-26 Accrued Interest	96.45	48,223	101.95	50,973	0.47	1,250	576	2.18
			713,908		727,298	6.71		6,408	
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
14,620	SPDR S&P 500 ETF	153.23	2,240,247	296.77	4,338,777	40.01	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
3,410	ISHARES CORE S&P MIDCAP 400 ETF	112.16	382,478	193.23	658,914	6.08	NA		
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>									
9,025	ISHARES ETF CORE MSCI EAFE	56.94	513,876	61.07	551,157	5.08	NA		

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
September 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
8,425	ISHARES MSCI EAFE INDEX FUND	61.71	519,873	65.21	549,394	5.07	NA		
			1,033,749		1,100,551	10.15			
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>									
12,175	JPMORGAN BETABUILDERS MSCI US REIT ETF	77.43	942,733	90.07	1,096,602	10.11	NA		
<b>U.S. TREASURY</b>									
75,000	US TREASURY NOTES 1.750% Due 10-31-20	99.91	74,933	99.93	74,947	0.69	1,312	549	1.82
150,000	US TREASURY NOTES 2.125% Due 08-15-21	99.45	149,169	100.81	151,213	1.39	3,187	407	1.68
50,000	US TREASURY NOTES 2.000% Due 08-31-21	100.69	50,343	100.62	50,308	0.46	1,000	85	1.67
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	100.70	75,524	0.70	1,500	628	1.66
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	100.75	100,750	0.93	2,000	755	1.64
100,000	US TREASURY NOTES 1.875% Due 01-31-22	100.10	100,101	100.55	100,555	0.93	1,875	316	1.63
200,000	US TREASURY NOTES 2.125% Due 06-30-22	98.10	196,209	101.45	202,898	1.87	4,250	1,074	1.58
100,000	US TREASURY NOTES 1.750% Due 07-15-22	99.89	99,894	100.39	100,395	0.93	1,750	371	1.60
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	100.14	150,205	1.39	2,437	921	1.58
150,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	149,593	103.46	155,185	1.43	3,937	335	1.58
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	103.47	129,341	1.19	3,125	399	1.57
170,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	169,867	99.27	168,764	1.56	2,337	216	1.57
115,000	US TREASURY NOTES 2.125% Due 03-31-24	98.81	113,630	102.42	117,781	1.09	2,444	7	1.57
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	103.73	103,727	0.96	2,375	303	1.58
75,000	US TREASURY NOTES 2.000% Due 02-15-25	100.63	75,469	102.11	76,579	0.71	1,500	192	1.59
175,000	US TREASURY NOTES 2.000% Due 08-15-25	98.46	172,301	102.22	178,883	1.65	3,500	447	1.60
55,000	US TREASURY NOTES 2.625% Due 12-31-25	101.31	55,718	106.00	58,298	0.54	1,444	365	1.61
100,000	US TREASURY NOTES 2.500% Due 02-28-26	100.40	100,397	105.36	105,363	0.97	2,500	213	1.62
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	100.05	100,047	0.92	1,625	614	1.62

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***CITY OF CRAIG***  
*September 30, 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	102.55	153,826	1.42	3,000	1,133	1.62
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	104.61	130,757	1.21	2,812	1,062	1.64
80,000	US TREASURY NOTES 3.125% Due 11-15-28	102.02	81,613	112.27	89,813	0.83	2,500	944	1.67
125,000	US TREASURY NOTES 2.625% Due 02-15-29	99.82	124,774	108.23	135,289	1.25	3,281	419	1.67
50,000	US TREASURY NOTES 1.625% Due 08-15-29	99.35	49,673	99.54	49,769	0.46	812	104	1.68
	Accrued Interest				11,859	0.11			
			2,674,660		2,772,080	25.56		11,859	
<b>AGENCIES</b>									
100,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.86	99,865	99.94	99,936	0.92	2,000	756	2.02
	Accrued Interest				756	0.01			
			99,865		100,692	0.93		756	
<b>CASH AND EQUIVALENTS</b>									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		25,478		25,478	0.23			
	DIVIDEND ACCRUAL		20,229		20,229	0.19			
			45,707		45,707	0.42			
<b>TOTAL PORTFOLIO</b>			<b>8,137,132</b>		<b>10,844,410</b>	<b>100</b>	<b>79,676</b>	<b>19,035</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 09-01-19 To 09-30-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
09-04-19	09-06-19	SPDR S&P 500 ETF	475.0000	139,410.94
DOMESTIC MID CAP EQUITY FUNDS/ETF				
09-04-19	09-06-19	ISHARES CORE S&P MIDCAP 400 ETF	175.0000	32,856.21
INTERNATIONAL EQUITY FUNDS/ETF				
09-04-19	09-06-19	ISHARES ETF CORE MSCI EAFE	475.0000	28,423.73
09-04-19	09-06-19	ISHARES MSCI EAFE INDEX FUND	425.0000	27,148.13
				55,571.86
U.S. TREASURY				
09-10-19	09-11-19	US TREASURY NOTES 2.000% Due 08-31-21	50,000	50,343.10
09-23-19	09-24-19	US TREASURY NOTES 1.625% Due 08-15-29	50,000	49,673.20
				100,016.30
				<b>327,855.31</b>
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
09-30-19	09-30-19	MANAGEMENT FEES		2,711.10
				<b>2,711.10</b>
<b>DIVIDEND</b>				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
09-20-19	10-31-19	SPDR S&P 500 ETF		20,228.51
DOMESTIC MID CAP EQUITY FUNDS/ETF				
09-30-19	09-30-19	ISHARES CORE S&P MIDCAP 400 ETF		2,926.63

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 09-01-19 To 09-30-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>				
09-27-19	09-27-19	JPMORGAN BETABUILDERS MSCI US REIT ETF		5,272.26
				<b>28,427.40</b>
<b>INTEREST</b>				
<b>AGENCIES</b>				
09-09-19	09-09-19	FHLB 3.625% Due 03-19-27		855.90
<b>CASH AND EQUIVALENTS</b>				
09-15-19	09-15-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		16.55
<b>CORPORATE BONDS</b>				
09-01-19	09-02-19	GILEAD SCIENCES INC 1.950% Due 03-01-22		487.50
09-09-19	09-09-19	WELLS FARGO & COMPANY 3.300% Due 09-09-24		825.00
09-15-19	09-16-19	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22		718.75
				<hr/> 2,031.25
<b>FNMA &amp; FHLMC</b>				
09-15-19	09-16-19	FHLMC POOL G14203 4.000% Due 04-01-26		12.40

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 09-01-19 To 09-30-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
U.S. TREASURY				
09-30-19	09-30-19	US TREASURY NOTES 2.125% Due 03-31-24		1,221.88
				<b>4,137.98</b>
<b>PRINCIPAL PAYDOWNS</b>				
FNMA & FHLMC				
09-15-19	09-16-19	FHLMC POOL G14203 4.000% Due 04-01-26	99.54	99.54
				<b>99.54</b>
<b>PURCHASED ACCRUED INTEREST</b>				
U.S. TREASURY				
09-10-19	09-11-19	US TREASURY NOTES 2.000% Due 08-31-21		30.22
09-23-19	09-24-19	US TREASURY NOTES 1.625% Due 08-15-29		88.32
				118.54
				<b>118.54</b>
<b>SALES, MATURITIES, AND CALLS</b>				
AGENCIES				
09-09-19	09-09-19	FHLB 3.625% Due 03-19-27	50,000	50,000.00
				<b>50,000.00</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
09-03-19	09-03-19	CASH RECEIVABLE		1,168.75
09-03-19	09-03-19	CASH RECEIVABLE		1,968.75
09-03-19	09-03-19	CASH RECEIVABLE		1,250.00



Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 09-01-19 To 09-30-19*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Security</b>	<b>Quantity</b>	<b>Trade Amount</b>
09-20-19	09-20-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		2,674.76
				<hr/> 7,062.26
				<b>7,062.26</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG***  
*From 09-01-19 Through 09-30-19*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
09-09-19	50,000	FHLB 3.625% Due 03-19-27	49,910.00	50,000.00	90.00
09-15-19	99.54	FHLMC POOL G14203 4.000% Due 04-01-26	104.08	99.54	-4.54
TOTAL GAINS					90.00
TOTAL LOSSES					-4.54
			<b>50,014.08</b>	<b>50,099.54</b>	<b>85.46</b>

