

**CITY OF CRAIG  
COUNCIL AGENDA  
JUNE 25, 2020  
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.*

**HEARING FROM THE PUBLIC**

- Open for public comment
- Katie Rooks – Written Comment
- Kathy Peavy – Written Comment
- A. Millie Schoonover – Written Comment

**READING OF CORRESPONDENCE**

- From Alaska Permanent Capital Management (May Statement)
- From Alaska Municipal League Remote Sales Tax Program
- Regarding Ketchikan Medical Center Contract Renegotiation
- Letter from thread, Alaska's Child Care Resources and Referral Network

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Resolution 20-15: Establishing the Craig Economic Assistance Grant Program
- Resolution 20-16: Renewal of the Health Reimbursement Benefit

**UNFINISHED BUSINESS**

- General Funding Discussion
- Consider Approval: Economic Assistance Grant Application
- Shaan-Seet Appeal
- Aimee's Cabins Appeal
- Individual Assistance Discussion

**NEW BUSINESS**

- Consider the (re)appointment of a Craig representative for Inter-Island Ferry Authority.
- Update on State of Alaska Determination of Craig EMS Certification.
- Consider Ballot Measure for Bonded Debt
- Consider Funding for Alaska Municipal League
- Consider Funding for POW Vocational and Technical Education Center
- Change Order at Craig Aquatic Center

**COUNCIL COMMENTS**

**ADJOURNMENT**

An Open Letter  
To the City of Craig

I'm writing this letter because I've got concerns that City of Craig leadership recently lost its EMS Director, Chaundell Piburn, for reasons which remain unclear. Next, the City announced a 4<sup>th</sup> of July parade and crowd activities in the middle of a global pandemic.

First, I fully acknowledge that I do not currently live within the City of Craig's boundaries. I lived there for over half the time I've been on the Island, however, and very well might again one day. I also promote the City of Craig within my clientele. My partner does business in Craig (and all over the Island). I do not feel that City leaders should disregard opinions on the following matters simply because of residency; in fact, they cannot do so ethically. The City of Craig is the largest and most active hub on the Island. There's an implicit responsibility to work for the good of the entire Island, as its largest area of population.

What does Public Health advise regarding the 4<sup>th</sup> of July calendar? I would encourage you to adopt a mitigation strategy, such as not allowing the ballfield activities, or the parade, to take place. Perhaps, under Public Health's direction, you could hold certain other activities so there is something festive. I would like to see Craig hold a virtual meeting about this, in a Town Hall fashion, so that any interested POW resident, could have some input or at least see the process you use to finalize 4<sup>th</sup> of July event schedules. I would hope City leaders would want to be totally transparent to the public about these matters at this time, of all times.

Your EMS director had Covid protocols in use. Did you discuss Covid preparedness with her? Did you implement her recommendations for First Responders? How are First Responders being directed to minimize risk of transmission right now? I'd recommend this be on the next City Council meeting agenda, with encouragement of public involvement. I'd also recommend a thorough investigation of the reasons behind Chaundell Piburn's resignation. To dismiss such dedication and talent should not be done lightly.

How are your partnerships with the tribal councils and Public Health working right now? Has there been formal cooperation and information sharing? Why not, if not?

There are a lot of big questions the entire Island should be asking the City of Craig right now. I feel that City leadership should have the goal of setting an example for other Island communities by having the best protocols, chains of communication, and support for dealing with Covid 19. I don't see that being the existing condition of the City of Craig. If I'm wrong about that, please detail some answers to these questions.

I feel that the City of Craig is putting the entire Island at greater risk by allowing the EMS Director to leave at this time. We have lost the capacity to provide Advanced Life Support in part because of her sudden resignation, which cannot have come without warning and discussion. I would hope for a better dispute resolution process than clearly exists.

I am disappointed in this state of affairs, but I trust and hope that City of Craig leadership will now recognize some errors have been made, and set about correcting them. That's the best we can do when

we make mistakes, and taking that courageous approach would be appreciated by everyone on the Island.

I sincerely hope the City of Craig begins to address these issues publicly and thoroughly. People's lives literally depend on it.

Respectfully,  
Katie Rooks

**From:** [Kathy Peavey](#)  
**To:** [Kassi Mackie](#)  
**Subject:** Letter to City Council  
**Date:** Monday, June 22, 2020 12:28:30 PM

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Craig City Mayor, City Council and Jon Bolling,

I would encourage the City to cancel the 4th of July activities at the Ballfield. The ballfields activities will bring together a large group of people and increase the odds of spreading the Covid 19 virus to residents with Covid unfriendly health issues. It is just the wrong time in this pandemic to have a large public gathering. The CDC, Public Health and our Governor have implemented steps and guidelines that even the City of Craig posts with every new Covid update. It seems like a conflict to me when I read Craig updates that say:

With summer upon us, we strongly advise residents to follow all health mandates and advisories to reduce the risk of spreading the virus in Craig. These measures include:

- Maintain good social distancing at all times keeping at least six feet between persons
- Keep all trips for essential services to a minimum to avoid contact and wear a face mask/covering when you do need to make essential service trips
- Stay home as much as possible
- Wash your hands frequently and avoid touching your face as much as possible
- If you have symptoms or have a temperature of 100.4° F or higher contact your primary healthcare provider and self-isolate immediately

We have the potential to raise that curve we all worked really hard to flatten so our health care workers and those that need the hospitals are not overwhelmed. This is about getting through the whole pandemic, not riding the waves and open and close, open and close. Opening up the 4th of July opens up a pandoras box of unknown people mingling in the crowd and we don't know who they are. Do we really need to risk it this year? Please follow "The Precautionary Principle" for our community "just in case" the virus gets brought here by travelers or a local at this point. I encourage you to listen to the Public Health officials, look at the 4th of July closures and limited 4th of July activities around us in Alaska; Wrangell, Petersburg, Sitka and Juneau. Even the State Fair is cancelled this year. We can celebrate with Fireworks.

If nothing more comes of this virus here then so be it. Let's just not push it. We do not have the infrastructure here to help people if we get an outbreak. Look at the big picture. Limited ferry and planes off the Island, lack of health care here. Speaking of lack of Health care, please investigate why our EMS Coordinator resigned unexpectedly. I have heard that our EMS system if called out cannot perform any ALS Advanced Life Support Services and cannot administer any medication for Heart Attacks, Diabetes, shock etc.... This is a huge concern for our community. If this is untrue, please let me know. I feel that the City of Craig needs to inform the citizens of what is available for us and not sweep it under a rug. Please figure out what has gone wrong and make it right. The former EMS coordinator has a clear view of the work that needs to be done and it is my opinion that the resigned coordinator needs to be

brought back in and rehired because they have an investment in health of every citizen of Craig and Prince of Wales Island. Now more than ever, we need to have a working EMS system and I do appreciate the volunteers that choose to make this happen. I also hope that the City council, mayor and Jon Bolling have seen the letter that was posted from Dr. Bowman.

*I would like to correct any rumors and misinformation about my resignation as medical director for the City of Craig.*

*I was asked to become the medical director for Craig in 2016 by the Director of SEREMS. I initially had some concerns, number one not residing in Craig and number two the contentious relationship that Klawock EMS had fostered. Having worked for SEARCH in the past as medical director for all the rural clinics I knew intimately the challenges faced by the communities on Prince of Wales Island. I viewed this request as an important service to folks who live on POW.*

*I asked for assurances that I would have a reliable representative I could work with to provide advanced life support in Craig. That representative was Chaundell Piburn. She kept in regular contact with me regarding run reports, teleconferences with EMS members and facilitating visits by me to Craig for training sessions. I was also available 24/7 as medical backup to help guide the EMS crew when needed. Ms. Piburn was able to coordinate a Prehospital Advanced Trauma Life Support class for Craig EMS members. This is a very difficult course not only for the students but the coordinator to meet all the requirements. My services were done on a voluntary basis, no payment was received from the City of Craig.*

*A medical Director is required whenever an EMS service provides services beyond basic life support, which consists of CPR and basic trauma care. While advanced life support includes all the elements of basic life support and medications advanced cardiac care, and advanced trauma care. The Medical Director provides his or her expertise, medical licensure and DEA certificate. This allows the EMS service to provide care under the Medical Directors License.*

*When I was informed by Ms. Piburn that she had left her position with Craig EMS I was very sad. There were some special opportunities in the works for an EMS service that would also service Klawock. I was also concerned about my liability and losing a trusted colleague who was in agreement with my actions as medical director.*

*The City of Craig has lost a very dedicated member of the EMS service in Craig. I was routinely amazed at reading and discussing run reports with the crew. Ms. Piburn was routinely the EMS member providing care at the scene and in the ambulance.*

*Sincerely,*

*J Russell Bowman, DO, MS, MHA, FAAFP, FAAEP*

Thanks, Kathy Peavey

06-22-20

Craig City Council.

Dear Honorable Mayor O'Connor & City Council

I am writing a letter of protest about the city moving forward with our fourth of July festivities. I have given this a lot of thought. And it really bothers me that you are permitting this to happen. Granted we all love the fourth of July festivities. But we need to be practical, considering that we are all dealing with the COVID issue.

Number 1 this makes absolutely no sense. Most of us have abided with the state mandates. And yet this huge event will happen. WHY? are you encouraging NOT being safe? Why have we abided by the mandates to turn around and have a public event. I am not only concerned about myself and my family and friends. I am concerned about our community. Aren't you? If you aren't you should be. This is not a wise move in my book. We the citizens of Craig depend and look up to our city father's and mothers to make sure that things are being done in the best interest of our citizens and OUR community.

I am trying not to be negative. But I'll just speak my piece on how I feel about this issue. And it is an issue. I pray that the virus doesn't spread any more than it already has. I wish you all good luck on this issue, and that you will reconsider canceling the festivities. I am for the parade and the fireworks but let's keep our distance. Please.

Thank you for your time and reconsideration. I look forward to your response.



Sincerely, A. Millie Schoonover 401-0461 [amschoonover@yahoo.com](mailto:amschoonover@yahoo.com)

# CITY OF CRAIG

Account Statement - Period Ending May 31, 2020



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

## ACCOUNT ACTIVITY

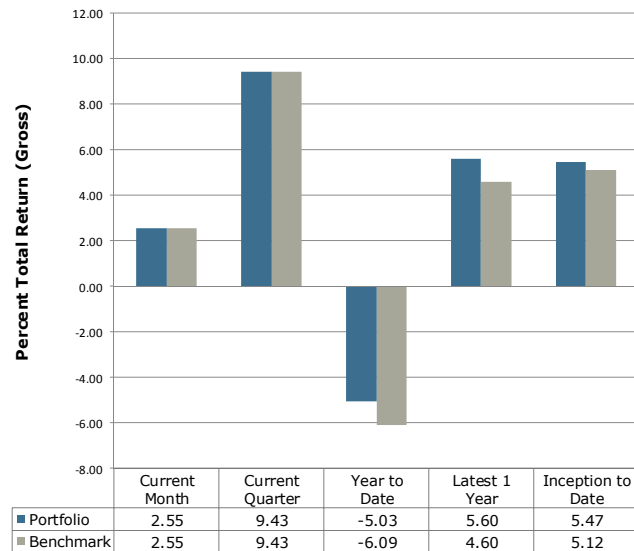
|                             |            |
|-----------------------------|------------|
| Portfolio Value on 04-30-20 | 12,445,396 |
| Contributions               | 0          |
| Withdrawals                 | -3,111     |
| Change in Market Value      | 309,444    |
| Interest                    | 7,282      |
| Dividends                   | 0          |
| Portfolio Value on 05-31-20 | 12,759,010 |

## MANAGEMENT TEAM

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

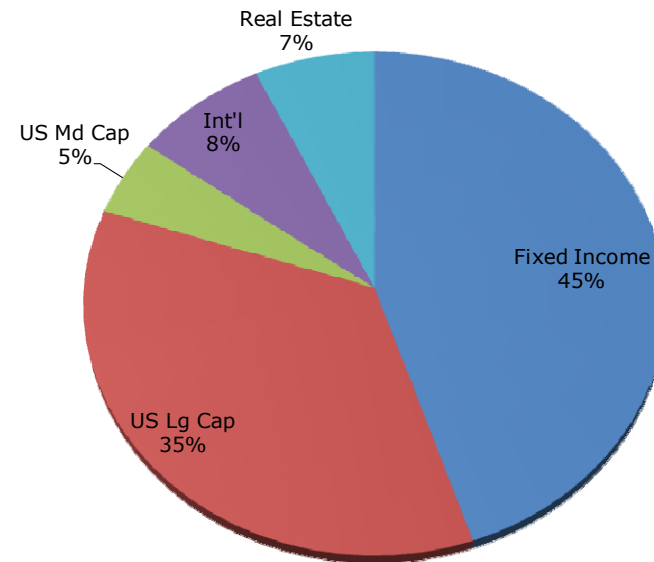
## INVESTMENT PERFORMANCE

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***  
*May 31, 2020*

| Asset Class & Target                   | Market Value      | %<br>Assets | Range      |
|--|-------------------|-------------|------------|
| <b>FIXED INCOME (34%)</b>              |                   |             |            |
| US Fixed Income (34.0%)                | 5,455,226         | 42.8        | 20% to 45% |
| Cash (0.0%)                            | 266,024           | 2.1         | na         |
| <b>Subtotal:</b>                       | <b>5,721,251</b>  | <b>44.8</b> |            |
| <b>EQUITY (51%)</b>                    |                   |             |            |
| US Large Cap (24.0%)                   | 4,494,806         | 35.2        | 15% to 35% |
| US Mid Cap (7.0%)                      | 620,823           | 4.9         | 2% to 12%  |
| US Small Cap (3.0%)                    | 0                 | 0.0         | 0% to 6%   |
| Developed International Equity (12.0%) | 1,012,855         | 7.9         | 7% to 17%  |
| Emerging Markets (5.0%)                | 0                 | 0.0         | 0% to 10%  |
| <b>Subtotal:</b>                       | <b>6,128,484</b>  | <b>48.0</b> |            |
| <b>ALTERNATIVE INVESTMENTS (15%)</b>   |                   |             |            |
| Real Estate (5.0%)                     | 909,275           | 7.1         | 0% to 10%  |
| <b>Subtotal:</b>                       | <b>909,275</b>    | <b>7.1</b>  |            |
| <b>TOTAL PORTFOLIO</b>                 | <b>12,759,010</b> | <b>100</b>  |            |



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*May 31, 2020*

| Quantity                                   | Security   | Average<br>Cost | Total<br>Average Cost | Price  | Market<br>Value | Pct.<br>Assets | Annual<br>Income | Accrued<br>Interest | Yield<br>to<br>Maturity |
|--|--|-----------------|-----------------------|--------|-----------------|----------------|------------------|---------------------|-------------------------|
| <b>FNMA &amp; FHLMC</b>                    |  |                 |                       |        |                 |                |                  |                     |                         |
| 2,911                                      | FHLMC POOL G14203<br>4.000% Due 04-01-26<br>Accrued Interest | 104.56          | 3,043                 | 106.20 | 3,091           | 0.02           | 116              | 10                  | 0.65                    |
|  |  |                 |                       |        | 10              | 0.00           |                  |                     |                         |
|  |  |                 | 3,043                 |        | 3,101           | 0.02           |                  | 10                  |                         |
| <b>CORPORATE BONDS</b>                     |  |                 |                       |        |                 |                |                  |                     |                         |
| 50,000                                     | AMERICAN EXPRESS CREDIT<br>2.250% Due 05-05-21               | 99.92           | 49,962                | 101.47 | 50,737          | 0.40           | 1,125            | 81                  | 0.65                    |
| 50,000                                     | GILEAD SCIENCES INC<br>1.950% Due 03-01-22                   | 96.28           | 48,141                | 102.00 | 50,999          | 0.40           | 975              | 244                 | 0.80                    |
| 50,000                                     | UNITEDHEALTH GROUP INC<br>2.875% Due 03-15-22                | 102.56          | 51,279                | 103.56 | 51,780          | 0.41           | 1,437            | 303                 | 0.86                    |
| 50,000                                     | COMCAST CORP<br>2.850% Due 01-15-23                          | 101.83          | 50,917                | 105.86 | 52,932          | 0.41           | 1,425            | 538                 | 0.59                    |
| 50,000                                     | AFLAC INC<br>3.625% Due 06-15-23                             | 106.03          | 53,016                | 108.24 | 54,120          | 0.42           | 1,812            | 836                 | 0.87                    |
| 50,000                                     | BANK OF NEW YORK MELLON<br>2.200% Due 08-16-23               | 97.83           | 48,916                | 104.15 | 52,073          | 0.41           | 1,100            | 321                 | 0.89                    |
| 50,000                                     | JPMORGAN CHASE & CO<br>3.875% Due 02-01-24                   | 105.18          | 52,590                | 110.37 | 55,187          | 0.43           | 1,937            | 646                 | 0.99                    |
| 50,000                                     | METLIFE INC<br>3.600% Due 04-10-24                           | 105.46          | 52,732                | 109.92 | 54,959          | 0.43           | 1,800            | 255                 | 0.97                    |
| 50,000                                     | WELLS FARGO & COMPANY<br>3.300% Due 09-09-24                 | 99.88           | 49,941                | 107.55 | 53,775          | 0.42           | 1,650            | 376                 | 1.47                    |
| 50,000                                     | APPLIED MATERIALS INC<br>3.900% Due 10-01-25                 | 107.96          | 53,978                | 114.73 | 57,366          | 0.45           | 1,950            | 325                 | 1.05                    |
| 50,000                                     | TARGET CORP<br>2.500% Due 04-15-26                           | 96.45           | 48,223                | 109.15 | 54,577          | 0.43           | 1,250            | 160                 | 0.90                    |
| 25,000                                     | INTEL CORP<br>2.450% Due 11-15-29<br>Accrued Interest        | 105.68          | 26,420                | 107.22 | 26,806          | 0.21           | 612              | 27                  | 1.62                    |
|  |  |                 |                       |        | 4,112           | 0.03           |                  |                     |                         |
|  |  |                 | 586,118               |        | 619,426         | 4.85           |                  | 4,112               |                         |
| <b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b> |  |                 |                       |        |                 |                |                  |                     |                         |
| 14,770                                     | SPDR S&P 500 ETF   | 158.20          | 2,336,657             | 304.32 | 4,494,806       | 35.23          | NA               |                     |                         |
| <b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>   |  |                 |                       |        |                 |                |                  |                     |                         |
| 3,525                                      | ISHARES CORE S&P MIDCAP 400 ETF                              | 113.79          | 401,108               | 176.12 | 620,823         | 4.87           | NA               |                     |                         |
| <b>INTERNATIONAL EQUITY FUNDS/ETF</b>      |  |                 |                       |        |                 |                |                  |                     |                         |
| 9,040                                      | ISHARES ETF CORE MSCI EAFE                                   | 57.02           | 515,477               | 56.03  | 506,511         | 3.97           | NA               |                     |                         |
| 8,490                                      | ISHARES MSCI EAFE INDEX FUND                                 | 61.77           | 524,389               | 59.64  | 506,344         | 3.97           | NA               |                     |                         |
|  |  |                 | 1,039,866             |        | 1,012,855       | 7.94           |                  |                     |                         |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*May 31, 2020*

