

**CITY OF CRAIG
COUNCIL AGENDA
SEPTEMBER 2, 2021
COUNCIL CHAMBERS 6:30 PM**

ROLL CALL

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

CONSENT AGENDA

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

- City Council Meeting Minutes of July 15, 2021

HEARING FROM THE PUBLIC

- Open for public comment
- Resolution 21-17, CDL Road Test Fees
- Ordinance No. 739, Authorizing Sale of City Property to Maranda Hamme
- Ordinance No. 740, Supplemental Budget
- Ordinance No. 741, Method for Setting Senior Card Fee

REPORTS FROM CITY OFFICIALS

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

READING OF CORRESPONDENCE

- Alaska Department of Fish & Game Request to Report GMU2 Wolf Sightings Online
- July 2021 Alaska Permanent Capital Management Statement
- Salmon Beyond Borders Resolution Request
- Letter from Ketchikan Humane Society

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Resolution 21-17, CDL Road Test Fees
- Ordinance No. 739, Authorizing Sale of City Property to Maranda Hamme
- Ordinance No. 740, Supplemental Budget
- Ordinance No. 741, Method for Setting Senior Card Fee

UNFINISHED BUSINESS

NEW BUSINESS

- Consider Approval, FY 2020 Financial Audit
- Mayoral Nomination of Doug Rhodes for IFA At-Large Member Board Seat
- The Federal Families First Coronavirus Response Act (FFCRA), Extension of Covid Sick Leave Benefit Options
- Cannery Site Harbor Concept Drawing Contract
- Appointment of City Administrator Recruitment Committee

EXECUTIVE SESSION

- An executive session of the Craig City Council to discuss matters, the immediate knowledge of which by law, municipal charter, or ordinance are required to be confidential: to discuss the personnel matters related to the resignation of the city administrator.

COUNCIL COMMENTS

ADJOURNMENT

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

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

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

CITY OF CRAIG
COUNCIL MEETING
THURSDAY JULY 15, 2021

ROLL CALL

Mayor Tim O'Connor called the meeting to order at 6:32 p.m. Present were Julie McDonald, Hannah Bazinet, Jim See, Millie Schoonover, and Michael Kampnich. Chanel McKinley arrived at 6:34 p.m.

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

Audience present: Clinton Cook, Sr.

CONSENT AGENDA

1. City Council Meeting Minutes of June 17, 2021
2. City Council Meeting Minutes of June 23, 2021

SCHOONOVER/KAMPNICH

Moved to accept the Consent Agenda.
MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

Clinton Cook, Sr. was present.

REPORTS FROM CITY OFFICIALS

Mayor- Had nothing new to report.

Administrator- Provided a written report. Jon Bolling said that he has the public notice for the State Forester's appointment as a reminder to call him to attempt to schedule him for a visit on Prince of Wales.

Councilwoman McDonald complimented the Fourth of July Celebration being successful and received positive feedback from the public.

Treasurer- Provided a written report.

Aquatic Manager- Provided a written report. Jessica Holloway was absent and excused due to travelling back from the certified pool operator training.

Clerk- Provided a written report. Tracey Jensen said that the council, school board and planning commission expirations of terms were included in her report along with the *Notice of Open Seats* as a notification of the upcoming October 5, 2021, Craig Municipal Election.

Planner- Provided a written report.

Fire/EMS Coordinator- Provided a written report. Minnie Ellison said that Dr. Koehler spent time with our two EMT's training and was impressed. Minnie said Dr. Koehler also has the city's trauma policies written up and hopes to come back this Summer.

Harbormaster- Provided a written report. Hans Hjort said that he is trying to come up with a disposal method for a derelict vessel so that it does not become another liveaboard in the harbor. Hans said that the Summer Wind boat is currently up for auction that ends July 28, 2021.

Library- Provided a written report. Angela Matthews said that the library is getting busy, but not as busy as pre-COVID Summers and the State of Alaska has a program that automatically tracks our Wi Fi usage instead of manually tracking it, and that the Wi-Fi is on 24 hours a day.

Police Chief- Provided a written report. RJ Ely said that we may be able to offer CDL road testing by August 1, 2021, and there are about 8-9 people already inquiring about the test availability. RJ explained that there is a demand to add a motorcycle test, but the training is only offered annually and that it will not be offered until May, or June of next year.

Public Works- Provided a written report. Russell Dill said that the garbage truck has been ordered and thinks it may be mid-October when it gets here.

Recreation- Provided a written report. Victoria Merritt said that the soccer sign up was successful and is scheduled for Mondays and Wednesdays at 4:30 p.m. Victoria relayed that the Youth Center will open on Friday and skating will begin on Fridays at 7:30 p.m.

Parks and Public Facilities- Provided a written report and was absent.

READING OF CORRESPONDENCE

1. [Alaska Municipal League 2021 Conference Training Information](#)
2. [May 2021 Alaska Permanent Capital Management Statement](#)
3. [Southeast Senior Services Senior and Caregiver Resource Center Information](#)
4. [Alaska Oasis Literacy Coach Development Information](#)
5. [Daycare Email from Allison Weyhiller](#)

Jon Bolling said that he has been in touch with Allison Weyhiller and that they are looking for enough staffing to sustain the operational hours of the daycare, and that he will stay in touch with Allison. Clinton Cook, Sr. said that Sealaska contacted him regarding their employee incentive program that pays for new employees for starting a job for 6-9 months a year. Clinton said that he will forward the contact information to Jon Bolling to inquire about the program.

Councilmembers Kampnich and Bazinet noted how badly a licensed daycare facility is needed. Jon Bolling said that the American Rescue Plan Act (ARPA) does contain provisions in it regarding childcare services, so that may be an option for the council to consider for employee incentives, when it becomes available.

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

1. Ordinance No. 738: Setting Utility Rates KAMPNICH/SCHOONOVER

Moved to adopt Ordinance No. 738, Adopting Utility Rates for Municipal Water, Wastewater, and Garbage Collection Services.

MOTION CARRIED UNANIMOUSLY
BY ROLL CALL VOTE

Councilmembers and Jon Bolling acknowledged Russell Dill and Sheri Purser's hard work to get the utilities rates completed.

UNFINISHED BUSINESS

1. Craig Land Sales Discussion (Title 16)

Brian Templin explained that there is still a land sale with AP&T pending along with a new application to purchase city land and requested the council define any changes they would like to make for future sales, if any. Jim See said that he did not think the ordinance needed to be changed, and that the council could decide on the sale percentages. Brian explained that the prior procedure has been that sales have stuck close to the appraisal values and that the upfront expense of the appraisal expense went to the applicants which gave them a somewhat guaranteed range of what the applicant would be paying based on that appraisal. Brian requested council direction on sale values, premiums, and clarification on if the council would like to see the appraisals before setting sales prices and if so, then the city would need to pay the appraisal costs upfront instead of the applicants.

The council and Brian Templin discussed covenants and leases. The council directed staff to keep the current Title 16 code as is, but to give the applicants notice that the council is likely to impose a premium on top of the appraised value. Brian said that once the council approves the ordinance authorizing the sale and has settled on a premium, that he will let the applicant know at that time. Brian reminded the council that they would not know what the appraised value is until after the applicant has paid for an appraisal and that the council always reserves the right to set the final terms of the sale or lease.

2. Craig Cannery Property Harbor Development

Jon Bolling said that the city needs to continue coordinating planning and financing efforts on developing the cannery property. Jon updated that the legislature had authorized a \$4.4 million appropriation for the project which was subsequently vetoed by the governor and makes a very smooth pass a little more complicated, but not out of reach. Jon explained that Senator Murkowski submitted a directed spending request to the ranking member of the Senate Appropriations Committee, seeking a \$30 million appropriation for the Federal costs on the project and costs incurred by the Army Corps of Engineers, which is the 80% of the breakwater project costs. Jon relayed that Senator Murkowski is in support of the project.

Jon relayed that in his conversations with the governor's office staff that there is support in both branches of government for the project and that although nothing is likely to happen in the special legislative session that begins in early August, and there is some momentum

behind some state money coming in 2022 that is looking cautiously positive. Jon thinks it is unlikely that the city will be asked for a capital outlay cash payment for the city's share to the Army Corps of Engineers before the first quarter of 2022, which still leaves six months or so to do more planning and site work.

The Council adopted the Administrator's July 8, 2021, Craig Cannery Property Harbor Development Memorandum's recommendations and directed staff to implement the following:

1. Delaying a public vote on a GO bond issue and revisit the option sometime in 2022. If approved, bond receipts can be used to repay out of pocket project costs;
2. Continuing work with the public on harbor and upland site planning;
3. Using existing cash and the annual four percent draw from the endowment fund to meet initial breakwater match costs;
4. Continued advocacy efforts with the State of Alaska for project funding;
5. Applying for funds from other granting agencies.

NEW BUSINESS

1. Craig Tribal Association Cannery Point Land Allotment Request

Clinton Cook, Sr. said that he had approached the council in May 2021, explaining that Craig is lacking culture and had gotten its roots at Cannery Point. Clinton said that Craig Tribal Association, Sealaska and the Council of the Haida Nation from Queen Charlotte are excited to work with the city for a museum and longhouse on a piece of the lot adjacent, or possibly behind the First Bank and web loft areas to lease. Clinton would like to bring 3-D models in front of the council when the drone pictures are complete. Jon Bolling described the funding in the budget for site planning and requests for proposals to solicit. Jon said that it will likely be an architectural engineering firm to help with the layout of the tidelands, and uplands that the city will put on a community process with public meetings to gather input, and to figure out all the public requests for the Cannery Point property, including Craig Tribal Association's request.

The council, Jon Bolling and Brian Templin discussed tourism, the planning process and that the council will need to make decisions on what uses will fit on the land that's available and how to prioritize them. The council directed staff to go forward with the planning process and public inquiry.

The council directed staff to add Craig Tribal Association's May 14, 2021, letter to the project record and to continue efforts to plan for development of the cannery property.

2. Craig Cemetery Discussion

Jon Bolling explained that the current layout of the cemetery is nearly exhausted by internments and reservation plots. Jon said there is adjacent land that the city owns that could be incorporated into some design and discussion about a columbarium will be needed. Tracey Jensen said that the cemetery is down to six available plots and that the city will stop taking reservations to accommodate current any decedent's passing over until the planning process is done.

Jon said that the process will be to post public notices to meet with the public to talk about their preferences, and then plans will need the approval of the planning commission and city council. Jon reminded the council that they did approve Doug Ward's request \$25,000 this year, for planning and implementation work for both the cemetery and the Thibodeau ballfield entrance and that it will probably require additional funding requests for the columbarium in the next fiscal year.

3. Consider Appointment of 2021 Election Judges & Set Compensation

KAMPNICH/BAZINET

Moved to Appoint Ashely Knock (Chairwoman), Karen Coffey, Joan Wargi and Brian Templin as 2021 election judges and approve a stipend of \$200 for the chairwoman judge, a stipend of \$150 for each participating election judge and a stipend of \$100 for each participating relief worker election judge.

MOTION CARRIED UNANIMOUSLY

The council recognized the dedication and responsibility of our election workers and said that they have done a great job, especially with COVID-19 protocols.

4. Charles Melendrez Trailer Discussion

Councilwoman McDonald said that she brought this topic to the council. Councilman Kampnich thinks the city has been very patient, then went the extra mile on this trailer site and he feels comfortable moving forward. Brian Templin explained that the city's goal is to make the site safe, not to make it pretty and the amount of work that the city has done on it is probably less than what a lot of people would like to see the city staff do. Brian said that the staff is not removing lumber but has taken down all the leaning timber and piled it up while making sure nails or screws are not sticking up with the cost of the work to be added to the property taxes. Jon Bolling said that it is his understanding the property owner has health concerns.

The council, Jon Bolling and Brian Templin discussed safety, condemnation proceedings, property ownership restrictions and liabilities. Councilwoman McDonald thinks the trailer should be removed for safety. Councilwoman McKinley wants to make sure that the city doesn't single out certain properties.

The council acknowledged the numerous years of attempting response from the property owner and directed staff to research city authority to secure entry to the trailer, or other options so that kids are not tempted to go inside and experience hazardous conditions.

COUNCIL COMMENTS

Councilman Kampnich updated the council that Markos Scheer with Premium Aquatics, gave a rundown of the financial makeup of the mariculture incubator project and is now ready to support it. Councilman Kampnich expressed his concerns on the funding, but he does feel that the project would be a good long-term asset for the community if it is done appropriately.

The council discussed that the kelp being grown is local and noted that there is kelp slime problem this year unrelated to invasive growth.

ADJOURNMENT

SCHOONOVER/BAZINET

Moved to adjourn at 7:50 p.m.
MOTION CARRIED

APPROVED on the _____ day of _____, _____.

MAYOR TIMOTHY O'CONNOR

ATTEST: _____
TRACEY JENSEN, CITY CLERK

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: August 27, 2021
RE: September Staff Report

1. Staffing

Between staff illness and quite a few vacancies of positions, some city departments have been quite shorthanded recently. The lack of available labor will result in reduced operational hours at a few city facilities. A number of employees are going the extra mile to keep their departments staffed and operating.

2. American Rescue Plan Act Funding

City staff segregated at First Bank \$152,318 in ARPA funding. Those funds will stay in a separate account until the city council appropriates the money.

3. Craig Child Care Center

The CCCC began implementation of premium pay for its employees using the city's ARPA funds as authorized by council action on August 5.

4. US Census Data

The official US Census count for Craig is 1,036. It appears that the census count for Port St. Nicholas (both north and south sides) is 208. The city and surrounding area and POW Island as a whole all show lower population levels compared to the 2010 census. The Alaska Redistricting Board will now begin its task to redraw election districts statewide. Because Southeast Alaska has lost population relative to other regions of the state, I expect that our current election district will be enlarged. Draft redistricting maps are due out September 11, with final districts adopted by the Board before year's end. We will want to pay attention to the public process that occurs starting September 11, in order to get our comments, if any, to the Board.

5. Letter from Ketchikan Humane Society

Included in the Reading of Correspondence section of the agenda/packet is a letter from the Ketchikan Humane Society. The letter describes the interactions between KHS and some POW residents who have contacted KHS to ask about pet care and animal fostering needs. KHS advocates for POW Island communities to jointly fund an island-wide animal shelter to address the needs.

As a reminder for the council a local group, PAWS, does work with the city to care for animals housed in the city's pound. The volunteers, who currently number only one or two at the moment, feed and walk impounded dogs until the owners are identified. The city has an agreement in place to provide funding to PAWS for these services, although the agreement is essentially dormant. I met recently with the most active PAWS volunteer to talk about their services and reactivate the agreement. I asked the volunteer what the needs are at the city's pound. She replied with a list of items, which essentially amount to a facility with areas for housing dogs; dry storage for kennels, leashes, dog food, and supplies; a washer/dryer; and a source of heat during colder months. An enlarged or new pound building would be needed to accommodate these needs. The council should consider PAWS input as to the pound facility.

On a related note, PAWS was one of the local nonprofits to receive \$7,500 in CARES funds in 2020 through the City of Craig.

KHS states near the end of their letter that they are working to organize a mass spay/neuter clinic on POW. As a near-term response, the council should consider if it wishes to provide some support to that effort for pets of Craig residents, perhaps in partnership with PAWS.

6. Travel Schedule

None scheduled.

CITY OF CRAIG
MEMORANDUM

August 25, 2021

To: City Council

From: Sheri Purser, Treasurer

Re: Monthly Report

The August monthly financial reports are included.

The AK DEC Water Loan Payment has been made.

Payment Due Date	Project Number	Entity	Principal/Paid Due	Interest Paid/Due	Fees Paid/Due	Total Payment
8/1/2021	265031	Craig	7,352.36	923.00	461.50	8,736.86
8/1/2021	265081	Craig	12,960.00	1,943.94	971.97	15,875.91

The application for the National Forest Receipts has been submitted to the (DCCED) Dept. of Commerce, Community and Economic Development. It was submitted on July 14, 2021.

My financial team and I are still working on the year-end of FY21 and preparing for the Audit that Christine would like to start. I have reached out to her to see when she would like to have the Trial Balance. She is out of town now, but I hope too here from her soon.

I have attached a spreadsheet to show how we did with the Alaska Remote Sellers Sales Commission for FY21. Gross Revenue was \$118,492.78. After fees and commissions our net Revenue came to \$98,044.83. I also have attached what I receive each month from them. It has shown to be a good Revenue for us.

Attached is the 4th quarter of FY21 Sales Tax Revenues. We were up \$121,460 from 3rd Qtr and up \$84,600 from 4th Qtr of FY20.

We are having meetings for the Emergency Operation Incident Management Team. Brian has changed meetings to 1 time a month to keep everyone updated on the COVID-19 updates, checking inventories, receiving updates from SEARCH, Peace Health, & Public Health, also with other entities that are a part of the team.

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

City of Craig
Cash Balances
8/31/2021

General Fund

Deposit Clearing Account	34,572.46
Checking - First Bank	3,132,570.64
Checking - Wells Fargo	23,899.47
Petty Cash	325.00
Petty Cash-Harbors	200.00
Petty Cash- Aquatic Center	250.00
Petty Cash - Police	134.95
Petty Cash- Library	150.00
Wells Fargo CD Saving Account	<u>510,912.14</u>
Total	<u>3,703,014.66</u>

Restricted Fund

Cares Fund Checking	152,318.52
Cash, Police Fund	45,177.93
Cash Evidence, Police	4,413.78
Police Petty Cash	781.17
Cash Equipment Fund	555,671.02
Cash Hatchery Salmon Derby	18,442.22
MM Park Funds	7,702.76
Fish Quota Funds	15,552.70
MM POW Clinic Funds	46,429.61
MM Invest Muni Land	568,283.35
Hatchery Saving Account	55,256.68
Cash MMkt NFR -School FB	61,541.51
Cash Invest School Funds APCM	2,901,437.01
Accrued Interest, School	<u>9,484.00</u>
Total	<u>4,442,492.26</u>

Endowment

Cash Held Endowment	86,629.81
Fixed Inc. Investment Endowment	4,357,467.71
Accr. Int., Endowment	19,353.49
Equity Invest., Endowment	7,110,019.28
Unrealized Gain/Loss Endowment	100,916.02
Unrealized Gain/Loss Equity, Endowment	<u>4,172,342.37</u>
Total	<u>15,846,728.68</u>

Enterprise Fund

DNR Performance CD	<u>8,500.00</u>
Total	<u>8,500.00</u>

City of Craig
02a. Craig Gov Rev

August 31, 2021

	M-T-D Actual	Y-T-D Actual	Budget	Over(Under) Budget	% of
01 00.4000.00 000 Property Tax	0	684,206	674,000	10,206	102
01 00.4050.00 000 Sales Tax	140,536	474,551	1,051,550	(576,999)	45
01 00.4051.00 000 1% Sales Tax for School	0	0	330,850	(330,850)	0
01 00.4052.00 000 Alaska Remote Sales Tax	13,458	22,991	75,000	(52,009)	31
01 00.4053.00 000 1% Sales Tax Pool & Rec	0	0	330,850	(330,850)	0
01 00.4060.00 000 Liquor Sales Tax	2,593	28,472	120,000	(91,528)	24
01 00.4065.00 000 Transient Room Tax	1,115	5,380	20,000	(14,620)	27
Total Local Taxes	157,702	1,215,600	2,602,250	(1,386,650)	47
01 00.4100.00 000 Property PILT Funding	0	308,960	300,000	8,960	103
01 00.4110.00 000 State Revenue Sharing	0	0	50,000	(50,000)	0
01 00.4111.00 000 Liquor Revenue Sharing	0	0	4,000	(4,000)	0
01 00.4112.00 000 Fish Bus Tax - DOR	0	0	50,000	(50,000)	0
01 00.4120.00 000 Shared Fish Tax - DCED	0	0	1,000	(1,000)	0
Total State Revenue	0	308,960	405,000	(96,040)	76
01 00.4200.00 100 COVID 19 ARPA (NEA)	152,319	152,319	100,000	52,319	152
01 00.4220.00 000 EMS Service Fees	2,733	9,825	60,000	(50,175)	16
01 00.4250.00 000 EMS Training Fees	0	0	1,000	(1,000)	0
01 00.4255.00 000 EMS Estimated NonCollectable	0	0	(25,000)	25,000	0
01 00.4260.00 000 Aquatic Center Revenue	2,354	4,422	50,000	(45,578)	9
01 00.4270.00 000 Library Fees	0	0	1,000	(1,000)	0
01 00.4275.00 000 Recreation Revenue	882	1,664	15,000	(13,336)	11
01 00.4280.00 000 Senior Card Fees	0	150	3,000	(2,850)	5
01 00.4620.00 000 Taxi Permit Fees	0	0	100	(100)	0
01 00.4640.00 000 Building Permit Fees	0	120	8,000	(7,880)	2
01 00.4646.00 000 PSN Road Maintenance	0	0	27,000	(27,000)	0
Total Permits & Fees	158,288	168,500	240,100	(71,600)	70
01 00.4300.00 000 Property Lease/Rentals	0	3,433	63,000	(59,567)	5
01 00.4400.00 000 Material Sales	0	0	1,000	(1,000)	0
Total Local Revenue	0	3,433	64,000	(60,567)	5
01 00.4700.00 000 Police-Fines,Citation	300	1,205	10,000	(8,795)	12
01 00.4701.00 000 Animal Impound Fees	0	105	0	105	0
01 00.4703.00 000 Motor Vehicle Commision	4,093	10,107	60,000	(49,893)	17
01 00.4650.00 000 State Trooper Dispatch	0	0	7,200	(7,200)	0
01 00.4660.00 000 State Jail Contract Revenue	0	0	357,524	(357,524)	0
01 00.4665.00 000 Klawock Dispatch	0	4,424	53,088	(48,664)	8
01 00.4670.00 000 Forest Service Dispatch	0	0	3,000	(3,000)	0
Total Public Safety Funds	4,393	15,841	490,812	(474,971)	3
01 00.4820.00 000 Interest Income (A/R)	(12)	197	1,000	(803)	20
01 00.4900.00 000 Misc Revenue	7	1,298	5,000	(3,702)	26
Total Other Revenue	(5)	1,495	6,000	(4,505)	25
Total Revenues	\$ 320,378	\$ 1,713,829	\$ 3,808,162	\$ (2,094,333)	\$ 45