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 09-01-19 To 09-30-19*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>CASH RECEIVABLE</b>					
09-01-19			Beginning Balance		4,387.50
09-03-19	09-03-19	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-1,168.75
09-03-19	09-03-19	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-1,968.75
09-03-19	09-03-19	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-1,250.00
<b>09-30-19</b>			<b>Ending Balance</b>		<b>0.00</b>
<b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b>					
09-01-19			Beginning Balance		289,302.72
09-01-19	09-02-19	dp	Interest	GILEAD SCIENCES INC 1.950% Due 03-01-22	487.50
09-03-19	09-03-19	dp	Transfer from	CASH RECEIVABLE	1,168.75
09-03-19	09-03-19	dp	Transfer from	CASH RECEIVABLE	1,968.75
09-03-19	09-03-19	dp	Transfer from	CASH RECEIVABLE	1,250.00
09-04-19	09-06-19	wd	Purchase	ISHARES CORE S&P MIDCAP 400 ETF	-32,856.21
09-04-19	09-06-19	wd	Purchase	SPDR S&P 500 ETF	-139,410.94
09-04-19	09-06-19	wd	Purchase	ISHARES ETF CORE MSCI EAFE	-28,423.73
09-04-19	09-06-19	wd	Purchase	ISHARES MSCI EAFE INDEX FUND	-27,148.13
09-09-19	09-09-19	dp	Interest	WELLS FARGO & COMPANY 3.300% Due 09-09-24	825.00
09-09-19	09-09-19	dp	Interest	FHLB 3.625% Due 03-19-27	855.90
09-09-19	09-09-19	dp	Sale	FHLB 3.625% Due 03-19-27	50,000.00

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 09-01-19 To 09-30-19*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
09-10-19	09-11-19	wd	Purchase	US TREASURY NOTES 2.000% Due 08-31-21	-50,343.10
09-10-19	09-11-19	wd	Accrued Interest	US TREASURY NOTES 2.000% Due 08-31-21	-30.22
09-15-19	09-15-19	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	16.55
09-15-19	09-16-19	dp	Interest	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	718.75
09-15-19	09-16-19	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	12.40
09-15-19	09-16-19	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	99.54
09-20-19	09-20-19	wd	Withdrawal	from Portfolio	-2,674.76
09-23-19	09-24-19	wd	Purchase	US TREASURY NOTES 1.625% Due 08-15-29	-49,673.20
09-23-19	09-24-19	wd	Accrued Interest	US TREASURY NOTES 1.625% Due 08-15-29	-88.32
09-27-19	09-27-19	dp	Dividend	JPMORGAN BETABUILDERS MSCI US REIT ETF	5,272.26
09-30-19	09-30-19	dp	Dividend	ISHARES CORE S&P MIDCAP 400 ETF	2,926.63
09-30-19	09-30-19	dp	Interest	US TREASURY NOTES 2.125% Due 03-31-24	1,221.88
<b>09-30-19</b>			<b>Ending Balance</b>		<b>25,478.02</b>
<b>DIVIDEND ACCRUAL</b>					
09-01-19			Beginning Balance		0.00
09-20-19	10-31-19	dp	Dividend	SPDR S&P 500 ETF	20,228.51
<b>09-30-19</b>			<b>Ending Balance</b>		<b>20,228.51</b>

# CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending September 30, 2019



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

## ACCOUNT ACTIVITY

Portfolio Value on 08-31-19	3,436,684
Contributions	0
Withdrawals	0
Change in Market Value	1,138
Interest	4,217
Dividends	0
Portfolio Value on 09-30-19	3,442,039

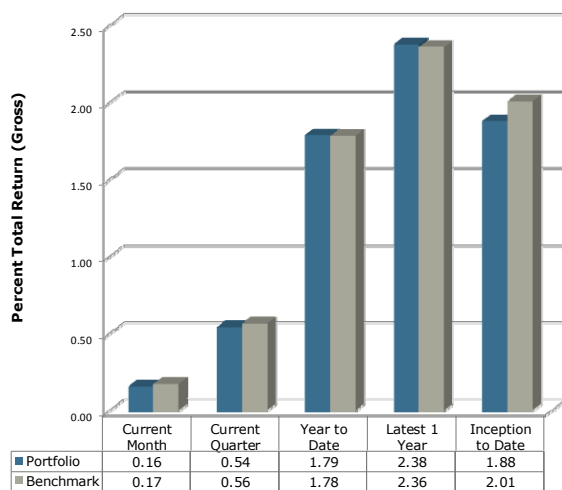
## MANAGEMENT TEAM

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

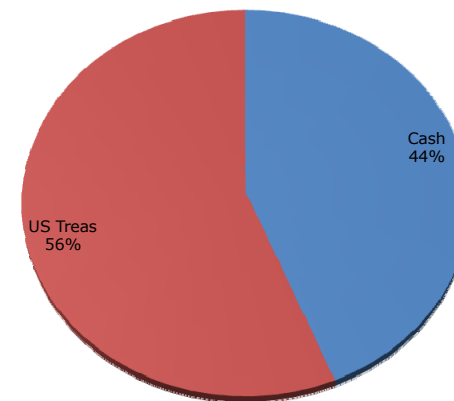
## PORTFOLIO COMPOSITION

## 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: 1.82% Average Maturity: 0.32 Yrs

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG - SCHOOL FUNDS**  
*September 30, 2019*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
550,000	US TREASURY NOTES 1.375% Due 01-15-20	99.08	544,923	99.85	549,164	15.95	7,562	1,603	1.90
560,000	US TREASURY NOTE 1.250% Due 01-31-20	99.65	558,024	99.78	558,775	16.23	7,000	1,179	1.90
480,000	US TREASURY NOTES 1.500% Due 04-15-20	100.32	481,517	99.80	479,025	13.92	7,200	3,325	1.88
340,000	US TREASURY NOTES 1.500% Due 08-15-20	99.63	338,740	99.70	338,990	9.85	5,100	651	1.84
	Accrued Interest				6,758	0.20			
			1,923,204		1,932,712	56.15		6,758	
<b>TREASURY BILLS</b>									
440,000	US TREASURY BILLS 0.000% Due 10-03-19	99.46	437,620	99.99	439,960	12.78	NA	0	1.12
550,000	US TREASURY BILLS 0.000% Due 11-14-19	99.12	545,183	99.78	548,790	15.94	NA	0	1.76
500,000	US TREASURY BILLS 0.000% Due 12-26-19	99.00	495,002	99.57	497,870	14.46	NA	0	1.80
			1,477,805		1,486,620	43.19		0	
<b>CASH AND EQUIVALENTS</b>									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		22,707		22,707	0.66			
<b>TOTAL PORTFOLIO</b>			<b>3,423,716</b>		<b>3,442,039</b>	<b>100</b>	<b>26,862</b>	<b>6,758</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG - SCHOOL FUNDS**  
*From 09-01-19 To 09-30-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
U.S. TREASURY				
09-04-19	09-05-19	US TREASURY NOTES 1.500% Due 04-15-20	410,000	411,666.15
09-19-19	09-20-19	US TREASURY NOTES 1.500% Due 04-15-20	70,000	69,850.92
09-19-19	09-20-19	US TREASURY NOTES 1.500% Due 08-15-20	340,000	338,740.00
				820,257.07
				<b>820,257.07</b>
<b>INTEREST</b>				
CASH AND EQUIVALENTS				
09-15-19	09-15-19	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		5.75
				5.75
<b>PURCHASED ACCRUED INTEREST</b>				
U.S. TREASURY				
09-19-19	09-20-19	US TREASURY NOTES 1.500% Due 04-15-20		453.28
09-19-19	09-20-19	US TREASURY NOTES 1.500% Due 08-15-20		498.91
				952.19
				<b>952.19</b>
<b>SALES, MATURITIES, AND CALLS</b>				
TREASURY BILLS				
09-19-19	09-19-19	US TREASURY BILLS 0.000% Due 09-19-19	410,000	410,000.00
				<b>410,000.00</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG - SCHOOL FUNDS***  
*From 09-01-19 To 09-30-19*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
09-03-19	09-03-19	CASH RECEIVABLE		405,000.00
09-03-19	09-03-19	CASH RECEIVABLE		3,290.63
				408,290.63
				<b>408,290.63</b>



Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG - SCHOOL FUNDS***  
*From 09-01-19 Through 09-30-19*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
09-19-19	410,000	US TREASURY BILLS 0.000% Due 09-19-19	405,822.10	410,000.00	4,177.90
TOTAL GAINS					4,177.90
TOTAL LOSSES					0.00
			<b>405,822.10</b>	<b>410,000.00</b>	<b>4,177.90</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**CITY OF CRAIG - SCHOOL FUNDS**  
*From 09-01-19 To 09-30-19*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>CASH RECEIVABLE</b>					
09-01-19			Beginning Balance		408,290.63
09-03-19	09-03-19	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-405,000.00
09-03-19	09-03-19	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-3,290.63
<b>09-30-19</b>			<b>Ending Balance</b>		<b>0.00</b>
<b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b>					
09-01-19			Beginning Balance		25,619.60
09-03-19	09-03-19	dp	Transfer from	CASH RECEIVABLE	405,000.00
09-03-19	09-03-19	dp	Transfer from	CASH RECEIVABLE	3,290.63
09-04-19	09-05-19	wd	Purchase	US TREASURY NOTES 1.500% Due 04-15-20	-411,666.15
09-15-19	09-15-19	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	5.75
09-19-19	09-19-19	dp	Sale	US TREASURY BILLS 0.000% Due 09-19-19	410,000.00
09-19-19	09-20-19	wd	Purchase	US TREASURY NOTES 1.500% Due 04-15-20	-69,850.92
09-19-19	09-20-19	wd	Accrued Interest	US TREASURY NOTES 1.500% Due 04-15-20	-453.28
09-19-19	09-20-19	wd	Purchase	US TREASURY NOTES 1.500% Due 08-15-20	-338,740.00
09-19-19	09-20-19	wd	Accrued Interest	US TREASURY NOTES 1.500% Due 08-15-20	-498.91
<b>09-30-19</b>			<b>Ending Balance</b>		<b>22,706.72</b>



## Craig High School Project Graduation

October 25, 2019

Dear Friends,

RECEIVED  
OCT 31 2019

Graduation for the Craig High School Class of 2020 is fast approaching - a time for celebration, high hopes, and lasting memories.