| Quantity                                | Security                                 | Average Cost | Total Average Cost | Price  | Market Value | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|---|--|--------------|--------------------|--------|--------------|-------------|---------------|------------------|-------------------|
| <b>REAL ESTATE &amp; INFRASTRUCTURE</b> |  |              |                    |        |              |             |               |                  |                   |
| 13,025                                  | JPMORGAN BETABUILDERS MSCI US REIT ETF   | 76.63        | 998,068            | 69.81  | 909,275      | 7.13        | NA            |                  |                   |
| <b>U.S. TREASURY</b>                    |  |              |                    |        |              |             |               |                  |                   |
| 25,000                                  | US TREASURY NOTES<br>1.750% Due 10-31-20 | 99.91        | 24,978             | 100.64 | 25,159       | 0.20        | 437           | 38               | 0.22              |
| 150,000                                 | US TREASURY NOTES<br>2.125% Due 08-15-21 | 99.45        | 149,169            | 102.31 | 153,463      | 1.20        | 3,187         | 937              | 0.21              |
| 75,000                                  | US TREASURY NOTES<br>2.000% Due 10-31-21 | 99.92        | 74,943             | 102.57 | 76,930       | 0.60        | 1,500         | 130              | 0.18              |
| 100,000                                 | US TREASURY NOTES<br>2.000% Due 11-15-21 | 99.76        | 99,762             | 102.66 | 102,656      | 0.80        | 2,000         | 92               | 0.17              |
| 175,000                                 | US TREASURY NOTES<br>2.625% Due 12-15-21 | 101.92       | 178,364            | 103.75 | 181,569      | 1.42        | 4,594         | 2,121            | 0.18              |
| 100,000                                 | US TREASURY NOTES<br>1.875% Due 01-31-22 | 100.10       | 100,101            | 102.82 | 102,820      | 0.81        | 1,875         | 628              | 0.18              |
| 350,000                                 | US TREASURY NOTES<br>0.375% Due 03-31-22 | 100.30       | 351,067            | 100.39 | 351,367      | 2.75        | 1,312         | 222              | 0.16              |
| 200,000                                 | US TREASURY NOTES<br>2.125% Due 06-30-22 | 98.10        | 196,209            | 104.07 | 208,140      | 1.63        | 4,250         | 1,786            | 0.17              |
| 100,000                                 | US TREASURY NOTES<br>1.750% Due 07-15-22 | 99.89        | 99,894             | 103.33 | 103,332      | 0.81        | 1,750         | 663              | 0.18              |
| 150,000                                 | US TREASURY NOTES<br>1.625% Due 11-15-22 | 97.79        | 146,686            | 103.55 | 155,320      | 1.22        | 2,437         | 113              | 0.18              |
| 80,000                                  | US TREASURY NOTES<br>2.625% Due 02-28-23 | 99.73        | 79,783             | 106.69 | 85,350       | 0.67        | 2,100         | 531              | 0.19              |
| 415,000                                 | US TREASURY NOTES<br>0.250% Due 04-15-23 | 99.96        | 414,853            | 100.19 | 415,793      | 3.26        | 1,037         | 133              | 0.18              |
| 125,000                                 | US TREASURY NOTES<br>2.500% Due 08-15-23 | 98.87        | 123,590            | 107.33 | 134,160      | 1.05        | 3,125         | 919              | 0.21              |
| 170,000                                 | US TREASURY NOTES<br>1.375% Due 08-31-23 | 99.92        | 169,867            | 103.78 | 176,434      | 1.38        | 2,337         | 591              | 0.21              |
| 115,000                                 | US TREASURY NOTES<br>2.125% Due 03-31-24 | 98.81        | 113,630            | 107.19 | 123,274      | 0.97        | 2,444         | 418              | 0.24              |
| 100,000                                 | US TREASURY NOTES<br>2.375% Due 08-15-24 | 100.23       | 100,227            | 108.82 | 108,824      | 0.85        | 2,375         | 698              | 0.27              |
| 130,000                                 | US TREASURY NOTES<br>2.125% Due 11-30-24 | 102.02       | 132,625            | 108.24 | 140,709      | 1.10        | 2,762         | 8                | 0.28              |
| 75,000                                  | US TREASURY NOTES<br>2.000% Due 02-15-25 | 100.63       | 75,469             | 107.93 | 80,947       | 0.63        | 1,500         | 441              | 0.30              |
| 400,000                                 | US TREASURY NOTES<br>0.500% Due 03-31-25 | 100.67       | 402,671            | 100.93 | 403,736      | 3.16        | 2,000         | 339              | 0.31              |
| 80,000                                  | US TREASURY NOTES<br>0.375% Due 04-30-25 | 100.32       | 80,256             | 100.32 | 80,253       | 0.63        | 300           | 26               | 0.31              |
| 175,000                                 | US TREASURY NOTES<br>2.000% Due 08-15-25 | 98.46        | 172,301            | 108.53 | 189,929      | 1.49        | 3,500         | 1,029            | 0.35              |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*May 31, 2020*

| Quantity                    | Security                                   | Average Cost | Total Average Cost | Price  | Market Value      | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|-----------------------------|--|--------------|--------------------|--------|-------------------|-------------|---------------|------------------|-------------------|
| 100,000                     | US TREASURY NOTES<br>2.500% Due 02-28-26   | 100.40       | 100,397            | 111.95 | 111,953           | 0.88        | 2,500         | 632              | 0.40              |
| 60,000                      | US TREASURY NOTES<br>1.625% Due 05-15-26   | 101.05       | 60,633             | 107.09 | 64,256            | 0.50        | 975           | 45               | 0.42              |
| 200,000                     | US TREASURY NOTES<br>2.000% Due 11-15-26   | 98.10        | 196,199            | 109.79 | 219,586           | 1.72        | 4,000         | 185              | 0.46              |
| 270,000                     | US TREASURY NOTES<br>0.625% Due 03-31-27   | 100.84       | 272,261            | 100.94 | 272,551           | 2.14        | 1,687         | 286              | 0.48              |
| 50,000                      | US TREASURY NOTES<br>0.500% Due 04-30-27   | 100.05       | 50,027             | 100.08 | 50,041            | 0.39        | 250           | 22               | 0.49              |
| 125,000                     | US TREASURY NOTES<br>2.250% Due 11-15-27   | 95.20        | 118,996            | 112.74 | 140,922           | 1.10        | 2,812         | 130              | 0.51              |
| 80,000                      | US TREASURY NOTES<br>3.125% Due 11-15-28   | 102.02       | 81,613             | 121.09 | 96,872            | 0.76        | 2,500         | 115              | 0.57              |
| 125,000                     | US TREASURY NOTES<br>2.625% Due 02-15-29   | 99.82        | 124,774            | 117.31 | 146,636           | 1.15        | 3,281         | 965              | 0.58              |
| 50,000                      | US TREASURY NOTES<br>1.625% Due 08-15-29   | 99.35        | 49,673             | 109.14 | 54,570            | 0.43        | 812           | 239              | 0.60              |
| 70,000                      | US TREASURY NOTES<br>1.750% Due 11-15-29   | 99.71        | 69,800             | 110.44 | 77,311            | 0.61        | 1,225         | 57               | 0.61              |
| 130,000                     | US TREASURY NOTES<br>1.500% Due 02-15-30   | 108.44       | 140,978            | 108.15 | 140,598           | 1.10        | 1,950         | 573              | 0.63              |
|                             | Accrued Interest                           |              |                    |        | 15,112            | 0.12        |               |                  |                   |
|                             |  |              | 4,551,796          |        | 4,790,580         | 37.55       |               | 15,112           |                   |
| <b>AGENCIES</b>             |  |              |                    |        |                   |             |               |                  |                   |
| 40,000                      | FHLB<br>1.625% Due 03-12-27                | 104.31       | 41,722             | 104.78 | 41,912            | 0.33        | 650           | 208              | 0.90              |
|                             | Accrued Interest                           |              |                    |        | 208               | 0.00        |               |                  |                   |
|                             |  |              | 41,722             |        | 42,120            | 0.33        |               | 208              |                   |
| <b>TREASURY BILLS</b>       |  |              |                    |        |                   |             |               |                  |                   |
| 240,000                     | US TREASURY BILLS<br>0.000% Due 04-22-21   | 99.87        | 239,683            | 99.84  | 239,621           | 1.88        | NA            | 0                | 0.18              |
| <b>CASH AND EQUIVALENTS</b> |  |              |                    |        |                   |             |               |                  |                   |
|                             | CASH RECEIVABLE                            |              | 1,381              |        | 1,381             | 0.01        | NA            |                  |                   |
|                             | CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT |              | 25,022             |        | 25,022            | 0.20        |               |                  |                   |
|                             |  |              | 26,403             |        | 26,403            | 0.21        |               |                  |                   |
| <b>TOTAL PORTFOLIO</b>      |  |              | <b>10,224,465</b>  |        | <b>12,759,010</b> | <b>100</b>  | <b>86,660</b> | <b>19,441</b>    |                   |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 05-01-20 To 05-31-20*

| Trade<br>Date                | Settle<br>Date | Security  | Quantity | Trade<br>Amount   |
|------------------------------|----------------|---|----------|-------------------|
| <b>PURCHASES</b>             |                |   |          |                   |
| TREASURY BILLS               |                |   |          |                   |
| 05-13-20                     | 05-14-20       | US TREASURY BILLS<br>0.000% Due 04-22-21          | 240,000  | 239,683.31        |
| U.S. TREASURY                |                |   |          |                   |
| 05-13-20                     | 05-14-20       | US TREASURY NOTES<br>1.500% Due 02-15-30          | 50,000   | 54,106.75         |
| 05-13-20                     | 05-14-20       | US TREASURY NOTES<br>0.500% Due 04-30-27          | 50,000   | 50,026.70         |
| 05-13-20                     | 05-14-20       | US TREASURY NOTES<br>0.375% Due 04-30-25          | 80,000   | 80,255.56         |
|                              |                |   |          | 184,389.01        |
|                              |                |   |          | <b>424,072.32</b> |
| <b>DEPOSITS AND EXPENSES</b> |                |   |          |                   |
| MANAGEMENT FEES              |                |   |          |                   |
| 05-31-20                     | 05-31-20       | MANAGEMENT FEES                                   |          | 3,189.75          |
|                              |                |   |          | <b>3,189.75</b>   |
| <b>INTEREST</b>              |                |   |          |                   |
| CASH AND EQUIVALENTS         |                |   |          |                   |
| 05-15-20                     | 05-15-20       | CHARLES SCHWAB<br>LIQUID BANK DEPOSIT<br>ACCOUNT  |          | 5.44              |
| CORPORATE BONDS              |                |   |          |                   |
| 05-05-20                     | 05-05-20       | AMERICAN EXPRESS<br>CREDIT<br>2.250% Due 05-05-21 |          | 562.50            |
| 05-15-20                     | 05-15-20       | INTEL CORP<br>2.450% Due 11-15-29                 |          | 296.04            |
|                              |                |   |          | 858.54            |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 05-01-20 To 05-31-20*

| Trade<br>Date | Settle<br>Date | Security                                 | Quantity | Trade<br>Amount  |
|---------------|----------------|--|----------|------------------|
| FNMA & FHLMC  |                |  |          |                  |
| 05-15-20      | 05-15-20       | FHLMC POOL G14203<br>4.000% Due 04-01-26 |          | 10.00            |
| U.S. TREASURY |                |  |          |                  |
| 05-15-20      | 05-15-20       | US TREASURY NOTES<br>2.250% Due 11-15-27 |          | 1,406.25         |
| 05-15-20      | 05-15-20       | US TREASURY NOTES<br>3.125% Due 11-15-28 |          | 1,250.00         |
| 05-15-20      | 05-15-20       | US TREASURY NOTES<br>1.625% Due 05-15-26 |          | 487.50           |
| 05-15-20      | 05-15-20       | US TREASURY NOTES<br>2.000% Due 11-15-21 |          | 1,000.00         |
| 05-15-20      | 05-15-20       | US TREASURY NOTES<br>1.625% Due 11-15-22 |          | 1,218.75         |
| 05-15-20      | 05-15-20       | US TREASURY NOTES<br>2.000% Due 11-15-26 |          | 2,000.00         |
| 05-15-20      | 05-15-20       | US TREASURY NOTES<br>1.750% Due 11-15-29 |          | 612.50           |
| 05-31-20      | 06-01-20       | US TREASURY NOTES<br>2.125% Due 11-30-24 |          | 1,381.25         |
|               |                |  |          | 9,356.25         |
|               |                |  |          | <b>10,230.23</b> |

**PRINCIPAL PAYDOWNS**

|              |          |  |       |              |
|--------------|----------|--|-------|--------------|
| FNMA & FHLMC |          |  |       |              |
| 05-15-20     | 05-15-20 | FHLMC POOL G14203<br>4.000% Due 04-01-26 | 88.05 | 88.05        |
|              |          |  |       | <b>88.05</b> |

**PURCHASED ACCRUED INTEREST**

|               |          |  |  |        |
|---------------|----------|--|--|--------|
| U.S. TREASURY |          |  |  |        |
| 05-13-20      | 05-14-20 | US TREASURY NOTES<br>1.500% Due 02-15-30 |  | 183.38 |
| 05-13-20      | 05-14-20 | US TREASURY NOTES<br>0.500% Due 04-30-27 |  | 9.51   |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 05-01-20 To 05-31-20*

| Trade<br>Date        | Settle<br>Date | Security   | Quantity | Trade<br>Amount |
|----------------------|----------------|--|----------|-----------------|
| 05-13-20             | 05-14-20       | US TREASURY NOTES<br>0.375% Due 04-30-25         |          | 11.41           |
|                      |                |  |          | 204.30          |
|                      |                |  |          | <b>204.30</b>   |
| <b>WITHDRAW</b>      |                |  |          |                 |
| CASH AND EQUIVALENTS |                |  |          |                 |
| 05-19-20             | 05-19-20       | CHARLES SCHWAB<br>LIQUID BANK DEPOSIT<br>ACCOUNT |          | 3,111.35        |
|                      |                |  |          | <b>3,111.35</b> |

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG***  
*From 05-01-20 Through 05-31-20*

| <b>Date</b>  | <b>Quantity</b> | <b>Security</b>                          | <b>Avg. Cost<br/>Basis</b> | <b>Proceeds</b> | <b>Gain Or Loss</b> |
|--------------|-----------------|--|----------------------------|-----------------|---------------------|
| 05-15-20     | 88.05           | FHLMC POOL G14203<br>4.000% Due 04-01-26 | 92.07                      | 88.05           | -4.02               |
| TOTAL GAINS  |                 |  |                            |                 | 0.00                |
| TOTAL LOSSES |                 |  |                            |                 | -4.02               |
|              |                 |  | <b>92.07</b>               | <b>88.05</b>    | <b>-4.02</b>        |

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 05-01-20 To 05-31-20*

| <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>                            |                    |                  |                       |  |                 |
| 05-01-20  |                    |                  | Beginning Balance     |  | 0.00            |
| 05-31-20  | 06-01-20           | dp               | Interest              | US TREASURY NOTES<br>2.125% Due 11-30-24       | 1,381.25        |
| <b>05-31-20</b>                                   |                    |                  | <b>Ending Balance</b> |  | <b>1,381.25</b> |
| <b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b> |                    |                  |                       |  |                 |
| 05-01-20  |                    |                  | Beginning Balance     |  | 443,473.18      |
| 05-05-20  | 05-05-20           | dp               | Interest              | AMERICAN EXPRESS CREDIT<br>2.250% Due 05-05-21 | 562.50          |
| 05-13-20  | 05-14-20           | wd               | Purchase              | US TREASURY BILLS<br>0.000% Due 04-22-21       | -239,683.31     |
| 05-13-20  | 05-14-20           | wd               | Purchase              | US TREASURY NOTES<br>1.500% Due 02-15-30       | -54,106.75      |
| 05-13-20  | 05-14-20           | wd               | Accrued Interest      | US TREASURY NOTES<br>1.500% Due 02-15-30       | -183.38         |
| 05-13-20  | 05-14-20           | wd               | Purchase              | US TREASURY NOTES<br>0.500% Due 04-30-27       | -50,026.70      |
| 05-13-20  | 05-14-20           | wd               | Accrued Interest      | US TREASURY NOTES<br>0.500% Due 04-30-27       | -9.51           |
| 05-13-20  | 05-14-20           | wd               | Purchase              | US TREASURY NOTES<br>0.375% Due 04-30-25       | -80,255.56      |
| 05-13-20  | 05-14-20           | wd               | Accrued Interest      | US TREASURY NOTES<br>0.375% Due 04-30-25       | -11.41          |
| 05-15-20  | 05-15-20           | dp               | Interest              | INTEL CORP<br>2.450% Due 11-15-29              | 296.04          |
| 05-15-20  | 05-15-20           | dp               | Paydown               | FHLMC POOL G14203<br>4.000% Due 04-01-26       | 88.05           |
| 05-15-20  | 05-15-20           | dp               | Interest              | FHLMC POOL G14203<br>4.000% Due 04-01-26       | 10.00           |



Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 05-01-20 To 05-31-20*

| <b>Trade Date</b> | <b>Settle Date</b> | <b>Tran Code</b> | <b>Activity</b>       | <b>Security</b>                               | <b>Amount</b>    |
|-------------------|--------------------|------------------|-----------------------|---|------------------|
| 05-15-20          | 05-15-20           | dp               | Interest              | US TREASURY NOTES<br>2.250% Due 11-15-27      | 1,406.25         |
| 05-15-20          | 05-15-20           | dp               | Interest              | US TREASURY NOTES<br>3.125% Due 11-15-28      | 1,250.00         |
| 05-15-20          | 05-15-20           | dp               | Interest              | US TREASURY NOTES<br>1.625% Due 05-15-26      | 487.50           |
| 05-15-20          | 05-15-20           | dp               | Interest              | US TREASURY NOTES<br>2.000% Due 11-15-21      | 1,000.00         |
| 05-15-20          | 05-15-20           | dp               | Interest              | US TREASURY NOTES<br>1.625% Due 11-15-22      | 1,218.75         |
| 05-15-20          | 05-15-20           | dp               | Interest              | US TREASURY NOTES<br>2.000% Due 11-15-26      | 2,000.00         |
| 05-15-20          | 05-15-20           | dp               | Interest              | US TREASURY NOTES<br>1.750% Due 11-15-29      | 612.50           |
| 05-15-20          | 05-15-20           | dp               | Interest              | CHARLES SCHWAB LIQUID<br>BANK DEPOSIT ACCOUNT | 5.44             |
| 05-19-20          | 05-19-20           | wd               | Withdrawal            | from Portfolio                                | -3,111.35        |
| <b>05-31-20</b>   |                    |                  | <b>Ending Balance</b> |   | <b>25,022.24</b> |

# CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending May 31, 2020



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

## ACCOUNT ACTIVITY

|                             |           |
|-----------------------------|-----------|
| Portfolio Value on 04-30-20 | 2,932,052 |
| Contributions               | 424,503   |
| Withdrawals                 | 0         |
| Change in Market Value      | -1,924    |
| Interest                    | 1,894     |
| Dividends                   | 0         |
| Portfolio Value on 05-31-20 | 3,356,525 |

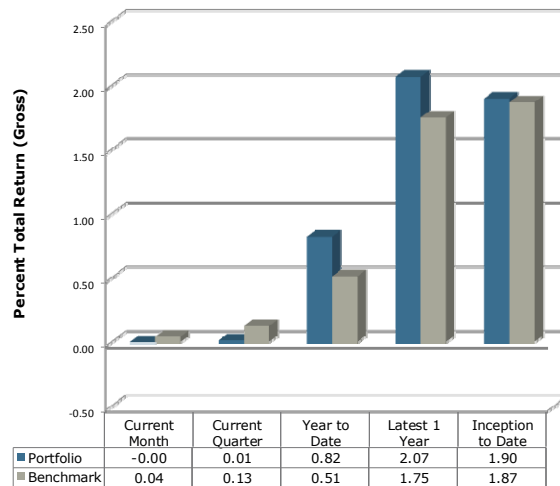
## MANAGEMENT TEAM

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

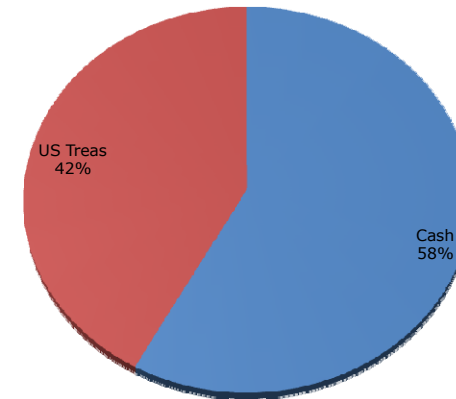
## PORTFOLIO COMPOSITION

## 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: 0.14% Average Maturity: 0.19 Yrs

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG - SCHOOL FUNDS**  
*May 31, 2020*

| Quantity                    | Security                                   | Average<br>Cost | Total<br>Average Cost | Price  | Market<br>Value  | Pct.<br>Assets | Annual<br>Income | Accrued<br>Interest | Yield<br>to<br>Maturity |
|-----------------------------|--|-----------------|-----------------------|--------|------------------|----------------|------------------|---------------------|-------------------------|
| <b>U.S. TREASURY</b>        |  |                 |                       |        |                  |                |                  |                     |                         |
| 565,000                     | US TREASURY NOTE<br>1.500% Due 06-15-20    | 99.96           | 564,794               | 100.05 | 565,265          | 16.84          | 8,475            | 3,913               | 0.35                    |
| 340,000                     | US TREASURY NOTES<br>1.500% Due 08-15-20   | 99.63           | 338,740               | 100.28 | 340,959          | 10.16          | 5,100            | 1,499               | 0.15                    |
| 500,000                     | US TREASURY NOTES<br>1.750% Due 11-15-20   | 100.11          | 500,561               | 100.71 | 503,535          | 15.00          | 8,750            | 404                 | 0.20                    |
|                             | Accrued Interest                           |                 |                       |        | 5,817            | 0.17           |                  |                     |                         |
|                             |  |                 | 1,404,096             |        | 1,415,575        | 42.17          |                  | 5,817               |                         |
| <b>TREASURY BILLS</b>       |  |                 |                       |        |                  |                |                  |                     |                         |
| 445,000                     | US TREASURY BILLS<br>0.000% Due 07-16-20   | 99.65           | 443,435               | 99.98  | 444,925          | 13.26          | NA               | 0                   | 0.13                    |
| 560,000                     | US TREASURY BILLS<br>0.000% Due 07-30-20   | 99.25           | 555,777               | 99.98  | 559,867          | 16.68          | NA               | 0                   | 0.14                    |
| 490,000                     | US TREASURY BILLS<br>0.000% Due 10-15-20   | 99.92           | 489,605               | 99.94  | 489,704          | 14.59          | NA               | 0                   | 0.16                    |
|                             |  |                 | 1,488,818             |        | 1,494,496        | 44.53          |                  | 0                   |                         |
| <b>CASH AND EQUIVALENTS</b> |  |                 |                       |        |                  |                |                  |                     |                         |
|                             | CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT |                 | 446,454               |        | 446,454          | 13.30          |                  |                     |                         |
| <b>TOTAL PORTFOLIO</b>      |  |                 | <b>3,339,367</b>      |        | <b>3,356,525</b> | <b>100</b>     | <b>22,325</b>    | <b>5,817</b>        |                         |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG - SCHOOL FUNDS***  
*From 05-01-20 To 05-31-20*

| Trade<br>Date                | Settle<br>Date | Security   | Quantity | Trade<br>Amount   |
|------------------------------|----------------|--|----------|-------------------|
| <b>DEPOSITS AND EXPENSES</b> |                |  |          |                   |
| CASH AND EQUIVALENTS         |                |  |          |                   |
| 05-29-20                     | 05-29-20       | CHARLES SCHWAB<br>LIQUID BANK DEPOSIT<br>ACCOUNT |          | 424,502.74        |
|                              |                |  |          | <b>424,502.74</b> |
| <b>INTEREST</b>              |                |  |          |                   |
| CASH AND EQUIVALENTS         |                |  |          |                   |
| 05-15-20                     | 05-15-20       | CHARLES SCHWAB<br>LIQUID BANK DEPOSIT<br>ACCOUNT |          | 0.68              |
| U.S. TREASURY                |                |  |          |                   |
| 05-15-20                     | 05-15-20       | US TREASURY NOTES<br>1.750% Due 11-15-20         |          | 4,375.00          |
|                              |                |  |          | <b>4,375.68</b>   |

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG - SCHOOL FUNDS***  
*From 05-01-20 Through 05-31-20*

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

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
***CITY OF CRAIG - SCHOOL FUNDS***  
*From 05-01-20 To 05-31-20*

| Trade<br>Date                                     | Settle<br>Date | Tran<br>Code | Activity              | Security                                      | Amount            |
|---|----------------|--------------|-----------------------|---|-------------------|
| <b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b> |                |              |                       |   |                   |
| 05-01-20  |                |              | Beginning Balance     |   | 17,575.23         |
| 05-15-20  | 05-15-20       | dp           | Interest              | US TREASURY NOTES<br>1.750% Due 11-15-20      | 4,375.00          |
| 05-15-20  | 05-15-20       | dp           | Interest              | CHARLES SCHWAB LIQUID<br>BANK DEPOSIT ACCOUNT | 0.68              |
| 05-29-20  | 05-29-20       | dp           | Addition              | to Portfolio                                  | 424,502.74        |
| <b>05-31-20</b>                                   |                |              | <b>Ending Balance</b> |   | <b>446,453.65</b> |



The Alaska Remote Sellers Sales Tax Commission is making good progress – it’s almost starting to feel like a real thing! For staff, it is very definitely a real thing.

For the May filing, which just closed for April collection, we took in 9 times what we had for March. A lot of that is due to one seller, but the jump is significant. We expect another jump next month as more sellers come on, additional jurisdictions will have been effective, and overall compliance is improving.

#### Dashboard for May:

- Jurisdictions 22 – We’re hoping Ketchikan will adopt the Code soon!
- Sellers 270 – One bulk filer may soon register as many as 100 sellers.
- Gross Sales \$6,966,011
- Net Taxable \$5,955,210 – It’s interesting to look at exemption effects...
- Sales Tax remitted \$217,046

If we look just at where May left us, we get to about \$3 million in new funds annually for this effort. It’s a long way from where we want to be, but it is also meaningful. I want to pause and recognize and thank you for your participation and collaboration throughout. This has always been about the group effort and its success in moving forward will continue to depend on us working together.

Our current projections double monthly sales tax remitted by the end of this fiscal year, and double again for FY21. There’s probably equal parts careful analysis and hope that go into those projections, but I don’t think it is unreasonable. It’s interesting to compare some of these projections to our initial analysis – once we have a few more months of data to work with then we should be able to conduct these projections with more accuracy.

One of the most helpful things you can do is to communicate to sellers in your community that they should be aware of new sales tax rules in other communities, if they are selling outside where they have physical presence. Kenai has been most effective at this, from what we can tell.

#### Our priorities for the next six months:

- Educating Anchorage sellers about their compliance – this has been delayed during the economic crisis facing the state but will be a significant source of growth
- Adding small, rural jurisdictions – we’ve had to develop an entirely new sales tax code for these, which will replace outdated versions they currently use and adopt by reference the Uniform Code
- Registering more remote sellers – some of the larger and bulk filers have indicated technical challenges because of their current software structures; this requires time and education

The Board has just added a committee to work through the many policy and procedures that seem to come up regularly. We’ll get updated information out to members as we finalize answers for questions that continue to come up. Our finance committee, too, has been hard at work, and finalized an FY21 budget that keeps rates where they are, for now. We hope we can reduce these soon. The budget is still based on conservative revenues and flat expenses. AML’s loaned capital to start this up remains a big factor in keeping these rates as low as possible, but we anticipate that the need for this investment will decrease in the next month or so, and these costs to AML will reduce over time and the program overall will become sustainable.



CITY OF KETECHIKAN and PEACEHEALTH KETCHIKAN MEDICAL CENTER

**JOINT PRESS RELEASE: KETCHIKAN MEDICAL CENTER CONTRACT RENEGOTIATION**

Date: June 5, 2020  
From: City of Ketchikan & PeaceHealth Ketchikan Medical Center  
Contact: Lacey Simpson, Assistant City Manager; (907) 228-5603; [laceys@ktn-ak.us](mailto:lanceys@ktn-ak.us)

The City of Ketchikan and PeaceHealth commenced formal negotiations for a new lease and operating agreement of the City-owned PeaceHealth Ketchikan Medical Center (KMC) on June 2, 2020. The City and PeaceHealth have worked together to provide essential care at KMC for nearly 60 years, and PeaceHealth's presence in Ketchikan can be traced to the 1920s with the arrival of the Sisters of St. Joseph of Peace. In preparation for the current lease expiration on October 8, 2023, the City retained ECG Management Consultants to conduct a comprehensive assessment of the current lease agreement and services delivered to the community. The City also solicited valuable input from the community through interviews and public forums. Both PeaceHealth and the City are eager to expand and enhance their long-standing relationship and look forward to continuing to meet the primary and specialty care needs of the community, including emergency, long term care, out-patient and in-patient acute care services. Negotiations are expected to take place over the next several months, with ECG participating in an advisory capacity. All KMC operations will remain in place through the negotiation period and remainder of the lease term.

**About PeaceHealth:** Based in Vancouver, Washington, PeaceHealth is a not-for-profit Catholic health system offering care to communities in Washington, Oregon and Alaska. In 1890, the Sisters of St. Joseph of Peace founded what has become PeaceHealth. PeaceHealth Ketchikan Medical Center, a 25-bed Critical Access Hospital, is also a Level IV Trauma Center for an area roughly twice the size of Massachusetts. Key services include general and orthopedic surgery, and primary, women's health, pediatric, and behavioral health clinics. The Medical Center also has a 29-bed Transitional Care Unit. Visit us online at [peacehealth.org](http://peacehealth.org).

###



June 3, 2020

Dear Mayors, Council Members and Assembly Members,

**thread**, Alaska's Child Care Resource & Referral Network, thanks you for your leadership during the COVID-19 pandemic. **As Alaska reopens, thread urges you to give financial support to licensed child care, a critical community infrastructure needed to reopen safely and responsibly.**

**Specifically, we urge you to invest a minimum of 10% of the federal CARES Act funding allocated to your City/Municipality/Borough by the Alaska State Legislature to support licensed child care programs in your community.** Prior to COVID-19, the early childhood education sector represented nearly 500 child care programs and employed 7,000 Alaskans statewide.

### **Licensed Child Care is Essential for Alaska**

Licensed child care is an essential state infrastructure and a vital part of our economic recovery. Working families cannot continue to go to work or return to the workplace without it. A lack of licensed child care will be a significant barrier to businesses reopening successfully.

While child care has been on the frontlines of the pandemic, nearly 50% of licensed child care programs were temporarily closed. Child care businesses operate on razor-thin margins, and have fewer resources available to them than public schools. The COVID-19 pandemic has pushed many of these small businesses to the brink of permanent closure.

We must ensure child care is there to support Alaska's families and businesses. To do this safely and responsibly, it requires child care programs to:

- Implement new health and safety measures for the physical and mental health, safety, and well-being of children, staff, and their families.
- Hire and train new staff to replace those exiting the field due to health concerns and/or other employment opportunities.
- Increase staffing to cover substitutes needed for employees who are out, and accommodate for static groups and additional sanitizing and health checks.
- Provide smaller group sizes and more space per child to ensure physical distancing.
- Have access to necessary supplies (e.g., cleaning supplies, diapers, etc.).
- Be able to support parents transitioning their children back to care.

These are only a few of the *many* factors child care programs are considering to stay open or reopen. This situation is stressing an already fragile system by increasing the cost of care for programs and families.

**thread estimates child care across Alaska will need \$10 million per month throughout the pandemic and recovery process. In order for child care to weather this crisis, thread has the following recommendations.**

**Recommendation 1: Ask the State of Alaska to Fulfill its Promise to Child Care**

In April, the State of Alaska Department of Health and Social Services (DHSS) Child Care Program Office (CCPO) announced a Capacity Funding program to support and stabilize licensed child care.

The State promised to pay child care programs for March, April, and May based on their February enrollment numbers. The March funding was paid, but **there is an approximate \$20 million funding gap for April and May**. We have heard from numerous child care programs that they are reliant on this aid to make it through the initial crisis period.

**thread is urging the State of Alaska to fulfill its promise to stabilize the sector, and asks that you join us in this request.** Please ask DHSS Commissioner Adam Crum to use his authority and Department CARES Act resources to fully fund the child care payments for April and May.

**Recommendation 2: Prioritize Ongoing Funding for Local, Licensed Child Care**

**thread** recognizes the support needed for child care exceeds the State of Alaska Capacity Funding program, and the Alaska State Legislature has recently allocated CARES Act funding to your local government.

**thread recommends you prioritize child care by allocating a minimum of 10% of your federal CARES Act funding to support local, licensed child care through 2020.** This funding would be in addition to the State Capacity Funding program (Recommendation #1). The City and Borough of Juneau recently voted to approve over \$1 million for child care sustainability grants. We urge you to follow their lead.

An investment in child care will produce one of the highest returns for generating economic recovery in your community. For every child care teacher that is supported to return to a child care program, an average of eight parents are able to return to work.

**thread** advocates that any local financial aid for child care is administered with no restrictions and ease of access in mind. There are several vehicles available for deploying these benefits to ensure aid reaches programs swiftly. One example would be to administer block grants by licensed child care program type. **thread** is available to assist in advising and/or deploying such assistance. We also ask you to consider how to support and provide child care with critical supplies to protect themselves, the children they serve, and their families. Access to cleaning supplies, PPE, and other safety precautions are desperately needed.

**thread** is gaining public support for this recommendation through an open petition calling for State and local support of \$10 million per month for child care throughout this crisis. The petition has over 600 signatures and counting. ([threadalaska.salsalabs.org/promisetochildcare](http://threadalaska.salsalabs.org/promisetochildcare))

Alaska's reopening and economic recovery depends on child care being there for families. **thread** recognizes the struggle many families are facing during this pandemic. Prioritizing support for licensed child care programs means parents will have access to care as they make decisions about work and how best to support their families at this time.

As you make decisions in supporting your community during the COVID-19 pandemic, the above recommendations are intended to provide guidance for ensuring children and families are healthy and safe, and child care survives. We are happy to be a resource in your decision-making and thank you for making child care a top priority for stabilizing our economy and community infrastructure for families.