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Administration				
Revenues				
Expenditures				
Total Personnel Expenditures	55,589.25	53,169.09	330,652.24	277,483.15
Total Benefits Expenditures	19,749.29	18,946.81	124,715.72	105,768.91
Total Contract Expenditures	30,599.75	27,632.25	170,110.00	142,477.75
Total Travel & Expenditures	1,140.00	1,140.00	12,045.00	10,905.00
Total Materials Expenditures	2,266.83	2,266.83	6,800.00	4,533.17
Total Utilities Expenditures	1,081.63	1,081.63	16,850.00	15,768.37
Total Repairs & Maint Expenditures	245.20	245.20	3,260.00	3,014.80
Total Other Expenditures	7,863.47	7,863.47	26,920.00	19,056.53
Total Capital & Debt Expenditures	0.00	0.00	1,000.00	1,000.00
Total Expenditures	\$ 118,535.42	\$ 112,345.28	\$ 692,352.96	\$ 580,007.68
Fund Net Change in Assets	\$ (118,535.42)	\$ (112,345.28)	\$ (692,352.96)	\$ (580,007.68)
Council				
Revenues				
Expenditures				
Total Personnel Expenditures	2,680.56	2,680.56	12,920.00	10,239.44
Total Benefits Expenditures	267.64	267.64	5,007.98	4,740.34
Total Contract Expenditures	0.00	0.00	950.00	950.00
Total Travel & Expenditures	620.00	620.00	2,050.00	1,430.00
Total Materials Expenditures	0.00	0.00	0.00	0.00
Total Utilities Expenditures	0.00	0.00	0.00	0.00
Total Repairs & Maint Expenditures	0.00	0.00	0.00	0.00
Total Other Expenditures	0.00	0.00	220.00	220.00
Total Capital & Debt Expenditures	0.00	0.00	0.00	0.00
Total Expenditures	\$ 3,568.20	\$ 3,568.20	\$ 21,147.98	\$ 17,579.78
Fund Net Change in Assets	\$ (3,568.20)	\$ (3,568.20)	\$ (21,147.98)	\$ (17,579.78)
Planning				
Revenues				
Expenditures				
Total Personnel Expenditures	13,303.12	13,303.12	49,572.86	36,269.74
Total Benefits Expenditures	3,652.40	3,652.40	19,452.98	15,800.58
Total Contract Expenditures	0.00	0.00	6,500.00	6,500.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	0.00	0.00	1,000.00	1,000.00
Total Utilities Expenditures	0.00	0.00	0.00	0.00
Total Repairs & Maint Expenditures	0.00	0.00	500.00	500.00
Total Other Expenditures	0.00	0.00	1,015.00	1,015.00
Total Capital & Debt Expenditures	0.00	0.00	0.00	0.00

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Total Expenditures	\$ 16,955.52	\$ 16,955.52	\$ 78,040.84	\$ 61,085.32
Fund Net Change in Assets	\$ (16,955.52)	\$ (16,955.52)	\$ (78,040.84)	\$ (61,085.32)
Parks & Facilities Revenues				
Expenditures				
Total Personnel Expenditures	24,557.22	24,294.50	135,100.18	110,805.68
Total Benefits Expenditures	9,920.90	9,900.80	71,111.43	61,210.63
Total Contract Expenditures	119.00	119.00	11,100.00	10,981.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	882.27	882.27	22,900.00	22,017.73
Total Utilities Expenditures	1,231.80	1,231.80	16,000.00	14,768.20
Total Repairs & Maint Expenditures	720.00	720.00	22,250.00	21,530.00
Total Other Expenditures	25.00	25.00	11,968.00	11,943.00
Total Capital & Debt Expenditures	0.00	0.00	33,680.00	33,680.00
Total Expenditures	\$ 37,456.19	\$ 37,173.37	\$ 324,109.61	\$ 286,936.24
Fund Net Change in Assets	\$ (37,456.19)	\$ (37,173.37)	\$ (324,109.61)	\$ (286,936.24)
Public Works Revenues				
Expenditures				
Total Personnel Expenditures	23,898.17	23,898.17	155,379.86	131,481.69
Total Benefits Expenditures	16,523.01	16,523.01	105,170.93	88,647.92
Total Contract Expenditures	0.00	0.00	720.00	720.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	1,636.86	1,636.86	30,750.00	29,113.14
Total Utilities Expenditures	1,031.83	1,031.83	14,900.00	13,868.17
Total Repairs & Maint Expenditures	5,550.69	5,550.69	68,200.00	62,649.31
Total Other Expenditures	25.00	25.00	7,798.00	7,773.00
Total Capital & Debt Expenditures	250.00	250.00	129,000.00	128,750.00
Total Expenditures	\$ 48,915.56	\$ 48,915.56	\$ 511,918.79	\$ 463,003.23
Fund Net Change in Assets	\$ (48,915.56)	\$ (48,915.56)	\$ (511,918.79)	\$ (463,003.23)
Police Revenues				
Expenditures				
Total Personnel Expenditures	75,452.46	75,452.46	582,520.35	507,067.89
Total Benefits Expenditures	38,924.74	38,924.74	354,233.92	315,309.18
Total Contract Expenditures	1,449.85	1,449.85	8,920.00	7,470.15
Total Travel & Expenditures	0.00	0.00	3,000.00	3,000.00
Total Materials Expenditures	8,629.13	8,629.13	49,500.00	40,870.87

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Total Utilities Expenditures	1,704.15	1,704.15	27,000.00	25,295.85
Total Repairs & Maint Expenditures	0.00	0.00	0.00	0.00
Total Other Expenditures	1,147.76	1,147.76	31,614.00	30,466.24
Total Capital & Debt Expenditures	<u>14,500.00</u>	<u>14,500.00</u>	<u>25,650.00</u>	<u>11,150.00</u>
Total Expenditures	\$ <u>141,808.09</u>	\$ <u>141,808.09</u>	\$ <u>1,082,438.27</u>	\$ <u>940,630.18</u>
Fund Net Change in Assets	<u>\$ (141,808.09)</u>	<u>\$ (141,808.09)</u>	<u>\$ (1,082,438.27)</u>	<u>\$ (940,630.18)</u>
EMS Revenues				
Expenditures				
Total Personnel Expenditures	29,760.20	29,760.20	181,480.12	151,719.92
Total Benefits Expenditures	9,288.77	9,288.77	77,917.74	68,628.97
Total Contract Expenditures	0.00	0.00	4,500.00	4,500.00
Total Travel & Expenditures	0.00	0.00	8,400.00	8,400.00
Total Materials Expenditures	741.15	741.15	18,150.00	17,408.85
Total Utilities Expenditures	555.40	555.40	4,900.00	4,344.60
Total Repairs & Maint Expenditures	0.00	0.00	0.00	0.00
Total Other Expenditures	0.00	0.00	6,351.00	6,351.00
Total Capital & Debt Expenditures	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Expenditures	\$ <u>40,345.52</u>	\$ <u>40,345.52</u>	\$ <u>301,698.86</u>	\$ <u>261,353.34</u>
Fund Net Change in Assets	<u>\$ (40,345.52)</u>	<u>\$ (40,345.52)</u>	<u>\$ (301,698.86)</u>	<u>\$ (261,353.34)</u>
Fire Department Revenues				
Expenditures				
Total Personnel Expenditures	0.00	0.00	0.00	0.00
Total Benefits Expenditures	0.00	0.00	4,186.00	4,186.00
Total Contract Expenditures	5,100.00	5,100.00	5,400.00	300.00
Total Travel & Expenditures	0.00	0.00	2,700.00	2,700.00
Total Materials Expenditures	170.93	170.93	2,600.00	2,429.07
Total Utilities Expenditures	91.63	91.63	5,900.00	5,808.37
Total Repairs & Maint Expenditures	0.00	0.00	1,000.00	1,000.00
Total Other Expenditures	0.00	0.00	4,827.00	4,827.00
Total Capital & Debt Expenditures	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Expenditures	\$ <u>5,362.56</u>	\$ <u>5,362.56</u>	\$ <u>26,613.00</u>	\$ <u>21,250.44</u>
Fund Net Change in Assets	<u>\$ (5,362.56)</u>	<u>\$ (5,362.56)</u>	<u>\$ (26,613.00)</u>	<u>\$ (21,250.44)</u>
Library Revenues				
Total Revenues	7,300.00	7,300.00	0.00	7,300.00

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Expenditures				
Total Personnel Expenditures	9,405.64	9,405.64	62,263.20	52,857.56
Total Benefits Expenditures	5,056.83	5,056.83	48,501.27	43,444.44
Total Contract Expenditures	2,295.00	2,295.00	3,175.00	880.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	5,081.47	5,081.47	7,000.00	1,918.53
Total Utilities Expenditures	(1,285.01)	(1,285.01)	10,600.00	11,885.01
Total Repairs & Maint Expenditures	0.00	0.00	1,000.00	1,000.00
Total Other Expenditures	0.00	0.00	1,750.00	1,750.00
Total Capital & Debt Expenditures	0.00	0.00	2,500.00	2,500.00
Total Expenditures	\$ 20,553.93	\$ 20,553.93	\$ 136,789.47	\$ 116,235.54
Fund Net Change in Assets	\$ (13,253.93)	\$ (13,253.93)	\$ (136,789.47)	\$ (108,935.54)
Recreation Revenues				
Expenditures				
Total Personnel Expenditures	8,544.63	6,996.78	40,606.00	33,609.22
Total Benefits Expenditures	6,089.73	5,252.01	27,228.49	21,976.48
Total Contract Expenditures	200.00	200.00	1,500.00	1,300.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	0.00	0.00	29,525.00	29,525.00
Total Utilities Expenditures	576.80	576.80	13,000.00	12,423.20
Total Repairs & Maint Expenditures	0.00	0.00	2,100.00	2,100.00
Total Other Expenditures	50.00	50.00	5,130.00	5,080.00
Total Capital & Debt Expenditures	0.00	0.00	6,439.00	6,439.00
Total Expenditures	\$ 15,461.16	\$ 13,075.59	\$ 125,528.49	\$ 112,452.90
Fund Net Change in Assets	\$ (15,461.16)	\$ (13,075.59)	\$ (125,528.49)	\$ (112,452.90)
Aquatic Center Revenues				
Expenditures				
Total Personnel Expenditures	25,145.54	25,145.54	166,960.00	141,814.46
Total Benefits Expenditures	12,995.67	12,995.67	116,479.88	103,484.21
Total Contract Expenditures	0.00	0.00	6,400.00	6,400.00
Total Travel & Expenditures	1,064.03	1,064.03	11,080.00	10,015.97
Total Materials Expenditures	424.41	424.41	23,720.00	23,295.59
Total Utilities Expenditures	5,061.31	5,061.31	126,000.00	120,938.69
Total Repairs & Maint Expenditures	0.00	0.00	3,800.00	3,800.00
Total Other Expenditures	50.00	50.00	11,800.00	11,750.00
Total Capital & Debt Expenditures	0.00	0.00	165,838.00	165,838.00
Total Expenditures	\$ 44,740.96	\$ 44,740.96	\$ 632,077.88	\$ 587,336.92

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Fund Net Change in Assets	\$ (44,740.96)	\$ (44,740.96)	\$ (632,077.88)	\$ (587,336.92)
Sewer Revenues				
Total Revenues	24,884.27	24,884.27	290,000.00	(265,115.73)
Expenditures				
Total Personnel Expenditures	13,750.62	13,750.62	77,087.00	63,336.38
Total Benefits Expenditures	7,111.95	7,111.95	43,765.00	36,653.05
Total Contract Expenditures	117.90	117.90	7,800.00	7,682.10
Total Travel & Expenditures	400.00	400.00	1,280.00	880.00
Total Materials Expenditures	292.14	292.14	8,200.00	7,907.86
Total Utilities Expenditures	3,057.43	3,057.43	55,741.00	52,683.57
Total Repairs & Maint Expenditures	127.10	127.10	4,000.00	3,872.90
Total Other Expenditures	0.00	0.00	9,450.00	9,450.00
Total Capital & Debt Expenditures	18,400.00	18,400.00	66,500.00	48,100.00
Total Expenditures	\$ 43,257.14	\$ 43,257.14	\$ 273,823.00	\$ 230,565.86
Fund Net Change in Assets	\$ (18,372.87)	\$ (18,372.87)	\$ 16,177.00	\$ (495,681.59)
Water Revenues				
Total Revenues	27,269.43	27,269.43	326,778.00	(299,508.57)
Expenditures				
Total Personnel Expenditures	24,773.60	24,773.60	134,003.33	109,229.73
Total Benefits Expenditures	10,753.38	10,753.38	70,577.02	59,823.64
Total Contract Expenditures	0.00	0.00	10,000.00	10,000.00
Total Travel & Expenditures	1,343.00	1,343.00	3,935.00	2,592.00
Total Materials Expenditures	3,838.49	3,838.49	67,400.00	63,561.51
Total Utilities Expenditures	3,846.51	3,846.51	57,400.00	53,553.49
Total Repairs & Maint Expenditures	1,427.69	1,427.69	10,000.00	8,572.31
Total Other Expenditures	10.00	10.00	12,850.00	12,840.00
Total Capital & Debt Expenditures	24,612.77	24,612.77	76,821.23	52,208.46
Total Expenditures	\$ 70,605.44	\$ 70,605.44	\$ 442,986.58	\$ 372,381.14
Fund Net Change in Assets	\$ (43,336.01)	\$ (43,336.01)	\$ (116,208.58)	\$ (671,889.71)
Garbage Revenues				
Total Revenues	26,798.34	26,798.34	322,280.00	(295,481.66)
Expenditures				
Total Personnel Expenditures	7,061.71	7,061.71	38,295.18	31,233.47
Total Benefits Expenditures	4,964.76	4,964.76	27,152.31	22,187.55

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Total Contract Expenditures	19,991.00	19,991.00	211,500.00	191,509.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	404.53	404.53	9,300.00	8,895.47
Total Utilities Expenditures	27.53	27.53	500.00	472.47
Total Repairs & Maint Expenditures	220.85	220.85	7,500.00	7,279.15
Total Other Expenditures	0.00	0.00	3,500.00	3,500.00
Total Capital & Debt Expenditures	500.00	500.00	40,000.00	39,500.00
Total Expenditures	\$ 33,170.38	\$ 33,170.38	\$ 337,747.49	\$ 304,577.11
Fund Net Change in Assets	\$ (6,372.04)	\$ (6,372.04)	\$ (15,467.49)	\$ (600,058.77)
Harbor Revenues				
Total Revenues	27,582.04	27,582.04	269,600.00	(242,017.96)
Expenditures				
Total Personnel Expenditures	21,180.78	21,180.78	148,738.25	127,557.47
Total Benefits Expenditures	9,682.17	9,682.17	99,894.85	90,212.68
Total Contract Expenditures	128.63	128.63	900.00	771.37
Total Travel & Expenditures	395.00	395.00	2,200.00	1,805.00
Total Materials Expenditures	982.35	982.35	8,900.00	7,917.65
Total Utilities Expenditures	2,340.48	2,340.48	44,592.00	42,251.52
Total Repairs & Maint Expenditures	1.50	1.50	108,050.00	108,048.50
Total Other Expenditures	10,956.94	10,956.94	35,550.00	24,593.06
Total Capital & Debt Expenditures	858.85	858.85	1,650.00	791.15
Total Expenditures	\$ 46,526.70	\$ 46,526.70	\$ 450,475.10	\$ 403,948.40
Fund Net Change in Assets	\$ (18,944.66)	\$ (18,944.66)	\$ (180,875.10)	\$ (645,966.36)
JTB Industrail Park Revenues				
Total Revenues	48,027.19	48,027.19	592,589.00	(544,561.81)
Expenditures				
Total Personnel Expenditures	33,118.85	33,118.85	93,420.94	60,302.09
Total Benefits Expenditures	5,838.76	5,838.76	35,937.50	30,098.74
Total Contract Expenditures	0.00	0.00	1,900.00	1,900.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	620.90	620.90	49,975.00	49,354.10
Total Utilities Expenditures	8,963.43	8,963.43	53,336.00	44,372.57
Total Repairs & Maint Expenditures	0.00	0.00	17,500.00	17,500.00
Total Other Expenditures	0.00	0.00	12,325.00	12,325.00
Total Capital & Debt Expenditures	0.00	0.00	97,000.00	97,000.00
Total Expenditures	\$ 48,541.94	\$ 48,541.94	\$ 361,394.44	\$ 312,852.50

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Fund Net Change in Assets	\$ (514.75)	\$ (514.75)	\$ 231,194.56	\$ (857,414.31)
Ward Cove Cannery Revenues				
Total Revenues	893.25	893.25	7,000.00	(6,106.75)
Expenditures				
Total Personnel Expenditures	0.00	0.00	0.00	0.00
Total Benefits Expenditures	0.00	0.00	0.00	0.00
Total Contract Expenditures	0.00	0.00	50,000.00	50,000.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	13.69	13.69	750.00	736.31
Total Utilities Expenditures	141.48	141.48	1,600.00	1,458.52
Total Repairs & Maint Expenditures	22.69	22.69	0.00	(22.69)
Total Other Expenditures	0.00	0.00	1,020.00	1,020.00
Total Capital & Debt Expenditures	0.00	0.00	1,000.00	1,000.00
Total Expenditures	\$ 177.86	\$ 177.86	\$ 54,370.00	\$ 54,192.14
Fund Net Change in Assets	\$ 715.39	\$ 715.39	\$ (47,370.00)	\$ (60,298.89)
GF Revenue Revenues				
Total Revenues	1,725,367.22	1,725,367.22	3,808,162.00	(2,082,794.78)
Expenditures				
Total Personnel Expenditures	0.00	0.00	0.00	0.00
Total Benefits Expenditures	0.00	0.00	0.00	0.00
Total Contract Expenditures	0.00	0.00	0.00	0.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00
Total Materials Expenditures	0.00	0.00	0.00	0.00
Total Utilities Expenditures	0.00	0.00	0.00	0.00
Total Repairs & Maint Expenditures	0.00	0.00	0.00	0.00
Total Other Expenditures	0.00	0.00	0.00	0.00
Total Capital & Debt Expenditures	0.00	0.00	0.00	0.00
Total Expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Fund Net Change in Assets	\$ 1,725,367.22	\$ 1,725,367.22	\$ 3,808,162.00	\$ (2,082,794.78)
Inter Governmental Transfers Revenues				
Expenditures				
Total Personnel Expenditures	0.00	0.00	0.00	0.00
Total Benefits Expenditures	0.00	0.00	0.00	0.00
Total Contract Expenditures	0.00	0.00	0.00	0.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00

City of Craig
Revenue and Expense QTD and YTD
August 31, 2021

	Q-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
Total Materials Expenditures	0.00	0.00	0.00	0.00
Total Utilities Expenditures	0.00	0.00	0.00	0.00
Total Repairs & Maint Expenditures	0.00	0.00	0.00	0.00
Total Other Expenditures	0.00	0.00	0.00	0.00
Total Capital & Debt Expenditures	<u>65.36</u>	<u>65.36</u>	<u>0.00</u>	<u>(65.36)</u>
Total Expenditures	<u>\$ 65.36</u>	<u>\$ 65.36</u>	<u>\$ 0.00</u>	<u>\$ (65.36)</u>
Fund Net Change in Assets	<u><u>\$ (65.36)</u></u>	<u><u>\$ (65.36)</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 65.36</u></u>

Remote Sales Tax FY21

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Gross Revenue	\$7,685.00	\$6,720.00	\$8,945.00	\$9,063.43	\$8,956.05	\$10,302.28	\$9,179.53	\$7,070.26	\$11,473.59	\$11,313.86	\$11,520.40	\$16,263.38	\$118,492.78
MuniRevs Expense	\$922.20	\$806.40	\$1,073.40	\$1,087.61	\$1,074.73	\$1,236.27	\$1,101.54	\$848.43	\$1,376.83	\$1,357.66	\$1,382.45	\$1,951.60	\$14,219.12
TTR Fee Expense	\$96.06	\$84.00	\$111.81	\$113.29	\$111.95	\$128.78	\$114.74	\$88.38	\$143.42	\$141.42	\$144.00	\$203.29	\$1,481.14
Commission Fee	\$307.40	\$268.80	\$357.80	\$369.17	\$359.59	\$412.09	\$367.18	\$282.81	\$458.95	\$452.55	\$460.82	\$650.53	\$4,747.69
Net Revenue to us	\$6,359.34	\$5,560.80	\$7,401.99	\$7,493.36	\$7,409.78	\$8,525.14	\$7,596.07	\$5,850.64	\$9,494.39	\$9,362.23	\$9,533.13	\$13,457.96	\$98,044.83

Note

MUNIREvs: Based on a fixed % at different levels of sales tax collected, supports ongoing operations of the filing and remittance software.

AML paid for the development costs.

TTR: Based on a fixed % at different levels of sales tax collected, this service provides the tax look up map and software for sellers to ensure correct rates and exemptions.

Commission Fee: This is based on the board-approved budget and reflected as a % of sales tax collected.

The total % of the Commission, MUNIREvs and TTR is capped each fiscal year.