For the 22nd consecutive year, seniors will be invited to Project Graduation, an all-night, substance-free party for CHS seniors on May 29, 2020. This event hosts a variety of activities and entertainment including music, games, crafts, and much more. In addition, food will be served and many prizes awarded. As always, adult volunteers will chaperone the event.

Project Graduation is being planned to ensure a fun and safe evening for CHS seniors. Historically, it has been a graduation gift to them from the Craig community. This program is organized by the parents of the Class of 2020 and receives no funding from the school budget. It is only through the generosity of parents, community members, the Craig business community, and many other generous businesses surrounding Craig, that we have been able to host Project Graduation for the past 22 years.

Our goal is to raise \$15,000 to cover the expenses associated with Project Graduation for our 22 graduates. We hope you will join your fellow members in the business community and demonstrate your support of this event by making a financial contribution and/or donation of a gift for our fundraising raffle or graduate prize. Sponsorship is offered at several levels, listed on the enclosed form.

We sincerely appreciate your thoughtfulness as you consider a level of sponsorship that is comfortable for you. We are grateful that the Craig community and surrounding area businesses have traditionally endorsed our efforts to provide a safe environment in which seniors can celebrate graduation night. Thank you for helping us to continue this endeavor.

New this year, we are offering sponsorship level acknowledgements in the CHS Yearbook on a dedicated Project Graduation page in addition to acknowledgements on the CCSD website. Please let us know how you can help by January 24, 2020, to ensure that your generous contribution for our graduating seniors meets the yearbook deadline.

Sincerely,

2020 Graduation Committee #SeniorsRock!!!

# CHS

## Project Graduation 2020

907-826-3274



### Business Donation Form



COMPANY NAME:

CONTACT PERSON:

Address:

E-mail address:

Website URL:

Facebook or Other Social Media Page:

Phone:

### Donation Information

ALL levels of sponsorship will receive a Certificate of Appreciation and recognition in the Island Post in addition to the following:

- \$50 - Bronze Sponsor - Business name on CHS website
- \$100 - Silver Sponsor - Business name on CHS website
- \$250 - Gold Sponsor - Business name on CHS website and 2020 CHS Yearbook
- \$500 - Platinum Sponsor - Business name on CHS website with link, as well as in the CHS 2020 Yearbook
- \$1,000 - Colonial Sponsor - Business name on CHS website with link, as well as in the CHS 2020 Yearbook
- I am interested in providing a food or prize donation. Please contact me.
- OR....Enclosed is my monetary gift of:

**Please make checks payable to: 2020 CHS Project Graduation**  
**Mail to: CCSD, ATTN: Project Grad 2020, PO Box 800, Craig, AK 99921**



# Southeast Senior Services

A Division of Catholic Community Service, Inc.



Helping elders in Southeast Alaska stay healthy, safe and independent

July 31, 2019

Mr. Jon Bolling  
City Administrator  
City of Craig  
PO Box 725  
Craig, AK 99921

Dear Mr. Bolling:

We want to thank the City of Craig for its generous support of our Craig/Klawock Senior Center. We are pleased to report the following services provided by our Craig/Klawock Senior Center staff in the fourth quarter of the Fiscal Year 2019:

- \* 17 senior citizens received 752 home-delivered meals.
- \* 64 senior citizens received 1,288 congregate meals.
- \* 64 senior citizens received 1,590 rides.

Please contact me at (907)463-6154 or [Marianne.mills@ccsjuneau.org](mailto:Marianne.mills@ccsjuneau.org) if you would like additional information.

Sincerely,

Marianne Mills  
Program Director

MM/acb



**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 25, 2019  
RE: Resolution No. 19-16

---

Attached you will find Resolution 19-16. The resolution establishes November 30, 2019 as sales tax exemption day. The city received an e-mail from the POW Chamber of Commerce (copy attached) requesting the city considering setting the exemption day in coordination with its Small Business Saturday/Shop Local campaign.

The city's municipal code enables the council to declare a day when most sales in Craig are exempt from the city's sales tax. The last time the council set a sales tax exemption day was in 2016.

The conditions in the attached resolution match those approved by the council in 2016. If the council chooses to approve Resolution 19-16, those conditions will apply again on November 30.

I have always been ambivalent about sales tax free day. It is a popular event with the public, but it also reduces revenue to the city treasury by thousands of dollars. We can certainly survive the event financially. So long as the merchants are able to accurately track and report their exempt sales we can maintain some modicum of management review and control of the event.

**Recommendation**

Adopt Resolution 19-16.

**CITY OF CRAIG  
RESOLUTION NO. 19-16**

**ESTABLISHING 2019 SALES TAX EXEMPTION DAY**

**WHEREAS**, Section 3.08.020E.25 of the Craig Municipal Code provides for the council to set a “sales tax exemption day” in Craig; and

**WHEREAS**, the city received a request to designate Saturday, November 30 as the 2019 sales tax exemption day; and,

**WHEREAS**, a sales tax exemption day will benefit Craig residents and other Island shoppers, and provide local merchants a marketing opportunity.

**NOW THEREFORE BE IT RESOLVED** that November 30 is established as Sales Tax Exemption Day for 2019, subject to the following conditions:

- 1) The promotion does not include the payment of rents and leases;
- 2) All sales made on the tax-exempt day must be recorded like any other exempt sale, and the record from that day submitted with the business’s quarterly sales tax return.
- 3) Sales are limited to stock on hand items only.
- 4) Eligible transactions are exempt only during normal business hours.
- 5) Participation in the promotion by local merchants is voluntary.

APPROVED \_\_\_\_\_, 2019.

\_\_\_\_\_  
MAYOR TIM O’CONNOR

ATTEST \_\_\_\_\_  
JILLIAN CARL, CITY CLERK

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 23, 2019  
RE: Resolution 19-17

---

Attached you will find Resolution 19-17. The resolution supports efforts by Southeast Senior Services (SSS) and the Interisland Ferry Authority (IFA) to provide or support transit services on Prince of Wales Island for the coming year.

In order to identify the priority services, a local transportation planning committee must meet and agree on the services. The committee met on Tuesday, October 22 to discuss services and gaps in service for the Craig/Klawock/Hollis area. Attending the meeting were representatives from the City of Craig, SSS, IFA, Catholic Community Service, and approximately 12 members of the public. After discussing a number of transportation needs, the group settled on supporting the transit projects listed below.

- Continued rides provided by SSS for the elderly and disabled to and from the IFA terminal in Hollis;
- An operational payment to IFA through the federal Section 5311 transit program.

Both of these projects are listed in Resolution 19-17.

Much of the funding for the identified projects is accessed through the Alaska Department of Transportation and Public Facilities, which in turn receives transit dollars from the U.S. Government. A resolution approved by a public entity, such as the City of Craig, is needed to qualify for the grant funds after a public meeting by the local planning committee. City council approval of the resolution will help ensure funding for these important public transit services for the coming year.

The Craig city council has considered and approved very similar resolutions of support of transit projects over the past few years.

**Recommendation**

Approve Resolution 19-17.