Sincerely,



Stephanie Berglund, MSW  
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# Licensed Child Care is Essential for Alaska

Child care is an essential state infrastructure and a vital part of Alaska's economy. Alaska's response to the COVID-19 pandemic must include the early childhood education sector. Prior to COVID-19, this sector was fragile, with child care programs operating on razor-thin margins and a workforce getting by on poverty level wages. Many child care programs have now been pushed to the brink of permanent closure due to the pandemic's interruption to business. **Access to affordable, high-quality child care programs is needed for businesses and families to return to work successfully. thread recommends a minimum local investment of 10% of the federal CARES Act funding for licensed child care programs.** Without this investment, Alaska will struggle to fully reopen and recover.



## The Challenges

Alaska's child care sector is facing serious challenges in the wake of the coronavirus.

**Business interruption:** The demand for child care is fluctuating as families grapple with returning to the workplace safely or unemployment. Without steady enrollment, child care programs are faced with uncertain or reduced income revenue and growing expenses to stay open and operate safely.

**Elevated health and safety requirements:** Child care programs must enforce an intensified level of health and safety protocols and procedures for ongoing mitigation, screening, and sanitation. This requires more supplies, staff time, and training.

**Physical distancing:** Child care must support physical distancing within the program, which results in smaller group sizes and ratios, and the need for more staff.

**Supplies:** Child care programs need cleaning and disinfecting supplies and equipment, personal protective equipment, screening equipment, and sanitizing solutions to protect the staff and children they serve.

**Labor:** The demands on the early childhood workforce are increasing with new ratio recommendations, health and safety protocols, and the health risks. Programs are having to offer higher compensation and flexibility to support staff. Additionally, some early educators are not returning to the classroom due to the health risk which is leaving positions vacant and more staff needed.

**Behavioral Health:** Child care programs need access to early childhood mental health consultation and other behavioral health supports and services to support children, families and staff experiencing trauma during this time.

All of these factors are challenging child care's survival. Financial support is needed now for programs to open, remain solvent, and be available for our community.



## Desired Impact

An investment in Alaska's child care system will produce the following results:

### For Families

- Return to their workplace
- Reduced cognitive load trying to figure out child care
- Reduced stress because they have access to safe and healthy child care programs

### For Employers

- Increased availability of workers
- Reduced absenteeism
- Higher productivity due to less distractions from trying to solve child care struggles

### For Community

- Reduced coronavirus transmission within child care
- Families and businesses contributing to the economy

### For Licensed Child Care Programs

- Business resilience and program stabilization
- Operating safely and effectively
- Support for social and behavioral health concerns of staff and children

### For Children

- Safe, healthy, learning and loved
- More predictable routines, which adds resiliency during traumatic times
- School readiness



# Recommendation: Provide Child Care Funding Relief

**thread** recommends investing a minimum 10% of the federal CARES Act funding allocated to local governments by the Alaska State Legislature to support open, licensed child care programs in local communities. Licensed child care programs are regulated by the State of Alaska, and provide safe and healthy learning environments for young children. Providing funding will help licensed child care programs to continue to operate safely and effectively in response to the COVID-19 public health emergency. **thread** is providing two potential funding models for consideration in local decision making.

## Funding Model 1: Program Block Grant Based on Program Type/Capacity

Distributes the funding based on the type and size of the program, specifically using the child care program's licensed capacity number. This allows programs to strengthen and stabilize their business based on the licensed capacity (or the total number of children that can be served). It also assumes programs with multiple sites will receive funding for each licensed site. For example:

| Program Block Grant Proposed Funding Model* |            |                             |                                  |
|---|------------|-----------------------------|----------------------------------|
| Child Capacity                              | # Programs | Monthly Payment/<br>Program | Total 6-Month<br>Payment/Program |
| 1-12  | 5          | \$12,500                    | \$375,000                        |
| 13-45                                       | 5          | \$20,000                    | \$600,000                        |
| 46-74                                       | 1          | \$35,000                    | \$35,000                         |
| Over 75                                     | 1          | \$45,000                    | \$45,000                         |

\*Model does not represent actual programs.

## Funding Model 2: Program Grant Based on Licensed Capacity

Distributes the funding using a per child flat rate based on the child care program's licensed capacity number. **thread** recommends a minimum investment of \$500 per child per month. For example:

| Program Grant Based on Licensed Capacity Proposed Funding Model* |                 |   |                                  |
|--|-----------------|---|----------------------------------|
| Child Capacity   | Flat Rate/Child | Monthly Program Payment<br>(Capacity x Flat Rate/Child) | Total 6-Month<br>Program Payment |
| 10   | \$500           | \$5,000   | \$30,000                         |

\*Model does not represent actual programs.

In both models the following funding guidelines are recommended:

### Purpose funding for COVID-19 related costs and expenses under two categories:

- o Costs related to business interruption caused by COVID-19; and
- o Costs related to compliance with the State of Alaska and the Center for Disease Control (CDC) public health guidelines relating to COVID-19.

**Structure funding guidelines for flexibility and ease of access.** Each child care program is facing unique business challenges. Programs need flexibility in determining how best to address their particular needs within the proposed two categories. Specific recommendations to provide flexibility with the funding are:

- o Allow expenditures to go towards any purpose within the two proposed categories.
- o Award funding either one time or on a monthly basis.
- o Allow for multi-year expenditure (at a minimum 2020, 2021) of the funds to address the long-term work needed to stabilize programs.
- o Allow eligibility regardless of application or receipt of other federal, state, or local COVID-19 funding.

## CONTACTS

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**CITY OF CRAIG  
MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 18, 2020  
RE: Resolution 20-15: Economic Assistance Grant Program

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Attached you will find Resolution 20-15. The resolution establishes the Economic Assistance Grant Program.

At its June 4, 2020 meeting, the council approved criteria for an Economic Assistance Program, in response to impacts to local organizations from society's response to the COVID-19 virus. The attached resolution more formally establishes the program as the council considers actual award of grants to eligible applicants.

The resolution provides for the council to change the program as it sees fit by simple motion at any subsequent council meeting. The resolution's wording also allows for the program to benefit organizations (for-profit and non-profit) or individuals as the council may direct.

**Recommendation**

Adopt Resolution 20-15.

**CITY OF CRAIG  
RESOLUTION 20-15**

**ESTABLISHING THE  
CRAIG ECONOMIC ASSISTANCE GRANT PROGRAM**

**WHEREAS**, the COVID-19 virus pandemic constitutes a public health emergency; and,

**WHEREAS**, the Craig City Council recognizes the threat to public health in its Disaster Declaration detailed in City of Craig Resolution 20-06; and,

**WHEREAS**, the State of Alaska has implemented health mandates and alerts to reduce the spread of COVID-19; and,

**WHEREAS**, measures to reduce the transmission of the virus resulted in reduced economic activity in Craig and many other communities in Alaska and around the United States; and,

**WHEREAS**, in an effort to mitigate the detrimental effects of those measures, Federal , State and local governments have implemented financial assistance programs to persons, businesses, and non-profits impacted by the measures; and,

**WHEREAS**, the Craig City Council recognizes the importance of support to local businesses, non-profit organizations, and residents of the city adversely affected by the COVID-19 emergency and mitigation measures imposed by the Federal and State governments; and,

**WHEREAS**, at its June 4, 2020 meeting, the City Council approved, by motion, the implementation of a discretionary economic assistance grant program.

**NOW THEREFORE, BE IT RESOLVED** that the Craig City Council establishes the Craig Economic Assistance Grant Program; and,

**BE IT FURTHER RESOLVED** that the Council directs city staff to prepare guidance and application forms to implement the Program fairly and consistent with Council direction; and,

**BE IT FURTHER RESOLVED** that the Craig City Council may update, amend, extend, terminate, or otherwise modify the Program by motion at subsequent Council meetings.

APPROVED \_\_\_\_\_, 2020.

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

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

**CITY OF CRAIG  
MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 19, 2020  
RE: Resolution 20-16

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Attached is Resolution 20-16. The resolution renews the Health Reimbursement Benefit.

One feature of the city's employee health insurance benefit is the reimbursement of a portion of the benefit's deductible. The city reimburses the employee for the health insurance deductible over \$500. The feature also reimburses a portion of out of network provider costs.

For this plan to be federal tax deductible the city must contract with a firm to manage the reimbursement to the employees. Each year a resolution is needed to give the staff authority to contract with such firm. The city has in the past contracted with Northwest Marketing Resources in Olympia, Washington, and wishes to continue contracting with the company in FY 2021 to administer the benefit.

The attached resolution is very similar to others the council has approved as part of the budgeting process in prior fiscal years.

**Recommendation**

Adopt Resolution 20-16.



**CITY OF CRAIG  
RESOLUTION NO. 20-16**

**CITY OF CRAIG HEALTH REIMBURSEMENT ARRANGEMENT**

**WHEREAS**, on this date, the Craig city council did meet to discuss the implementation of the City of Craig Health Reimbursement Arrangement, to be effective July 1, 2020. Let it be known that the following resolution is duly adopted by the Craig city council and that this resolution has not been modified or rescinded as of the date hereof:

**WHEREAS**, the form of Health Reimbursement Arrangement, as authorized under Section 105 of the Internal Revenue Code, presented to this meeting is hereby adopted and approved and that the proper officers of the Employer are hereby authorized and directed to execute and deliver to the Plan Administrator one or more copies of the Plan.

**WHEREAS**, the Plan Year shall be for a 12-month period, beginning on July 1, 2020.

**WHEREAS**, the Employer shall contribute to the Plan amounts sufficient to meet its obligation under the Health Reimbursement Plan, in accordance with the terms of the Plan Document and shall notify the Plan Administrator to which periods said contributions shall be applied.

**WHEREAS**, the proper officers of the Employer shall act as soon as possible to notify employees of the adoption of the Health Reimbursement Arrangement by delivering to each employee a copy of the Summary Plan Description presented to this meeting, which form is hereby approved.

**NOW THEREFORE BE IT RESOLVED**, the undersigned certifies that attached hereto is a true copy of the Plan Document for City of Craig Health Reimbursement Arrangement approved and adopted by this resolution.

The undersigned further certifies and attests that the above resolution is made with the consent of the Craig city council.

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR, TIM O'CONNOR

ATTEST \_\_\_\_\_  
JILL CARL, CITY CLERK

### **CITY OF CRAIG HEALTH REIMBURSEMENT ARRANGEMENT**

Employees of City of Craig enrolled in the Premera Blue Cross Blue Shield of Alaska health plan called the Preferred Choice HP that covers only the employee (single plan) shall be responsible for the first \$500 of the enrolled plan (Preferred Choice HP). The Preferred Choice HP Plan in network deductible is \$3,000 and the out of network is \$6,000. Employees will be reimbursed for the annual deductible minus the first \$500 up to a maximum annual benefit of \$2,500 for the in network expenses or a maximum of \$5,500 for the out of network expenses. The Preferred Choice HP plan maximum in network out of pocket expenses is \$6,000. Employees will be reimbursed for in network out of pocket expenses greater than \$5,000 to a maximum of \$1,000. The maximum annual benefit is \$3,500 for in network expenses and \$5,500 for out of network expenses.

Employees of City of Craig enrolled in the Premera Blue Cross Blue Shield of Alaska health plan that covers the employee and dependents; employee and spouse; and family, the first two participants in the Preferred Choice HP plan shall be responsible for the first \$500 for a total of \$1,000 of the enrolled plan (Preferred Choice HP) annual deductible. The Preferred Choice HP plan in network deductible is \$6,000 and the out of network is \$12,000. Employees will be reimbursed for the annual deductible minus the first \$1,000 up to a maximum benefit of \$5,000 for the in network expenses to a maximum of \$11,000 for the out of network expenses for the Preferred Choice HP Plan. The Preferred Choice HP plan maximum in network out of pocket expenses is \$12,000. Employees will be reimbursed for in network out of pocket expenses greater than \$10,000 to a maximum of \$2,000. The maximum annual benefit is \$7,000 for in network expenses and \$11,000 for out of network expenses.

Claims for reimbursement must be submitted with a completed claim form and proof of medical expenses applied to the deductible. The proof can be either the Explanation of Benefits or documentation from the employee's account from Premera's website. As this benefit pays on a calendar year basis, the final day to submit claims for 2020 expenses will be June 30, 2021.

# CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: June 19, 2020  
RE: COVID-19 Related Funding

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## COVID-19 Related Funding Items

Based on discussion about CARES Act eligible items and discussion about other COVID-19 response, mitigation, and impact relief funding we have identified a number of items that the council has considered and given direction to staff. These include:

- Payroll for eligible employees (public safety and other city employees substantially working on COVID19 response and mitigation). The city may use CARES Act funding for payroll costs for public safety employees and for other city employees who are working substantially on COVID-19 response and mitigation measures.
  - For public safety employees 100% of their payroll costs may be paid using CARES Act funding. This is based on guidance from the Department of the Treasury.
  - For other city employees, we have been asking employees with substantial hours dedicated to COVID-19 related duties to track their hours. These hours may be paid using CARES Act funding.
  - Eligible Payroll is the ONLY item that CARES Act funding may be used to pay for items that are in the current budget. The CARES Act prohibits most expenses that are already included in the city's budget.
  - Total payroll costs for March 1 – December 30 (the eligible time period) are estimated to be about \$900,000. This will result in a general fund budget surplus equal to the amount of payroll reimbursement.
- Restocking PPE. Starting in March, the city has distributed personal protective equipment, hand sanitizer, and other critical supplies from the Metropolitan Medical Response System container and from City of Craig stockpiles.
  - A portion of the CARES Act funding will be used to restock supplies and to purchase additional supplies to supplement operations for the rest of the year.
  - Supplies were distributed to island EMS squads, essential businesses, city facilities, and medical providers.
  - Estimated cost of replacement of these stocks and additional stocks for continued operations is about \$50,000 and are eligible for CARES Act.
- Converting City Restroom Fixtures. Staff is working to identify fixtures in public and employee restrooms throughout the city that do not have touchless fixtures. City staff will work to replace these fixtures in order to reduce surface contact.
  - This project is CARES Act eligible.
  - A rough estimate of costs for this project is about \$22,500.

- Hazard Pay for eligible employees. The city council directed staff to pay all qualifying city employees hazard pay at a rate and time set by the council at the June 4<sup>th</sup> council meeting.
  - Employees who are eligible for payroll reimbursement will have this hazard pay funded from CARES Act funding. (+/-40% of employees)
  - Employees who are not eligible for payroll reimbursement will have this hazard pay funded from the city's general fund. (+/-60% of employees)
  - Hazard pay will be paid for eligible hours during the current pay period.
  - The council authorized hazard pay from March 11 – May 22.
  - Total hazard pay is estimated to be about \$27,000 split between CARES Act funding and the city's general fund.
- ETT Class. The city intends to offer an ETT class at no cost to the students for the purpose of increasing the number of EMS responders.
  - CARES Act funding will be used to pay for the instructor, classroom space, student materials, and any other costs incurred.
  - The class is estimated to cost about \$10,000 total.
- Additional cleaning expenses staff and the council discussed the need for additional cleaning supplies and the likelihood of hiring a contractor to provide additional cleaning to public facilities as the city opened to the public.
  - Some expenses will be related to purchasing cleaning supplies
  - Some expenses will be related to contracting for cleaning services
  - Additional cleaning costs and contracts is estimated to cost about \$20,000.
- Revenue Replacement. As the council is aware, there has been federal legislation introduced that would allow cities to replace lost revenue with CARES Act funds. The city will reserve about \$700,000 from the CARES Act for this purpose. If the legislation does not pass, staff will bring a plan to the council to expend these funds through eligible CARES Act items.
- Seaplane Terminal improvements. The seaplane is eligible for a small, but separate amount of CARES Act funding. Staff is currently working on eligible improvements to the facility using this funding.
- Economic Assistance Grants. The council authorized staff to distribute up to \$200,000 to eligible small businesses and non-profits. Staff has been receiving and reviewing applications and will have them for the council to approve at the June 25<sup>th</sup> meeting.
  - The council authorized funds from the city general fund, but staff will apply CARES Act funding where it can be applied in the program.
  - The council may choose to authorize additional funds to the current round of grants, or for a second round of grants.
  - Additional economic assistance to businesses, non-profits or individuals may be a focus of remaining grant funds if the city is not authorized to use CARES Act money for revenue replacement.
- Individual Assistance Grants or Actions. The council has directed staff that individual assistance should be done through existing non-profit agencies and programs.
  - The tentative budget for this item identifies about \$50,000 of CARES Act money for this purpose.

- There is a separate memo and discussion on individual assistance included in the packet for the June 25<sup>th</sup> meeting.
- Protective screening (plexiglass) at customer service points. City staff will use CARES Act funding to install protective screening at customer service points at city facilities. There is no estimate, but the cost for this should be minimal.
- Additional Pay for Salaried Workers Substantially Engaged in COVID-19 Response and Mitigation Measures. The council asked staff to look into additional pay for extra time worked by salaried employees due to COVID-19. Bonuses are not CARES Act eligible. Staff has determined that lump sum bonuses would be easier to process and would meet the council’s direction. Staff estimates \$12,000 in bonuses paid from the city’s general fund.

The rough budget for use of CARES Act funding based on discussion with staff and the council looks like:

|                    |  |
|--------------------|--|
| <u>\$1,772,564</u> | <u>Total CARES Act Funding for Craig</u>   |
| -\$900,000         | Estimated Eligible Payroll 3/1 – 12/30 2020  |
| -\$ 50,000         | Restocking PPE Issued from Stockpiles  |
| -\$ 22,500         | Converting city restroom fixtures to touchless   |
| -\$ 15,000         | Hazard Pay for CARES Act Eligible Employees  |
| -\$ 10,000         | ETT Class to increase number of responders   |
| -\$ 20,000         | Additional Cleaning Supplies and Contracts   |
| <u>-\$ 50,000</u>  | <u>Individual Assistance Program</u>   |
| \$700,000          | Remaining CARES Act Funding  |
| -\$700,000         | Amount of CARES Act Funding reserved pending approval of legislation to allow for revenue replacement. |

Staff will work with the council to adjust the intended uses of CARES Act funding as we receive information about revenue replacement and get a better feel for actual costs.