Alaska Remote Sellers Sales Commission

Remittance for July 1-31, 2021

All Dates

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
07/31/2021	Bill	9015-21-07	City of Craig		2000	2000 Accounts Payable (A/P)		\$13,457.96
				June Remote Sales Tax	5010	5010 Member Tax Revenue Expense	\$13,457.96	
				June Remote Sales Tax	5020	5020 MUNIrevs Expense	\$1,951.60	
				June Remote Sales Tax	5030	5030 TTR Fee Expense	\$203.29	
				June Remote Sales Tax	2015	2015 MUNIRevs Fee Payable		\$1,951.60
				June Remote Sales Tax	2020	2020 TTR Fee Payable		\$203.29
				June Remote Sales Tax	4000	4000 Commission Fee Income		\$650.53
				June Remote Sales Tax	4005	4005 Gross Sales Tax collected from MUNIRevs	\$650.53	
							\$16,263.38	\$16,263.38
TOTAL							\$16,263.38	\$16,263.38

Note

MUNIRevs: Based on a fixed % at different levels of sales tax collected, supports ongoing operations of the filing and remittance software. AML paid for the development costs. TTR: Based on a fixed % at different levels of sales tax collected, this service provides the tax look up map and software for sellers to ensure correct rates and exemptions. Commission Fee: This is based on the board-approved budget and reflected as a % of sales tax collected. The total % of the Commission, MUNIRevs and TTR is capped each fiscal year. Tax Breakdown: Sales Tax \$16,263.36 and Alcohol Tax \$0.02

CITY OF CRAIG, ALASKA

SALES TAX HISTORY

DATE COLLECTED THROUGH	<u>09-30</u>	<u>12-31</u>	<u>03-31</u>	<u>06-30</u>	<u>TAX COLLECTED</u>
FY 2021					
SALES TAX	\$ 489,982.60	\$ 321,026.52	\$ 341,084.21	\$ 453,787.33	\$ 1,605,880.66
DELINQUENT SALES TAX					\$ -
TRANSIENT ROOM Tax	\$ 6,232.28	\$ 1,460.00	\$ 2,045.00	\$ 5,030.00	\$ 14,767.28
LIQUOR SALES TAX	\$ 39,224.35	\$ 29,424.85	\$ 22,702.15	\$ 28,472.07	\$ 119,823.42
	\$ 535,439.23	\$ 351,911.37	\$ 365,831.36	\$ 487,289.40	\$ 1,740,471.36
FY 2020					
SALES TAX	\$ 662,466.11	\$ 319,885.97	\$ 272,765.07	\$ 401,909.80	\$ 1,657,026.95
DELINQUENT SALES TAX					\$ -
TRANSIENT ROOM Tax	\$ 14,630.00	\$ 4,880.00	\$ 1,165.00	\$ 770.00	\$ 21,445.00
LIQUOR SALES TAX	\$ 40,861.31	\$ 26,130.85	\$ 22,300.45	\$ -	\$ 89,292.61
	\$ 717,957.42	\$ 350,896.82	\$ 296,230.52	\$ 402,679.80	\$ 1,767,764.56
FY 2019					
SALES TAX	\$ 569,503.75	\$ 316,481.96	\$ 296,677.31	\$ 402,803.62	\$ 1,585,466.64
DELINQUENT SALES TAX					\$ -
TRANSIENT ROOM Tax	\$ 16,465.77	\$ 3,380.00	\$ 2,565.00	\$ 7,818.37	\$ 30,229.14
LIQUOR SALES TAX	\$ 36,790.92	\$ 27,312.98	\$ 21,469.67	\$ 30,542.75	\$ 116,116.32
	\$ 622,760.44	\$ 347,174.94	\$ 320,711.98	\$ 441,164.74	\$ 1,731,812.10
FY 2018					
SALES TAX	\$ 537,976.31	\$ 291,663.32	\$ 262,758.36	\$ 385,995.94	\$ 1,478,393.93
DELINQUENT SALES TAX	\$ 51.42	\$ -		\$ 726.91	\$ 778.33
TRANSIENT ROOM Tax				\$ 6,505.00	\$ 6,505.00
LIQUOR SALES TAX	\$ 37,606.25	\$ 23,672.80	\$ 19,427.58	\$ 27,260.38	\$ 107,967.01
	\$ 575,633.98	\$ 315,336.12	\$ 282,185.94	\$ 420,488.23	\$ 1,593,644.27
FY 2017					
SALES TAX	\$ 502,621.02	\$ 292,983.36	\$ 259,780.99	\$ 401,574.00	\$ 1,456,959.37
DELINQUENT SALES TAX	\$ 89.20	\$ -	\$ 940.00	\$ 242.60	\$ 1,271.80
LIQUOR SALES TAX	\$ 35,622.70	\$ 25,403.06	\$ 21,737.00	\$ 29,522.24	\$ 112,285.00
	\$ 538,332.92	\$ 318,386.42	\$ 282,457.99	\$ 431,338.84	\$ 1,570,516.17
FY 2016					
SALES TAX	\$ 556,020.59	\$ 278,838.00	\$ 233,466.00	\$ 353,579.75	\$ 1,421,904.34
DELINQUENT SALES TAX	\$ 339.63		\$ 1,219.98	\$ 4,210.50	\$ 5,770.11
LIQUOR SALES TAX	\$ 41,116.78	\$ 23,435.00	\$ 20,511.02	\$ 28,575.92	\$ 113,638.72
	\$ 597,477.00	\$ 302,273.00	\$ 255,197.00	\$ 386,366.17	\$ 1,541,313.17

City Of Craig Memorandum

To: Mayor Tim O'Connor and Craig City Council
From: Jessica Holloway, Aquatic Manager
RE: AUG/Sept 2021
Date: August 26, 2021

August has been a little slower than normal but I feel that may be due to the rise in Covid again.

Swim team both High School and club have been in the water daily and are thriving. The High School team has 12 officially on the team. The Club team continues to grow.

The junior Lifeguarding program is completed. We ended up with three participants. 2 of them chose to do volunteer hours at the pool, so if you see a smaller child following around one of the guards they are doing their shadow hours.

Unfortunately, due to the lack of employees the pool is going to have to close on the weekends beginning September 18th. Also with that, we will only be open for 8 hours on every other Friday starting that weekend as well. Chris and Ethan will be traveling for swim team; Lewis will be on leave for the birth of his child so that will leave me alone. I will not guard a Saturday on my own. It is not safe. We are suffering from the same thing the rest of the business are when it comes to finding employees. I have received 2 applications in the last year. One from Chris whom we have rehired as our coach and one from an individual that I am not allowed to hire due to the city's nepotism policy. Unfortunately, without employees the pool cannot keep a normal schedule. We are also unable at this time to provide evening swim lessons as planned. Chris and I have worked out a decent lesson plan for evening lessons on Tuesday and Thursday but it is not something that can be carried out at this time with the very few employees that we have. I hope this will change soon.

Craig School also wants to restart the lesson programs for grades k-5th. We are going to try. I have been in touch with Mrs. Hansen and explained to her what is going on. She was very reasonable considering she has a ton of openings as well.

As always if there are, any questions please reach out.

CITY OF CRAIG MEMORANDUM

To: Mayor O'Connor and the Craig City Council
From: Tracey Jensen, City Clerk
Date: August 10, 2021
RE: July 2021 Staff Report

Holiday Closure:

Craig City Facilities will be closed on Monday, September 6, 2021, for the Labor Day Holiday. Please note the alternate garbage schedule:

Monday's trash will be picked up on **Tuesday**, September 7, 2021.

Municipal Elections:

The clerk is working on the preparation of the city municipal elections to be held on October 5, 2021. The Declaration of Candidacy filing deadline is September 3, 2021.

City of Craig Municipal Code:

The City of Craig Municipal Codes have now been updated through Ordinance 737. The clerk is requesting that staff drop off any non-updated City of Craig Municipal Code binder for the clerk to update each one, regardless of use. The clerk can also load an entire copy of the code book to any interested council member's Ipads, or update council code books as well. The updated entire City of Craig Municipal Codes are also available on the city website under the resources tab.

City Council Meetings:

As always, most of the Clerk's duties consist of compiling information for the council; council meeting set up; preparing council packets; staff reports; and creating council meeting minutes. I have been on vacation in August and am attempting to catch up July 15, 2021, and August 5, 2021, council meeting minutes to include in the council packets for approval.

Next Craig City Council Meeting:

The third Thursday of the Month will be September 16, 2021.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Brian Templin, City Planner
Date: August 26, 2021
RE: Planner Staff Report

Craig Harbor Project

The USACE is continuing to work on the breakwater and harbor basin design. The corps is still on schedule to have designs and specs complete in the next 30 days or so and will then send the entire package through two internal reviews. The first review is an Agency Technical Review (ATR), where the plans and specs are peer reviewed within the USACE. The second review is the final review of all documents (called BCOES) to ensure biddability, constructability, operability, environmental and sustainability (BCOES). This broad review of the project is completed by staff at the USACE Pacific division level and national level on the project prior to construction. Generally, bidding and construction on a project has to commence within six months of the BCOES, or the BCOES process will have to take place again.

Funding appears to be included in the federal infrastructure bill which has passed in the senate and is scheduled to go through the house by the end of September.

The council approved a \$50,000 appropriation in the current year's budget for planning on the development. We recently solicited proposals and have a separate memo item on the agenda for the September 2nd meeting regarding this issue. We should be on schedule to have the work completed by about October 25th based on the contractors submitted time schedule.

In addition to the drawings, general building condition assessment (for high priority structures) and historical information, the contract also included an option for economic programming review that will take a look at the long-term economics of the site as developed and preliminary cost estimation of the construction work that will be done. It is important to remember that this planning process will only complete conceptual drawings and no final engineering drawings or specifications. The data and drawings from this process will help the city's efforts to continue to educate the public on the project and will help the planning commission, harbor committee, and city council make additional decisions about design and development of both the harbor and uplands.

We are also currently actively reviewing the draft MOA between the USACE, the State Historic Preservation Office (SHPO) and ourselves that is required as a part of the USACE construction project. Recently we have also begun actively reviewing the model Project Partnership Agreement (PPA) that we will need to sign (along with the USACE) prior to the

breakwater construction agreement. We will be bringing these documents to the council for review and approval in the next month or two in order to meet the USACE deadlines.

COVID-19

Prince of Wales is currently in the middle of the largest outbreak since the beginning of the pandemic. Between April 2020 and June 2021, the highest monthly case count has been 25 cases in one month. That number nearly doubled in July (48 new cases) and has doubled again so far in August. As of August 24th, there were 112 new cases in August. There has been a total of 274 positive cases on POW since April of last year with over half of those cases being reported in the last six weeks. These cases are a result of travel, secondary infection, and community spread. At this point, public health feels that case counts will continue to rise over the next month or two before starting to decline again.

Case rates around the state and the country have followed a similar trend with case numbers, hospitalizations, and deaths related to COVID19 increasing in most areas of the state. Hospital administrators in Anchorage, Juneau, Sitka, Fairbanks and other areas have all reported that there is minimal ICU space available. Ketchikan appears to still have some hospital capacity. The state reports that the average daily case rate recently has been about 450 cases per day per hundred thousand population. Recent calculations for POW showed a rate of about 850 cases per day per 100,000 population (calculated over a seven-day period). Both the CDC and State of Alaska classify areas as High Alert (Red) if their average case count exceeds 100 cases per 100,000 population.

Public health locally and statewide is well above capacity in terms of being able to quickly do case investigations and contact tracing. We will likely see less vigorous contact tracing, slower case investigations, and slower testing at the current levels of cases.

Alicia Roberts has reported that their testing capacity is nearly maxed out and that they starting to have some issues with keeping COVID positive patients segregated to the tent unit that has been erected outside the clinic. The number of persons seeking monoclonal antibodies has been significantly higher with the recent increase in cases and the increased severity of the Delta variant. We have taken additional portable hospital beds to the clinic for the tent and we are looking at other potential housing options for persons under treatment. We are also taking inventory of EMS capacity and capabilities if the clinics need assistance administering the monoclonal antibody therapy.

We have been experiencing more impacts to city staffing recently due to positive cases or exposure to positive cases.

We will continue to monitor the alert level, number, and type of cases and will continue to have city facilities generally open to the public unless the situation changes based on the policy presented to the council in January and the direction given by the council in July. Currently no masks are required in city facilities or at city activities. We have made masks generally available to both the public and staff. We have also made N-95 masks available to staff members who are at higher risk of exposure due to contact with the general public.

EMS Report

August 26, 2021

Submitted by Minnie Ellison, EMS Coordinator

August Calls

18 runs/ 52 responders

Crew Status

The month of August was filled with training for our newest EMTs.

Tsai passed his State EMS Test, so he is now a Lead EMT In training. This means that he will run a call and will be backed up by a higher level EMT.

Josiah has been a Lead EMT in training for eight months. Due to the small number of calls, he will be training for a couple more months with a higher level EMT. Josiah will be transferring over to the Police Department in September, pending he passes all their required testing. Josiah will continue to respond with Craig EMS when he is not on duty with the EMS.

Adora has not been able to begin her sign offs yet. With COVID being present in the community, we have not had any large group trainings on the weekends, when she can possibly train with us.

Ken has finished his Fish Chartering season. He is responding when he can and is responding when he is available. He is not yet on the schedule because he will be spending time with family for a couple of weeks. Ken will return as a Lead EMT I.

Training

Due to COVID being so prevalent in Craig, we have not gathered as a group. We are individually training via online. As soon as numbers decrease, we will gather to go over calls, and hands on training.

COVID 19

Protocols are in place for transporting and caring for COVID patients.

We have transported a few sick COVID patients.

Dr. Koehler/ Medical Director

Dr. Koehler has not returned to Craig, as she is also caught up in the COVID pandemic and caring for patients. She is going to come as soon as she is allowed the time.

Recruitment

We are continuing to advertise for new EMS and Fire recruits.

Please feel free to refer people to me.

Thank you for your continued support.



To: Craig City Council

From: Hans Hjort, Harbor Master

Date: August 26, 2021

RE: September staff report

Harbor department report September 2021

The ice house has ran very well this season with no major break downs. Daniel Jackson tells me that by his calculations he has sold more ice this season than he has ever sold. He should be here until the middle of September.

The boat yard has finally slowed down and we are starting to plan some maintenance projects for the Brownell boat hauler. The biggest project is to get the machine painted. We plan to take it out of service the first part of October. We will be able to park the machine inside the heated shop and do all of the prep work and painting inside. We are working with a painter that works for Tyler rentals as an equipment painter. He has extensive experience working on projects like the boat trailer.

We have an opening at the harbor for an assistant harbor master. The position is open until filled. We're hoping we can get the position filled soon.

We have another opening at the harbor as our billing clerk Michelle Dahlstrom will be moving in September. Michelle has been with the harbor department for 10 years and has been a wonderful employee. Her knowledge and skills will be greatly missed. We have offered the position to someone else and are waiting to complete all pre-employment paperwork before the replacement starts. We hope to have the new hire work with Michelle for 3 weeks to learn the job.

A harbor advisory committee meeting was scheduled for August 26th but was cancelled for lack of a quorum. We are hoping to meet September 30th but have not yet confirmed that date.

I have personal leave planned for a few weeks in September. Michelle and Jason will handle the day to day operations of the harbor in my absence.

The busiest time of the season is now behind us and things will begin to slow down soon.

7/30/2021-8/25/2021

Patron Visits: 682

Circulation: 2242

Computer Usage: 101

WiFi Usage: 410 unique visitors, 1305 total visits

Tests Proctored: 0

Meetings: 1

Story Times: 4 Facebook

Inter-Library Loans: 36

Summer Reading ends on Tuesday (8/31) after a Tie-Dye Party on Monday. So far participants have read over 1,200 hours (one 6-year-old has logged 160 hours of her own)! I am grateful this year's program was so successful after last year's dismal COVID summer. I'll have a more thorough report for the next council meeting.

Between now and my wedding vacation (I'll be gone September 11-26), I will be submitting grant reports from FY21 and applying for some FY22 grants from the State Library.

We are still looking for a part-time employee and evening volunteers.

Submitted by Angela Matthews, Library Director

**CITY OF CRAIG
MEMORANDUM**



Date: 08/26/2021
To: Honorable Tim O'Connor, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report / August 2021 *RJ Ely*

ACTIVITY

Activity from July 29, 2021 through August 25, 2021 Dispatch Center took the following amount of calls for service.

Craig	1,064
Klawock	298
AST	15

DEPARTMENT OF MOTOR VEHICLES

Travis Tuttle has been signed off and is conducting CDL Road Tests.

McKenna Holloway has completed all DMV Required Training and is now fully commissioned DMV Agent.

DISPATCHER(S)

Still looking to fill a full time & part time Dispatcher position.

OFFICER(S)

Ofc Dustin Connolly has completed everything required to obtain his Basic Police Officer Certification. Once I received it, it will be presented to him.

Have made an officer to a person; pending certain tests, he will start in September 2021.

OTHER

Almost completed outfitting the newest Tahoe and it should be in service, September 2021.

Just finished wrapping up a joint operation with Juneau Pretrial Office / PED. 3 arrests made, few possible pending charges and several items seized as evidence.

Myself and other officers will be attending DataMaster cdm recertification training, next month or so. ARIDE Training could still happen, pending on instructor availability this year.

Have seen an increase in criminal cases, from pass years.

Have seen an increase in good cases being dismissed, due to Staffing at DA's Office. With increase of CPD Cases, other LEO Cases from POW, as well with Ketchikan and Metlakatla PD's submitting criminal cases, no increase in prosecutor's, they are not able to handle the high number of cases.

DA Tim McGillicuddy has given his notice and will be leaving in October of this year. His position will be refilled, but it's not clear as to when. If not filled prior to his departure, it will leave two A-DA's to handle all the criminal cases.

Public works Report

8.26.2021

Streets and Alleys:

- a. Spring operations i.e.: road right away trimming, sweeping, cleanup, and brushing has been started.
- b. Phase 1.2 sidewalk project concrete curb work started the week of May 17th, 2021. Additional concrete has been poured for the sidewalks.

Sewer:

- a. Daily and Monthly General maintenance and sampling at the wastewater treatment plant as required.
- b. Responded to power outages as required.
- c. Monthly Sludge removal as required.

Water:

- a. "Water Operator Report". Daily and Monthly General maintenance and sampling at the water treatment plant and distribution system as required.
- b. Water meter repair and/or replace as required.
- c. Monthly Bacti samples collected as required.
- d. Continuous work with radio read meter system. Additional radios have been ordered.
- e. TTHM&HAA5 samples collected as required for Third Quarter sampling cycle. The quarterly samples average are below the MCL.

Equipment:

- a. 2021 garbage truck on order. Expected delivery date is mid-October.

Solid Waste:

- a. Weekly pick-up process performed as require.
- b. Residential bear resistant carts on order. Delivery will be mid-October.

Projects:

- a. Safety Program review (work in progress)
- b. New soda ash machine installed at water treatment plant (Completed)
- c. North & South Cove Harbors back-flow preventer installation project bid (work in progress)
- d. Lagoon beach cleanup (completed).
- e. Dam inspection by engineers. (in progress)

Recreation Report to the Craig City Council, September 2021

Dear City Council members and Mayor O'Connor,
In August a volleyball player with COVID19 came in close contact with 24 other players. Contact tracing closed the program down for a week. The program has been very popular and we have had a lot of players this summer.

Soccer was a blast! Shin guards and pines are washed and put away for another year. Big goals are still up for community use.



Skating and Blading will be back later this fall due to low participation. Maranda is on vacation. Still have volunteer run Magic and other games at the Youth and Rec Center on Saturdays at 4pm with Jon Wilburn. Karate continues to be popular. Daycare uses the gym when they are open in the mornings. Rental is still available.



Katrina Peavey is back and we have a clean up on Sept. 4th.

2021 Craig-Klawock King Salmon Derby Winners!

1st Place Travis Wilson, 57.6 (here with the wounded warriors)
Jeneatta Johnson 44.6

3rd Place Justin Fitch 43.3

\$10,000 Raffle winner was Jonny Neely from
Puyallup



Washington

who fished with Fireweed.



Parks & Public Facilities

Aug 27, 21, 10:55 AM

Staff Report – August 2021

To: Craig Mayor and City Council

From: Douglas Ward

Personal Time off 8/09 – 8/13; 8/30 - 9/03

Current Projects Underway:

1. Trail repairs, and re-graveling. Cemetery Island Trail.
2. Installation of touchless faucets at City Hall.
3. Road upgrade on entrance to Ralph James Picnic Shelter.
4. Install new entrance door at fire hall.
- 5.
6. Build bear trap for City use.
- 7.
8. Fabricate portable pressure washer trailer.

Completed Items:

1. Install new door in Public Works shop.
2. Day to day service calls

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

Division of Wildlife Conservation
Eddie Grasser, Director

Region I, Ketchikan Area Office
2030 Sea Level Drive, Suite 205
Ketchikan, AK 99901-6073



Alaska Department of Fish and Game
Doug Vincent-Lang, Commissioner

PO Box 115526
Juneau, AK 99811-5526
www.adfg.alaska.gov

Advisory Announcement

For Immediate Release: Date of Release

CONTACT: Ketchikan Area Office
(907)225-2475

Report GMU2 Wolf Sightings Online

August 16, 2021 – The Alaska Department of Fish and Game (ADF&G) is collecting wolf observations from Game Management Unit 2 (GMU 2). The public is encouraged to report wolf sightings online at <http://www.adfg.alaska.gov/index.cfm?adfg=wildlifediversity.powwolves>.

ADF&G is interested in wolf sightings on Prince of Wales Island and the surrounding islands of Game Management Unit 2. Please report sightings soon after their occurrence (seeing, hearing, pictures of wolves or tracks, recordings of howling). ADF&G records observations year round and all observations are appreciated. ADF&G uses these sightings to track observations across GMU 2.

ADF&G's website allows you to pinpoint the exact location of your wolf observation. Photos, videos, and audio recordings can be uploaded to the website to share your observations. You will be prompted to list the date and time of the observation, the number of wolves you observed, and any notes about the observation. Details are helpful. Anyone who submits an observation will receive an email summary of all observations around February.

In 2020, 29 people reported 49 wolf observations. People reported collecting pictures of wolves on trail cameras, finding wolf tracks, seeing wolves, and hearing wolves. These observations spanned 94 miles north to south and on 4 outer islands but were highest on the road system. Most people observed 1-2 wolves, but a couple people reported 10+ wolves. People noted that they saw wolves while driving and while hunting, and included notes about coat color, number of pups versus adults, and more.

ADF&G appreciates these observations and encourages anyone to report wolf sightings from GMU 2 on the website. Your personal information and the specific wolf location will be confidential. If you have any questions, contact the Ketchikan Area Office (907-225-2475). Share this opportunity with friends and family to help spread the word about this program.

Thank you for your participation!