**CITY OF CRAIG  
RESOLUTION 19-17**

A RESOLUTION SUPPORTING THE COORDINATED PUBLIC TRANSIT PLAN AND  
TRANSIT PRIORITIES FOR PRINCE OF WALES

**WHEREAS**, people with specialized transportation needs merit access to mobility, individuals with limited incomes and people with disabilities rely heavily, sometimes exclusively, on public and specialized transportation services to live independent and fulfilling lives. These services are essential for travel to work and medical appointments, to run essential errands, or simply to take advantage of social or cultural opportunities; and

**WHEREAS**, under Fixing America's Surface Transportation (FAST) Act, projects funded by Federal Transit Administration (FTA) Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities program must be included in a locally developed, coordinated public transit-human services transportation plan. The Alaska Department of Transportation and Public Facilities requires any human service transit projects funded by the Alaska Mental Health Trust to also be included in a coordinated public transit-human services transportation plan; and

**WHEREAS**, the FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program provides operating and capital assistance funding to provide transit and purchase of services to private nonprofit agencies, federally recognized tribes, and to qualifying local public bodies that provide specialized transportation services to elderly persons and to persons with disabilities; and

**WHEREAS**, Alaska Mental Health Trust provides grants to private non-profit agencies, federally recognized tribes, and to qualifying local public bodies that serve community transit needs of trust beneficiaries, namely Alaskans who experience mental illness; developmental disabilities; chronic alcoholism with psychosis; or Alzheimer's disease and related dementia through funding for operating assistance; purchase of services, capital and coordinated transportation system planning; and

**WHEREAS**, a local committee with participation by representatives of Southeast Senior Services, Catholic Community Service, Craig Tribal Association, City of Klawock, City of Craig, Interisland Ferry Authority, and twelve members of the public who rely on transit services met on October 29, 2019; and

**WHEREAS**, the 23 people attending included representatives of seniors, individuals with disabilities, and public and non-profit transportation and human services providers, and participation by other members of the public; and

**WHEREAS**, the local committee reviewed and recommended through voice vote a list of transit priorities to be submitted to the State of Alaska Department of Transportation and Public Facilities; and,

**WHEREAS**, the priority list is as follows:

1. Southeast Senior Services operating assistance to include transportation to/from Hollis, through the Human Services Grant Program.
2. Interisland Ferry Authority Section 5311 subsidy.

**NOW, THEREFORE, BE IT RESOLVED BY THE CRAIG CITY COUNCIL:**

SECTION 1. That the City of Craig supports the local committee's Coordinated Plan and prioritized projects.

SECTION 2. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE CRAIG CITY COUNCIL THIS \_\_\_\_\_ DAY OF NOVEMBER 2019

\_\_\_\_\_  
Mayor Tim O'Connor

\_\_\_\_\_  
Jillian Carl, City Clerk

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 25, 2019  
RE: Review Draft Public Place Naming Policy

---

Attached is a draft policy governing the naming of city owned facilities.

At its October 17 meeting, after reviewing policies from other communities, and some discussion among its members as to particular features to include in the draft, the council provided direction to staff to prepare a naming policy. Among the desirable features particularly mentioned by the council were including a waiting period after an individual's death before naming a public facility for the individual, having a naming process that includes input from the public, and include criteria that any person for whom a public site is named must be shown to have made a significant contribution to Craig.

Section V. of the draft policy provides for a specific process to consider naming.

1. A council member or the mayor to nominate a name for a public place.
2. The nomination must be written, and specify the location of the public place and the proposed name. A name can be geographic (such as "Cemetery Island Trail"), descriptive (such as "Sandy Beach"), biographic (such as "Ralph James Park"), or of another origin.
3. Nomination materials go to the city council agenda for consideration. If a majority of the council members believe the nomination meets the objectives and criteria in the policy, the council, by motion, directs staff to prepare a resolution formalizing the place name.
4. Staff presents a resolution to the council at a subsequent meeting for formal adoption of the proposed place name.

The council should take note of several items here. First, the policy borrows from the example from Anchorage regarding special consideration for facilities named after "an historic Craig family name". The policy contains no definition of which families are historic Craig families. That portion of the policy will require the council to make what might be some difficult judgment calls. While I understand the desire to maintain historical names, the policy as presented may one day require the council to decide, in an uncomfortable setting, which among various family names deserve to be "historic Craig" family names. Naming Criteria 5 and Renaming Criteria 2 are probably better deleted; doing so still leaves the naming and renaming authority in the hands of the council.

Second, the policy has separate criteria for naming versus renaming of public places (following the Anchorage model). I suggest changing the draft policy to have the same criteria apply to naming or renaming actions.

Third, members of the public may propose designating a place name through the sponsorship of the mayor or a council member, not unlike the ordinance process.

Fourth, the draft policy purposely requires two city council meetings to run its course. This approach provides the public at least two chances to comment to the council when a formal name is proposed for a public place.

**Recommendation**

That the council discuss the attached draft naming policy and give direction to staff as to whether to move forward with adoption or revision. If the council chooses to move forward with the policy either as-is or with changes, staff will bring a resolution to the council at its next meeting.

**City of Craig, Alaska**  
**Naming of Public Places Policy**  
**-Draft for City Council Review-**

I. Purpose

The purpose of this policy is to establish a consistent method for the official naming of City-owned public places. For purposes of this policy, a public place means any building, street, facility, or property owned by or under the control of the city, including interior and component spaces integral to the whole, and including buildings and facilities occupied by the Craig City School District.

II. Objectives

- Ensure that City parks, facilities, and buildings are easily identified and located.
- Ensure that name given to City parks, facilities, and buildings are consistent with the values and character of the City, or neighborhood served.
- Encourage public participation in the naming, renaming and dedication of City parks, facilities, and buildings.
- Encourage the dedication of lands, facilities, or donations by individuals and/or groups.
- Establish a means of appropriately recognizing prominent individuals who have contributed substantially to the City of Craig, the State of Alaska, or the nation.
- Memorialize locally important geographic and natural features.

III. Policy

When considering the naming or renaming of municipal buildings, other fixed facilities, and public places, the preferred practice shall be to give public property historical, cultural or geographical significance considering location, function, and natural features. The existing name of any public place is presumed to be the best name of that public place. Continuity of name and common usage are presumed to increase sense of neighborhood.

IV. Criteria

*Honorary naming.* Naming of a public place will:

1. Demonstrate that the objectives of this policy are met, or specify findings for an exception;
2. Identify the individual's connection to the municipality, if considering an outstanding local, state, national or international civic leader;
3. Consider the historical significance of the person and the duration of residence in the municipality, or connection with the municipality if a nonresident;
4. Consider the history of the location in relation to the history of the present name, when proposing to rename an existing public place;
5. Not change the name of a public place bearing an historic Craig family name;
6. Limit honorary naming to a one time present use of an individual's name;
7. Support the preferred practice of honoring individuals through naming of internal areas, fixtures, and features integral to public spaces. Naming a public building, facility, or park for a living person is not favored.
8. Require, when considering naming a public place after a deceased person, at least three years to elapse from the date of death before considering the honorary naming.

*Honorary renaming of public places.* The following criteria shall apply in the honorary renaming of streets and roads:

1. The individual whose name is proposed for honorary renaming shall be worthy of long-term recognition by virtue of special efforts, accomplishments, or contributions which have benefited the city or the state.
2. No facility bearing a Craig historic family name will be eligible for renaming.
3. Renaming of a public place, road or street should not be considered within 20 years of the previous naming.

#### V. Procedures

A nomination to name a public place may be made by the mayor or any member of the city council by identifying in writing the proposed public place and the proposed name. The mayor or council member initiating the nomination shall prepare documentation regarding the nomination, demonstrating that the objectives and criteria of this policy are met.

If a majority of city council members concur that the objectives and criteria of this policy are met by the nominating documents, and upon direction by motion from a majority of city council members, city staff will prepare a resolution for consideration by the city council officially naming the naming the public place. Adoption of the resolution officially applies the proposed place name.

#### VI. Applicability

This policy shall not apply to the naming or renaming of facilities which are donated to the city contingent upon assignment of a specific name or to any facility constructed or purchased from money or property donated to the municipality for the specific purpose of securing a name for the facility.

**TO:** CRAIG CITY MAYOR AND COUNCIL  
**FROM:** DOUGLAS WARD /FACILITIES  
**SUBJECT:** AQUATIC CENTER BOILERS  
**DATE:** OCTOBER 31, 2019

---

As you are all aware, the (2) propane boilers at the Aquatic Center Building have had catastrophic failures. They are non-functional, and therefore the facility is relying solely on the city's wood fired boiler. If the wood boiler encounters any issues and goes off-line, the Aquatic Center Building will have to close to the public, until the boiler is brought back on-line. Historically the wood boiler runs fairly trouble free while it is in service, but there are periodically minor mechanical and fuel problems that can take it out of service. In the past those occurrences have lasted from hours up to a week. Just be aware that it is probable that the Aquatic Center will be close periodically for boiler issues until the propane boiler issue is resolved.

At this point, we are not certain for sure what caused the failure of the propane boilers. I have removed one of the failed heat exchangers, and shipped it back to the manufacturer to diagnose the cause of failure. The heat exchangers are warranted for 10 years (pro-rated), but initial response from manufacturer is that they will not be covered.

My speculation is that corrosive atmosphere is responsible for the premature failures. We have identified probable sources where that air is entering the space housing the boilers. We have, and are making inquiries on how to seal, ventilate, and remedy this condition. Manufacturer states that common failures are due to out of range hydronic water composition. My testing on the fluid shows it is within acceptable specifications. Until we hear the results from testing, all guesses are speculation.

Attached is an overview of various alternatives to replace the failed boilers. I have also solicited a rough estimate from local contractor HII Operations, to install differently configured boilers. It is meant only as a ball park figure. His estimate is \$3,000.00 - \$5,000.00 to plumb in a differently configured machine to the existing plumbing. I am still awaiting pricing on several other boiler options that I have requested, including pricing for the same units as the existing pair. I am also expecting a bid from local Vendor Arrowhead Transfer Lp Gas, which I have not yet received.