As shown above, the reimbursement for eligible payroll will result in the city not using general funds for payroll that is already budgeted into the FY2020 and FY2021 budgets. The total payroll reimbursement between both fiscal years is estimated to be about \$900,000. The council has given staff direction to use some of these funds to pay for items that may not be eligible for CARES Act funding. These include bonuses, hazard pay (for employees not eligible for CARES Act reimbursement), and economic assistance. The rough budget for these general fund dollars looks like this:

|                  |   |
|------------------|---|
| <u>\$900,000</u> | <u>General fund payroll reimbursement</u>   |
| -\$200,000       | Small Business and Non-Profit Grants (Round 1)  |
| -\$ 15,000       | Hazard pay for employees not eligible for CARES Act reimbursement                               |
| -\$ 12,000       | Bonuses for Salaried Employees for additional hours related to COVID-19 response and mitigation |

\$673,000

Reimbursed General fund payroll remaining. These funds should be reserved and be used for other city budget items based on revenue shortfalls.

As the council can see there is about \$700,000 reserved in both the CARES Act budget and in the general fund payroll reimbursement amounts. The final use of either of these pots of money will depend on pending legislation at the federal level, and potential legislation or administrative policy changes at the state level.

If sales tax receipts for March – December 2020 are significantly reduced due to COVID-19 the city will want to use some funds from either the CARES Act or from the general funds that are a result of the payroll reimbursement. In either case, a 50% drop in sales tax revenue will impact the city budget by about \$740,000. Either pot of money would largely reduce the impacts of a drop in sales tax.

If Congress passes legislation removing the restriction on revenue replacement of CARES Act funding (such legislation has been introduced) then the city can use some or all of the \$700,000 of reserved CARES Act funding to fill a portion of the revenue shortfall.

If the legislation does not pass, the city can use the remaining funds from the payroll reimbursement to fill a portion of the revenue shortfall.

If Congress does not pass legislation providing for revenue replacement then the city will have to determine how to spend the remaining \$700,000 in CARES Act funding by December 30<sup>th</sup> or return it to the state/Treasury Department. Staff is looking at timing and options to spend these funds prior to the deadline.

In addition to the pending federal legislation, the state recently announced that it was administratively changing the eligibility requirements for the AK CARES funding to allow businesses who receive municipal grants from federal funds to still be eligible for AK CARES funding. There appears to be some discussion as to the legality of the decision without legislative direction, but this opens the door to the city reimbursing itself for the economic assistance funding.

One other factor is that the city must expend at least 80% of the CARES Act funding at each payment before we can receive the next payment. In order for use to receive the second payment we will have to expend about \$704,000 from the first payment, and 80% of the first two payments will have to be spent in order for the city to receive the third payment. Staff will be considering this requirement as we move forward.

As the council can see, the whole funding picture is complicated and is made more difficult by the moving parts, pending legislation, and a great deal of unknown information about future funding programs. Staff will continue to keep track of the funding issues and bring recommendations to the council.

This item is for discussion only. There is no action required by the council at this time.

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: June 19, 2020  
RE: Economic Assistance Grant Results and Approval

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At the June 4, 2020 council meeting the council considered and approved criteria and an application for Craig small businesses and non-profits to receive economic assistance funding. The council appropriated \$200,000 at that meeting to be distributed to eligible grant applicants. Applicants are eligible for funding as follows:

- Non-Profits – up to \$7,500
- Businesses with up to \$100,000 total income – up to \$3,000
- Businesses with \$100,001 to \$250,000 in total income- up to \$5,000
- Businesses with \$250,001 to \$999,999 in total income – up to \$10,000

The final grant amounts will be determined by the number of grants and the allocated grant limits shown above. Grant applications were open from June 5 – 19. There was a total of 29 grants submitted.

All grant applications were reviewed initially by a staff member using the objective eligibility criteria approved by the council at the June 4<sup>th</sup> meeting. The city administrator was involved in the final review of all grant applications. It is important to note that the eligibility criteria did not ask applicants to document the extent of the impact or the specified need for assistance, but made businesses eligible by meeting the criteria set forth by the council at the previous meeting.

There were three grants that were determined to be ineligible. Reasons that grants were deemed ineligible include:

- Sole Proprietorships where the business income was less than 75% of the applicant's adjusted gross income.
- Business income greater than \$1,000,000.

If the council feels that these categories of applications should be funded the council should discuss using leftover funds, or appropriating additional funds for the purpose of advertising a second round of funding. The second round of funding may include just those groups that were missed in the first round, or may include both previously eligible recipients and other groups.

If the council chooses to fund grant applications that don't meet the initial review criteria, it should be aware that there may be other businesses who chose not to apply because they knew they were ineligible, but may be eligible under some changed criteria. It would likely be better to open another round of funding application if the council wishes to fund these groups of businesses. For example, if the council determines that sole proprietorships who were impacted should receive funding regardless of the percentage

of income, then the council should direct staff to open another round of grant application for those businesses.

Two applicants, whose grants were determined to be ineligible have filed individual appeals. Other applicants who are determined to be ineligible have 10 days to file a written appeal after the council approves the grants. Those appeals will be heard at a later council meeting. The appeals that have already been filed are included later on the agenda. If the council approves the grants on June 25<sup>th</sup>, applicants will have until July 5<sup>th</sup> to file an appeal.

List of all grants

| <b>Grant Number</b> | <b>Applicant</b>  | <b>Eligible/Not Eligible</b> | <b>Funding Amount</b> |
|---------------------|---|------------------------------|-----------------------|
| C19-20-01           | Dreamcatcher Inn and Charters                                   | Eligible                     | \$3,000               |
| C19-20-02           | Craig Child Care Center   | Eligible                     | \$7,500               |
| C19-20-03           | Casa Quigley  | Eligible                     | \$3,000               |
| C19-20-04           | Shaan-Seet Inc.   | Not Eligible                 | \$0                   |
| C19-20-05           | Southeast Alaska Legal Services                                 | Eligible                     | \$3,000               |
| C19-20-06           | Thomsen and May Inc.  | Eligible                     | \$3,000               |
| C19-20-07           | Faith Fisheries   | Eligible*                    | \$3,000               |
| C19-20-08           | HOPE  | Eligible                     | \$7,500               |
| C19-20-09           | Jim I Farmer Fisheries  | Eligible                     | \$3,000               |
| C19-20-10           | First and Main Brewing  | Eligible                     | \$3,000               |
| C19-20-11           | Prince of Wales B&B, Island Charters, SE Art Glass, Peavey Fish | Eligible                     | \$5,000               |
| C19-20-12           | Prince of Wales Sportfishing                                    | Eligible                     | \$5,000               |
| C19-20-13           | Shuka' Island Coffee  | Eligible*                    | \$3,000               |
| C19-20-14           | Hill Bar  | Eligible                     | \$10,000              |
| C19-20-15           | Naanis  | Not Eligible                 | \$0                   |
| C19-20-16           | Aimee's Cabin Rentals   | Not Eligible                 | \$0                   |
| C19-20-17           | Craig Inn   | Eligible*                    | \$3,000               |
| C19-20-18           | Dockside Café   | Eligible                     | \$10,000              |
| C19-20-19           | 1 <sup>st</sup> Presbyterian Church of Craig and Klawock        | Eligible                     | \$7,500               |
| C19-20-20           | POWER   | Eligible*                    | \$7,500               |
| C19-20-21           | Steven Peavey   | Eligible*                    | \$3,000               |
| C19-20-22           | Papa's Pizza  | Eligible*                    | \$10,000              |
| C19-20-23           | Annie Betty's Bakery  | Eligible*                    | \$10,000              |
| C19-20-24           | Southeast Senior Services                                       | Eligible                     | \$7,500               |
| C19-20-25           | Craig Waverunners   | Eligible                     | \$7,500               |
| C19-20-26           | Strictly Local  | Eligible                     | \$3,000               |
| C19-20-27           | Alaska Top Dog Charters   | Eligible*                    | \$3,000               |
| C19-20-28           | Southeast Dental Centers  | Eligible*                    | \$5,000               |
| C19-20-29           | Prince of Wales Chamber of Commerce                             | Eligible*                    | \$7,500               |



\*Grant applications appear to be eligible based on the application but we are still waiting on backup documents or other requirements to be completed by the applicant. Final review of backup documents may change eligibility or the final maximum grant amount.

The total amount of eligible grants is \$143,500. The total amount of the grants that were ineligible is an additional \$16,000. There is adequate funding in the original appropriation to fully fund all eligible grants. If the council is interested in another round of grants to target sole proprietors who did not qualify for the first round and/or business that had more than \$1,000,000 total income there is about \$56,500 remaining in the original appropriation that could be used for this purpose.

**THE COUNCIL SHOULD CONSIDER RECOMMENDATION 1 BEFORE CONTINUING THE DISCUSSION ON INELIGIBLE GRANTS OR A SECOND ROUND OF GRANT FUNDING.**

If the council wants to change the criteria, reopen the grant period with expanded criteria, or open subsequent rounds of grants (either in general or specific to the ineligible groups) it should give direction to staff.

There are a number of options if the council wants to widen the eligibility for grants:

- Change eligibility criteria and reopen the grant application period for another two weeks (i.e. remove the \$1 million total income cap, remove the 75% of adjusted gross income requirement for sole proprietorships, etc.) it should direct staff on what criteria it would like to change and direct staff to advertise the expanded grant applications for an additional two week period. If this option is chosen, staff will review the current ineligible grant applications based on the new criteria and will accept new applications. In order to make sure that businesses who chose not to originally apply because they were ineligible have an opportunity to apply for funding, the revised grant application should be advertised for two weeks after the revised application and guidance are approved by the council.
- Open a new round of grant applications based on specific criteria that would open eligibility only to those who were not eligible for a grant under the original application. These revised criteria could include:
  - Businesses who were not eligible for grant funding under the first round of Craig COVID-19 Economic Assistance Grant funding; and/or
  - Sole proprietorships who did not qualify for the first round of grants, but whose gross business income (shown on their IRS Form Schedule C, Line 7) is at least \$54,191 (POW-Hyder Census Area Median Household Income per [www.census.gov](http://www.census.gov)); and/or,
  - Businesses with more than \$1 million in total income who did not qualify for a grant under the first round.
  - Additional sole proprietors would be eligible for up to \$3,000 funding and additional businesses with total income over \$1,000,000 would be eligible for up to \$10,000 (this is based on amounts in the first round of grants, the council may set other amounts if it wants to proceed with a second round of funding).

- Open a new round of grant applications with expanded criteria that would allow businesses who received funds under the first round of grants and other newly eligible businesses to receive funds.

If the council chooses to send out a second round of grants then staff will bring new grant guidance and application documents back to the council at the next council meeting for review and approval before advertising the grant.

If the council chooses not to modify the program criteria or consider another round of grant funding that would address the ineligible grant applications, the council will have an opportunity to consider each appeal separately.

**Recommended Actions:**

1. Move to approve eligible applications for Craig 2020 COVID-19 Economic Assistance Grants listed by staff and direct staff to execute grant agreements.
2. IF the council wishes to consider revising the eligibility criteria or direct staff to develop another round of funding, the council should give direction to staff.

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: June 11, 2020  
RE: Craig 2020 COVID-19 Economic Assistance Grant – Appeal by Shaan Seet

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At the June 4<sup>th</sup> council meeting the council approved the eligibility criteria and application form for the Craig 2020 COVID-19 Economic Assistance Grant program. Applications for the program opened on June 5<sup>th</sup>.

On June 8<sup>th</sup> we received and reviewed an application from Shaan-Seet Inc. for funding under the program. After reviewing the application and backup documents provided by Shaan-Seet it was determined that Shaan-Seet Inc. was ineligible for grant funding.

The grant guidance document approved by the council on June 4<sup>th</sup> states:

*To qualify as a small business under this program your business must have less than \$1,000,000 in total income for 2019 as shown on tax return. If you had \$1,000,000 or more in total income and answer no to this question you are NOT eligible for funding.*

The total income amount was used as a consistent measure across all corporate grant applications. The total income on the tax return information provided by Shaan-Seet exceeds the allowable limit.

Shaan-Seet provided a written appeal based on this information on June 9<sup>th</sup>. A copy of the written appeal letter is attached.

Shaan-Seet's appeal is based on two items:

1. Shaan-Seet is appealing the determination based on the fact that they are applying for the Shaan-Seet Hotel only. The appeal states that "even though the hotel business falls under the corporate umbrella of Shaan-Seet Inc. it operates under a separate business license and is treated separately within our accounting system."

Shaan-Seet contends that the hotel income by itself, without including any other income shown in the total income on their corporate tax return, would qualify for a grant.

2. Shaan-Seet is appealing the total income requirement due to the fact that they feel that the total income on their corporate tax return is "artificially inflated" due to the fact that as a Native Village Corporation they receive distributions from Sealaska that are in turn distributed to shareholders. Shaan-Seet contends that this unique circumstance should allow them to deduct those distributions from their total income.

It is true that Shaan-Seet, like many other businesses in Craig, operate various businesses, often with separate business licenses, under a single corporate umbrella. The total income line on the corporate tax return does not distinguish between those businesses. The council may consider allowing Shaan-Seet to provide additional information (some of which they have already provided) showing the income from just the hotel business, however, it is important to note that this will create a situation where other Craig businesses may not have applied for a grant knowing that they were ineligible based on the published requirements. Since the grant period has closed, these other businesses will not have an opportunity to apply for funding under the current program.

Shaan-Seet's receipt and distribution of Sealaska funds intended for shareholders creates a unique circumstance that is likely not well captured by the standard IRS forms used to file the corporate taxes. Most corporate entities are allowed to subtract the cost of goods sold from the gross sales and receipts before the total income is calculated, there is no such allowance for shareholder distributions from Sealaska.

**Recommended Actions:**

1. If the council has given staff direction to revise the eligibility criteria or to develop an additional round of funding that will address Shaan-Seet's denial, then the council should **MOVE TO TABLE THE APPEAL UNTIL THE GRANT APPLICATION HAS BEEN REVIEWED UNDER THE REVISED CRITERIA OR NEW ROUND OF GRANT APPLICATIONS.**
2. If the council chooses to grant the appeal and overturn the eligibility determination, allowing Shaan-Seet to be eligible for grant funding under the current program then the council should **MOVE TO GRANT SHAAN-SEET'S APPEAL AND STATE THE REASONS THAT THEY ARE GRANTING THE APPEAL.**
3. If the council chooses not to grant the appeal and uphold the eligibility determination then the council should **MOVE TO DENY SHAAN-SEET'S APPEAL AND STATE THE REASONS THAT THEY ARE NOT GRANTING THE APPEAL.**



June 10, 2020

Craig City Council  
Covid-19 Assistance Grant Program  
PO Box 725  
Craig, AK 99921

Honorable Mayor and Council Members,

I am writing today to appeal the decision by Brian Templin that Shaan Seet, Inc. is ineligible for the Covid-19 Assistance Grant Program based on the Total Income listed on our 2018 Form 1120. There are two separate issues at hand here: 1) Shaan Seet, Inc. is not asking for an assistance grant for the overall corporation, just for the Sunnahae Hotel that has been severely impacted by Covid-19. Even though the hotel business falls under the corporate umbrella of Shaan Seet, Inc. it operates under a separate business license and is treated separately within our accounting system. 2) As I describe below, we believe that given the way the IRS requires reporting of distributions received from Sealaska, Shaan Seet, Inc. "Total Income" (line 11 of Form 1120) is artificially inflated.

1) Shaan Seet, Inc. is a native village corporation and as such runs several businesses under its corporate seal. One of those businesses is the Sunnahae Hotel. We applied for this grant for that one aspect of our corporate business because it has been, and continues to be, severely impacted by Covid-19. The hotel has been completely closed as of the middle of March through the present day. We are now making plans to open soon, in a manner that protects the health and safety of our staff and guests. These plans include the purchase of additional supplies, upgrades to some of our equipment and the creation of policies and procedures. Further, most of our reservations for the summer season have cancelled at this point and we anticipate that even if we open, our revenue for the hotel will be greatly diminished for the remainder of this fiscal year. I have submitted a 2019 profit and loss statement for the hotel to Brian Templin.

Shaan Seet, Inc. keeps very detailed and separate books for each of its businesses. We are audited annually by BPM, a CPA firm. Our CPA, Jeffery Mock, will verify that the P&L submitted to Mr. Templin for the Sunnahae Hotel is the same information that was presented in the audit and used in tax preparation. I will provide his contact information at your request.

The stated purpose of this program is *"...to provide funds to eligible applicants to help with operational costs caused by mandated closures, forced layoffs of employees, significant loss of revenue, and additional costs to maintain services"* On this basis, we believe the Sunnahae Hotel is eligible for the assistance grant and wish to appeal Brian Templin's determination of ineligibility because of the Total Income for the overall Shaan Seet corporation.

2) I have also submitted a copy of the first page of Shaan Seet's 2018 corporate tax return (Form 1120) to Mr. Templin. This is where Shaan Seet's Total Income is artificially inflated. Shaan Seet, Inc. as a Native Village Corporation receives distributions from Sealaska. The IRS requires that those distributions be recorded as Income on the taxes. However, when Shaan Seet receives those distributions, much of what is received is distributed right back out to our shareholders and not really a part of income. If the Total Income is reduced by the amount of Sealaska distributions given right back out to Shaan Seet shareholders in 2018, the Total Income would be less than the benchmark of \$1,000,000 and we would be eligible. But again, I emphasize, we are requesting grant assistance based on the Sunnahae Hotel financials and not the Shaan Seet corporation overall. Please note: our CPAs are in the final stages of the 2019 annual audit and we do not anticipate we will have 2019 taxes before the end of June.