###

CITY OF CRAIG

Account Statement - Period Ending July 31, 2021



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

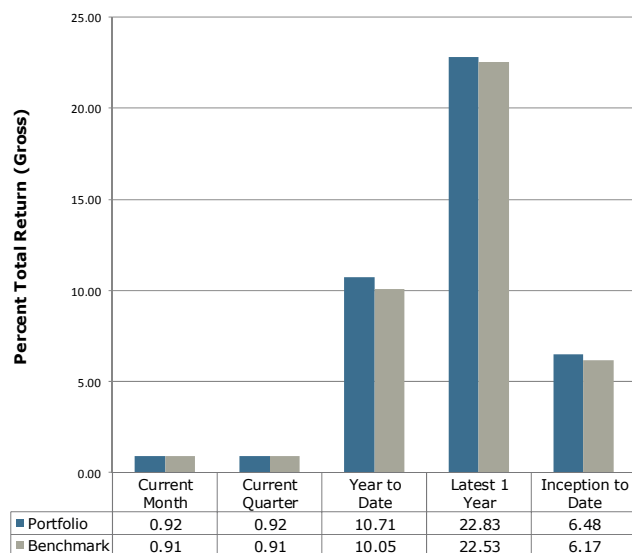
Portfolio Value on 06-30-21	15,923,070
Contributions	0
Withdrawals	-3,981
Change in Market Value	141,035
Interest	5,987
Dividends	0
Portfolio Value on 07-31-21	16,066,111

MANAGEMENT TEAM

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

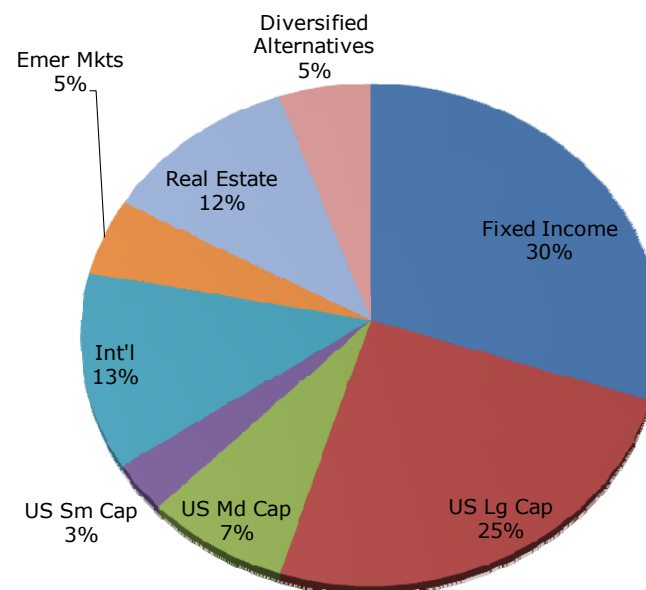
INVESTMENT PERFORMANCE

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
July 31, 2021

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	4,814,549	30.0	20% to 45%
Cash (0.0%)	24,349	0.2	na
Subtotal:	4,838,898	30.1	
EQUITY (51%)			
US Large Cap (24.0%)	3,949,221	24.6	15% to 35%
US Mid Cap (7.0%)	1,213,425	7.6	2% to 12%
US Small Cap (3.0%)	510,835	3.2	0% to 6%
Developed International Equity (12.0%)	2,022,851	12.6	7% to 17%
Emerging Markets (5.0%)	796,383	5.0	0% to 10%
Subtotal:	8,492,715	52.9	
ALTERNATIVE INVESTMENTS (15%)			
Real Estate (5.0%)	875,201	5.4	0% to 10%
Infrastructure (5.0%)	986,296	6.1	0% to 10%
Commodities (5.0%)	873,002	5.4	0% to 10%
Subtotal:	2,734,498	17.0	
TOTAL PORTFOLIO	16,066,111	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
July 31, 2021

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
1,705	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	1,783	106.50	1,816	0.01	68	6	-0.86
					6	0.00			
			1,783		1,822	0.01		6	
CORPORATE BONDS									
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	100.61	50,303	0.31	975	406	0.90
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	100.99	50,496	0.31	1,437	543	1.26
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	103.52	51,761	0.32	1,100	504	0.46
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	108.34	54,170	0.34	1,937	969	0.51
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	108.16	54,080	0.34	1,800	555	0.54
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	107.77	53,883	0.34	1,650	651	0.76
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	112.22	56,109	0.35	1,950	650	0.90
50,000	TARGET CORP 2.500% Due 04-15-26	96.45	48,223	107.61	53,804	0.33	1,250	368	0.85
40,000	CONOCOPHILLIPS COMPANY 6.950% Due 04-15-29	138.96	55,582	136.81	54,726	0.34	2,780	819	1.81
25,000	INTEL CORP 2.450% Due 11-15-29	105.68	26,420	105.39	26,348	0.16	612	129	1.75
50,000	SIMON PROPERTY GROUP LP 2.650% Due 07-15-30 Accrued Interest	104.61	52,303	105.53	52,765	0.33	1,325	59	1.97
					5,653	0.04			
			540,108		564,100	3.51		5,653	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
9,006	SPDR S&P 500 ETF	160.80	1,448,130	438.51	3,949,221	24.58	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
4,499	ISHARES CORE S&P MIDCAP 400 ETF	136.46	613,925	269.71	1,213,425	7.55	NA		
DOMESTIC SMALL CAP EQUITY FUNDS/ETF									
4,633	ISHARES S&P SMALLCAP 600 INDEX ETF	67.18	311,266	110.26	510,835	3.18	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
26,775	ISHARES ETF CORE MSCI EAFE	64.64	1,730,693	75.55	2,022,851	12.59	NA		

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
July 31, 2021

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
EMERGING MARKET FUNDS/ETF									
12,599	ISHARES ETF CORE MSCI EMERGING MKTS	48.10	606,020	63.21	796,383	4.96	NA		
REAL ESTATE & INFRASTRUCTURE									
17,038	FLEXSHAR STX GLOBAL BROAD INF ETF	49.75	847,652	57.89	986,296	6.14	NA		
8,705	JPMORGAN BETABUILDERS MSCI US REIT ETF	80.44	700,253	100.54	875,201	5.45	NA		
			1,547,905		1,861,496	11.59			
COMMODITIES									
15,693	iSHARES BB ROLL SELECT COMMODITY ETF	38.47	603,694	55.63	873,002	5.43	NA		
U.S. TREASURY									
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	100.48	75,357	0.47	1,500	379	0.10
350,000	US TREASURY NOTES 0.375% Due 03-31-22	100.30	351,067	100.20	350,700	2.18	1,312	441	0.07
200,000	US TREASURY NOTES 2.125% Due 06-30-22	98.10	196,209	101.86	203,726	1.27	4,250	370	0.09
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	101.96	152,935	0.95	2,437	517	0.11
80,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	79,783	103.91	83,128	0.52	2,100	879	0.15
165,000	US TREASURY NOTES 0.250% Due 04-15-23	99.96	164,941	100.16	165,264	1.03	412	122	0.16
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	104.68	130,850	0.81	3,125	1,442	0.20
130,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	129,898	102.44	133,169	0.83	1,787	748	0.20
115,000	US TREASURY NOTES 2.125% Due 03-31-24	98.81	113,630	104.86	120,584	0.75	2,444	823	0.30
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	106.09	106,090	0.66	2,375	1,096	0.36
75,000	US TREASURY NOTES 1.500% Due 09-30-24	105.26	78,944	103.50	77,622	0.48	1,125	378	0.39
65,000	US TREASURY NOTES 2.125% Due 11-30-24	102.02	66,312	105.64	68,667	0.43	1,381	234	0.42
75,000	US TREASURY NOTES 2.000% Due 02-15-25	100.63	75,469	105.39	79,043	0.49	1,500	692	0.46
360,000	US TREASURY NOTES 0.500% Due 03-31-25	100.67	362,404	100.05	360,184	2.24	1,800	605	0.49
80,000	US TREASURY NOTES 0.375% Due 04-30-25	100.32	80,256	99.52	79,616	0.50	300	76	0.50
50,000	US TREASURY NOTES 0.375% Due 11-30-25	100.08	50,040	99.04	49,521	0.31	187	32	0.60
100,000	US TREASURY NOTES 2.500% Due 02-28-26	100.40	100,397	108.40	108,398	0.67	2,500	1,046	0.64

RETURN TO TOP

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
July 31, 2021

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
50,000	US TREASURY NOTES 0.750% Due 03-31-26	99.54	49,769	100.45	50,224	0.31	375	126	0.65
60,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	60,633	104.49	62,693	0.39	975	207	0.67
50,000	US TREASURY NOTES 0.750% Due 05-31-26	99.95	49,974	100.34	50,172	0.31	375	63	0.68
60,000	US TREASURY NOTES 0.625% Due 07-31-26	99.48	59,689	99.65	59,790	0.37	375	1	0.70
200,000	US TREASURY NOTES 2.000% Due 11-15-26	98.10	196,199	106.48	212,962	1.33	4,000	848	0.75
145,000	US TREASURY NOTES 0.625% Due 03-31-27	100.84	146,214	99.05	143,630	0.89	906	305	0.80
50,000	US TREASURY NOTES 0.500% Due 04-30-27	100.05	50,027	98.19	49,094	0.31	250	63	0.82
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	108.29	135,366	0.84	2,812	596	0.89
100,000	US TREASURY NOTES 0.625% Due 11-30-27	99.93	99,929	98.21	98,215	0.61	625	106	0.92
70,000	US TREASURY NOTES 1.250% Due 03-31-28	99.61	69,728	101.86	71,304	0.44	875	292	0.96
50,000	US TREASURY NOTES 1.250% Due 04-30-28	100.46	50,230	101.85	50,924	0.32	625	158	0.97
60,000	US TREASURY NOTES 1.250% Due 06-30-28	101.49	60,896	101.70	61,022	0.38	750	65	0.99
80,000	US TREASURY NOTES 3.125% Due 11-15-28	102.02	81,613	114.75	91,797	0.57	2,500	530	1.02
125,000	US TREASURY NOTES 2.625% Due 02-15-29	99.82	124,774	111.36	139,204	0.87	3,281	1,514	1.05
50,000	US TREASURY NOTES 1.625% Due 08-15-29	99.35	49,673	104.09	52,045	0.32	812	375	1.09
20,000	US TREASURY NOTES 1.750% Due 11-15-29	99.71	19,943	105.03	21,007	0.13	350	74	1.11
70,000	US TREASURY NOTES 1.500% Due 02-15-30	108.44	75,911	102.88	72,015	0.45	1,050	484	1.15
50,000	US TREASURY NOTE 0.625% Due 08-15-30	98.95	49,476	95.16	47,582	0.30	312	144	1.19
50,000	US TREASURY NOTES 0.875% Due 11-15-30	99.62	49,808	97.09	48,547	0.30	437	93	1.21
100,000	US TREASURY NOTE 1.125% Due 02-15-31	95.52	95,523	99.12	99,125	0.62	1,125	519	1.22
85,000	US TREASURY NOTES 1.625% Due 05-15-31	102.60	87,207	103.67	88,121	0.55	1,381	293	1.23
	Accrued Interest				16,734	0.10			
			3,941,009		4,066,429	25.31		16,734	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
July 31, 2021

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
AGENCIES									
50,000	FREDDIE MAC 0.450% Due 12-24-24	100.03	50,015	99.85	49,925	0.31	225	79	0.49
50,000	FEDERAL HOME LOAN BANK 0.500% Due 04-14-25	100.38	50,188	100.11	50,055	0.31	250	74	0.47
40,000	FEDERAL HOME LOAN BANK 0.600% Due 08-27-25	99.94	39,975	99.75	39,899	0.25	240	103	0.66
40,000	FHLB 1.625% Due 03-12-27 Accrued Interest	104.31	41,722	104.53	41,812	0.26	650	251	0.80
					507	0.00			
			181,900		182,199	1.13		507	
CASH AND EQUIVALENTS									
	CASH PAYABLE		-59,691		-59,691	-0.37	NA		
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		84,040		84,040	0.52			
			24,349		24,349	0.15			
TOTAL PORTFOLIO			11,550,781		16,066,111	100	72,982	22,900	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 07-01-21 To 07-31-21

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
DOMESTIC MID CAP EQUITY FUNDS/ETF				
07-01-21	07-06-21	ISHARES CORE S&P MIDCAP 400 ETF	67.0000	18,205.24
INTERNATIONAL EQUITY FUNDS/ETF				
07-01-21	07-06-21	ISHARES ETF CORE MSCI EAFE	302.0000	22,634.90
U.S. TREASURY				
07-29-21	07-30-21	US TREASURY NOTES 1.625% Due 05-15-31	60,000	61,969.68
07-29-21	07-30-21	US TREASURY NOTES 1.250% Due 06-30-28	60,000	60,896.22
07-29-21	08-02-21	US TREASURY NOTES 0.625% Due 07-31-26	60,000	59,689.20
				182,555.10
				223,395.24
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
07-31-21	07-31-21	MANAGEMENT FEES		4,016.53
				4,016.53
INTEREST				
CASH AND EQUIVALENTS				
07-15-21	07-15-21	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		1.58
CORPORATE BONDS				
07-15-21	07-15-21	SIMON PROPERTY GROUP LP 2.650% Due 07-15-30		662.50

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 07-01-21 To 07-31-21

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
07-15-21	07-15-21	FHLMC POOL G14203 4.000% Due 04-01-26		5.93
				670.01
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
07-15-21	07-15-21	FHLMC POOL G14203 4.000% Due 04-01-26	73.58	73.58
				73.58
PURCHASED ACCRUED INTEREST				
U.S. TREASURY				
07-29-21	07-30-21	US TREASURY NOTES 1.625% Due 05-15-31		201.36
07-29-21	07-30-21	US TREASURY NOTES 1.250% Due 06-30-28		61.14
07-29-21	08-02-21	US TREASURY NOTES 0.625% Due 07-31-26		2.04
				264.54
				264.54
SALES, MATURITIES, AND CALLS				
REAL ESTATE & INFRASTRUCTURE				
07-01-21	07-06-21	JPMORGAN BETABUILDERS MSCI US REIT ETF	424.0000	41,085.39
				41,085.39
WITHDRAW				
CASH AND EQUIVALENTS				
07-21-21	07-21-21	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		3,980.77

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 07-01-21 To 07-31-21

Trade Date	Settle Date	Security	Quantity	Trade Amount
07-30-21	07-30-21	DIVIDEND ACCRUAL		12,391.13
				16,371.90
				16,371.90

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 07-01-21 Through 07-31-21

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
07-01-21	424.0000	JPMORGAN BETABUILDERS MSCI US REIT ETF	34,107.66	41,085.39	6,977.73
07-15-21	73.58	FHLMC POOL G14203 4.000% Due 04-01-26	76.94	73.58	-3.36
TOTAL GAINS					6,977.73
TOTAL LOSSES					-3.36
			34,184.60	41,158.97	6,974.37

Alaska Permanent Capital Management Co.

CASH LEDGER***CITY OF CRAIG****From 07-01-21 To 07-31-21*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CASH PAYABLE					
07-01-21			Beginning Balance		0.00
07-29-21	08-02-21	wd	Purchase	US TREASURY NOTES 0.625% Due 07-31-26	-59,689.20
07-29-21	08-02-21	wd	Accrued Interest	US TREASURY NOTES 0.625% Due 07-31-26	-2.04
07-31-21			Ending Balance		-59,691.24
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
07-01-21			Beginning Balance		197,769.48
07-01-21	07-06-21	wd	Purchase	ISHARES CORE S&P MIDCAP 400 ETF	-18,205.24
07-01-21	07-06-21	wd	Purchase	ISHARES ETF CORE MSCI EAFE	-22,634.90
07-01-21	07-06-21	dp	Sale	JPMORGAN BETABUILDERS MSCI US REIT ETF	41,085.39
07-15-21	07-15-21	dp	Interest	SIMON PROPERTY GROUP LP 2.650% Due 07-15-30	662.50
07-15-21	07-15-21	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	73.58
07-15-21	07-15-21	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	5.93
07-15-21	07-15-21	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	1.58
07-21-21	07-21-21	wd	Withdrawal	from Portfolio	-3,980.77
07-29-21	07-30-21	wd	Purchase	US TREASURY NOTES 1.625% Due 05-15-31	-61,969.68
07-29-21	07-30-21	wd	Accrued Interest	US TREASURY NOTES 1.625% Due 05-15-31	-201.36
07-29-21	07-30-21	wd	Purchase	US TREASURY NOTES 1.250% Due 06-30-28	-60,896.22

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 07-01-21 To 07-31-21

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
07-29-21	07-30-21	wd	Accrued Interest	US TREASURY NOTES 1.250% Due 06-30-28	-61.14
07-30-21	07-30-21	dp	Transfer from	DIVIDEND ACCRUAL	12,391.13
07-31-21			Ending Balance		84,040.28
DIVIDEND ACCRUAL					
07-01-21			Beginning Balance		12,391.13
07-30-21	07-30-21	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-12,391.13
07-31-21			Ending Balance		0.00

CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending July 31, 2021



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

Portfolio Value on 06-30-21	2,907,719
Contributions	0
Withdrawals	0
Change in Market Value	-1,498
Interest	1,656
Dividends	0
Portfolio Value on 07-31-21	2,907,876

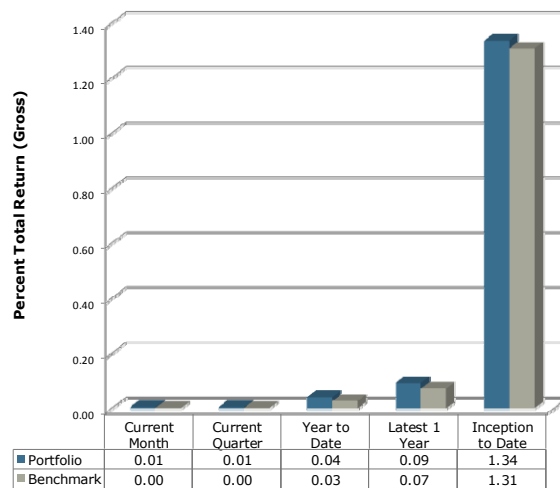
MANAGEMENT TEAM

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

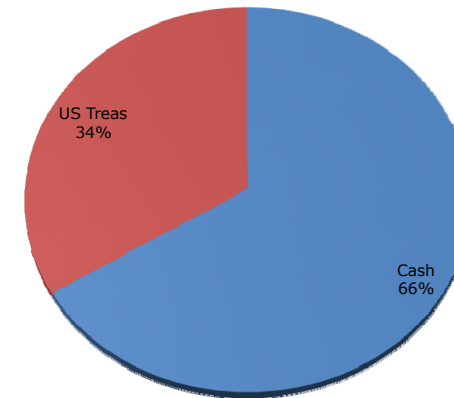
PORTFOLIO COMPOSITION

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: 0.06% Average Maturity: 0.22 Yrs

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

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG - SCHOOL FUNDS
July 31, 2021

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
485,000	US TREASURY NOTES 1.500% Due 11-30-21	100.88	489,278	100.47	487,304	16.76	7,275	1,232	0.07
490,000	US TREASURY NOTES 2.500% Due 01-15-22 Accrued Interest	102.73	503,375	101.11	495,434	17.04	12,250	566	0.07
			992,653		984,536	33.86		1,798	
TREASURY BILLS									
560,000	US TREASURY BILLS 0.000% Due 08-26-21	99.98	559,870	100.00	559,989	19.26	NA	0	0.03
440,000	US TREASURY BILL 0.000% Due 09-23-21	99.98	439,926	99.99	439,971	15.13	NA	0	0.04
340,000	US TREASURY BILLS 0.000% Due 11-12-21	99.99	339,963	99.99	339,957	11.69	NA	0	0.05
220,000	US TREASURY BILLS 0.000% Due 11-18-21	99.99	219,987	99.98	219,967	7.56	NA	0	0.05
			1,559,746		1,559,884	53.64		0	
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		363,456		363,456	12.50			
TOTAL PORTFOLIO			2,915,855		2,907,876	100	19,525	1,798	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG - SCHOOL FUNDS
From 07-01-21 To 07-31-21

Trade Date	Settle Date	Security	Quantity	Trade Amount
INTEREST				
CASH AND EQUIVALENTS				
07-15-21	07-15-21	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		0.14
U.S. TREASURY				
07-15-21	07-15-21	US TREASURY NOTES 2.500% Due 01-15-22		6,125.00
				6,125.14
SALES, MATURITIES, AND CALLS				
TREASURY BILLS				
07-22-21	07-22-21	US TREASURY BILL 0.000% Due 07-22-21	340,000	340,000.00
				340,000.00

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG - SCHOOL FUNDS
From 07-01-21 Through 07-31-21

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
07-22-21	340,000	US TREASURY BILL 0.000% Due 07-22-21	339,865.40	340,000.00	134.60
TOTAL GAINS					134.60
TOTAL LOSSES					0.00
			339,865.40	340,000.00	134.60

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF CRAIG - SCHOOL FUNDS
From 07-01-21 To 07-31-21

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
07-01-21			Beginning Balance		17,331.12
07-15-21	07-15-21	dp	Interest	US TREASURY NOTES 2.500% Due 01-15-22	6,125.00
07-15-21	07-15-21	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	0.14
07-22-21	07-22-21	dp	Sale	US TREASURY BILL 0.000% Due 07-22-21	340,000.00
07-31-21			Ending Balance		363,456.26

Hello Distinguished Municipal Leaders,

The [Southeast Alaska Indigenous Transboundary Commission](#) (SEITC) and [Salmon Beyond Borders](#) reach out to you today with a sense of urgency. Canada continues to permit massive mines with toxic tailings dams along shared rivers without the meaningful engagement of those of us downstream. Meanwhile, transboundary salmon runs plummet. [We again](#) call on regional municipalities to join us in the ongoing effort to defend the Taku, Stikine, and Unuk Rivers -- **THE RIVERS THAT FEED US.**

We humbly request that the City of Craig Council consider adopting a municipal resolution based on the **attached Resolution of Support** language that has been carefully drafted, considered, and signed by many of our closest transboundary partners who represent multiple sectors and interests of Southeast Alaska.

We also request the opportunity to provide a virtual update to your assembly at its earliest convenience before our potential community visits later this fall, pending Covid-19. *Would you please respond to Breanna@salmonstate.org to confirm that you've received this request, including your preferences for a virtual update to the assembly, by Friday, August 13th?*

Many thanks for your ongoing support and for your consideration of the next phase of our collective work as Southeast Alaskans to defend and sustain our transboundary salmon rivers. Please don't hesitate to reach out to us with questions, ideas, or concerns at any time.