My recommendation is to replace the existing units, and not to repair them. The rest of the components have been subject to the same corrosive atmosphere for the three years since they were installed. I have had to make several repairs to them already since new. The lead / lag, and load sharing controls did not function that well since they were installed, in my opinion.

I recommend purchasing and installing The Advanced Thermal Hydronics KN10, and KN-6 units. They have a 25 year life expectancy and a cast iron heat exchanger that is more forgiving. My recommendation will be valid only upon returned results of the cause of failure on existing units, and verification that boilers meet all previously laid out specifications for this application.

It is also of my opinion that the city council at some point, look into funding a part time maintenance position, specifically for the Aquatic Center and wood boiler buildings and equipment. I believe a facility that size, and with the amount of equipment it has, and the corrosive environment it holds, needs a dedicated employee maintaining it. There are sufficient maintenance requirements to justify the position. With current staffing and the work load of the current parks and facilities staff, the Aquatic Center currently is receiving minimal attention.



MANUFACTURER AND MODEL	CONDENSING	BTU /MBH INPUT	BTU / MBH OUTPUT
Existing Equipment			
* Heat Exchanger Replacement *			
Thermal Solutions - Apex 725C	YES	725,00	689,000
Weil Mclain - Slim Fit 750	YES	750,000	702,000
Raypak - Xvers H7-726L	YES	725,00	705,000
Raypak - Xfiire H7-800B	YES	800,000	768,000
Advanced Thermal Hydronics - KN10	YES	1,000,00	900,000
Advanced Thermal Hydronics - KN6	YES	600,000	540,000
Lochinvar - Crest FBN0751	YES	750,000	722,000
Lochinvar - FTX750L	YES	725,000	705,000
Laars Pennant - PNCH 750	NO	750,000	638,000
Burnham - KV905A-WNP	NO	808,000	646,000

Labor and material estimate to install

<b>% EFFICIENCY</b>	<b>TURNDOWN</b>	<b>DIMENSIONS</b>	<b>WEIGHT</b>	<b>PRICE / \$ EACH</b>
			230 lb	\$4,942.00 Ea.
95%	5:01	49-1/2" X 16-7/8" X 35-1/16"	458 lb	\$13,256.00 Ea.
94%	5:01	47-1/4" x 18-3/16" x 53"	550 lb	\$12,184.00 Ea.
97.30%	7:01	59" X 26" X 32"	255 lb	\$16,872.60 Ea.
96%	7:01	45-1/4" x 27" x 40-1/4"	655 lb	\$20,100.60 Ea.
90%*	5:01	74" x 52" x 34"	1400 lb	Combined
90%*	5:01	74" x 44" x 34"	1080 lb	Combined
96.20%	15:01	78" x 30" x 55"	1560 lb	\$21,928.00 Ea.
97.20%	7:01	53.5" x 26.25" x 33"	575 lb	\$15,625.00 Ea.
85%	N/A	45.5" x 29.3" x 41.5"	810 lb	\$11,274.00 Ea.
82%	N/A	57" x 30.25" x 32"	1800 lb	\$11,915.00 Ea.

\* 90% @ full  
fire. Efficiency  
increases with  
turn down

TOTAL 2 UNITS W/SHIPPING & SETUP*	WARRANTY	*NOTES*
\$9,884.00	10 YEAR PRO-RATED	316L Stainless Exchanger
\$26,513.00	10 YEAR PRO-RATED	316L Stainless Exchanger
\$24,818.40 *1	10 YEAR	Aluminum Heat Exchanger
\$35,245.20 *2	10 YEAR	316L Stainless Exchanger
\$41,701.20 *2	10 YEAR PRO-RATED	316L Stainless Exchanger
\$41,150.00 *3 X	25 YEAR	Cast Iron Heat Exchanger 25 Year Life
\$49,896.00 *4	10 YEAR	316L Stainless Exchanger
\$37,290.00 *4	10 YEAR	316L Stainless Exchanger
\$22,548.00 *5	10 YEAR PRO-RATED	Cupro-Nickel Exchanger
\$23,830.00 *6	10 YEAR	Cast Iron Exchanger

\$3,000.00 - \$5,000.00

\*Total price reflects extras included

\*1 No setup on this unit

\*2 Setup \$1500.00 per day + Travel

\*3 Setup \$6900.00 / 2-3 Weeks Lead

\*4 Includes Circ. Pumps @ \$3020.00 ea.

\*5 Includes Circ Pumps @ \$778.00 ea.-

No Start Up or Flue Materials Included

\*6 Start Up & Training Extra

\*All shipping is F.O.B. Seattle\*

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: November 1, 2019  
RE: Consider Award, Craig Ice House Repair Bids

---

As the council is aware, the city recently solicited design/build bids to replace an ice drum and add an evaporator unit at the Craig Public Ice House.

The October 31 deadline to submit bids passed without the city receiving proposals. In response, I extended the bid date to this Tuesday, November 5.

After the November 5 revised bid deadline, I will supplement the council packet via e-mail with a memo reporting the results of bids received, if any, for the project.

In the meantime, feel free to contact me with any questions.

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 25, 2019  
RE: Review Alaska Municipal League Remote Seller Sales Tax Proposal

---

The Alaska Municipal League, an organization whose membership is made up of cities and borough governments around Alaska, works on many municipal policy issues. One such issue is the collection of local sales taxes from online vendors.

In 2018, the US Supreme Court ruled in *South Dakota v. Wayfair* that states may compel online vendors to collect and remit sales taxes even if the vendor has no physical presence in a given state. The decision overturned past court precedence that typically required a business have a physical presence in a taxing jurisdiction in order to be subject to the sales tax.

The court cited three examples of why South Dakota's sales tax structure was reasonable to apply to online vendors:

First, the Act applies a safe harbor to those who transact only limited business in South Dakota. Second, the Act ensures that no obligation to remit the sales tax may be applied retroactively. Third, South Dakota is one of more than 20 States that have adopted the Streamlined Sales and Use Tax Agreement. This system standardizes taxes to reduce administrative and compliance costs: It requires a single, state level tax administration, uniform definitions of products and services, simplified tax rate structures, and other uniform rules. It also provides sellers access to sales tax administration software paid for by the State. Sellers who choose to use such software are immune from audit liability.

Because the US Supreme Court specifically cited South Dakota's single statewide code in its *Wayfair* opinion, many legal observers caution that the same circumstance should apply to any state where local governments wish to collect sales tax from online vendors. Alaska has no statewide sales tax, and as a result no "single, state level tax administration" exists here. With this in mind, AML, in working with a number of communities around the state, have identified a means of organizing a statewide sales tax administration that can apply to online sales.

The proposed structure of the single state level administration in AML's model is based on a compact between those communities in the state who choose to participate. Once formed, the managing entity, tentatively titled the "Alaska Remote Seller Sales Tax Commission" the membership of which is made up from the participating communities, would write a single sales tax code that would apply to online retail sales made to Alaskans. The commission would collect the sales tax due, and remit it to the community where the sale item is delivered to by the online vendor. A portion of the sales tax collected would be retained by the commission to cover its costs. The percent of costs and terms of collection are agreed to in advance between the commission and participating cities.

Attached are some draft organizational documents regarding the proposed commission. This matter will be the topic of discussion at November's annual meeting of the AML membership. I do not plan to attend the meeting, but Mayor O'Connor will be there, as will other city staff.

While there are still some unresolved details to work out, I do see some potential advantages to the City of Craig in this effort.

- Signing on to a commission like the one proposed will make online vendor compliance with Craig's sales tax more likely. A recent test of three online vendors (Best Buy, Dell, and Brownell's) revealed that none were prepared to collect city sales tax for products scheduled for delivery to Craig.
- Entering into an agreement with the proposed commission would require paying a membership/administration fee, but that fee is likely to come out of sales tax receipts the city would not otherwise have collected.
- The system is voluntary, so the city can work with AML, or go its own way on collecting sales tax from online sales.
- Collecting local sales tax broadly from online vendors helps to "level the playing field" with our local brick and mortar merchants who compete with online vendors.

Chief among the unanswered questions at this point is what the remote seller sales tax code will look like. AML continues to work on the proposed code. My understanding is that it will be ready by the league's November meeting.

AML has issued two draft documents related to this effort: a sample Remote Seller Sales Tax Agreement that AML will ask each participating community to sign; and a sample resolution approving a given city's participation in the effort. Both are attached here for your review.

This item is presented here for discussion. I will bring to the council the updated documentation for this effort when made available by AML. In the meantime, I would appreciate any initial, general thoughts from council members on this matter.

# Alaska Intergovernmental Remote Seller Sales Tax Agreement

FINAL DRAFT

October 11, 2019

## **Alaska Intergovernmental Remote Seller Sales Tax Agreement**

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration of remote sales tax collection and remittance. The provisions of the Agreement do not apply to administration and collection of sales taxes for the sales of goods and services originating from within the boundaries of a member municipality nor does this Agreement restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The authority to set rates and exemptions is maintained by the member municipality.