We formally request an appeal of Mr. Templin's determination that Shaan Seet, Inc. dba Sunnahae Hotel is not eligible for the Covid-19 Assistance Grant Program. We appreciate your thorough and independent review of this request and I apologize for my previous letter (dated June 9, 2020) requesting the Council view the application as that of the Sunnahae Hotel, not the corporation as a whole. I did not understand that the eligibility process was to be determined by one person with final approval by the Council. Please disregard that letter.

If you need any further information, please let me know.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read 'Edward Douville', with a large, sweeping flourish at the end.

Edward Douville  
President/General Manager

## CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: June 16, 2020  
RE: Craig 2020 COVID-19 Economic Assistance Grant – Appeal by Aimee’s Cabin Rentals

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At the June 4<sup>th</sup> council meeting the council approved the eligibility criteria and application form for the Craig 2020 COVID-19 Economic Assistance Grant program. Applications for the program opened on June 5<sup>th</sup>.

On June 12<sup>th</sup> we received and reviewed an application from Aimee’s Cabin Rentals. for funding under the program. After reviewing the application and backup documents provided by the applicant it was determined that they were ineligible for grant funding.

The grant guidance document approved by the council on June 4<sup>th</sup> states:

*Sole proprietors are eligible for funding IF the income derived from their business constitutes at least 75% of their overall adjusted gross income for tax year 2019. To calculate this, divide your business income as shown on your IRS Form 1040 Schedule 1, Line 3 by the adjusted gross income shown on your IRS Form 1040.*

This requirement was applied to all businesses who applied as sole proprietors. Sole proprietors complete additional IRS tax paperwork, and usually have state business licenses, but are not incorporated as a business entity.

Aimee’s Cabin Rentals applied as a sole proprietor and the backup documents provided by the applicant showed that the business income shown on the IRS Form 1040 schedule 1 was not at least 75% of the adjusted gross income shown on the applicants IRS Form 1040.

Aimee’s Cabin Rentals provided a written appeal based on this information on June 9<sup>th</sup>. A copy of the written appeal email is attached.

The applicant’s appeal asks the council to reconsider and change the requirement that sole proprietors must show that their business income is at least 75% of their adjusted gross income.

A copy of the written appeal is attached.

Recommended Actions:

1. If the council has given staff direction to revise the eligibility criteria or to develop an additional round of funding that will address this denial, then the council should MOVE TO TABLE THE APPEAL UNTIL THE GRANT

APPLICATION HAS BEEN REVIEWED UNDER THE REVISED CRITERIA OR NEW ROUND OF GRANT APPLICATIONS.

2. If the council chooses to grant the appeal and overturn the eligibility determination, allowing the applicant to be eligible for grant funding under the current program then the council should MOVE TO GRANT AIMEE'S CABIN RENTAL'S APPEAL AND STATE THE REASONS THAT THEY ARE GRANTING THE APPEAL.
3. If the council chooses not to grant the appeal and uphold the eligibility determination then the council should MOVE TO DENY AIMEE'S CABIN RENTAL'S APPEAL AND STATE THE REASONS THAT THEY ARE NOT GRANTING THE APPEAL.



**From:** aimee demmert <aimeescabinrentals@gmail.com>  
**Sent:** Tuesday, June 16, 2020 10:57 AM  
**To:** planner@craigak.com  
**Subject:** Re: Craig COVID-19 EA Funding

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

I would like to appeal the eligibility decision made for my EA Grant application that was submitted to the City of Craig

The reason given for my ineligibility is that I did not meet  
- quote-

“the income derived from their business constitutes at least 75% of their overall (adjusted gross income) for tax year 2019”

I am the sole proprietor of my business, AIMEES Rental’s. I sold WELL OVER \$125,000 in room rentals in 2019. I also earned \$14,735 working at the Moose Lodge in 2019. But because after expenses & improvements, my business income didn’t constitute 75% of my (adjusted gross income) So I have been denied this grant.

My appeal to the city board and council members:

I have invested in my business, AIMEES rentals, for many years, working hard to make a successful business for myself and my son.

My goal was that I could support my family without having to supplement my income with bartending, a difficult job to do with a child at home.

I have put a lot of money back into my business growing it to where it is today with a well landscaped property with 5 attractive cabins. I think the city can agree that this property has been vastly improved from its previous state. It has taken a lot of re-investment money to get to this point in my business, hence the lower “adjusted gross income” on my 1040 form.

I paid the city of Craig \$15,297.84 for city sales taxes, bed taxes, property taxes & utilities in 2019. Just that dollar amount itself exceeds the amount of money I made at my supplemental job, bartending. I think this alone should constitute my business as being a valid business in Craig.

After going through the slower months of winter I was looking forward to my very busy month of March, where I had over \$14,000 in sales booked that month. But then mid March, Covid 19 & the non stop requests for refunds on deposits for upcoming reservations happened. I refunded over \$12,000 in deposits in the month of March for upcoming reservations.

Because business & travel were shut down, I went to zero income and living off my savings, which was much reduced due to the \$12,000+ Covid 19 refunds I gave. Even my supplemental bartending job was shut down. The only way I could think to survive without losing my investments was to shut down all 5 cabins, cancel DTV. Cancel telephone and internet service, put water, sewer & garbage on vacation and move my office & laundry facility to my home on beach road, reducing my business costs by 70%. Although I still had 30% expenses to pay on a zero income.

I am asking the city board and council members to please reconsider the “adjusted gross income” statement in your requirements for the grant.

If that itself is not a possibility for some reason... will you please make a suggestion to me what I can do to possibly get some Covid 19 financial relief from the city. I understand the city has some flexibility since they are using the general fund.

I have ongoing maintenance expenses as well as increased property taxes yet to be paid. I have been able to start renting rooms again at a slower pace now that instate travel is open, but losing 2&1/2 months of usually busy season along with a slowed down summer season has had a huge negative impact on my business finances.

Thank you for your time & efforts,

Aimee Demmert  
907-401-0877

On Jun 15, 2020, at 10:09 AM, <[planner@craigak.com](mailto:planner@craigak.com)> <[planner@craigak.com](mailto:planner@craigak.com)> wrote:

Aimee,

Thanks for submitting your application for funding under the EA grant program. I have reviewed your application and based on the information provided have determined that your grant application is not eligible for funding. The grant guidance states:

**Sole Proprietors.** Sole proprietors are eligible for funding IF the income derived from their business constitutes at least 75% of their overall adjusted gross income for tax year 2019. To calculate this, divide your business income as shown on your IRS Form 1040 Schedule 1, Line 3 by the adjusted gross income shown on your IRS Form 1040.

After reviewing the documents that you provided me the business income shown on Schedule 1, line 3 is not at least 75% of the adjusted gross income shown in the 2019 column on line 30 on the two year tax comparison.

If you would like to appeal the eligibility of the grant, you can submit a written appeal, stating the reasons that you feel that you are eligible for the grant funding. The written appeal must be received no later than 10 days after the grants are approved by the council. The council is scheduled to approve the grants on June 25<sup>th</sup>. If you want to submit an appeal, and get me the written appeal before Wednesday, June 17<sup>th</sup>, I will include the appeal on the agenda of the June 25<sup>th</sup> meeting.

If you have any questions please feel free to call, email, or stop by city hall.  
Brian

.....  
Brian Templin  
Craig City Planner  
Craig EOC/Planning Section Chief  
907-826-3275  
[planner@craigak.com](mailto:planner@craigak.com)  
[www.craigak.com](http://www.craigak.com)

Visit [www.craigak.com/covid19](http://www.craigak.com/covid19) for information about the City of Craig's COVID-19 response.

Wash your hands, wear a face covering when in public, maintain good social distance, and stay safe!

# CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: June 17, 2020  
RE: Individual Assistance Program Options Related to COVID-19

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## Background

At council meetings in May and June the council gave direction to staff to look at options to provide individual assistance to residents impacted by COVID-19 that worked through existing programs and non-profits. This is separate from the grant program already advertised for small businesses and non-profits.

## CARES Act Funds and City General Funds

Individual assistance, like many other expenses, must meet certain criteria to be eligible for CARES act funding. Specific programs that identify assistance specifically linked to COVID-19 impacts are generally eligible for CARES Act funding. General assistance not directly tied to COVID-19 impacts at the individual level are generally unlikely to be eligible for CARES Act. The council should keep this in mind as they discuss various options for providing individual assistance.

The council has a number of options to consider while talking about providing individual assistance. Options include:

1. Do not allocate any funds for individual assistance.
2. Provide grants to non-profits specifically to provide individual assistance through existing programs (i.e. POWER for food, utility support, fuel support, etc.). These funds would not be used for general operational costs but would be used for direct individual assistance or increased costs to provide that assistance. If the non-profits were required, and able to require documentation of impacts from COVID-19 to the assistance the program could be eligible for CARES Act funding. Using city general funds would allow more flexibility for the non-profits and less record keeping for the city.
3. Housing assistance through AHFC program. AHFC has advertised a program that provides rental or mortgage assistance for persons impacted by COVID-19. In a recent teleconference a representative from AHFC indicated that they might be willing to extend funding for that program specific to communities, if those communities provided additional funding. Staff can get more information from AHFC if the council is interested. This would be CARES Act eligible.
4. Sales or property tax relief. The council may choose to provide general relief to local residents and businesses through a reduction in property tax (by temporarily reducing the mill rate or by providing a blanket property tax credit). The council may also choose to provide some sales tax relief through sales tax holidays or some other method directed by the council. General relief, not specifically tied to COVID-19 for each person receiving relief may not be eligible for CARES Act funding.

5. Utility relief. The council may provide general individual assistance through utility credits or some other method. Like the sales/property tax, this is likely not eligible for CARES Act funding unless tied to individual COVID impacts.
6. Other individual assistance programs. The council is welcome to suggest other potential individual relief or assistance programs. Staff will advise the council on the likelihood of CARES Act eligibility of other suggestions.

As a starting point, staff has shown \$50,000 of general funds resulting from the payroll reimbursement to fund an individual assistance program. Depending on the program(s) selected by the council the funding may ultimately come from CARES Act, general funds, or a combination of the two. The council should discuss the merits of a program, the preferred program (or programs), funding amounts and give direction to staff. With the council's direction staff will get additional information for approval at a future council meeting.

Other than general guidance to staff as to how to proceed on this item, no council action is required.

**CITY OF CRAIG  
MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 20, 2020  
RE: Appointment of Craig IFA Representative

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The city's designated seat on the IFA board of directors is up for renewal. Mr. Otis Gibbons, the current and long-standing representative from Craig, has expressed an interest in being reappointed to the seat. A copy of an email expressing that interest is attached.

According to the IFA bylaws, the mayor of each member community appoints that city's representative, with the concurrence of the city council. Mayor O'Connor has instructed me that he wishes to re-appoint Mr. Gibbons to the Craig seat.

**Recommendation**

That the city council concur with the appointment of Mr. Gibbons to the IFA board seat designated for the City of Craig.



March 12, 2020

Mayor Tim O'Connor  
City of Craig  
PO Box 725  
Craig, AK 99921

Dear Mayor O'Connor,

This letter is to inform you that Otis Gibbon's four-year term for the City of Craig representative to the Inter-Island Ferry Authority expires June 30, 2020. In accordance with the By-Laws of the Inter-Island Ferry Authority, the City of Craig needs to appoint someone for this position before our Regular BOD meeting in June 2020; the specific date has not been determined.

If necessary, Mr. Gibbons can remain the representative until either he is re-appointed or another representative is appointed. The new term for this seat expires June 30, 2024. Please notify me as soon as the City Council has made its decision regarding this position. Please contact me if you have any questions.

Sincerely,

Donna Halvorsen,  
Terminal Manager  
866-308-4848  
P. O. Box 495  
Craig, Alaska 99921

**From:** [Jon Bolling](#)  
**To:** [Jillian Carl](#)  
**Subject:** FW: Reappointment to IFA board - Otis Gibbons  
**Date:** Wednesday, June 3, 2020 10:16:53 AM

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**From:** Otis [mailto:ogibbons@aptalaska.net]  
**Sent:** Wednesday, June 03, 2020 9:51 AM  
**To:** administrator@craigak.com  
**Subject:** Reappointment to IFA board - Otis Gibbons

June 3, 2020

City of Craig

Dear Mayor and Councilmembers:

This letter is to request that you consider reappointing me as the representative of the City of Craig on the IFA Board of Directors.

Thank you for your consideration.

Sincerely,

D. J. 'Otis' Gibbons

**CITY OF CRAIG  
MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 18, 2020  
RE: Update on State of Alaska Determination of Craig EMS Certification

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Attached you will find a letter from the Alaska Department of Health and Social Services. The letter notifies the City of Craig that its EMS ambulance service certification is suspended due to the lack of a physician sponsor. The Craig EMS physician sponsor resigned in May. The attached letter from the State of Alaska offers the city the opportunity to appeal the suspension. I do not intend to pursue a hearing and administrative appeal.

As the letter states, the city's EMS squad may continue to operate the ambulance service at a basic life support level. Until a physician sponsor is found, the city may not bill for ambulance calls.

Recently, the City of Craig has seen the resignation of its EMS Coordinator (May 12) and EMS physician sponsor (May 11). These events have set in motion recruitment efforts to replace the vacant positions. In the interim, Minnie Ellison is coordinating EMS volunteer responses to EMS calls, responding to calls herself, and completing run sheets, cleaning, and restocking supplies following each ambulance call. She has also arranged to hire a temporary, part time EMT I employee for what we hope will be at least a few months' work. At the same time, the city has posted vacancy notices for the full time, EMS Coordinator position, and has to date received three applications. The position is posted in the Ketchikan Daily News, Island Post, State of Alaska job finder website, the Alaska Municipal League recruitment webpage, and at the city's own website.

As to the physician sponsor vacancy, I spoke with Ms. Bobbie Leichty at SE Region EMS in Sitka, on June 15. Bobbie agreed to assist the city in recruiting a new physician sponsor. She asked about the city's liability insurance coverage for the sponsoring physician, and asked if the city would consider a stipend for the sponsor. I replied that the city would consider a physician sponsor stipend. I am sure that the city's insurance carrier can provide the requisite coverage, if it does not already do so. Bobbie also agreed to post the EMS Coordinator position at the SEREMS website and social media page.

I have received two telephone calls from Craig residents concerned about the city's EMS, and attempted to respond to the concerns the callers raised.

We are short-handed at EMS, and are relying heavily on Minnie to lead response to calls, of which there have been 13 since May 11 (not all have been transports). To their credit, some of the volunteers from the EMS roster have agreed to commit to taking call in order to provide Minnie time off. I am encouraged by the receipt of three applications for the full time, lead EMS coordinator position, and by the offer from SEREMS to assist with recruitment of a physician sponsor.

I will continue to update the council.





THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Department of Health and Social Services

DIVISION OF PUBLIC HEALTH  
Section of Rural and Community Health Systems  
Office of Emergency Medical Services

P.O. Box 110616  
350 Main Street, Suite 530  
Juneau, AK 99811-0616  
Main: 907.465.3140

June 11, 2020

Jon Bolling, City Administrator  
PO Box 725  
Craig, AK 99921

Dear Jon Bolling,

This is to inform you that the Department of Health and Social Services, Office of Emergency Medical Services ("Department"), is suspending the Craig Emergency Services ambulance certification effective immediately. The Department has the authority under 7 AAC 26.270 to suspend certification "if a medical director is no longer sponsoring the emergency medical service." All emergency medical services must have a qualified medical director in order to be certified by the department under 7 AAC 26.230(a).

The reason for this suspension is:

- The Office of EMS was notified by Dr. J.R. Bowman on Monday May 11, 2020 that he was resigning from his position as medical director for Craig Emergency Services effective immediately.
- The Office of EMS confirmed with you on Monday May 11, 2020 that Dr. Bowman was no longer the medical director, and that there was no replacement.
- As of Thursday June 11, 2020, another service Medical Director as required for certification under 7 AAC 26.230 (a) has not been designated.

Craig Emergency Services may still respond to calls and provide Basic Life Support (BLS) EMS to the community under this suspension. However services provided cannot be billed to insurance without an active certification. If there is any technical assistance we may offer during this time in assisting Craig EMS with reinstating its certification please feel free to contact us. Our goal is to assist communities in maintaining their EMS systems. Once a medical director is designated and a roster demonstrating adequate coverage is submitted to the Office of EMS, certification Craig EMS may have its certification reinstated.

If you disagree with this decision you may request a hearing by delivering or mailing a request for a hearing as provided by AS 44.62.390 to:

State of Alaska Department of Health and Social Services  
Section of Emergency Programs, EMS Unit  
PO Box 110616

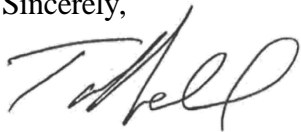
Juneau, AK 99811-0616

If a timely Request for Administrative Appeal is received, a hearing will be scheduled and you will be notified of the time and place of the hearing within ten days after the receipt of the request.

Unless a written request for a hearing, signed by you or on your behalf, is delivered or mailed to the department within 15 days after this notice of denial was personally served on you or received by you, your right to a hearing will be waived and the Department of Health and Social Services may proceed to suspend Craig EMS's certification for all times that it was without a medical director.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McDowell". The signature is fluid and cursive, with the first name "Todd" being more prominent than the last name "McDowell".

Todd McDowell, NRP  
Office of EMS, Manager

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 19, 2020  
RE: Ballot Measure for Bonded Debt – Downtown Harbor Project

---

In November of last year, the council considered options for financing the approximately \$4.4 million needed to match funding from the US Army Corps of Engineers to construct breakwaters for the downtown harbor project. Staff recommended adding surplus cash to the Craig Endowment Fund, and using Fund interest to meet debt service payments on a \$4.4 million loan. Since that time, staff has taken steps to implement that approach.

A key step in the financing process is seeking approval of Craig voters of a ballot measure authorizing the city to take on debt for the project. For debts that are taken on as a general obligation of the city, voter approval is necessary. Typically, ballot measures requesting the issuance of city debt are presented to the electorate at municipal elections in October. The measure is first approved by the local governing body via an ordinance. A draft version of such an ordinance is attached.