Sincerely,
Breanna Walker, Campaign Coordinator
Salmon Beyond Borders

On behalf of
Frederick Otilius Olsen, Jr., Executive Director
Southeast Alaska Indigenous Transboundary Commission
and
Jill Weitz, Campaign Director
Salmon Beyond Borders

[Southeast Alaska Indigenous Transboundary Commission](#) is a consortium of 15 Tribal governments founded in 2014 working to protect our Tribal lands and waterways for future generations in the Southeast Alaska/Bristol Bay/British Columbia/Yukon Territories region.

[Salmon Beyond Borders](#) is a campaign driven by sport and commercial fishermen, community leaders, tourism and recreation business owners, and concerned citizens, in collaboration with Tribes and First Nations. It is united across the Alaska/British Columbia border to defend and sustain our transboundary rivers, jobs, and way of life.

--
Breanna Walker, Campaign Coordinator
[Salmon Beyond Borders](#)
Juneau, Alaska
Auk Kwáan and Taku Kwáan lands
breanna@salmonstate.org
1.218.244.2723



**A RESOLUTION OF SUPPORT
FOR A PERMANENT BAN ON TAILINGS DAMS AND FOR A TEMPORARY HALT TO THE
PERMITTING, EXPLORATION, DEVELOPMENT, AND EXPANSION OF CANADIAN MINES
ALONG ALASKA-BRITISH COLUMBIA TRANSBOUNDARY SALMON RIVERS
UNTIL THE UNITED STATES-CANADA BOUNDARY WATERS TREATY OF 1909 AND
THE UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES ARE UPHELD AND AN
INTERNATIONAL AGREEMENT ON WATERSHED PROTECTIONS IS IMPLEMENTED**

WHEREAS, the Boundary Waters Treaty of 1909 was signed to prevent and resolve disputes over the use of shared waters between the United States (U.S.) and Canada, declaring in Article IV that, "it is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other;" and

WHEREAS, the Alaska-British Columbia (B.C.) Memorandum of Understanding and associated Statement of Cooperation on Protection of Transboundary Waters signed by the State of Alaska and the Province of B.C. in 2015 are important, but cannot provide binding, enforceable protections for the residents, rivers, and watersheds of the Alaska-B.C. transboundary region; and

WHEREAS, inadequately regulated Canadian hard rock mines in Northwest B.C., most of which are large-scale and open-pit, are occurring in known acid-generating ore bodies near the transboundary Taku, Stikine, and Unuk Rivers shared with Southeast Alaska, producing massive tailings dams that have to store toxic waste forever, expansive waste rock storage facilities, the need for perpetual water treatment, roads, and other infrastructure, as well as threatening (both in the short term and on geological timescales) the productivity and ecological health of these watersheds through cumulative impacts, contamination, habitat destruction, and/or possible catastrophic failures; and

WHEREAS, the Taku, Stikine, and Unuk Rivers are of tremendous and unique cultural, ecological, subsistence, economic, and recreational value as Indigenous people from several Nations have stewarded the Alaska-B.C. transboundary region since time immemorial and this region is now home to nearly 80,000 people in dozens of communities; and

WHEREAS, the Southeast Alaska Indigenous Transboundary Commission - a consortium of fifteen federally recognized Tribes in Southeast Alaska - in 2018 submitted a petition to the Inter-American Commission on Human Rights, asserting that Canada has violated their human rights by failing to prevent foreseeable harms from hard rock mines in B.C., and on March 31, 2021 sent a request to B.C. Premier Horgan for a pause in the permitting of B.C. mining projects in Alaska-B.C. transboundary watersheds until an agreement is made regarding Alaska Tribal participation in ongoing permit decisions pursuant to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); and

WHEREAS, the clean water and intact habitat of Alaska-B.C. transboundary watersheds are historically some of the most productive wild salmon rivers on the entire west coast of North America, with the Taku, Stikine, and Unuk Rivers alone contributing nearly \$50 million in economic activity, \$34 million in direct spending, over 400 jobs and almost \$20 million in labor income towards Southeast Alaska's annual multi-billion dollar fishing and visitor industries; and

WHEREAS, the leaching of heavy metals to groundwater and sediment from mining can contaminate freshwater systems for decades, preventing recovery of fish populations many



years after the cessation of mining activity and posing a risk to human health, and B.C.'s Tulsequah Chief mine in the Taku River watershed has been abandoned and leaching acid mine drainage since 1957; and

WHEREAS, B.C.'s environmental assessment process does not set legal requirements or standards for assessing cumulative effects of existing and proposed development, and B.C.'s open-pit Red Chris mine has been operating at the headwaters of the Stikine River since 2015, the entire riparian corridor of the Iskut River, the largest tributary of the Stikine River, is staked with B.C. mineral claims, B.C.'s Kerr-Sulphurets-Mitchell project (KSM), if built as proposed in the Unuk-Nass River watersheds, would be the largest open-pit mine in Canada and one of the largest in the world, and more than half of the B.C. portion of the Unuk watershed is staked with mineral claims; and

WHEREAS, the Taku, Stikine, and Unuk Rivers are experiencing a decline in wild salmon populations, resulting in the Alaska Department of Fish and Game listing Chinook salmon in the Unuk River as a Stock of Concern in 2017 and will soon list Chinook salmon in the Taku and Stikine Rivers as Stocks of Concern; and

WHEREAS, on June 30, 2021, Canada's Department of Fisheries and Oceans eliminated 60% of its commercial salmon fleet in B.C. due to poor returns and declining populations - some near 90% declines - resulting in the largest set of commercial salmon fishery closures in B.C. history, while simultaneously B.C. continues to permit industrialization of the headwaters (spawning and rearing grounds) of some of its largest salmon producing systems; and

WHEREAS, the risk of natural forces such as extreme precipitation events and landslides, which are becoming more common due to climate change, add further instability to the mining infrastructure and could trigger catastrophic failure of the tailings waste dams and thereby release contaminants into the Taku, Stikine, and Unuk waterbodies and are inadequately addressed in B.C. mine operations designs; and

WHEREAS, following B.C.'s Mount Polley mine disaster in 2014 an expert panel appointed by the B.C. government found that if mining companies continue their business-as-usual operations the province could face an average of two dam failures every ten years and the same expert panel reported there are 123 active tailings dams in B.C.; and

WHEREAS, the Auditor General of B.C., in her report issued on May 3, 2016, found that the B.C. Ministry of Energy and Mines and Ministry of the Environment's "compliance and enforcement activities of the mining sector are inadequate to protect the province from significant environmental risks", and according to a 2017 report by the United Nations Environment Programme, Canada has the world's second-worst record for mine tailings spills after China, with seven incidents reported in the previous decade; and

WHEREAS, the June 2021 *Audit of Code Requirements for Tailings Storage Facilities* by B.C.'s Mine Audits and Effectiveness Unit, has found provincial mining code changes developed after the Mount Polley disaster lack the definition needed to ensure compliance, verification and enforcement--which means communities and the environment across the province lack full protection against the potentially catastrophic consequences of tailings dam failures that B.C.'s new mining code was meant to provide; and

WHEREAS, B.C. touts itself to U.S. officials and potential investors as a world-class marketplace for responsibly-sourced metals and a mining jurisdiction with highly positive ESG (Environment, Social, Governance) outcomes and yet, B.C. is supporting widespread exploration and the



permitting of open pits and tailings dams at mine sites across B.C. just upriver from four U.S. border states (AK, WA, ID, MT) and at the headwaters of some of North America's last remaining productive wild salmon rivers, without the consultation and consent of local Tribes and communities downstream; and

WHEREAS, Native Tribes in Alaska, First Nations in B.C., commercial fishermen, local communities, conservation groups, thousands of concerned citizens, and local, state, provincial, and federal lawmakers (including all eight Senators from the four border states) on both sides of the U.S.-Canada border have raised concerns since 1998 about B.C. mining development potentially causing significant harm to water quality, fish and wildlife, cultural practices, and local economies in Alaska-B.C. transboundary watersheds and still do not have a meaningful say in the shared management of our shared rivers; and

WHEREAS, the below signed agree to share information and seek all opportunities for collaboration to address these issues, promote methods to protect these vital rivers from harm, and seek to facilitate and promote meaningful dialogue and engagement at the local, state, federal, provincial, and Tribal levels to assure protection of resources on both sides of the border.

We, the undersigned business owners, organizations, and community members, seek a thriving Salmon Coast (AK-B.C. transboundary region) fed by intact ecosystems, healthy salmon populations and landscapes, robust traditional lifestyles, and sustainable economies.

Therefore, BE IT RESOLVED that we call upon President Joe Biden and the United States government and Prime Minister Justin Trudeau and the Canadian government to *immediately*:

1. **Utilize** their authority under the United States-Canada Boundary Waters Treaty of 1909 to prevent and resolve disputes over the use of shared waters; and
2. **Support** an immediate temporary halt to permitting, exploration, development, and expansion of Canadian mines along shared Alaska-B.C. salmon rivers until a binding international agreement on watershed protections, developed by *all* jurisdictions in these shared transboundary watersheds and consistent with the Boundary Waters Treaty of 1909 and the United Nations Declaration on the Rights of Indigenous Peoples, is implemented; and
3. **Convene** with local communities, stakeholders, and Indigenous leaders of the Taku, Stikine, and Unuk watersheds to develop the aforementioned binding international agreement on watershed protections. This agreement will identify and honor no-go zones and decisions by local residents and Indigenous people on both sides of the international border, ensure mining companies and shareholders are liable for cleaning up their waste and compensating impacted communities for all damages, and enforce requirements for mining best practices, including a permanent ban on the perpetual storage of contaminated water and wet tailings behind earthen dams along these irreplaceable Alaska-B.C. transboundary salmon rivers.

RECEIVED
AUG 25 2021

August 22, 2021

Dear Mayor and Members of the City Council,

The Ketchikan Humane Society is a private 501(c)3 non-profit based in Ketchikan. We have been providing rescue services for unwanted and abandoned animals locally since 2000, and in the past eight years have teamed up with both local veterinary clinics and expanded our fundraising efforts for the purpose of providing low-income people with reduced cost spay and neuter services for their pets. We ask each applicant to pay a portion, and we pay the balance of the cost.

We have a small Board of Directors, just five people, and all but one of us work full time. We do all the fundraising for our program in our spare time. We do not have a facility and we foster all our rescues in our limited number of private foster homes. We accept unwanted animals as we can, based on foster home availability, and pay for their veterinary care, food, and their spay or neuter surgery, and then place them in approved homes. Our veterinary bills for rescues and for low-cost spay/neuter surgeries average about three thousand dollars per month. In recent years, the cost of providing services has increased, and the requests from Prince of Wales communities for financial and other assistance have increased as well. We are finding it more difficult to provide these services to outlying communities and we are concerned that we are reaching a point where we can no longer help.

The Ketchikan Gateway Borough's animal shelter closed entirely to surrenders for a few days recently, even for Ketchikan residents, due in part to the influx of pets being surrendered from Prince of Wales and Metlakatla.

We'd like to suggest that the major municipalities of Craig, Klawock, Hydaburg, and Thorne Bay, as well as the smaller communities of Naukati, Whale Pass, Edna Bay, and Kasaan, create a task force to either fund an island-wide shelter or provide financial assistance to a local POW rescue organization so that the unwanted and often unhealthy strays abandoned in each community may be cared for. Animal control is a municipal responsibility.

Supporting this effort would provide benefits economically, as visitors to the island take note of the numbers of sick and unwanted strays and this influences where they choose to spend their tourist dollars as well as where they elect to settle if they are considering a move.

At this time we are speaking with a veterinarian from outside Alaska, (licensed in Alaska) who is very experienced in setting up mass spay/neuter clinics, about funding one last effort to curtail the numbers of unwanted animals on Prince of Wales. We are willing to dedicate substantial funding toward this effort, but again, we cannot continue to do this indefinitely and we would encourage POW communities to accept the responsibility and begin funding either an island-wide shelter or supporting a local rescue in this effort.

Recently we started charting the numbers of phone requests we get specifically from POW communities. Note that these don't include contacts via email, Facebook, and regular mail. The phone log is provided for you on the second page of this letter.

Thank you for your attention.

The Ketchikan Humane Society Board of Directors

Canadice Jensen, Laura Jackson, Suzan Thompson, Kathy Bolling, Cynthia Hoggard
(Secretary/Treasurer)

*P.O. Box 6243, KETCHIKAN
967-821-0274*

RETURN TO TOP

CALL LOG; PHONE REQUESTS FOR ASSISTANCE FROM POW, March-August 2021

Total number of POW spay/neuter surgeries approved for funding by KHS in the past eight months: 49

3-19-21: Request to take young cat abandoned at Papac Log. Accepted, vetted, altered, placed. Last abandoned kitten from Papac accepted and placed in December of 2020.

4-25-21: Request from Klawock resident to meet with KHS Board to discuss problem of unwanted animals in community and how to set up a rescue.

5-8-21: Request to take five unwanted kittens from Craig. All ill with upper respiratory infections. Accepted into KHS foster home.

5-25-21: Request to take two young Heeler mixes from Edna Bay. Accepted into KHS foster home. Altered, vetted, placed.

6-5-21

Caller says someone put an unwanted kitten into her pickup truck after they gave away kittens in the parking lot of the supermarket in Craig. Contacted individual in TNB who is looking for a kitten and facilitated transfer.

6-9-21

Request from Klawock caller on POW to take her litter of kittens. Declined, as we have nine in rescue already. Suggested borough shelter.

6-12-21: Request to take young Great Dane. Accepted into KHS foster home. Neutered, placed.

6-14

Caller from Craig inquired if we could do a foster for a cat post-surgery.

6-17: Request for funding for spay/neuter of fifteen cats in Kasaan; we did those for free to help stem the tide in that community.

6-20

Caller from Craig requesting assistance with cat and five infant kittens. Needs help and advice and someone to take them. Declined, no open foster home.

6-23

Caller from Kasaan: mama cat and five kittens in Kasaan, approved for SNIP if done in Ketchikan at \$20 per kitten, \$50 mama for her. Cost to us: approximately \$1100, depending on sexes of kittens.

6-25

Caller from Craig, re: Karelian mix female puppy from Naukati needing placement. Declined, no foster home

6-28 Caller from Kake requesting we take one Husky/Corgi mix and three kittens. Declined, no foster home.

7-1

Caller requesting assistance with trap/alter/release of multiple ferals in Whale Pass. Provided t/a/r directions.

7-5 Call requesting assistance with multiple ferals in Craig and Klawock, provided t/n/r directions

7-10-21: Request from Klawock to take sick kitten found in the woods. Contacted a private Ketchikan resident who fosters for a Juneau group. Kitten was accepted.

7-12-21 Call requesting help with a female Lab mix puppy abandoned at Craig docks. KHS Board member agreed to foster. Puppy arrived 7-14. Vet said puppy is eight weeks. Vetted, will be altered when old enough, placed in foster-to-adopt home.

7-19-21 Request for low-cost neuter for large male dog, Klawock

7-22-21: Request from Craig resident to provide crates and kennels for transferring unwanted animals out of community. Sent car load of kennels via returning POW resident.

7-26-21 Request for low-cost spay for two cats from Craig resident

7-26-21 Request to take five unwanted kittens from Craig. Declined, no open foster home.

7-26-21 Phone request to alter two male tomcats in Craig who are spraying and impregnating throughout the neighborhood. Caller does not own cats but offered to donate cost of neuters. Declined; owner of animals must request help with neutering and this particular owner refused, as he said his male cats aren't coming home pregnant, so it isn't his problem.

8-6-21: Craig resident called asking us to take a sick kitten. Declined, no foster home.

8-6-21: Lady from Craig about a one year old Lab/Husky/Pit mix she wants to surrender. Referred her to Ketchikan shelter. No open foster home.

8-7-21: Request from Craig resident to take mama cat and six kittens; declined, no room.

8-7-21: Hydaburg, request to take abused dog, female, young, fear biter. Declined, no foster, referred caller to Ketchikan shelter.

8-12-21: Request to take Chesapeake Bay Retriever, one year old intact male, Whale Pass for surrender. Facilitated owner-to-owner transfer.

8-22-21: Request from caller in Thorne Bay to take two litters of kittens, seven total, found under trailers in the community. Declined; no open foster home

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: August 26, 2021
RE: Resolution 21-17

Attached you will find Resolution 21-17. The resolution sets fees for delivery of commercial drivers license (CDL) road tests.

The fees are based on wage and benefits costs for city staff time required to deliver the road tests. The tests are administered by a Craig PD dispatcher. Craig Police Chief RJ Ely reports that demand for the CDL tests is high.

Recommendation

Adopt Resolution 21-17.

**CITY OF CRAIG
RESOLUTION NO. 21-17**

SETTING FEES FOR COMMERCIAL DRIVERS LICENSE ROAD TESTING

WHEREAS, there is a need to provide CDL road tests on Prince of Wales Island; and,

WHEREAS, the City of Craig, Alaska through the Craig Police Department has an employee certified to conduct CDL road tests; and,

WHEREAS, each CDL road test requires several hours of city staff time; and,

WHEREAS, the length of the road test varies based upon the class of CDL sought; and,

WHEREAS, a fee schedule is needed to allow the City of Craig to recoup its costs; and,

WHEREAS, the city's labor cost to conduct the road testing is approximately \$45 per hour; and,

WHEREAS, other costs associated with the road test total approximately \$25.

NOW, THEREFORE, BE IT RESOLVED that the Craig City Council adopts the fee schedule below.

Class A Road Test / \$205.00 dollars
Class B Road Test / \$160.00 dollars
Class C Road Test / \$160.00 dollars

BE IT FURTHER RESOLVED that the effective date of this resolution is September 3, 2021.

Approved this ____ day of _____, 2021.

MAYOR TIM O'CONNOR

TRACEY JENSEN, CITY CLERK

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: July 29, 2021
RE: Application to Sell City Property to Maranda Hamme, Lot 4A, Salmonberry
Subdivision – Ordinance 739 Second Reading

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

Jeremiah and Josiah Bigelow applied to purchase Lots 3A and 4A in 2019 and the council approved the ordinance in November 2019. No action has been taken by them to move the purchase forward.

During the 2016/2017 land sale the lot appraised out at \$65,000. A new appraisal will have to be completed since this appraisal is more than 12 months old. After the 2016/2017 appraisal, the lots were replatted to add a portion of the tideland based on a discrepancy with the original survey. This additional square footage will be included in a new appraisal and will likely increase the value.

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

The council should discuss the appraisal and value process similar to other recent land sale items. The council may choose to add a premium value to the parcel (or use the appraised value as a sale value), in which case it is reasonable to have the applicant pay for the appraisal up front. The council may also choose to wait until the appraisal has been completed and a valuation set to decide on what to charge for the sale. In this case the city should pay for the appraisal up front and add the cost of the appraisal to the sale.

Recommendation: Discuss the valuation/appraisal issue and approve the second reading of Ordinance 739, authorizing the city administrator to negotiate the sale of city owned property to Maranda Hamme.

**CITY OF CRAIG
ORDINANCE No. 739**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH MARANDA HAMME, THE TERMS OF A SALE OF CITY OWNED LANDS CONSISTING OF LOT 4A, SALMONBERRY SUBDIVISION

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

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

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

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the sale of approximately 12,100 square feet of city owned land consisting of Lot 4A, Salmonberry Subdivision as shown on Plat 2018-24, Ketchikan Recording District. Final terms of said sale are subject to the approval of the Craig city council.

Passed and approved this _____ day of September, 2021.

Mayor Tim O'Connor

Attest _____
Tracey Jensen, City Clerk

CITY OF CRAIG
MEMORANDUM

August 27, 2021

To: City Council

From: Sheri Purser, Treasurer

Re: Supplemental Budget

Attached is the ordinance to adopt the supplemental budget for fiscal year, 2021. According to AS 29.35.100 a supplemental budget is prepared to authorize payments of appropriations not previously approved in the original budget.

The highlights of the changes for the supplemental budget are as follows:

- The General Fund revenues were higher than expected. Sales tax receipts were \$94,000 higher than anticipated, State payments (PILT and Revenue sharing) were higher than anticipated along with COVID 19 Response Revenue.
- Maintenance on the city's building and vehicles continues to be costly.
- Fuel costs are raising and will continue to in fiscal year 2022.
- The Enterprise fund has a net gain due to the leases at the JT Brown industrial park.
- There was an increase in insurance expense for all buildings.
- There was an added expense in Public Works due to the Mudslides.

Enclosed is also a worksheet that details the comparison of the original budget and the supplemental budget for your information.

Recommendation: Approve second reading of Ordinance number 740, FY 2021 Supplemental Budget.

CITY OF CRAIG

ORDINANCE NO. 740

PROVIDING FOR THE ADOPTION OF THE FISCAL YEAR 2021 SUPPLEMENTAL
OPERATING BUDGET

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

Section 1. Classification. This ordinance is a non-code ordinance and is not of a general and permanent nature and shall not become a part of the code of the City of Craig, Alaska.

Section 2. Effective Date. This ordinance shall become effective immediately upon adoption.

Section 3. Authorization and Appropriation. The appropriations identified in "Attachment A" hereto are adopted and authorized for the period of July 1, 2020 through June 30, 2021 and are the budget for that period. The Administrator may modify line item expenditures within an authorized appropriation to another line item in any amount which would not annually exceed ten (10) percent or \$10,000, whichever is more.

Section 4. Unexpended Balances. All unexpended balances lapse as of June 30, 2021.

APPROVED this ____ day of _____, 2021.