### **Article I. Background Principles.**

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction.
2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.
3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.
4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.
5. The signatories desire to establish an intergovernmental entity to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.

### **Article II. Purpose.**

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers using a single statewide intergovernmental entity;
2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and
3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.



### **Article III. Definitions.**

As used in this Agreement:

1. “Commission” means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.
2. “Local Government” means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.
3. “Member” means a Local Government signatory to this Agreement.
4. “Remote seller” means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.
5. “Sales tax” means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property or the rendering of services measured by the price of the property transferred or services provided.
6. “Marketplace facilitator” means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller’s products or services (excluding lodging and rentals) through a physical or electronic marketplace operated by the person, and engages:
  - a. Directly or indirectly, through one or more affiliated persons in any of the following:
    - i. Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;
    - ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;
    - iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or
    - iv. Software development or research and development activities related to any of the activities described in (b) of this subsection (3), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person;
  - b. In any of the following activities with respect to the seller's products:
    - i. Payment processing services;

- ii. Fulfillment or storage services;
- iii. Listing products for sale;
- iv. Setting prices;
- v. Branding sales as those of the marketplace facilitator;
- vi. Order taking;
- vii. Advertising or promotion; or
- viii. Providing customer service or accepting or assisting with returns or exchanges.

#### **Article IV. The Commission.**

##### **1. Organization and Management.**

- a. The Alaska Remote Seller Sales Tax Commission (the “Commission”) is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member’s behalf.
- b. Each Member will be entitled to one vote.
- c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.
- d. No action will be binding unless approved by a majority of the Directors present at a meeting.
- e. The Commission will adopt an official logo.
- f. The Commission will hold an annual meeting rotating the location of the meeting each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.
- g. The Commission will elect annually, from among its members, a Chairman, a Vice Chairman, and a Secretary/Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.
- h. The Commission will contract at formation for support and administrative functions with the Alaska Municipal League (AML). The Executive Director of the AML will

serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.

- i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.
- j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.
- k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite 200, Juneau, AK 99801.
- l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.
- m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

## 2. Committees.

- a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales tax on behalf of members.
- b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.
- c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

## 3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

- a. Study federal, state and local sales tax systems, and particular types of state and local taxes.

- b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.
- c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.
- d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:
  - i. Sue and be sued.
  - ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members
- f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:
  - 1. As provided in its bylaws, hold at least one meeting after due notice to all affected members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.
  - 2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.
- g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and procedures.

#### 4. Finance.

- a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.
- b. The Commission will follow a July 1 to June 30 fiscal year.
- c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.

- d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.
- e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.
- f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.
- g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

#### **Article V. Membership Requirements; Remote Seller Sales Tax Code.**

1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:
  - a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member's representative on the Commission.
2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:
  - a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.
  - b. Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. The Remote Seller Sales Tax Code is provided as "Addendum A".
3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.

4. The Member must provide notice of tax or boundary changes to the Commission and must assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

## **Article VI. Sales Tax Collection and Administration.**

### **1. Collection; Registration; Remittance.**

- a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand (\$100,000) in annual sales or 100 annual transactions occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.
- b. The Commission will remit and report to Members by the last business day of the month.
- c. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.
- d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of registered sellers in good standing shall be distributed to Members, made public and available on the Commission's webpage.

### **2. Returns; Confidentiality.**

- a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.
- b. All returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
  - i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
  - ii. The person supplying such returns, reports and information; or

- iii. Persons authorized in writing by the person supplying such returns, reports and information.

**3. Title; Penalty and Interest; Overpayment.**

- a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.
- b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.
- c. Upon request from a buyer or remote seller the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller shall process the refund and amend any returns accordingly.

**4. Audit; Compliance and Enforcement.**

- a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.
- b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and penalties, and filing of civil suits and injunctions.

**Article VII. Entry into Force and Withdrawal.**

- 1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.
- 2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

**Article VIII. Effect on Other Laws and Jurisdiction.**

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code changes or demonstrate parity or non-applicability.
2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.
3. Supersede or limit the jurisdiction of any court of the State of Alaska.

**Article IX. Construction and Severability.**

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.



Presented by:  
Introduced:  
Drafted by:

## MODEL RESOLUTION

Serial No. XXXX

### **A Resolution Authorizing the [Taxing Jurisdiction] to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Sellers Sale Tax Code**

WHEREAS, the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska in response to orders placed electronically by consumers with remote sellers, is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

WHEREAS, the harm from the loss of revenue is especially serious in Alaska because the state has no broad-based tax, and sales tax revenues are essential in funding the provision of services by local governments; and

WHEREAS, the failure to collect tax on remote sales creates market distortions by creating tax shelters for businesses that limit their physical presence in the state or cities and boroughs but still sell their goods and services to their consumers, something that becomes easier and more prevalent as technology continues to advance; and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring and is a growing problem that is likely to only worsen in the near future; and

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure; and

WHEREAS, given modern computing and software options, it is neither unusually difficult nor burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

WHEREAS, the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not

have a physical presence in either the state of Alaska or within the [taxing jurisdiction], but do have a taxable connection with the state of Alaska and [the taxing jurisdiction]; and

WHEREAS, the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; and

WHEREAS, in order to implement a single-level statewide sales tax administration, it is the intent of local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the “Commission”); and

WHEREAS, the function and powers of the Commission will be set forth under the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the “Agreement”), a cooperative agreement between Commission members; and

WHEREAS, under the terms of the Agreement, in order to maintain membership in the Commission, the [taxing jurisdiction] will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote seller; and

WHEREAS, the uniform remote sales tax code will be presented to the [taxing jurisdiction’s governing body] for consideration once adopted by the Commission; and

WHEREAS, once adopted, the administration of remote sales tax collection and remittance will be delegated to the Commission; and

WHEREAS, the intent of the Agreement is to enable Alaska’s taxing jurisdictions to levy their municipal sales tax to the maximum limit of federal and state constitutional doctrines; and

WHEREAS, [authority of taxing jurisdiction to enter into intergovernmental agreements. Many local governments in Alaska have charter provisions that read something like “(charter section) provides that the municipality may exercise any of its powers or perform any of its functions any may participate in the financing thereof, jointly or in cooperation, by agreement with any one or more local governments, the State, or the United States, or any agency or instrumentality of these governments.”]

NOW, THEREFORE, BE IT RESOLVED BY THE [GOVERNING BODY]:

**Section 1. Authorization.** The [Governing Body] authorizes the Manager/Mayor to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission.

**Section 2. Representation.** The [Governing Body] designates the Manager/Mayor/Finance Director/STO as the [Taxing Jurisdiction’s] representative on the Commission.

**Section 3. Scope of Agreement.** The Alaska Intergovernmental Remote Seller Sales Tax Agreement is included as Attachment A.

**Section 4. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Authorized signatory

Attest:

\_\_\_\_\_  
Municipal Clerk

Business/Economy

# Alaska communities that levy sales taxes launch plan to collect for online purchases

- Author: [James Brooks](#)

Cities and boroughs in Alaska that levy sales taxes have unveiled [a plan](#) to collect from online purchases that would be the first of its kind in the United States.

If successful, the arrangement would result in millions of dollars in extra tax revenue for local governments and eliminate an incentive for Alaskans to buy online instead of at local shops.

While Anchorage and Fairbanks — the state's two largest cities — don't have sales taxes, many other communities do: There are 106 sales tax jurisdictions in Alaska, in places as varied as Ketchikan, Kotzebue and Kenai. All could be affected by the arrangement, depending on actions taken by their local government.

Under the plan, cities and boroughs are being asked to join a cooperative agreement that creates a statewide sales tax commission administered by the Alaska Municipal League. That commission will be in charge of keeping track of the various local sales taxes and will contract with Colorado-based software company MuniRevs to collect them from online retailers.

When someone buys something online, the retailer will send the appropriate tax — based on shipping address — to the commission, which will distribute it back to communities. MuniRevs and the commission would each take a cut to pay for the cost of their work. Only companies with at least 100 sales or sales worth \$100,000 in Alaska would be required to pay online sales taxes.

The plan is expected take effect in 2020 in communities where the local government has signed on.

“We think it levels the playing field for everybody,” said Jeff Rogers, finance director for the City and Borough of Juneau, one of the communities leading the effort.

If local businesses pay local sales taxes but online stores don’t, “local businesses are being systematically disadvantaged,” Rogers said. “That’s not a good thing for anybody.”

There’s a significant financial incentive, too. According to [state figures](#), Juneau collected more than \$48 million in sales tax revenue in 2018, the most in the state, and Rogers said he expects online collections to add at least \$1 million to that figure.

The Kenai Peninsula Borough collected \$31.5 million in sales tax revenue in 2018, second-most in the state, and finance director Brandi Harbaugh is even more bullish than Rogers: She said she estimates online collections could be worth 10% of the 2018 figure.