I have been working with an attorney (bond counsel) who specializes in municipal bond sales on the details of the financing. That work has led to an as yet unresolved problem with the financing: the city's ownership interest in the breakwater. Typically, the city issuing the debt receives in return a tangible, capital asset. In this case, the financed improvement (breakwater) is owned of the US Army Corps of Engineers, which is also responsible for maintaining the breakwater. I am told ownership of the financed asset is a material issue here. The bond counsel and city staff are scheduled to meet on Monday, June 22 with representatives from the Army Corps to try to resolve the matter. I will give the council an update on this issue at the June 25 meeting.

The city has twice in the past twenty five years sought voter approval to issue debt for construction projects, most recently in 2014. While ballot measures for debt issuance are rare in Craig, they are not unfamiliar to the city's electorate. If the council chooses to move ahead with the ballot measure for the October municipal ballot, it should consider publishing information to the electorate on the ballot measure. The purpose of a publication should be to provide a non-advocacy, dispassionate description of the project and its financing. An example of what an informational flyer might look like is attached.

### **Recommendation**

If the council is prepared to move ahead with the proposed general obligation bond financing for the breakwaters, it should:

1. direct staff to prepare an ordinance for first reading at the next council meeting;
2. provide direction regarding publication of information for voters on the ballot measure.

# **DRAFT GENERAL OBLIGATION BOND ORDINANCE**

**CITY OF CRAIG, ALASKA  
ORDINANCE NO \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF CRAIG, ALASKA, PROVIDING FOR THE FORM OF THE BALLOT PROPOSITION AND SPECIFYING CERTAIN OTHER DETAILS CONCERNING SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY AT THE GENERAL ELECTION TO BE HELD ON OCTOBER 6, 2020 OF A PROPOSITION FOR THE ISSUANCE OF GENERAL OBLIGATION BOND OR BANK FINANCING IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$4,400,000 FOR THE PURPOSE OF SECURING FUNDS NECESSARY TO MATCH FEDERAL DOLLARS TO PAY THE COSTS OF CONSTRUCTION OF CAPITAL IMPROVEMENTS FOR THE CRAIG DOWNTOWN HARBOR PROJECT**

WHEREAS, the City of Craig, Alaska (the "City") is a first class city and under Section 7 of Article X of the Alaska Constitution and may exercise all powers and functions conferred by law or charter; and

WHEREAS, Title 29.47.180 of the Alaska Statutes authorizes the City to issue general obligation bonds which are secured by the full faith and credit of the City, provided that such general obligation bonds shall be authorized by the City Council and ratified by the majority of the qualified votes of the City; and

WHEREAS, it is necessary and in the best interests of the City and its residents that the City authorize the issuance of a general obligation bond, the proceeds of which will be used to finance the design, repair, and construction of capital improvements to the Craig Downtown Harbor Project;

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL, OF THE CITY OF CRAIG, ALASKA:

**SECTION 1. Authority to Issue Bonds.** The City hereby finds and declares that the best interest of the citizens of the City requires that the City issue its general obligation bond in the aggregate principal amount and not to exceed \$4,400,000 for the purposes of securing funds for payment of capital expenses incurred in the designing, repairing, and constructing of capital improvements to the Craig Downtown Harbor and related work (the "Project"). The City Council hereby authorizes the issuance of a general obligation bond in the principal amount not to exceed \$4,400,000 for the purpose of carrying out the Project.

The City anticipates payment of a portion of the debt service for the bonds from revenues from earnings on investments, and sales tax revenues, and by the other sources described in Section 4 of this ordinance.

**SECTION 2. Capital Improvements.** The City shall use the proceeds of the bond herein before authorized for the purpose of financing capital costs of the Project. The cost of all necessary architectural, engineering and other consulting services, inspection and testing,

administrative and relocation expenses, land and interests in land, on and off site utilities, if any, costs of issuance of the bond and other costs incurred in connection with the making of the foregoing capital improvements shall be deemed a part of the costs of the Project.

**SECTION 3.** Authorization of Bonds. For the purpose of providing funds necessary to pay the costs of the Project, the City shall issue and sell its general obligation bond in the principal amount not to exceed \$4,400,000. Such bond shall be issued in an amount not exceeding the amount approved by the qualified voters of the City as required by the Constitution of the State of Alaska.

**SECTION 4.** Details of Bonds. The bond provided for in Sections 1, 2 and 3 hereof shall be sold in such amount and at such time or times as deemed necessary and advisable and as permitted by law, shall bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time the bond is sold, and shall mature in such amounts and at such times as authorized by the Council. The exact date, form, terms, maturities, redemption provisions and other matters relating to the issuance and sale of the bond shall be as hereafter fixed by ordinance or resolution of the City Council. The bond shall be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series.

The bond shall be a general obligation of the City, and to the extent not paid from the other sources as determined by the City, both principal thereof and interest thereon shall be payable out of annual tax levies to be made upon the taxable properties within the City, without limitation as to rate or amount. The full faith and credit of the City shall be irrevocably pledged for the payment of both the principal and interest of the bond.

**SECTION 5.** General Election. The City Council hereby authorizes and directs the submittal to the qualified voters of the City at the election to be held on October 6, 2020, of a ballot proposition substantially in the following form:

**PROPOSITION NO. 1**  
**CITY OF CRAIG DOWNTOWN HARBOR PROJECT**  
**GENERAL OBLIGATION BOND - NOT TO EXCEED \$4,400,000**

Shall the City of Craig, Alaska, incur debt and issue general obligation bonds in an amount not to exceed \$4,400,000 for the purpose of providing funds to design, repair, equip and construct capital improvements for the City of Craig Downtown Harbor Project and to pay all costs incidental thereto?

If approved, the bonds will be payable from ad valorem taxes that may be levied without limit as to rate or amount upon real property within the City of Craig. The City of Craig anticipates payment of a portion of the debt service for the bonds from revenues earnings on investments, sales tax and other revenues. Bonds would mature over a period not to exceed 25 years. This ballot is to be voted upon by all registered voters residing within the city limits of the City.

Yes

No

**SECTION 6.** Notice of Election. The City shall cause a notice of election to be published in accordance with Chapter 2.12 of the Craig Municipal Codes entitled Municipal Elections. The Clerk shall also cause a notice of existing bonded indebtedness to be published at least once a week for three consecutive weeks with the first notice to be published at least 20 days before the date of the election in accordance with AS 29.47.190(b) entitled Notice of Existing Indebtedness.

The Clerk shall cause this ordinance to be posted and made available to the public, in its final form, no later than September 18, 2020 in accordance with all laws of the State of Alaska and the City.

**SECTION 7.** Effective Date. This ordinance shall be effective immediately

**DRAFT VOTER INFORMATION FLYER FOR BALLOT MEASURE**



## **Craig Downtown Harbor Project**

\*\*\* DRAFT \*\*\*

The ballot for the municipal election on October 6, 2020 will contain a measure asking Craig voters to consider authorizing the City of Craig to borrow up to \$4.4 million to meet the city's share of the cost to construct two breakwaters in front of the downtown cannery property. Voter approval is required before the city may issue the debt.

The breakwaters would enable subsequent installation of moorage facilities to complete the long-planned construction of a harbor based at the waterfront at the old cannery site.

The breakwater project is estimated to cost \$22 million. Eighty percent of the project cost is provided by the US Army Corps of Engineers. The \$4.4 million subject to the ballot measure represents the city's 20 percent match.

The City of Craig proposes to repay the \$4.4 million loan using earnings from the Craig Endowment Fund. At its current market value of \$12.7 million, the Fund generates about \$760,000 in earnings each year. One third of that amount remains in the Fund to match inflation. The balance, around \$500,000, can be used for any purpose. About \$135,000 of that amount is used to pay down debt on the bonds that financed improvements to the Craig Aquatic Center. The \$365,000 balance is more than the amount needed to make annual payments on the proposed \$4.4 million breakwater match.

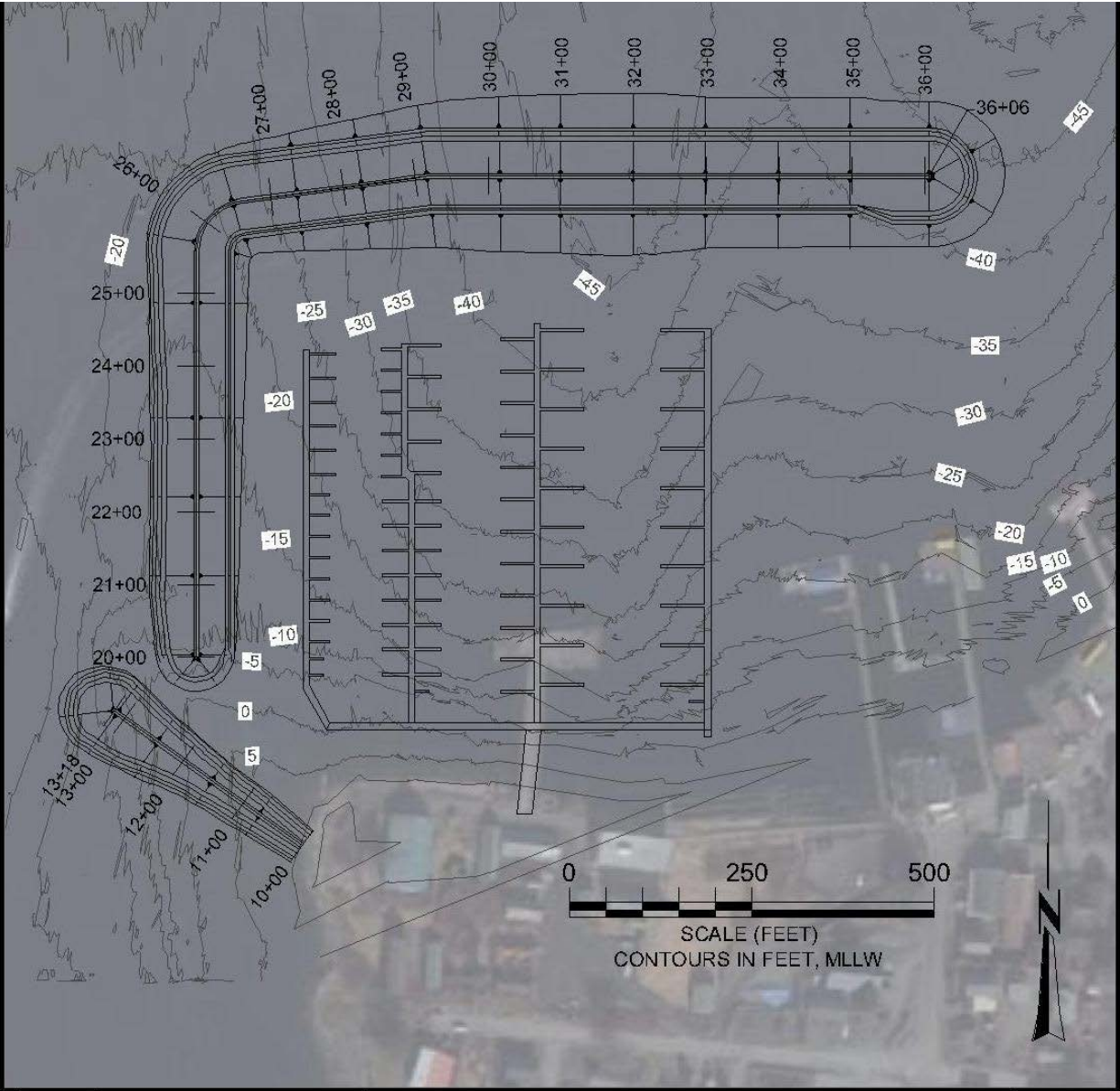
The breakwater project will create a 10.1-acre, protected moorage basin on the downtown waterfront. Planned improvements to the moorage basin include demolition of derelict piling, structures, and debris, and installation of moorage floats and ramps. As noted above, the planned moorage improvements are not yet designed, and will require separate financing.

The financing would be made through sale of general obligation (GO) bonds. Like all GO bonds, the debt pledges the full faith and credit of the community to repay the debt. The city has one existing GO bond, totaling about \$1.5 million, for improvements made to the Craig Aquatic Center. That bond is being repaid using interest earned by the Craig Endowment Fund.

A drawing of the proposed breakwaters project is shown below. At this point the design calls for two breakwaters. The first breakwater would run 318 feet diagonally from the shore near the Web loft building. The second breakwater is a 1,600 foot long, L-shaped design. The proximity and dimensions of the harbor features in the drawing are approximate. Please note that the proposed ballot measure does not provide funding for moorage facilities shown in the drawing.

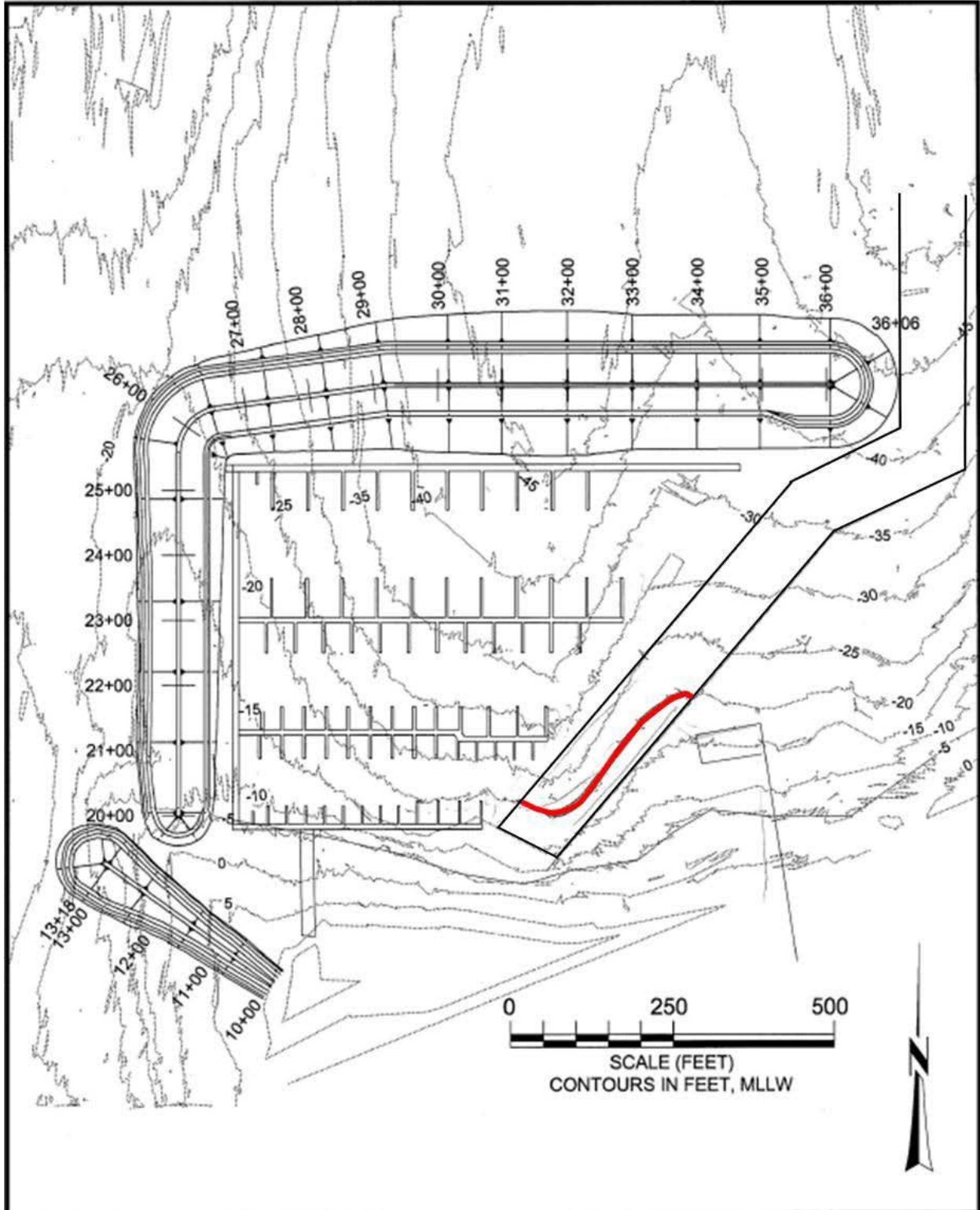
If voters approve the ballot measure, the city will proceed with the proposed financing. If the measure is not approved, the city council would consider other financing alternatives, or choose not to proceed with the project.

\*\*\* DRAFT \*\*\*



ALASKA DISTRICT  
CORPS OF ENGINEERS  
CIVIL WORKS BRANCH

ALTERNATIVE 2b  
NAVIGATION IMPROVEMENTS



ALASKA DISTRICT  
CORPS OF ENGINEERS  
CIVIL WORKS BRANCH

ALTERNATIVE 2b  
NAVIGATION IMPROVEMENTS

**CITY OF CRAIG  
MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 19, 2020  
RE: Consider Funding for Alaska Municipal League

---

Attached is a request for \$4,207.00 in supplemental funding from the Alaska Municipal League. AML requests the funds in response additional costs it has incurred to assist its member communities in implementing the CARES Act funds.

I can say from experience that AML has done an outstanding job of organizing its member communities and providing guidance to us on complying with the requirements of CARES Act funds. The league has hosted dozens of teleconferences open to the membership, and arranged for high level State of Alaska officials to attend those meetings to answer questions on implementation of the funding. The meetings have also been invaluable for disseminating information on complying with the State health mandates and advisories, with input from public health officials at both the local level, and all the way up to the state's chief medical officer, and the Commissioner of the Alaska Department of Health and Social Services. City staff has benefitted greatly from AML's efforts.

Also attached is AML's Statement of Need for the funding, and a brief letter from AML Executive Director Nils Andreassen about the supplemental funding request.

This expenditure is clearly CARES Act eligible in that it compensates AML for its efforts to promote compliance with CARES Act funding rules among municipalities.

**Recommendation**

That the council, by motion, approve a payment of \$4,207.00 to the Alaska Municipal League from CARES Act funds for services delivered to city staff for COVID-19 response, and compliance with CARES Act programs.