Mayor Timothy O'Connor

Attest _____
Tracey Jensen, City Clerk

Attachment "A"

City of Craig
Supplemental Budget
June 30, 2021

	Year to Date Actual	Revised Budget	Orginial Budget	Overage
General Fund Revenues	\$4,750,832	\$ 4,750,000	\$3,543,662	
<u>Expenditures</u>				
Administration	680,245	680,265	681,519	
Aquatic Center	479,114	479,129	614,136	
Council	30,883	30,888	33,353	
EMS	227,064	227,076	240,949	
Facilities & Parks	327,430	327,447	291,342	Pool Boiler Expense
Fire	29,425	29,465	30,613	
Library	114,810	114,830	120,922	
Planning	81,521	87,522	73,756	COVID Expense
Police	1,033,313	1,033,333	1,041,697	
Public Works	597,269	597,293	435,917	Mudslide Expense
Recreation	96,823	96,834	102,188	
Total General Fund Expenditures	3,697,897	3,704,082	3,666,392	
Net Change in Position	1,052,935	1,045,918	(122,730)	
Transfers				
To/From Reserves	-	-	-	
From Endowment Fund	212,500	212,500	212,500	
To Enterpriese Fund	-	-	-	
From Cares Act Fund	893,370	893,370	50,000	
Net Change in Position	\$2,158,805	\$ 2,151,788	\$ 139,770	
<u>Enterprise Fund Revenue</u>				
Sewer Fees	289,117	289,000	290,000	
Water Sales	312,436	312,535	342,868	
Garbage Fees	302,012	302,280	322,280	
Harbor Services	304,734	304,700	270,500	
JTB Industrial Services	622,912	622,900	417,589	
Cannery Revenue	6,612	6,612	7,000	
Total Revenue	1,837,823	1,838,027	1,650,237	
<u>Expenses</u>				
Sewer Expenses	267,169	261,858	238,158	
Water Expenses	514,106	514,115	471,636	Soda Ash Machine
Garbage Expenses	327,236	327,308	308,579	
Harbor Expenses	309,438	321,660	326,586	
JTB Industrial Park Expenses	210,884	210,906	201,950	
Cannery Expenses	6,176	6,178	4,820	
Total Fund Expenses	1,635,009	1,642,025	1,551,729	
Net Revenue Over Expenses	202,814	196,002	98,508	
Transfer from General Fund	-	-	95,339	
Change in Net Assets	202,814	196,002	193,847	

City of Craig
Revenue and Expense YTD
June 30, 2021

	Revised Budget	Original Budget	Change	Actual
01 11 Administration				
Expenditures				
Total Personnel Expenditures	317,738	325,596	(7,858)	317,735
Total Benefits Expenditures	92,560	118,348	(25,788)	92,557
Total Contract Expenditures	156,336	162,200	(5,864)	156,332
Total Travel & Expenditures	4,943	11,745	(6,802)	4,942
Total Materials Expenditures	21,249	9,500	11,749	21,247
Total Utilities Expenditures	17,860	16,850	1,010	17,858
Total Repairs & Maint Expenditures	4,692	3,260	1,432	4,692
Total Other Expenditures	60,709	26,020	34,689	60,705
Total Capital & Debt Expenditures & Transfers	4,178	8,000	(3,822)	4,178
Total Expenditures	\$ 680,265	\$ 681,519	\$ (1,254)	\$ 680,246
Excess Revenue Over (Under) Expenditures	(680,265)	(681,519)	1,254	(680,246)
01 12 Council				
Expenditures				
Total Personnel Expenditures	16,777	13,520	3,257	16,775
Total Benefits Expenditures	12,994	16,613	(3,619)	12,989
Total Contract Expenditures	650	950	(300)	650
Total Travel & Expenditures	0	2,050	(2,050)	0
Total Materials Expenditures	0	0	0	0
Total Utilities Expenditures	0	0	0	0
Total Repairs & Maint Expenditures	0	0	0	0
Total Other Expenditures	467	220	247	467
Total Capital & Debt Expenditures & Transfers	0	0	0	0
Total Expenditures	\$ 30,888	\$ 33,353	\$ (2,465)	\$ 30,881
Excess Revenue Over (Under) Expenditures	(30,888)	(33,353)	2,465	(30,881)
01 13 Planning				
Expenditures				
Total Personnel Expenditures	56,409	47,046	9,363	77,907
Total Benefits Expenditures	23,450	17,695	5,755	23,448
Total Contract Expenditures	5,996	6,500	(504)	5,995
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	701	1,000	(299)	701
Total Utilities Expenditures	0	0	0	0
Total Repairs & Maint Expenditures	0	500	(500)	0
Total Other Expenditures	966	1,015	(49)	966
Total Capital & Debt Expenditures & Transfers	0	0	0	0
Total Expenditures	\$ 87,522	\$ 73,756	\$ 13,766	\$ 109,017
Excess Revenue Over (Under) Expenditures	(87,522)	(73,756)	(13,766)	(109,017)
01 14 Parks & Facilities				
Expenditures				
Total Personnel Expenditures	131,711	133,077	(1,366)	131,575
Total Benefits Expenditures	59,267	67,197	(7,930)	59,263

City of Craig
Revenue and Expense YTD
June 30, 2021

	Revised Budget	Original Budget	Change	Actual
Total Contract Expenditures	18,669	5,100	13,569	18,668
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	18,329	17,000	1,329	18,327
Total Utilities Expenditures	20,915	16,000	4,915	20,909
Total Repairs & Maint Expenditures	35,194	15,000	20,194	35,193
Total Other Expenditures	20,510	11,968	8,542	20,641
Total Capital & Debt Expenditures & Transfers	22,852	26,000	(3,148)	22,852
Total Expenditures	\$ 327,447	\$ 291,342	\$ 36,105	\$ 327,428
Excess Revenue Over (Under) Expenditures	(327,447)	(291,342)	(36,105)	(327,428)
01 15 Public Works				
Expenditures				
Total Personnel Expenditures	143,688	155,380	(11,692)	143,685
Total Benefits Expenditures	77,530	102,169	(24,639)	77,521
Total Contract Expenditures	1,329	720	609	(16,494)
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	40,224	28,750	11,474	40,220
Total Utilities Expenditures	19,522	14,900	4,622	19,520
Total Repairs & Maint Expenditures	70,221	68,200	2,021	70,219
Total Other Expenditures	18,549	7,798	10,751	18,547
Total Capital & Debt Expenditures & Transfers	61,600	58,000	3,600	61,599
Total Expenditures	\$ 432,663	\$ 435,917	\$ (3,254)	\$ 414,817
Excess Revenue Over (Under) Expenditures	(432,663)	(435,917)	3,254	(414,817)
01 16 Police				
Expenditures				
Total Personnel Expenditures	607,427	574,091	33,336	607,422
Total Benefits Expenditures	280,181	336,472	(56,291)	280,175
Total Contract Expenditures	5,047	7,020	(1,973)	5,045
Total Travel & Expenditures	8,038	3,000	5,038	8,038
Total Materials Expenditures	57,750	47,500	10,250	57,749
Total Utilities Expenditures	22,664	27,000	(4,336)	22,663
Total Repairs & Maint Expenditures	57	0	57	57
Total Other Expenditures	37,669	31,614	6,055	37,667
Total Capital & Debt Expenditures & Transfers	14,500	15,000	(500)	14,500
Total Expenditures	\$ 1,033,333	\$ 1,041,697	\$ (8,364)	\$ 1,033,316
Excess Revenue Over (Under) Expenditures	(1,033,333)	(1,041,697)	8,364	(1,033,316)
01 17 EMS				
Expenditures				
Total Personnel Expenditures	151,886	138,545	13,341	151,884
Total Benefits Expenditures	40,275	58,058	(17,783)	40,270
Total Contract Expenditures	3,868	4,845	(977)	3,867
Total Travel & Expenditures	2,621	7,400	(4,779)	2,621
Total Materials Expenditures	10,507	18,650	(8,143)	10,505
Total Utilities Expenditures	8,794	4,900	3,894	8,792
Total Repairs & Maint Expenditures	0	0	0	0

City of Craig
Revenue and Expense YTD
June 30, 2021

	Revised Budget	Original Budget	Change	Actual
Total Other Expenditures	9,125	6,351	2,774	9,125
Total Capital & Debt Expenditures & Transfers	0	2,200	(2,200)	0
Total Expenditures	\$ 227,076	\$ 240,949	\$ (13,873)	\$ 227,064
Excess Revenue Over (Under) Expenditures	(227,076)	(240,949)	13,873	(227,064)
01 18 Fire Department Expenditures				
Total Personnel Expenditures	0	0	0	0
Total Benefits Expenditures	0	4,186	(4,186)	(36)
Total Contract Expenditures	12,736	5,400	7,336	12,735
Total Travel & Expenditures	2,950	2,700	250	2,950
Total Materials Expenditures	3,152	2,600	552	3,151
Total Utilities Expenditures	4,013	5,900	(1,887)	4,012
Total Repairs & Maint Expenditures	667	1,000	(333)	667
Total Other Expenditures	5,947	4,827	1,120	5,947
Total Capital & Debt Expenditures & Transfers	0	4,000	(4,000)	0
Total Expenditures	\$ 29,465	\$ 30,613	\$ (1,148)	\$ 29,426
Excess Revenue Over (Under) Expenditures	(29,465)	(30,613)	1,148	(29,426)
01 19 Library Expenditures				
Total Personnel Expenditures	62,738	62,261	477	62,633
Total Benefits Expenditures	29,552	35,411	(5,859)	29,646
Total Contract Expenditures	2,720	2,900	(180)	2,719
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	7,367	7,000	367	7,375
Total Utilities Expenditures	6,722	10,600	(3,878)	6,720
Total Repairs & Maint Expenditures	469	1,000	(531)	469
Total Other Expenditures	3,812	1,750	2,062	3,812
Total Capital & Debt Expenditures & Transfers	1,450	0	1,450	1,450
Total Expenditures	\$ 114,830	\$ 120,922	\$ (6,092)	\$ 114,824
Excess Revenue Over (Under) Expenditures	(114,830)	(120,922)	6,092	(114,824)
01 24 Recreation Expenditures				
Total Personnel Expenditures	47,206	53,362	(6,156)	47,204
Total Benefits Expenditures	24,318	24,746	(428)	24,316
Total Contract Expenditures	1,525	3,600	(2,075)	1,523
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	1,043	1,050	(7)	1,042
Total Utilities Expenditures	15,405	13,000	2,405	15,402
Total Repairs & Maint Expenditures	0	500	(500)	0
Total Other Expenditures	6,714	5,130	1,584	6,713
Total Capital & Debt Expenditures & Transfers	623	800	(177)	623
Total Expenditures	\$ 96,834	\$ 102,188	\$ (5,354)	\$ 96,823

City of Craig
Revenue and Expense YTD
June 30, 2021

	Revised Budget	Original Budget	Change	Actual
Excess Revenue Over (Under) Expenditures	(96,834)	(102,188)	5,354	(96,823)
01 25 Aquatic Center				
Expenditures				
Total Personnel Expenditures	118,900	161,742	(42,842)	118,898
Total Benefits Expenditures	66,141	121,997	(55,856)	66,137
Total Contract Expenditures	1,520	6,400	(4,880)	1,519
Total Travel & Expenditures	3,706	10,780	(7,074)	3,706
Total Materials Expenditures	20,111	23,800	(3,689)	20,109
Total Utilities Expenditures	105,778	126,000	(20,222)	105,777
Total Repairs & Maint Expenditures	2,331	7,097	(4,766)	2,330
Total Other Expenditures	19,389	12,800	6,589	19,388
Total Capital & Debt Expenditures & Transfers	141,253	143,520	(2,267)	141,252
Total Expenditures	\$ 479,129	\$ 614,136	\$ (135,007)	\$ 479,116
Excess Revenue Over (Under) Expenditures	(479,129)	(614,136)	135,007	(479,116)
20 21 Sewer				
Total Revenues	\$ 289,000	\$ 290,000	\$ (1,000)	\$ 289,117
Expenditures				
Total Personnel Expenditures	89,436	77,088	12,348	89,430
Total Benefits Expenditures	44,825	46,940	(2,115)	44,824
Total Contract Expenditures	22,882	7,800	15,082	22,879
Total Travel & Expenditures	1,280	1,280	0	1,280
Total Materials Expenditures	7,282	8,200	(918)	7,281
Total Utilities Expenditures	57,803	49,400	8,403	57,802
Total Repairs & Maint Expenditures	6,898	4,000	2,898	6,897
Total Other Expenditures	18,174	9,450	8,724	23,501
Total Capital & Debt Expenditures & Transfers	13,278	34,000	(20,722)	13,278
Total Expenditures	\$ 261,858	\$ 238,158	\$ 23,700	\$ 267,172
Excess Revenue Over (Under) Expenditures	27,142	51,842	(24,700)	21,945
20 22 Water				
Total Revenues	\$ 312,535	\$ 342,868	\$ (30,333)	\$ 296,347
Expenditures				
Total Personnel Expenditures	146,628	134,003	12,625	146,626
Total Benefits Expenditures	66,341	72,557	(6,216)	66,338
Total Contract Expenditures	23,449	10,000	13,449	23,449
Total Travel & Expenditures	1,367	3,935	(2,568)	1,367
Total Materials Expenditures	50,674	62,400	(11,726)	50,673
Total Utilities Expenditures	52,949	57,400	(4,451)	52,948
Total Repairs & Maint Expenditures	10,968	10,000	968	10,967
Total Other Expenditures	21,506	12,850	8,656	21,505
Total Capital & Debt Expenditures & Transfers	140,233	108,491	31,742	140,232
Total Expenditures	\$ 514,115	\$ 471,636	\$ 42,479	\$ 514,105
Excess Revenue Over (Under) Expenditures	(201,580)	(128,768)	(72,812)	(217,758)

City of Craig
Revenue and Expense YTD
June 30, 2021

	Revised Budget	Original Budget	Change	Actual
20 23 Garbage				
Total Revenues	\$ 302,280	\$ 322,280	\$ (20,000)	\$ 294,733
Expenditures				
Total Personnel Expenditures	49,013	38,295	10,718	49,012
Total Benefits Expenditures	32,746	33,983	(1,237)	32,683
Total Contract Expenditures	214,887	211,500	3,387	214,886
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	16,918	9,300	7,618	16,917
Total Utilities Expenditures	361	500	(139)	360
Total Repairs & Maint Expenditures	4,176	7,500	(3,324)	4,175
Total Other Expenditures	9,207	3,500	5,707	9,206
Total Capital & Debt Expenditures & Transfers	0	4,000	(4,000)	0
Total Expenditures	\$ 327,308	\$ 308,578	\$ 18,730	\$ 327,239
Excess Revenue Over (Under) Expenditures	(25,028)	13,702	(38,730)	(32,506)
20 27 Harbor				
Total Revenues	\$ 304,700	\$ 270,500	\$ 34,200	\$ 304,736
Expenditures				
Total Personnel Expenditures	140,373	145,883	(5,510)	140,370
Total Benefits Expenditures	61,979	81,905	(19,926)	61,976
Total Contract Expenditures	65	900	(835)	65
Total Travel & Expenditures	660	2,100	(1,440)	659
Total Materials Expenditures	15,829	10,400	5,429	15,828
Total Utilities Expenditures	47,363	32,400	14,963	35,167
Total Repairs & Maint Expenditures	15,048	17,000	(1,952)	15,035
Total Other Expenditures	38,944	34,500	4,444	38,942
Total Capital & Debt Expenditures & Transfers	1,399	1,500	(101)	1,398
Total Expenditures	\$ 321,660	\$ 326,588	\$ (4,928)	\$ 309,440
Excess Revenue Over (Under) Expenditures	(16,960)	(56,088)	39,128	(4,704)
20 28 JTB Industrail Park				
Total Revenues	\$ 622,900	\$ 417,589	\$ 205,311	\$ 622,912
Expenditures				
Total Personnel Expenditures	101,061	91,856	9,205	101,059
Total Benefits Expenditures	27,634	37,595	(9,961)	27,634
Total Contract Expenditures	0	1,900	(1,900)	0
Total Travel & Expenditures	6	0	6	6
Total Materials Expenditures	5,864	6,500	(636)	5,862
Total Utilities Expenditures	49,488	48,500	988	49,487
Total Repairs & Maint Expenditures	4,431	3,300	1,131	4,419
Total Other Expenditures	21,822	12,300	9,522	21,822
Total Capital & Debt Expenditures & Transfers	600	0	600	600
Total Expenditures	\$ 210,906	\$ 201,951	\$ 8,955	\$ 210,889
Excess Revenue Over (Under) Expenditures	411,994	215,638	196,356	412,023

City of Craig
Revenue and Expense YTD
June 30, 2021

	Revised Budget	Original Budget	Change	Actual
20 29 Ward Cove Cannery				
Total Revenues	\$ 6,612	\$ 7,000	\$ (388)	\$ 6,612
Expenditures				
Total Personnel Expenditures	0	0	0	0
Total Benefits Expenditures	0	0	0	0
Total Contract Expenditures	0	1,000	(1,000)	0
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	55	200	(145)	55
Total Utilities Expenditures	2,394	1,600	794	2,394
Total Repairs & Maint Expenditures	810	0	810	809
Total Other Expenditures	2,919	1,020	1,899	2,919
Total Capital & Debt Expenditures & Transfers	0	1,000	(1,000)	0
Total Expenditures	<u>\$ 6,178</u>	<u>\$ 4,820</u>	<u>\$ 1,358</u>	<u>\$ 6,177</u>
Excess Revenue Over (Under) Expenditures	<u>434</u>	<u>2,180</u>	<u>(1,746)</u>	<u>435</u>

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: July 29, 2021
RE: Ordinance No. 741

Attached you will find Ordinance No. 741. The ordinance changes section 3.08.030.B of the municipal code to eliminate the \$75.00 fee for the senior exempt card. If the council chooses to set an administrative fee for the card, the ordinance would provide for the council to adopt a resolution establishing or changing the fee.

Recommendation

Approve Ordinance No. 741 at first reading.

**CITY OF CRAIG
ORDINANCE No. 741**

DELETING SECTION 3.08.030.B OF THE CRAIG MUNICIPAL CODE, AND
ADOPTING A NEW SECTION 3.08.030.B, REGARDING SENIOR SALES TAX
EXEMPTION CARD FEE

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

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

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

Section 4. Action. This ordinance deletes Section 3.08.030.B, and adopts a new section 3.08.030.B to read:

“B. Administrative fees for the sales tax exemption card shall be set by city council resolution.”

Passed and approved this ____ day of _____, 2021.

Mayor Tim O'Connor

Attest _____
Tracey Jensen, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: August 25, 2021
RE: Consider Approval, City of Craig FY 2020 Financial Audit

Attached you will find the City of Craig FY 2020 financial audit. Fiscal Year 2020 ran from July 1, 2019 through June 30, 2020. The audit was completed by Ms. Christine Harrington, CPA. The FY 2020 audit is presented here for council review, comment, and approval.

Section 2.04.060 of the City of Craig Municipal Code requires that the city's "books" shall be audited annually by an auditor, and a report on the audit "rendered to the council". Similarly, Section 29.35.120 of Alaska Statutes requires an annual independent audit by "a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the municipality. Copies of the audit shall be available to the public upon request". The audit must be provided to various state and federal agencies each year.

Audits can be very challenging to read and comprehend for those of us who are not accountants. It is important to remember that much of the structure of the audit is dictated by both conventional practice and the Government Accounting Standards Board for the purpose of standardizing local government audits. One consequence of those practices and dictates is the layman's difficulty in sometimes fully understanding the reporting format and calculations.

Some council members may find the section of the audit titled Management's Discussion and Analysis (MD&A), beginning at pages 6-16 of the audit, the easiest section to understand. This section is typically completed by city staff.

I reported to the council via email on May 28, 2021 that based on a conversation with Ms. Harrington in May, I expected the audit to contain a negative finding. The attached audit does include a material weakness finding in the Schedule of Findings section of the audit, on page 84. In the parlance of audits, a material weakness is "a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement in an entity's financial statements will not be prevented, or detected and corrected, on a timely basis". The finding is prompted by delays in city staff reconciling bank statements of the city's General Fund checking account, and by missed adjustments to certain fund and account transfers.

Audit protocols require that city staff issue a corrective action plan in response to the material weakness finding. Staff wrote out the plan and it is included in the audit at page 85. Staff will implement the steps listed in the corrective action plan.

On a related note, Ms. Harrington plans to begin work on the FY 21 audit in the near future.

Recommendation

Accept, by motion, the City of Craig FY 2020 audit.

CITY OF CRAIG, ALASKA
LETTER TO THE CITY COUNCIL
JUNE 30, 2020

CHRISTINE E. HARRINGTON

Certified Public Accountant, LLC

329 Harbor Drive, Suite 210, P.O. Box 1328 Sitka, Alaska 99835 (907) 747-5500

August 23, 2021

To the Member of City Council
Craig, Alaska

I have audited the financial statements of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Craig, Alaska for the year ended June 30, 2020. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance as well as certain information related to the planned scope and timing of my audit. I have communicated such information to you in my letter dated December 21, 2020. Professional standards also require that I communicate the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Craig, Alaska are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2020. I noted no transactions entered into by the City of Craig, Alaska during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. I noted no such sensitive estimates used during the year.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material

misstatements detected as a result of audit procedures were corrected by management. I proposed the adjustments required to comply with the accounting standards on pension and OPEB liability recognition. In addition, I proposed other balance sheet account reconciliation entries. Those accounts included accounts and grants receivable, transfers, fixed asset and related depreciation.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated August 18, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Craig, Alaska's auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition of my retention.

This information is intended solely for the use of the City Council and management of the City of Craig, Alaska and is not intended and should not be used by anyone other than these specified parties.

Very Truly Yours,

Christine E. Harrington

Christine E. Harrington
Certified Public Accountant, LLC

CITY OF CRAIG, ALASKA
BASIC FINANCIAL STATEMENTS

For the fiscal year ended

June 30, 2020

Prepared by:

Department of Finance

CITY OF CRAIG, ALASKA
BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020
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CITY OF CRAIG, ALASKA
BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020
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FINANCIAL SECTION

CHRISTINE E. HARRINGTON

Certified Public Accountant, LLC

329 Harbor Drive, Suite 210, P.O. Box 1328 Sitka, Alaska 99835 (907) 747-5500

INDEPENDENT AUDITOR'S REPORT

Members of the City Council
City of Craig, Alaska

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Craig, Alaska, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Craig, Alaska's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Craig, Alaska, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 -16, the budgetary comparison on page 59, and the Schedules of Net Pension Liability, Net OPEB Liability and Pension and OPEB Contributions on pages 60 - 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Craig, Alaska's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 18, 2021, on my consideration of the City of Craig, Alaska's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Craig, Alaska's internal control over financial reporting and compliance.