She, like Rogers, said the equity factor is more important than the potential revenue.

“I think it definitely helps even the playing field and helps the local vendors,” she said.

For its part, Amazon — the nation’s largest online retailer — has generally favored a centralized tax collection system. It lobbied for federal legislation but has also supported so-called “marketplace” legislation in individual states.

“Amazon supports marketplace legislation in the states because it simplifies sales tax collection for the millions of small businesses that sell on Amazon,” wrote Jill Kerr, Amazon’s state policy communications manager, by email. She said the company didn’t have a comment about Alaska specifically.

According to [the National Conference of State Legislatures](#), 42 states across the country have begun collecting online sales taxes since [the U.S. Supreme Court ruled in June 2018](#) that online retailers can be required to pay sales taxes, even if they don’t physically exist in a particular state.

But all of those states have statewide sales taxes and have used their state governments as a central clearinghouse. Alaska doesn’t have a statewide sales tax, and barring action by the Alaska Legislature, it’s up to cities and boroughs to collect online taxes.

Jackson Brainard, senior policy specialist with the National Conference of State Legislatures, wrote by email that “Alaska is a unique case on this front.”

The other four states without statewide sales taxes do not have local sales taxes. States with local sales taxes and a statewide sales tax have allowed their state governments to take the lead, collecting online taxes on behalf of municipalities and sending them onward.

In Alaska’s case, nothing will happen unless local governments sign on.

The Kenai Peninsula Borough, City and Borough of Juneau and other local governments are preparing [draft resolutions](#) to be considered by their elected assemblies in early November. A signing ceremony officially opening the commission’s work has been tentatively scheduled for the Alaska Municipal League’s statewide conference in November.

If all goes as planned, the first collections would take place in 2020.

## **Largest sales tax communities**

According to [the latest Alaska Taxable report](#) published by the state assessor's office, these are the top 10 largest municipalities in Alaska with sales taxes:

- Kenai Peninsula Borough: population 58,024, 3% sales tax
- City and Borough of Juneau: population 32,269, 5%
- Ketchikan Gateway Borough: population 13,754, 2.5%
- City of Wasilla: population 8,797, 3% (will drop to 2.5% starting Dec. 1)
- City and Borough of Sitka: population 8,748, 5% in winter, 6% in summer
- City of Ketchikan: population 8,125, 4%
- City of Kenai: population 7,038, 3%
- City of Palmer: population 6,296, 3%
- City of Bethel: population 6,151, 6%
- City of Kodiak: population 5,952, 7%

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: November 1, 2019  
RE: Update on Cannery Property Harbor Project – Summary of Attached Memo

---

Attached is a lengthy memo regarding the Craig cannery property harbor project. This single page summary is intended to provide a succinct explanation of staff's recommendation on the subject.

The city must produce around \$11.2 million in matching funds to complete the project. The match requirement begins with the need to produce \$4.4 million for the phase of the project that builds the harbor breakwaters. To produce this match, staff recommends borrowing \$4.4 million from a commercial bank or issuing a general obligation bond through the Alaska Municipal Bond Bank.

Funds to make the annual loan payments would be financed by:

- drawing \$210,000 of interest from the Craig Endowment Fund, after adding \$2.5 million to the fund's principal;
- dedicating sales tax receipts from online retailers, and/or sales of marijuana products;
- redirecting a portion of the funding in the city's annual budget used for school support.

Staff also recommends permitting a draw of up to \$375,000 from the city's Land Development Fund to pay costs of harbor and breakwater design costs if grant funds applied for are not awarded.

Staff's recommendations are based on the goal of conserving the city's cash reserves so that the breakwater construction phase of the project does not reduce the cash balances held today by the city.



## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Brian Templin, City Planner  
Sheri Purser, City Treasurer  
Date: November 1, 2019  
RE: Update on Cannery Property Harbor Project

---

As the council is aware staff has been working with the Civil Works Division of the US Army Corps of Engineers in Anchorage toward the establishment of a boat harbor at the downtown cannery property. Given recent events related to the project, a summary of the project's history, financing, and future direction is timely.

### Project History

In 2006, the City of Craig purchased the old cannery property from Wards Cove Packing Company for \$1.75 million. The property had been offered for sale by its prior owner and the city council saw the purchase of the property as the best option to expand the city's harbor capacity. On April 5, 2007, the city council approved phase one the cannery property development plan. Essentially, phase one calls for the establishment of a harbor on the property's tidelands, with some of the uplands dedicated for harbor support. Since 2007 staff has been working through the US Army Corps of Engineers Small Boat Harbor Program to put the city in a position to receive funding for the breakwaters needed for the project. The Small Boat Harbor Program requires a project sponsor (in this case, the sponsor is the City of Craig) to providing matching funds for the planning, reports, environmental, and design work related to what the Army Corps of Engineers calls navigational improvements, which in the city's particular case means rubble mound breakwaters. The rock breakwaters are necessary to protect the proposed harbor from damage caused by wave action from both the southwest and from the north.

The current phase of the project has required hundreds of thousands of dollars in match from the city. The process has also taken quite a long time to get to this point. The incentive to the city to participate in this project is that it could lead to the Army Corps of Engineers providing up to 80 percent of the cost of the breakwaters.

The breakwater portion of the project has secured several approvals from the Corps. These have led to the city and Corps entering into an agreement to design the breakwaters; that design is now underway in the Corps' Alaska offices at Joint Base Elmendorf/Richardson. The design requires a cash and in-kind match from the city. Most of the cash portion of that match is already in the hands of the Corps. Some additional cash match may be needed to complete the design work. Also in place is a federal authorization to construct the breakwaters, and staff will work with the Corps and the Alaska Congressional Delegation to secure an appropriation for project.

### Financing

As noted above, the preliminary work done on this project required a cost match from the city. When the project is ready for construction, the city must produce a substantial cash match. As noted above the Army Corps of Engineers will provide eighty percent of the cost of the

breakwaters needed for the project. The agency funds their 80 percent through a national harbor project bill Congress adopts every few years.

The table below shows the dollar match that the city can expect to pay for full development of the harbor project. The city is responsible for the “Non-Federal” portion shown in the table.

Item	Project Costs*		
	Federal(\$)	Non-Federal	Total(\$)
General Navigation Features (including aids to navigation)	\$ 19,800,000	\$ 2,200,000	\$ 22,000,000
Associated costs - local service facilities	\$ 0	\$ 6,800,000	\$ 6,800,000
LERR (GNF) Admin Costs	\$ 9,000	\$ 17,000	\$ 26,000
10% of GNF, Non-Federal**	\$ (2,200,000)	\$ 2,200,000	\$ 0
Final Initial Cost Requirements	\$ 17,609,000	<b>\$11,217,000</b>	\$ 28,826,000

\*Total Project Costs as defined in USACE Value Engineering Study Summary Report dated May 13, 2015.

\*\*Reflects provisions of the Water Resources Development Act of 1986. Sums may not total due to rounding.

As the table shows upon full build out of the project, including both breakwaters and moorage space for about 145 vessels, the city’s cash share is approximately \$11,217,000. The precise cash match will depend on actual construction costs for both the breakwater and the float system. Additional funds will be needed to complete utility connections, access roads, and other upland improvements. The figures shown above do not include design funds for the general navigation features or the local support facilities.

The city has already provided \$65,500 to the USACE toward the non-federal share of the breakwater (GNF) design. The cost share for this portion of the design is 90/10 so this allows the USACE to spend up to \$655,000 of federal funds. It is likely that the city will also provide some in-kind contributions to the design (primarily use of city boats and crew for geotechnical work) which will allow for additional federal funds to be spent. If the GNF design cost exceeds the cash/in-kind match then the city will need to provide additional GNF design funds. The GNF design project may require \$25,000 - \$30,000 more in local cash match to complete.

The city is applying for a community development block grant (CDBG) for 75% of the local support facility design. If approved, the city’s share of the design will be approximately \$68,750 depending on contract costs. If the CDBG application is not approved the city will need to provide local funding or find other grant funding for the local support facility design.

This \$11 million construction figure is obviously an enormous amount of money for Craig. As such it is important to see the match amount in the context of how much is due, and when.

The portion of the match attributable to construction of the breakwaters is \$4,400,000. Of this amount, \$2,200,000 is due at the time of construction. The balance is payable to the Army Corps of Engineers over thirty years, at a rate of interest fixed by the Army Corps.

The portion of the match attributable to construction of the moorage floats is estimated at \$6,800,000, due at the time of construction. This cash share includes approximately \$1.1 million for construction of recreation/pedestrian improvements on top of the breakwater. The float system would undergo construction after placement of the breakwaters.

If the breakwater portion of the project were to receive funding in a federal appropriations bill, it could be ready for construction by 2021. The Army Corps estimates the breakwaters will take two seasons to construct, putting the finish date for that work in late 2022. While some float construction work may start during the second season of breakwater construction, the bulk of the float work could begin any time after completion of the breakwaters; that schedule puts float construction in the year 2022. The thirty year financing offered by the Army Corps will require debt service payments once breakwater construction is complete. In summary, one possible timeline for the local match coming due is below.