ALASKA  
MUNICIPAL  
LEAGUE

One Sealaska Plaza, Suite 200  
Juneau, AK 99801

# Invoice

| DATE      | INVOICE ... |
|-----------|-------------|
| 5/15/2020 | 1           |

Bill To:  
City of Craig  
P.O. Box 725  
Craig, AK 99921

| P.O. NO. | DUE DATE  |
|----------|-----------|
|          | 07/1/2020 |

| ITEM              | DESCRIPTION  | AMOUNT     |
|-------------------|--|------------|
| COVID-19 Response | COVID-19 Supplemental Request <ul style="list-style-type: none"> <li>• Crisis Communications</li> <li>• CARES Act Counsel</li> <li>• Bookkeeping &amp; Grant Compliance</li> <li>• Increased Member Support</li> </ul> | \$4,207.00 |

*FY21 Membership Invoices will be sent out as usual in late June.*

**Please make check payable to:  
Alaska Municipal League**

Thank you for your prompt payment.  
Please direct any billing questions to Shawn Myers at 907-586-1325

**Total** \$4,207.00



ONE SEALASKA PLAZA, SUITE 200 • JUNEAU, ALASKA 99801  
TEL (907) 586-1325 • FAX (907) 463-5480 • WWW.AKML.ORG

Member of the National League of Cities and the National Association of Counties

May 20, 2020

I hope that over the last few months AML has been helpful, and that our support has contributed to the good work you've been able to accomplish during this public health emergency and economic crisis. We are committed to strengthening our support in the coming months.

AML isn't just a bystander during this period; we've definitely been impacted as an organization and expect this to continue throughout next year. Staff time has been reallocated to support members during this crisis, and we expect sponsors and other outside support to diminish.

With that in mind, and in the hope that not only can we remain a strong organization but also grow and expand to meet the additional needs of our members, we are making this additional request of you.

As you can see, we hope to shore up where we are currently impacted but also make strategic decisions that strengthen our capacity to help members during the public health emergency. We believe that this is a necessary and allowable expenditure from your CARES Act funding, which makes this request less burdensome, hopefully, during a difficult time for all of us.

Ultimately, we are sure that your investment in AML will benefit you and all members over the coming months.

Please let me know if you have questions or would like to discuss this proposal in detail.

Respectfully,

Nils Andreassen  
Executive Director



ONE SEALASKA PLAZA, SUITE 200 • JUNEAU, ALASKA 99801  
TEL (907) 586-1325 • FAX (907) 463-5480 • WWW.AKML.ORG

Member of the National League of Cities and the National Association of Counties

### **Statement of Need**

AML has devoted a significant amount of staff time and organizational resources to support members through this public health emergency. While the last two months have been challenging, we're glad to have been able to play some role that's been helpful to our members. We know, too, that this public health emergency and economic crisis will continue. We've begun planning now for how to continue this support through FY21 and beyond. A lot of that will mean shoring up our current capacity and investing in additional measures – staff and outreach – that augment member capacity and support members.

### **Request of Members**

One of the very clear allowable expenditures of CARES Act funding is in support of organizations that are impacted by the public health emergency or are providing services in support of or response to this crisis. Granting funds to AML during this time, we believe, is a justifiable expense that benefits both AML and members. We've created this request for supplemental fees that you can treat as optional (but hope that you respond positively to), to be paid for from CARES Act funding as you are able. None of these funds will be used for lobbying purposes. We've estimated our total needs and pro-rated them across members. You can choose to follow this format for granting purposes or come up with a flat amount that is consistent with your budget and other community needs.

### **What AML will do with these funds:**

- Invest in the Remote Sales Tax program to further bring down fees and recruit new members
- Ensure social distancing and additional hygiene and sanitation measures at upcoming events
- Develop a shared service program in support of CARES Act compliance, reporting, and grants
- Implement a CARES Act hotline for accounting and legal questions to be answered
- Expand our support of AMLIP and AML-JIA as they respond to the economic impact
- Invest in additional crisis communications for FY21 – public outreach, local government value
- Support NLC and NACo outreach and advocacy for increased local funding and support

### **Justification**

AML is a nonprofit impacted by the COVID-19 crisis, with unanticipated costs that were not budgeted for in FY20 and that will continue to be impacted in FY21. At the same time, as a member-service organization, we can augment the capacity of local governments and provide real value in support of public health response and management, and economic relief for residents and businesses. Investments that AML makes during this time lower the costs of doing business for members and ultimately Alaska communities. These actions would not otherwise be necessary without the public health and economic crisis.

Note, for budget purposes: The AML Annual Local Government Conference will be dedicated to the Costs of COVID – Crisis Management and Recovery. We would argue that this is an allowable expenditure for participation by members, which CARES Act funding may be used for.

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 19, 2020  
RE: Consider Funding for POW Vocational and Technical Education Center

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The Prince of Wales Vocational and Technical Education Center is a nonprofit tax-exempt entity formed under IRS Code 501(c)(3). The entity is a POW Island-based organization whose mission is to promote vocational and technical education for island residents and other Alaskans. The Center operates out of a building on Boundary Road that contains classrooms and a woodworking/welding/automotive shop area. The City of Craig holds a seat on the organization's board of directors, as do other cities, tribes and communities on POW. I am a member of the Center's board of directors, occupying an at-large public seat.

The Center has offered a variety of classroom and vocational classes over the past few years. The board plans to continue offering the facility for various training classes.

The POWV&T, which has always operated on a shoestring budget, has suffered financial losses due to COVID-19 mitigative measures. The attached one-page report summarizes the organization's revenue losses since February, which total \$13,515. The current cash holdings of the organization amount to about \$11,700.

I would like the council to consider granting CARES Act funds to the POWV&T Center to replace some of the revenue lost to the Center due to COVID-19 cancellations. The Center does not qualify for the city's Economic Assistance Program because the Center does not have a physical presence in Craig, nor does it clearly provide substantial services within Craig as required in the city's Economic Assistance Program. Even so, the center does benefit Craig residents through the classes offered.

At the most recent board meeting, I spoke with other board members about multiple member communities contributing to offset the Center's losses using CARES Act funding. I think it is likely that other member communities will consider awarding funds to the center to offset these COVID-19 related revenue losses.

### **Recommendation**

That the council, by motion, grant \$5,000 in CARES Act funds to the Prince of Wales Vocational & Technical Education Center to offset COVID-19 related revenue losses.





## Revenue Loss due to Covid-19

| Name                     | Inv. # | Date of Rental            | Rental Cost        |
|--------------------------|--------|---------------------------|--------------------|
| Denali, Daniels & Assoc. | 273    | 2/25/20                   | 280                |
| Denali, Daniels & Assoc. | 281    | 3/17/20                   | 130                |
| Southeast Road Builders  | 283    | 3/25/2020                 | 230                |
| USDA Room Rental         | 268    | 4/20/20-4/24/20           | 930                |
| USDA Room Rental         | 275    | 3/16/20-3/20/20           | 830                |
| Klawock City Schools     | 277    | 3/27/20                   | 230                |
| Coast Guard Class        |        | 3/30/20-4/8/20            | 9250               |
| CPR Classes              |        | 03/27/20 & 4/9/20         | 1275               |
| POW Health Network       | 284    | 06/02/20                  | 130                |
| Election Worker Training |        | 6/30/20                   | 230                |
|                          |        | <b>TOTAL REVENUE LOSS</b> | <b>\$13,515.00</b> |

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUL 16 2014

PRINCE OF WALES VOCATIONAL AND  
TECHNICAL EDUCATION CENTER  
C/O KAREN CLEARY  
PO BOX 29  
KLAWOCK, AK 99925-0029

Employer Identification Number:  
46-4019097  
DLN:  
17053326323013  
Contact Person:  
CUSTOMER SERVICE ID# 31954  
Contact Telephone Number:  
(877) 829-5500

Accounting Period Ending:  
December 31  
Public Charity Status:  
170(b)(1)(A)(ii)  
Form 990 Required:  
No  
Effective Date of Exemption:  
November 01, 2013  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

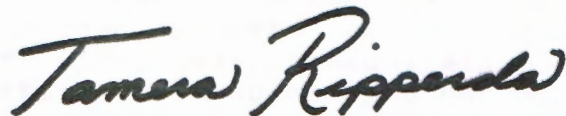
Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

For important information about your responsibilities as a tax-exempt organization, go to [www.irs.gov/charities](http://www.irs.gov/charities). Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Director, Exempt Organizations

Letter 947

**CITY OF CRAIG  
MEMORANDUM**

To: Craig Mayor and City Council  
From: Jon Bolling, City Administrator  
Date: June 22, 2020  
RE: Update to June 25 City Council Packet – Change Order at Craig Aquatic Center

---

The Aquatic Center pool basin refinishing project is well underway. During the course of work, three issues have arisen that require the city to consider additional work.

1. Ground Wire. As work crews cut away a portion of the gutter of the lap pool, a copper grounding wire was discovered running through the concrete. The ground wire must be replaced when the new gutter is poured, including connecting the new ground wire to the wire that remains in the existing gutter.
2. Lighting Repairs. The pool basin contains several light fixtures that are submerged during normal pool operations. With the pool basin drained, these fixtures are now easily accessible, and show a need for maintenance and replacement of some components.
3. Cracks in Concrete. The contractor has identified several cracks in the basin that merit sealing. The contractor has identified what appears to be a suitable sealing product that is injected into the cracks. The same sealer can be used at several locations along the pool basin where rust tends to bleed through the basin finish.

I have asked the contractor to prepare bids to address the three items listed above. The contractor's response is summarized below.

As to the ground wire and lighting tasks, the contractor, through a subcontractor, proposes to supply and install the needed ground wire within the new gutter. The subcontractor will also make repairs to the submersible light fixtures. The contractor's bid for the two tasks is \$5,000.

The contractor proposes a cost of \$2,149.19 to apply sealer to identified cracks in the lap pool basin, and at those locations where rust tends to penetrate through the basin finish.

Change order documents from the contractor are attached.

All three tasks should be completed now, while the pool is drained, the old surfacing is removed, and the contractor is mobilized on the job site. The work is needed for the long-term benefit of the facility, and it is unlikely that the city could do the work in-house in a timely manner given other demands. Furthermore, I would not want a third party working within the pool basin, which is currently an area under the control of the contractor. The city's interests are better protected by having the existing general contractor complete the tasks, given that he is willing and capable of completing the work.

**Recommendation**

Approve change orders to the Craig Pool Refinishing Project in the amount of \$7,150.00.

# RFP #001

**TO:** Kathi Collum  
Dawson Construction

**TEL:** (360) 756-1000  
**FAX:** (360) 756-1001

**FROM:** Armando DeGuzman  
Jensen Yorba Wall, Inc.

**TEL:** (907) 586-1070  
**FAX:** (844) 350-5352

**RE: CRAIG POOL REFINISHING**

**DATE:** 6/22/2020  
**PAGES:** 1 total

**Subject: Pool Wall Crack Repair**

**Contract Reference; Drawing and/or Specification Section:** None

**Scope of Work:** Please provide an itemized lump sum cost proposal for the following work:

1. Repair crack in existing pool wall. Coordinate repair with Pool finish manufacturer in order to maintain full warranty.

**Note, cost includes repairs to areas of concrete where rust has telegraphed through to concrete surface.**


**Proposal (by Contractor).** In accordance with GC Article 7, the Contractor proposes to perform all changes described in the above request for a total lump sum change to the contract sum of:

**ADDITION (+) // DEDUCTION (-), indicate one.** \$ 2149.19

Attached is a detailed cost proposal that includes all direct and indirect costs (and credits) related to this change and to the effect of the change on the remainder of the project. All other provisions of the contract remain in effect.

I request the completion date be extended \_\_\_ calendar days because of this Work and have attached applicable documentation to justify this request.

**Contractor:**

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

06-22-2020 \_\_\_\_\_  
Date

**Acceptance (by Owner).** This proposal is accepted and authorizes performance of the changes specified. This instrument, when signed below, constitutes authority to proceed with the above Work. In accordance with the contract documents, a Change Order in the contract amount and/or completion time as provided in this accepted RFP will promptly follow.

**Owner:**

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

\_\_\_\_\_  
Date

Response requested: Within Seven (7) days of receipt.

Thank you,  
Armando DeGuzman  
Jensen Yorba Wall Inc.

Response to this inquiry does not in itself authorize changes involving time and/or money. Notification shall be given in conjunction with applicable contract requirements.

**PROJECT:** 20.006. — Craig Pool Refinishing  
**ARCHITECT:**  
**OWNER:** City of Craig  
**DESCRIPTION:** Concrete Repairs  
**DETAILS:**  
**EXTENSION:** 0 work days added

**DATE:** 6/19/20  
**COP#:** 2

|                             | UM     | Labor        |                 | Material      | Equip        | Subs         |
|-----------------------------|--------|--------------|-----------------|---------------|--------------|--------------|
|                             |        | Hours        | Total           |               |              |              |
| <b>1 — Crack Repairs</b>    |        |              |                 |               |              |              |
| Simpson Crack Pac           | 5.0 EA | 6.00         | 480.00          | 779.95        | 0.00         | 0.00         |
| <b>2 — Concrete Repairs</b> |        |              |                 |               |              |              |
|                             | LS     | 6.00         | 480.00          | 75.00         | 0.00         | 0.00         |
| <b>Column Totals</b>        |        | <b>12.00</b> | <b>960.00</b>   | <b>854.95</b> | <b>0.00</b>  | <b>0.00</b>  |
| <b>Markup %</b>             |        |              | <b>15.00%</b>   | <b>15.00%</b> | <b>0.00%</b> | <b>0.00%</b> |
| <b>Markup \$</b>            |        |              | <b>144.00</b>   | <b>128.24</b> | <b>0.00</b>  | <b>0.00</b>  |
|                             |        |              | <b>1,104.00</b> | <b>983.19</b> | <b>0.00</b>  | <b>0.00</b>  |

|                   |                   |
|-------------------|-------------------|
| <b>Subtotal</b>   | <b>2,087.19</b>   |
| Foreman           | 0.00              |
| Consumables       | 0.00              |
| Bond & Insurance  | 62.00             |
| <b>TOTAL COST</b> | <b>\$2,149.19</b> |

**Notes:**

*We reserve the right to correct this quote for errors and omissions. This quote covers direct costs only and we reserve the right to claim for impact and consequential costs. This price is good for acceptance within 20 days from the date of receipt. All design responsibility by DCI and/or subcontractors is excluded.*

\_\_\_\_\_ Date

City of Craig \_\_\_\_\_ Date



Dawson Construction, Inc. \_\_\_\_\_ Date

06-19-20

**RFP #002**

**TO:** Kathi Collum  
Dawson Construction

**TEL:** (360) 756-1000  
**FAX:** (360) 756-1001

**FROM:** Armando DeGuzman  
Jensen Yorba Wall, Inc.

**TEL:** (907) 586-1070  
**FAX:** (844) 350-5352

**RE: CRAIG POOL REFINISHING**

**DATE:** 6/22/2020  
**PAGES:** 1 total

**Subject: Ground Wiring and Pool Basin Light Repair**

**Contract Reference; Drawing and/or Specification Section:** None

**Scope of Work:** Please provide an itemized lump sum cost proposal for the following work:

1. Reconnect exposed ground wires and tie into existing system.
  - a. Test after initial install and after pool has been filled.
2. Tighten and ground lugs cleared of corrosion.


**Proposal (by Contractor).** In accordance with GC Article 7, the Contractor proposes to perform all changes described in the above request for a total lump sum change to the contract sum of:

**ADDITION (+) / DEDUCTION (-), indicate one.** \$ 5000.00 NOT TO EXCEED

Attached is a detailed cost proposal that includes all direct and indirect costs (and credits) related to this change and to the effect of the change on the remainder of the project. All other provisions of the contract remain in effect.

I request the completion date be extended \_\_\_ calendar days because of this Work and have attached applicable documentation to justify this request.

**Contractor:**

By:   
Signature

06-22-2020  
Date

**Acceptance (by Owner).** This proposal is accepted and authorizes performance of the changes specified. This instrument, when signed below, constitutes authority to proceed with the above Work. In accordance with the contract documents, a Change Order in the contract amount and/or completion time as provided in this accepted RFP will promptly follow.

**Owner:**

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

\_\_\_\_\_  
Date

Response requested: Within Seven (7) days of receipt.

Thank you,  
Armando DeGuzman  
Jensen Yorba Wall Inc.

Response to this inquiry does not in itself authorize changes involving time and/or money. Notification shall be given in conjunction with applicable contract requirements.



## Electrical Quote

SUBMITTED TO: Dawson Construction  
ATTENTION: Kathi Collum  
PHONE: 907-465-7228/ kcollum@dawson.com  
PROJECT: Craig Aquatic Center Electrical  
DATE: June 17, 2020

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SCOPE: Reconnect exposed ground wires, tying them into the existing system. Afterwards, we will test the system to ensure that electrical components are appropriately grounded. If any part of the system is found to have inadequate grounding, we will be required to install grounding to NEC code.

Light fixtures in the pool area will be tightened and ground lugs cleaned of corrosion.

Once the pool is filled with water, it is a mandatory requirement that we test the electrical system again, before anyone enters the pool water.

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Tongass Electric is submitting a proposal for the work on the above PROJECT on a time and materials basis. Rates listed below (plus sales tax, if applicable):

|                            |             |
|----------------------------|-------------|
| Journeyman Electrician     | \$90/ hour  |
| Electrical Apprentice      | \$55/ hour  |
| Travel                     | \$65/ hour  |
| Bucket Truck, if necessary | \$100/ hour |

Please indicate your acceptance by signing below. Once you've returned a signed copy to us, we will put you on the schedule.

Accepted by \_\_\_\_\_ Date \_\_\_\_\_  
*Customer Signature*

All work shall be completed according to the current standards of the National Electrical Code. Tongass Electric is a licensed, bonded and insured electrical contractor.

Business License #: 1041324  
Contractor License #: 114300  
Electrical Administrator #: EADE1432