Christine E. Harrington

Sitka, Alaska
August 18, 2021

CITY OF CRAIG, ALASKA

Management's Discussion and Analysis June 30, 2020

As management of the City of Craig, we offer readers of the City of Craig's financial statements this narrative overview and analysis of the financial activities of the City of Craig for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets and deferred outflows of the City of Craig exceeded its liabilities at the close of the most recent fiscal year by \$61,333,661. Of this amount, \$15,714,632 (*unrestricted*) may be used to meet the government's ongoing obligations to residents and creditors.
- The government's total net position increased by \$16,222. Governmental type activities increased by \$384,209 and business type activities decreased by \$367,987.
- As of the close of the current fiscal year, the City of Craig's governmental funds reported combined ending fund balances of \$20,441,980, an increase of \$1,087,671 in comparison with the prior year. Approximately 15% of this amount (\$3,032,388) is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,032,388 or approximately 83% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Craig's basic financial statements. The City of Craig's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

- *Government-wide financial statements* provide both short-term and long-term information about the City's overall financial condition in a summary format.
- *Fund financial statements* focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Craig's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City of Craig's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Craig is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Craig that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Craig include general government, public safety, streets, public parks and facilities, planning and zoning, library, recreation and aquatic center, voluntary fire and emergency medical services. The business-type activities of the City of Craig include utilities, leased lots and ice house at JT Brown Industrial Park, and harbors.

The government-wide financial statements include not only the City of Craig itself (known as the *primary government*), but also a legally separate school district for which the City of Craig is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18 through 20 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Craig, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Craig can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Craig maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the endowment fund and the national forest receipts fund, all of which are considered to be major funds. Data from other non-major governmental funds (both special revenue and capital projects funds) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 68 through 73 of this report.

The City of Craig adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 through 24 of this report.

Proprietary funds. The City of Craig uses an enterprise fund to report the same functions presented as business-type activities in the government-wide financial statements. The City of Craig uses an enterprise fund to account for its sewer, water, garbage, leased lots at JT Brown Industrial Park, icehouse, and docks and harbors.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund departments are combined into a single, aggregated presentation. Individual fund data for each of these enterprise fund departments is provided in the form of a combining statement on page 75 of this report.

The basic proprietary fund financial statements can be found on pages 25 through 29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 57 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and enterprise funds are presented following the notes to the financial statements. Combining statements and schedules can be found on page 68 through 73 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Craig, assets and deferred outflows exceeded liabilities by \$61,333,661 at the close of the most recent fiscal year. Net position increased by \$16,222 from 2019 to 2020.

The following table provides a summary of the City's net assets:

City of Craig Net Position
June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current & other assets	\$ 21,225,232	\$ 19,730,960	\$ 186,160	\$ 30,702	\$ 21,411,392	\$ 19,761,662
Capital assets	25,034,581	26,246,644	20,867,919	21,342,178	45,902,500	47,588,822
Total assets	46,259,813	45,977,604	21,054,079	21,372,880	67,313,892	67,350,484
Deferred outflows of resources	383,861	325,655	128,820	107,636	512,681	433,291
Total assets and deferred resources	46,643,674	46,303,259	21,182,899	21,480,516	67,826,573	67,783,775
Liabilities						
Long-term liabilities	3,916,581	4,395,081	1,023,820	1,165,422	4,940,401	5,560,503
Other liabilities	863,522	376,651	461,184	407,492	1,324,706	784,143
Total liabilities	4,780,103	4,771,732	1,485,004	1,572,914	6,265,107	6,344,646
Deferred inflows	168,576	220,741	59,229	62,260	227,805	283,001
Total liabilities and deferred outflows	4,948,679	4,992,473	1,544,233	1,635,174	6,492,912	6,627,647
Net position						
Net investment in capital assets	23,375,555	24,513,346	20,560,827	21,342,178	43,936,382	45,855,524
Restricted	1,682,647	1,816,449	-	-	1,682,647	1,816,449
Unrestricted	16,636,793	14,980,989	(922,161)	(1,335,525)	15,714,632	13,645,464
Total Net Position	\$ 41,694,995	\$ 41,310,784	\$ 19,638,666	\$ 20,006,653	\$ 61,333,661	\$ 61,317,437

By far the largest portion of the City of Craig's net position (72 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Craig uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Craig's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Craig's net position (21 percent) represents the City's endowment funds, which have been committed for certain uses by City Council ordinance. The remaining balance of unrestricted net assets (\$3,023,417) may be used to meet the government's ongoing obligations to residents and creditors.

At the end of the current fiscal year, the City of Craig is able to report positive balances in all of the categories of net position for the governmental activities. While business-type activities are designed to generate revenue to offset most or all of the direct operating costs, some departments may not fully recover the costs of operations. The general fund will cover budget shortfalls for departments when necessary. The combining statement for the

departments within the enterprise fund, which can be found on page 75 of this report, provides more detail for individual business-type activities.

Governmental Activities.

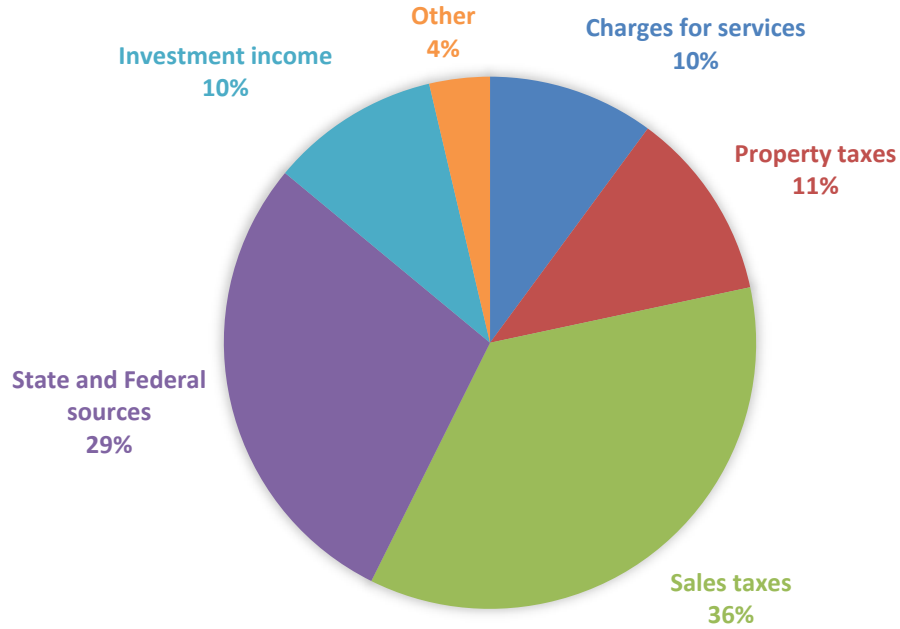
During fiscal year 2020, the City of Craig's net position decreased by \$16,224 for governmental activities. Highlights of governmental activities net position changes are as follows:

- Revenues for the City's governmental activities increased 12.6% due to higher sales tax and State and Federal revenue. Federal increases are due to CARES funding to help mitigate the economic effects of the Coronavirus pandemic.
- The sales tax revenue increased by 16%. During FY20 the City began collecting sales tax on online purchases from retail platforms such as Amazon.
- Investment income dropped 38% from FY19. Most of the decrease occurred in the Endowment Fund. The decline was due to the sharp decrease in the equity market at the beginning of the pandemic which had not corrected until later in FY21.
- The governmental expenditures remained consistent overall with the prior year. The pandemic and the related quarantine reduced recreation and police and public works expenditures.
- The capital outlay in the general fund was for new boilers at the swimming pool and computer upgrades in the administrative department. The reduction in the capital assets is due to depreciation.

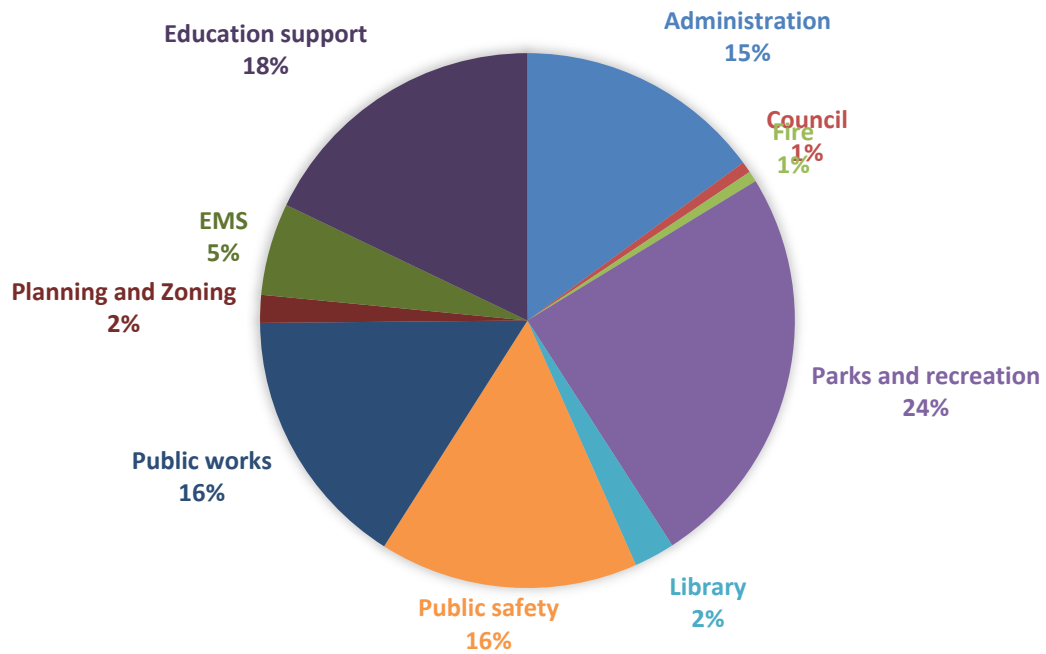
City of Craig
Changes in Net Position
For the year ended June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for services	\$ 580,716	\$ 810,740	\$ 1,617,086	\$ 1,710,090	\$ 2,197,802	\$ 2,520,830
Property taxes	663,083	647,147	-	-	663,083	647,147
Sales taxes	2,051,659	1,769,356	-	-	2,051,659	1,769,356
State and Federal sources	1,646,096	1,050,498	27,141	8,013	1,673,237	1,058,511
Investment income	592,489	823,639	1,174	9	593,663	823,648
Other	211,243	-	-	-	211,243	-
Total Revenue	5,745,286	5,101,380	1,645,401	1,718,112	7,390,687	6,819,492
Expenses						
Administration	770,189	703,382	-	-	770,189	703,382
Council	34,729	29,682	-	-	34,729	29,682
Fire	33,802	40,009	-	-	33,802	40,009
Parks and recreation	1,269,452	1,193,127	-	-	1,269,452	1,193,127
Library	127,049	133,245	-	-	127,049	133,245
Public safety	806,915	974,687	-	-	806,915	974,687
Public works	817,693	877,414	-	-	817,693	877,414
Planning and Zoning	86,674	76,421	-	-	86,674	76,421
EMS	287,222	299,669	-	-	287,222	299,669
Education support	922,352	904,332	-	-	922,352	904,332
Sewer	-	-	447,770	455,176	447,770	455,176
Water	-	-	641,750	647,319	641,750	647,319
Garbage	-	-	324,137	308,579	324,137	308,579
JT Brown Industrial Park	-	-	341,935	445,195	341,935	445,195
Harbors	-	-	442,240	465,606	442,240	465,606
Cannery	-	-	20,556	21,278	20,556	21,278
Total Expense	5,156,077	5,231,968	2,218,388	2,343,153	7,374,465	7,575,121
Change in net position					-	-
before transfers	589,209	(130,588)	(572,987)	(625,041)	16,222	(755,629)
Transfers	(205,000)	-	205,000	-	-	-
Change in net position	384,209	(130,588)	(367,987)	(625,041)	16,222	(755,629)
Net position, beginning	41,310,786	41,441,374	20,006,653	20,631,694	61,317,439	62,073,068
Net postion, ending	\$ 41,694,995	\$ 41,310,786	\$ 19,638,666	\$ 20,006,653	\$ 61,333,661	\$ 61,317,439

REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES



EXPENDITURES BY DEPARTMENT - GOVERNMENTAL ACTIVITIES

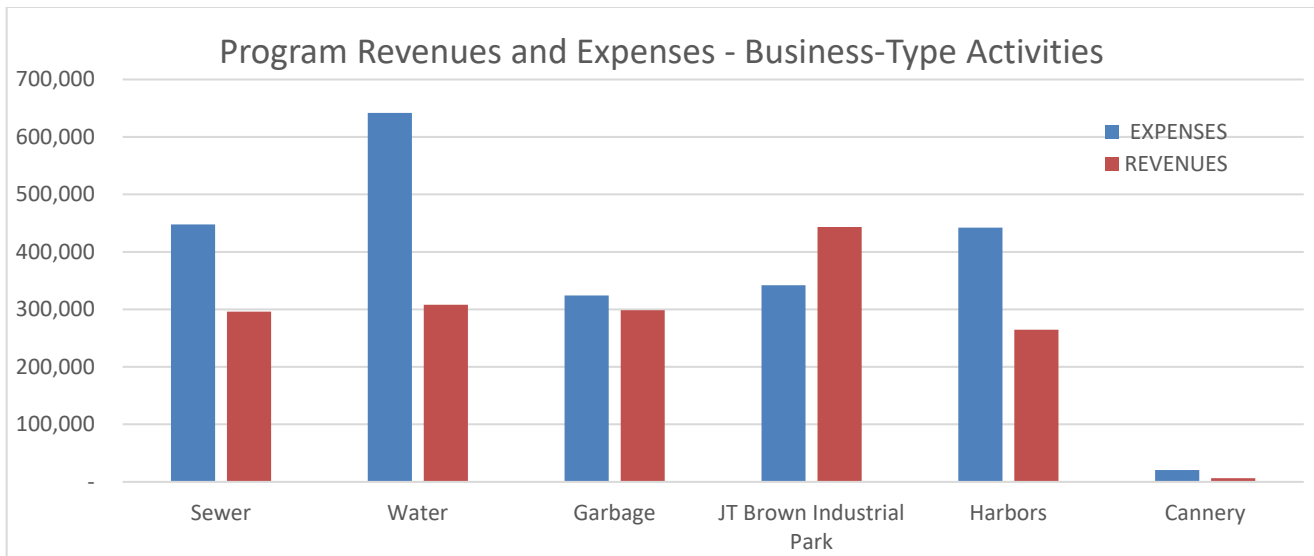


Business-type activities

Business-type activities decreased the City of Craig net position by \$625,041. Key elements of this decrease are as follows.

- Revenue decreased by 5%
- Expenses for business-type activities decreased 5% in FY20. There were small decreases in each department.
- Depreciation is a non-cash expense that is recorded to reflect the approximate devaluation of property and equipment over time. The concept is designed to match the cost of assets more accurately with the revenues that are generated by the assets. Most of the City’s main capital improvement projects have been and will continue to be funded through grant projects. Readers can expect that the business-type activities do not generate enough revenue to offset the non-cash expense of depreciation.
- In order to replace capital assets in the future, the City Council and management intend to seek external funding for large capital projects. The City Council authorized any surplus funds to be put aside in a reserve fund for future projects.

The following graph shows the comparison of the revenues to expenses of the business-type activities.



Financial Analysis of the Government’s Funds

As noted earlier, the City of Craig uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Craig’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Craig’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. The primary sources of revenue for the governmental funds are:

Property Tax	\$ 663,083
Sales Tax	2,051,659
General services	580,716

Property taxes and sales taxes support general fund operations. Property and sales taxes are also available to support school funding. Twenty percent of sales tax is used to operate the Craig Aquatic Center and Recreation Department. In recent history, National Forest Receipts funding has provided full-funding for local school support.

Proprietary (Enterprise) Funds. The Enterprise fund for the City of Craig is the same as the business-type activities. A detailed combining statement for the various departments within the fund is presented on page 75 of the financial statements.

General Fund Budgetary Highlights

The City of Craig’s budget was not amended during FY20 except for several transfers and large capital expenditures authorized by the City Council. A large transfer from the General Fund to the Endowment Fund was made in order to take advantage of high investment earning potential.

Capital Asset and Debt Administration

City of Craig Net Capital Assets

As of June 30, 2020

	Governmental Funds		Business-Type Funds		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 90,864	\$ 90,864	\$ 3,954,898	\$ 3,954,898	\$ 4,045,762	\$ 4,045,762
Buildings	31,206,787	31,206,787	7,994,634	7,701,393	39,201,421	38,908,180
Equipment	2,472,347	2,441,233	1,138,464	1,138,464	3,610,811	3,579,697
Infrastructure	7,143,562	7,143,562	-	-	7,143,562	7,143,562
Harbors	-	-	4,134,051	4,008,333	4,134,051	4,008,333
Water and Sewer System	-	-	18,850,046	18,850,046	18,850,046	18,850,046
Sewer Plant	-	-	4,246,636	4,246,636	4,246,636	4,246,636
Conruction in Progress	220,650	220,650	400,000	400,000	620,650	620,650
Total Assets	41,134,210	41,103,096	40,718,729	40,299,770	81,852,939	81,402,866
Accumulate Depreciation	(16,099,629)	(14,856,448)	(19,850,807)	(18,957,592)	(35,950,436)	(33,814,040)
Net Capital Assets	\$ 25,034,581	\$ 26,246,648	\$ 20,867,922	\$ 21,342,178	\$ 45,902,503	\$ 47,588,826

Additional information on the City of Craig’s capital assets is found in Note 3.C of the notes to the financial statements starting on page 39 of this report.

Long-term debt.

Bonds. In March, 2016 the City of Craig issued General Obligation Bond for \$1,810,000 with a premium of \$205,368. At the end of the current fiscal year, the City of Craig had total bonded debt outstanding of \$1,505,000 backed by the full faith and credit of the government.

Notes Payable. The City has two loans (\$106,873, \$220,313) with the Alaska Drinking Water Fund for water line improvements which are due in 2031 and 2033, respectively. Additional information on the City of Craig's long-term debt is found in note 3.E starting on page 42 of this report.

Economic Factors and Rates for Next Fiscal Year

The following factors affect the finances of the City of Craig and have been addressed in adopting the FY2021 governmental budget:

- A major cash infusion to stimulate the economy to mitigate the economic effects of the Coronavirus pandemic will provide funding opportunities for the City to offset costs related to police, administration and emergency medical services.
- The City's used the majority of the \$1.77 million awarded to it by the CARES Act in FY 2021. A number of programs designed to offset financial impacts to area residents caused by COVID-19 were funded with these monies.
- There is an upward trend in sales tax receipts as new online vendors are added to those registered with the Alaska Remote Sellers Sales Tax Commission, and as new local businesses contribute to retail activity in Craig.
- The City's insurance broker advised staff to expect the cost of employee health insurance benefit to increase five percent. The adopted budget for FY 2021 included that increase.
- Infrastructure will need repairs such as the pool, water treatment plant and parks.

A remarkable quantity of staff time was spent to expend the CARES funds within the short timeline permitted under the CARES Act. A contractor was ultimately hired to implement the individual and business assistance programs approved by the City Council.

The first quarter sales tax returns for FY 2021 saw a sharp downturn in sales tax receipts compared to the same quarter the prior fiscal year. Subsequent quarterly receipts were on par with prior years. FY 2021 financial statements will show anomalous revenues attributable to the \$893,370 in CARES funds received in FY 2021, and anomalous expenditures due to the full draw on the \$1.77 million that occurred that year.

The market value of the Craig Endowment Fund benefits from general appreciation in equity and bond markets. The increase in market value over a five-year average permits the annual four percent cap on withdraws from the fund to increase as a means to meet capital project needs.

Costs for commodities and freight increased significantly in FY 2021, which pushed up costs to operate the water treatment and pool facilities. Staff anticipates significantly higher electrical costs with the addition of new hydroelectric generation capacity to the island's grid, based on petitions made by the local electric utility to the Regulatory Commission of Alaska.

Requests for Information

This financial report is designed to provide a general overview of the City of Craig's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 500 Third Street, PO Box 725, Craig, Alaska 99921.