<b>Project</b>	<b>Match Amount</b>	<b>Date Due</b>
GNF (breakwater) Design	\$95,000*	2019/2020
LSF (floats) Design	\$68,750**	2020
GNF Construction (season 1)	\$1,100,000	2021
GNF Construction (season 2)	\$1,100,000	2022
LSF Construction	\$6,800,000	2022
Breakwater - financing***	\$210,000	Annually
*\$65,000 already funded		
**If CDBG is approved, \$343,500 if CDBG is not approved		
***Assumes 5% interest rate		

Staff was recently notified that the USACE is looking at the possibility of some federal funds from various USACE construction projects being returned to the USACE for use on other projects, including Craig’s. If this occurs, and Craig’s project is one of the projects selected to receive the fallout funds, then the USACE will work to complete GNF design and award a construction contract for the breakwaters by September 30, 2020. If this happens it will provide a much surer path for Federal funding but will require that the city is prepared to provide matching funds at the time that the construction contract is awarded. We should have more information by the end of December 2019 on the availability of these funds.

Even spread out over several years, securing the cost match is an enormous challenge for Craig. The community will depend upon an outside source to provide at least some of the match requirement. While the dollar amounts may seem overwhelming when viewed all at once, it is helpful to distinguish costs among the project components: breakwaters, and moorage floats.

*Breakwaters*

The first component is construction of the breakwaters, for which the estimated city match is \$2.2 million during construction, and another \$2.2 million payable over 30 years. Note: for general reference, a twenty year, \$4.4 million loan financed at 3.5 percent amounts to about a \$310,000 annual loan payment, and a total loan interest cost of about \$1.8 million.

As noted above, the city’s estimated cash match for breakwater construction is \$4.4 million. In considering options for producing the city’s full \$4.4 million match for the breakwaters, there are several alternatives available.

#### A. Bank Loan

I called one local bank to get a general idea of their level of interest in financing \$2.5 million for the project. The response was one of clear willingness to work with the city on financing. Given that the project is for a public purpose, it is possible for the bank to provide a reduced rate of interest due to tax advantages in financing a municipal project. The bank is prepared to offer more details if the council wishes to consider this approach.

#### B. Municipal General Obligation Bond

The bond bank assists municipalities with issuing tax-free municipal general obligation bonds, which carry a lower interest rate than other forms of financing. The city has incurred bonded debt through the Alaska Municipal Bond Bank on two occasions over the past 25 years: to finance construction of the Craig Aquatic Center, and then to finance mechanical system and other improvements to the center. The second of those bonds is in year three of a twenty year repayment schedule. The bond bank will consider another bond issuance in addition to the obligation of the existing pool bond.

#### C. Direct Appropriation from Certificates of Deposit

Among the city's savings is \$2 million worth of certificates of deposit at Wells Fargo Bank. The CDs were purchased with surplus operating dollars from the city's general fund. The CDs are not part of the endowment fund. The instruments currently earn around 2.25%.

#### D. Dedication of Revenue to Repay Endowment Fund

Another option is to borrow from the city's endowment fund, and then repay the loan from a specified source. One such source might be sales tax from online retailers, which may become a steady source now that the city receives sales tax from Amazon, and with an effort underway to collect sales taxes from other online vendors. These payments are essentially a new revenue source from sales tax that might still be earmarked for a specific use. Similarly, the city could earmark raw fish tax receipts received that are in excess of the amount budgeted each year toward repaying the loan, although raw fish tax revenues can be highly variable from year to year.

#### E. Direct Appropriation from Endowment Fund.

The September 30 market value of the Craig Endowment Fund is approximately \$10.8 million. The council is empowered to appropriate principal from the Endowment Fund by unanimous vote. This approach will result in less future earnings from the fund for use in the city's operating/capital budgets. Appropriation of principal, while permitted by the city's investment policy, runs counter to the policy's goal of building fund value over time.

#### F. Redirected School Funding

As the council will recall, the city's annual operating budget sets aside funding for school support. Because the school support fund already holds about five times the amount of cash that the city provides to the district each year, the council can consider redirecting some of the operating budget contribution in excess of \$300,000 toward other uses, including the downtown harbor project.

G. Add Undesignated Savings to Endowment Fund.

As noted above, the city holds about \$2 million in CDs at Wells Fargo. In addition, about \$505,000 of the endowment fund is held at First Bank. If these two sums are added to the principal of the endowment fund, the fund value will rise to about \$13.3 million. At the current cap of four percent of market value draw from the fund, the fund could generate about \$530,000 annually (assuming a generally stable market value each year), more than enough to meet debt service payments on the breakwaters and the aquatic center bond.

A table showing the funds referenced in paragraphs A-G above is provided below for your reference.

<b><u>Fund Name</u></b>	<b><u>Source of Funds</u></b>	<b><u>Balance</u></b>	<b><u>Location</u></b>
Craig Endowment	One-time revenues	\$ 10,814,644	Broker
Craig Endowment	One-time revenues	\$ 505,777	First Bank
School Support	Federal & City funds	\$ 3,442,961	First Bank
Certificates of Deposit	Retained earnings	\$ 2,000,000	Wells Fargo
City General Fund	Multiple sources	\$ 1,592,625	First Bank
Capital/Harbor/Equip. Res.	Various Sources	\$ 593,883	First Bank
Land Development	Sale of city property	\$ 567,676	First Bank

*Moorage*

The question of how to finance the moorage floats looms next. The city can at this point pursue various options for the design and construction of the moorage floats, estimated to cost \$6.8 million. Some of those options are listed below.

H. AIDEA

The Alaska Industrial Development and Export Authority operates loan programs that finance infrastructure projects like the one proposed for the cannery site. The cannery harbor project would be small by AIDEA standards, but still within the size of projects the entity has helped finance in the past.

I. Alaska Department of Transportation

The Alaska Department of Transportation has a harbor development program, under which the harbor proposed for the old cannery site is eligible. The program does require a match and like the capital budget is subject to the financial health of the State of Alaska. It is possible that funding awarded from this program could be used toward the city's match for any federal funds received for the breakwaters or moorage floats.

J. Alaska Department of Environmental Conservation

ADEC maintains low interest loan programs used for the expansion of a public water system. It is possible that the city could qualify for a low interest loan to install water lines needed for the redevelopment of the cannery upland site and for installation of water services within the float system of the proposed harbor.

K. Economic Development Administration

The EDA has participated in a number of successful projects in Craig, including expansion of North Cove Harbor, construction of the city's ice house, construction of the seafood processing building, acquisition of the hydraulic boat trailer, and paving of the Port St. Nicholas Road. The

timing is about right for the city to again approach the EDA about their interest in providing some amount of funding for the cannery harbor project.

#### L. USDA Rural Development

Rural Development routinely provides combination grant and loan funds for projects in rural Alaska. The agency's application process is complex and the application outcome uncertain, but staff can discuss the merits of the cannery project with Rural Development staff.

#### M. State of Alaska Capital Budget

As the council is aware the annual State of Alaska capital budget has often provided municipalities with matching funds for prioritized local projects. The prospect of substantial capital funding for communities is very dim currently. The state has faced operating budget shortfalls into the billions of dollars in recent years, with no obvious end in sight to the deficit. Recent capital budgets include little more than the minimum necessary to secure matching federal funds for state-sponsored projects. Recent state budgets have contained almost zero discretionary dollars for the types of community-proposed projects that used to be commonplace in the capital budget. It is likely that the next fiscal year's capital budget, which begins in July, will again have zero dollars for community-proposed capital projects.

Eventually, though, the State of Alaska will have to adopt a more conventional capital budget. Projects very much like the one proposed here were funded in recent years in both Wrangell and Haines, and a port project was funded for Hoonah at an amount substantially higher than needed for the cannery property harbor project. The sooner that the Alaska Legislature and Governor can stabilize the state's financial footing, the sooner Craig's chances of securing matching funding for this project. The council has already notified the city's state representatives that the cannery project is an important one for Craig. That message must continue to be presented to the legislature.

#### Council Direction

We are reaching a milestone point for the cannery harbor project. The council should provide staff with its initial reaction to the financing options above, and provide other financing suggestions. This project presents some obvious challenges for Craig. With those challenges come opportunities as well. A deliberative approach is needed to address the various parts of this project.

#### Recommendation

Implement a combination of the above options as follows:

1. Deposit undesignated savings of \$2.5 million to Endowment Fund;
2. Borrow \$4.4 million from a commercial bank, or Alaska Bond Bank;
3. Dedicate portion of Endowment Fund earnings to debt service payment;
4. Dedicate online sales tax revenues to debt service payment;
5. Redirect portion of General Fund school payments to debt service if needed;
6. Make available approximately \$375,000 from the Land Development Fund for float system design costs, and additional breakwater match if needed. This draw will be reduced if the grant application the city submits for design work is approved.