BASIC FINANCIAL STATEMENTS

CITY OF CRAIG, ALASKA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Craig City School District
ASSETS				
Cash and investments	\$ 2,439,066	\$ 8,500	\$ 2,447,566	\$ 4,745,812
Receivables (net of allowance for uncollectibles)	486,668	177,660	664,328	277,557
Internal balances	323,822	(323,822)	-	-
Prepaid items	16,839	-	16,839	-
Inventories	-	-	-	-
Restricted assets:				33,411
Temporarily restricted:				
Cash and investments	17,907,117		17,907,117	-
Federal and State of Alaska receivables	23,678		23,678	-
Interest receivable	28,042		28,042	-
Capital assets not being depreciated	311,514	4,354,898	4,666,412	-
Other capital assets, net of accumulated depreciation	24,723,067	16,513,021	41,236,088	241,858
Total assets	46,259,813	20,730,257	66,990,070	5,298,638
DEFERRED OUTFLOWS				
Deferred outflows related to pension	244,108	81,445	325,553	331,237
Deferred outflows related to OPEB	139,753	47,375	187,128	236,148
Total deferred outflows	383,861	128,820	512,681	567,385
Total assets and deferred outflows	\$ 46,643,674	\$ 20,859,077	\$ 67,502,751	\$ 5,866,023
LIABILITIES				
Accounts payable and other current liabilities	\$ 257,150	\$ 117,161	\$ 374,311	\$ 389,963
Liabilities payable from restricted assets	526,104	-	526,104	-
Noncurrent liabilities:				
Due within one year				
Bonds and notes payable, including unamortized premium	80,268	20,201	100,469	-
Due in more than one year				
Bonds and notes payable, including unamortized premium	1,578,758	286,891	1,865,649	-
Net pension obligation	2,261,211	732,293	2,993,504	3,755,637
Net OPEB obligation	76,612	4,636	81,248	(137,235)
Total liabilities	4,780,103	1,161,182	5,941,285	4,008,365
DEFERRED INFLOWS				
Deferred inflows related to pension	91,183	32,037	123,220	295,625
Deferred inflows related to OPEB	77,393	27,192	104,585	188,536
Total deferred inflows	168,576	59,229	227,805	484,161
NET POSITION				
Invested in capital assets, net of related debt	23,375,555	20,560,827	43,936,382	241,858
Restricted for:				
Public safety	18,342	-	18,342	-
Rural schools	1,664,305	-	1,664,305	-
Unrestricted	16,636,793	(922,161)	15,714,632	1,131,639
Total net position	41,694,995	19,638,666	61,333,661	1,373,497
Total liabilities, deferred inflows and net position	\$ 46,643,674	\$ 20,859,077	\$ 67,502,751	\$ 5,866,023

See notes to financial statements

CITY OF CRAIG, ALASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Government activities:				
Administration	\$ 770,189	\$ 80,693	\$ 191,866	\$ -
Council	34,729		-	-
Fire	33,802	8,573	-	-
Parks and Recreation	1,269,452	89,874	21,514	-
Library	127,049	13,956	40,727	-
Police	806,915	491,667	293,021	-
Public Works	817,693		27,253	-
Planning	86,674	16,775	15,354	-
Medical Services	287,222	70,140	75,412	-
Support	922,352	-	424,503	-
Total governmental activities	5,156,077	771,678	1,089,650	-
Business-type activities:				
Sewer	447,770	296,013	-	-
Water	641,750	308,042	-	-
Garbage	324,137	298,685	-	-
Harbor	341,935	264,698	-	-
Marine Industrial Park	442,240	443,343	-	-
Cannery Property	20,556	6,305	-	-
Total business type activities	2,218,388	1,617,086	-	-
Total primary government	\$ 7,374,465	\$ 2,388,764	\$ 1,089,650	\$ -
Component Units:				
Craig City School District	\$ 7,238,898	\$ 130,468	\$ 1,126,177	\$ -
Total component units	\$ 7,238,898	\$ 130,468	\$ 1,126,177	\$ -

General revenues:
Property taxes
Sales and other taxes
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Transfers
Other

Total general revenues and transfers

Change in net position

Net position - beginning - as restated

Net position - end

Net (Expenses) Revenues and
Changes in Net Assets

Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Craig City School District
\$ (497,630)	\$ -	\$ (497,630)	\$ -
(34,729)	-	(34,729)	-
(25,229)	-	(25,229)	-
(1,158,064)	-	(1,158,064)	-
(72,366)	-	(72,366)	-
(22,227)	-	(22,227)	-
(790,440)	-	(790,440)	-
(54,545)	-	(54,545)	-
(141,670)	-	(141,670)	-
(497,849)	-	(497,849)	-
(3,294,749)	-	(3,294,749)	-
-	(151,757)	(151,757)	-
-	(333,708)	(333,708)	-
-	(25,452)	(25,452)	-
-	(77,237)	(77,237)	-
-	1,103	1,103	-
-	(14,251)	(14,251)	-
-	(601,302)	(601,302)	-
(3,294,749)	(601,302)	(3,896,051)	-
			(5,982,253)
			(5,982,253)
663,083	-	663,083	-
2,051,659	-	2,051,659	-
556,646	27,141	583,787	6,891,650
592,489	1,174	593,663	3,877
(205,000)	205,000	-	-
20,081	-	20,081	116,016
3,678,958	233,315	3,912,273	7,011,543
384,209	(367,987)	16,222	1,029,290
41,310,786	20,006,653	61,317,439	344,207
\$ 41,694,995	\$ 19,638,666	\$ 61,333,661	\$ 1,373,497

See notes to financial statements.

CITY OF CRAIG, ALASKA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2020

	<u>General</u>	<u>Endowment</u>	<u>National Forest Receipts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Equity in central treasury	\$ 2,439,066	\$ -	\$ -	\$ -	\$ 2,439,066
Receivables:					
Customer	126,682	-	-	-	126,682
Taxes	410,232	-	-	-	410,232
Less allowance for doubtful accounts	(50,246)	-	-	-	(50,246)
Due from other funds	363,802	-	-	-	363,802
Prepaid items	16,839	-	-	-	16,839
Restricted assets:					
Equity in central treasury	-	-	-	897,328	897,328
Cash and cash equivalents	-	52,976	61,542	1,167,797	1,282,315
Investments	-	12,623,626	3,103,848	-	15,727,474
State of Alaska and Federal government receivables	-	-	-	23,678	23,678
Interest receivable	-	18,559	9,483	-	28,042
Total assets	<u>\$ 3,306,375</u>	<u>\$ 12,695,161</u>	<u>\$ 3,174,873</u>	<u>\$ 2,088,803</u>	<u>\$ 21,265,212</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 64,234	\$ -	\$ -	\$ -	\$ 64,234
Accrued payroll and related	91,127	-	-	-	91,127
Accrued leave	88,210	-	-	-	88,210
Deferred revenue	13,577	-	-	-	13,577
Liabilities payable from restricted assets:					
Accounts payable	-	3,049	-	130,637	133,686
Deferred revenue	-	-	-	392,418	392,418
Due to other funds	-	897	19,483	19,600	39,980
Total liabilities	<u>257,148</u>	<u>3,946</u>	<u>19,483</u>	<u>542,655</u>	<u>823,232</u>
Fund balances:					
Nonspendable	16,839	-	-	-	16,839
Restricted	-	-	1,664,305	18,342	1,682,647
Committed	-	12,691,215	1,491,085	1,527,806	15,710,106
Unassigned	3,032,388	-	-	-	3,032,388
Total fund balances	<u>3,049,227</u>	<u>12,691,215</u>	<u>3,155,390</u>	<u>1,546,148</u>	<u>20,441,980</u>
Total liabilities and fund balances	<u>\$ 3,306,375</u>	<u>\$ 12,695,161</u>	<u>\$ 3,174,873</u>	<u>\$ 2,088,803</u>	<u>\$ 21,265,212</u>

CITY OF CRAIG, ALASKA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2020

Total fund balances of governmental funds	\$	20,441,980
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Total net assets reported for the governmental activities
in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of the following

Land	\$	90,864
Buildings		31,206,787
Equipment		2,482,610
Infrastructure		7,143,562
Construction in progress		<u>220,650</u>
		41,144,473
Accumulated depreciation		<u>(16,109,892)</u>

Total capital assets, net	25,034,581
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Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.

Long-term liabilities reported in these statements are:

Long-term debt	(1,505,000)
Unamortized bond premiums	(154,028)
Net pension and OPEB liabilities	<u>(2,337,823)</u>

Total long-term liabilities	(3,996,851)
-----------------------------	-------------

Certain changes in net pension liabilities and net OPEB liabilities are deferred rather than recognized immediately. These items are amortized over time.

<u>215,285</u>

Total net position of governmental funds	<u>\$</u>	<u>41,694,995</u>
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CITY OF CRAIG, ALASKA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	General	Endowment	National Forest Receipts	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Real and personal	\$ 663,083	\$ -	\$ -	\$ -	\$ 663,083
Sales and bed	2,051,659	-	-	-	2,051,659
State sources	337,867	-	-	28,536	366,403
Federal sources	823,365	-	424,503	51,642	1,299,510
Charges for services	580,716	-	-	-	580,716
Fines, forfeitures and penalties	6,855	-	-	-	6,855
Investment income	52,610	440,492	66,051	33,336	592,489
Uses of property	72,898	-	-	-	72,898
Licenses and permits	81,075	-	-	-	81,075
Other	20,081	-	-	30,134	50,215
Total revenue	4,690,209	440,492	490,554	143,648	5,764,903
EXPENDITURES					
Current:					
Administration	819,869	33,876	-	-	853,745
Council	41,158	-	-	-	41,158
Planning	94,704	-	-	14,500	109,204
Parks and facilities	343,355	-	-	-	343,355
Public works	359,703	-	-	-	359,703
Police	924,206	-	-	44,113	968,319
Emergency medical services	211,877	-	-	-	211,877
Fire	18,708	-	-	-	18,708
Library	109,282	-	-	25,801	135,083
Recreation	103,760	-	-	-	103,760
Aquatic facilities	344,107	-	-	132,006	476,113
Hatchery	56,000	-	-	9,122	65,122
Support	-	-	571,129	-	571,129
Debt service	134,288	-	-	-	134,288
Capital outlay	80,668	-	-	-	80,668
Total expenditures	3,641,685	33,876	571,129	225,542	4,472,232
Excess (deficit) of revenues over (under) expenditures	1,048,524	406,616	(80,575)	(81,894)	1,292,671
OTHER FINANCING SOURCES (USES)					
Transfers in	290,000	1,788,755	1,596	394,000	2,474,351
Transfers out	(1,790,351)	(389,000)	(500,000)	-	(2,679,351)
Total other financing sources (uses)	(1,500,351)	1,399,755	(498,404)	394,000	(205,000)
Net change in fund balances	(451,827)	1,806,371	(578,979)	312,106	1,087,671
Fund balances, beginning of year - as restated	3,501,054	10,884,844	3,734,369	1,234,042	19,354,309
Fund balances, end of year	<u>\$ 3,049,227</u>	<u>\$ 12,691,215</u>	<u>\$ 3,155,390</u>	<u>\$ 1,546,148</u>	<u>\$ 20,441,980</u>

See notes to financial statements.

CITY OF CRAIG, ALASKA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances -- total governmental funds	\$	1,087,671
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Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and should be reported as depreciation. This is the amount by which capital outlay exceeds depreciation in the current period.

Expenditures for capital outlay	\$	80,668	
Miscellaneous capital activities (dispositions etc.)		(24,779)	
Less current year depreciation		<u>(1,267,952)</u>	(1,212,063)

The issuance of long-term debt (e.g., notes payable) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond and loan payments		65,000	
Amortization of bond premium		<u>10,268</u>	75,268

Changes in net pension liability, net OPEB liability and related accounts can increase or decrease net position. This is the net increase in equity due to changes in net pension liability, net OPEB liability, and the related deferred outflows and inflows

433,333

Change in net position of governmental activities	\$	<u><u>384,209</u></u>
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CITY OF CRAIG, ALASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Enterprise Fund</u>	<u>Total Proprietary Funds</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,500	\$ 8,500
Receivables:		
Accounts	<u>177,660</u>	<u>177,660</u>
Total current assets	<u>186,160</u>	<u>186,160</u>
Noncurrent assets:		
Capital assets:		
Property, plant and equipment	40,318,729	40,318,729
Less accumulated depreciation	<u>(19,850,809)</u>	<u>(19,850,809)</u>
	20,467,920	20,467,920
Construction work-in-progress	<u>400,000</u>	<u>400,000</u>
Total noncurrent assets	<u>20,867,920</u>	<u>20,867,920</u>
Total assets	<u>21,054,080</u>	<u>21,054,080</u>
Deferred outflows of resources		
Pension related	81,445	81,445
OPEB related	<u>47,375</u>	<u>47,375</u>
Total deferred outflows	<u>128,820</u>	<u>128,820</u>
Total assets and deferred outflows	<u>\$ 21,182,900</u>	<u>\$ 21,182,900</u>

CITY OF CRAIG, ALASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020
(continued)

	<u>Enterprise Fund</u>	<u>Total Proprietary Funds</u>
LIABILITIES		
Current liabilities:		
Due to other funds	\$ 323,822	\$ 323,822
Accounts payable and accrued liabilities	117,162	117,162
Current portion of:		
Long-term notes payable	<u>20,201</u>	<u>20,201</u>
Total current liabilities	461,185	461,185
Noncurrent liabilities:		
Notes payable, net of current portion	286,891	286,891
Net pension obligation	732,293	732,293
Net OPEB obligation	<u>4,636</u>	<u>4,636</u>
Total noncurrent liabilities	<u>1,023,820</u>	<u>1,023,820</u>
Total liabilities	1,485,005	1,485,005
Deferred inflows of resources		
Pension related	32,037	32,037
OPEB related	<u>27,192</u>	<u>27,192</u>
Total deferred inflows	<u>59,229</u>	<u>59,229</u>
NET POSITION		
Investment in capital assets, net of related debt	20,560,827	20,560,827
Unrestricted	<u>(922,161)</u>	<u>(922,161)</u>
Total net position	<u>19,638,666</u>	<u>19,638,666</u>
Total liabilities, deferred inflows and net position	<u>\$ 21,182,900</u>	<u>\$ 21,182,900</u>

CITY OF CRAIG, ALASKA

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Fund	Total Proprietary Funds
	<u> </u>	<u> </u>
Operating revenue:		
Charges for services	\$ 1,617,086	\$ 1,617,086
Operating expenses:		
Salaries and benefits	642,557	642,557
Insurance	62,438	62,438
Utilities	169,070	169,070
Contractual services	218,486	218,486
Repairs and maintenance	33,543	33,543
Materials and supplies	140,078	140,078
Travel and per diem	9,699	9,699
Small equipment	39,818	39,818
Other	4,579	4,579
Depreciation	893,215	893,215
	<u>2,213,483</u>	<u>2,213,483</u>
Total operating expenses		
Operating loss	(596,397)	(596,397)
Nonoperating revenues (expenses):		
Investment income	1,174	1,174
Interest expense	(4,905)	(4,905)
Noncapital grants	27,141	27,141
	<u>23,410</u>	<u>23,410</u>
Total nonoperating revenue (expenses)		
Income before contributions and transfers	(572,987)	(572,987)
Transfers in	<u>205,000</u>	<u>205,000</u>
Change in net position	(367,987)	(367,987)
Net position - beginning	<u>20,006,653</u>	<u>20,006,653</u>
Total net assets - end	<u>\$ 19,638,666</u>	<u>\$ 19,638,666</u>

CITY OF CRAIG, ALASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Enterprise Fund</u>	<u>Total Proprietary Funds</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,615,961	\$ 1,615,961
Payments to suppliers	(733,444)	(733,444)
Payments to employees	(752,605)	(752,605)
Net cash provided by operating activities	<u>129,912</u>	<u>129,912</u>
Cash flows from noncapital financing activities:		
Transfers from the General Fund	205,000	205,000
Borrowings from the General Fund	162,510	162,510
Net cash used by noncapital financing activities	<u>367,510</u>	<u>367,510</u>
Cash flows from capital and related financing activities:		
Capital expenditures	(418,957)	(418,957)
Interest paid	(4,905)	(4,905)
Repayment of notes payable	(79,204)	(79,204)
Net cash used by capital and related financing activities	<u>(503,066)</u>	<u>(503,066)</u>
Cash flows from investing activities:		
Interest received	1,174	1,174
Net cash provided by investing activities	<u>1,174</u>	<u>1,174</u>
Net decrease in cash and cash equivalents	(4,470)	(4,470)
Cash and cash equivalents, beginning of the year	<u>12,970</u>	<u>12,970</u>
Cash and cash equivalents, end of year	<u>\$ 8,500</u>	<u>\$ 8,500</u>

CITY OF CRAIG, ALASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020
(continued)

	Enterprise Fund	Total Proprietary Funds
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (596,397)	\$ (596,397)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	893,215	893,215
Noncapital grants	27,141	27,141
Changes in assets and liabilities		
Decrease in accounts receivable	1,385	1,385
Increase in inventory	(390)	(390)
Decrease in accounts payable	(55,345)	(55,345)
Increase in accrued salaries	2,585	2,585
Increase in accrued leave	5,842	5,842
Decrease in deferred revenue	(2,508)	(2,508)
Decrease in OPEB liability	(136,335)	(136,335)
Decrease in pension liability	(9,281)	(9,281)
Total adjustments	726,309	726,309
Net cash provided by operating activities	\$ 129,912	\$ 129,912

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Craig, Alaska ("City") is a first-class city incorporated March 1, 1922. The City operates under a Council-Mayor form of government. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. The City has no blended component units.

Discretely presented component units. The Craig City School District (District) is responsible for elementary and secondary education within the government's jurisdiction. The members of the District's governing board are elected by the voters. However, the District is fiscally dependent upon the City because the City's Council approves the District's budget. The City provides operating support from real and personal property tax assessments and other sources. The funds are used for the operation of the school system. Complete financial statements for the District may be obtained at the administrative office.

Craig City School District
P.O. Box 800
Craig, Alaska 99921

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of net position presents the financial condition of the governmental and business-types activities of the City at year-end. The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement Focus

The government-wide financial statements are reported using the *economic resources measurement focus*. All assets and all liabilities of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Governmental fund financial statements are reported using the *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transaction" means expected to be received within sixty days of year-end.

Revenues - Non-exchange Transactions - Nonexchange transactions, in which the City receives value without directly, giving equal value, in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenues from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e., collected within sixty days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual, property taxes, sales taxes, interest, and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Financial Statement Presentation

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Endowment Fund was established with monies from the federal Southeast Alaska Disaster Fund and federal payments in lieu of entitlement lands. The principal and interest are being retained in the fund for future use.

The National Forest Receipts Fund accounts for Federal funds passed-through the State of Alaska. Receipts are based upon timber sales on Federal lands in Alaska. The funds are used for schools, roads, search and rescue, and fire suppression.

The City has only one proprietary fund which combines the operations of the sewer, water, garbage, harbor, marine industrial park, and cannery property.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Equity in Central Treasury

Equity in central treasury represents a fund's equity in cash and investments of the central treasury of the City. For funds with a negative equity in the central treasury, the amount is shown as an interfund payable to the General Fund.

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary funds, the City has defined cash and cash equivalents as the equity maintained in the central treasury since the various funds use the central treasury essentially as a demand deposit account and the cash accounts maintained within the enterprise fund.

Investments

Craig Municipal Code 3.14.030 authorizes the City to invest its operating funds in the following securities:

1. Federally insured or fully collateralized certificates of deposit of bank and credit unions maturing within two years;
2. U.S. Government treasury, agency and instrumentality securities;
3. Notes or bonds issued by the State of Alaska or its political subdivisions or other states of the United States, maturing within two years, with a credit rating of A-/A3 or better from two national rating agencies;
4. Repurchase agreements collateralized by U.S. Treasury securities and marked-to-market. If repurchase agreements are overnight investments or if securities are collateralized in excess of 102%, marked-to-market is not necessary;
5. A state investment pool formed within the State of Alaska and comprised of agencies of the state and/or its political subdivisions;
6. Money market mutual funds whose portfolios consist entirely of U.S. Government securities.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Craig Municipal Code 3.15.050 authorizes the City to invest its endowment funds in the following securities:

1. U.S. Government treasury, agency and instrumentality securities;
2. Notes or bonds issued by the State of Alaska or its political subdivisions or other states of the United States, maturing within two years, with a credit rating of A-/A3 or better from two national rating agencies;
3. Federally insured or fully collateralized certificates of deposit of banks and credit unions, maturing within two years;
4. Repurchase agreements collateralized by U.S. Treasury securities and marked-to-market. If repurchase agreements are overnight investments or if securities are collateralized in excess of 102%, marked-to-market is not necessary;
5. A state investment pool formed within the State of Alaska and comprised of agencies of the State and/or its political subdivisions;
6. Money market mutual funds whose portfolios consist entirely of U.S. government securities;
7. Any of the following:
 - a. Mortgage-backed and asset-backed obligations denominated in U.S. dollars with a credit rating of A-/A3 or better from two national ratings agencies;
 - b. Corporate debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a rating of A-/A3 or better from at least two national rating agencies;
 - c. Convertible debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a credit rating of A-/A3 or better from two national rating agencies;
 - d. Common and preferred stock of U.S. domiciled corporations listed on a national exchange or NASDAQ with a minimum capitalization of five hundred million dollars or a mutual fund that invests in these stocks.

Investments are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All of the City's investments have established market values. As a result, fair value and market value are the same.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Property taxes are levied and statements are mailed on July 1 of each year. Amounts under \$50 are payable in one installment on September 30. Larger amounts can be paid in two installments, one-half on September 30 and the remaining balance on December 31. Property taxes attach as an enforceable lien on the property when assessed. Property tax revenue is recognized when levied to the extent that it results in current receivables.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Assets in the Endowment Fund are reported as restricted. These assets can only be expended with the consent of the City Council. The City's municipal code allows the Council to appropriate up to four percent of the endowment fund's five-year average market value to specific projects each year.

Assets in other non-major governmental funds are restricted by grant agreements, bond covenants or by the City's municipal code.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities are recognized as an expense when incurred.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Sewer and Water systems	40 - 50
Harbor improvements	16
Buildings	50
Machinery and equipment	5 - 10
Furnishings	5
Docks	40
Infrastructure	20

Infrastructure acquired before June 30, 2003 has not been capitalized.

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discounts on the government-wide Statement of Net Position.

Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are paid.

At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred inflow of resources represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred outflow and inflow of resources consist of certain pension and OPEB related accounts.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balance based on constraints imposed on the use of these resources:

Nonspendable

The portion of a fund balance that cannot be spent because it is either: (a) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment.

Restricted

The portion of fund balance that has constraints placed on the use of resources that are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

The portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action, such as an ordinance, of the City Council and remain binding unless removed by ordinance or resolution. Commitments may be changed or lifted only by the City Council taking formal action.

Assigned

The portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes that are neither restricted or committed.

Unassigned

The portion of fund balance that includes amounts that do not fall into one of the above four categories.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balances are depleted in the order of restricted, committed, assigned, and unassigned.

Net Position

Net position represents the difference between assets and deferred outflows less liabilities and deferred inflows.

Net Investment in Capital Assets

Net investment in capital assets, net of accumulated depreciation, reduced by the expended and outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Restricted Net Position

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted Net Position

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Management Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditor's Report, which is commensurate with the date the financial statements were available to be issued.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Prior to June 15, the City Administrator submits a proposed operating budget for the fiscal year beginning July 1 to the City Council. The operating budget includes proposed expenditures and the means to finance them. Annual appropriated budgets are adopted for the general fund: municipal land sales, police drug forfeiture and national forest receipts, special revenue funds, and each of the enterprise fund departments. Public hearings are conducted and prior to June 30, the budget is legally adopted as a non-permanent ordinance by the City Council.

Authority to transfer appropriated expenditures within and between departments and between funds is held by the City Council. Transfers of up to \$10,000 of expenditures annually to different budgeted line items within a department can be made by the City Administrator. Other transfers require an amendment to the budget ordinance.

All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects. Special revenue fund budgets are approved when the Council accepts grant funds from the State of Alaska.

The operating budget for the Craig City School District is approved by the Craig School Board. The budget is then submitted to the City Council for final approval.

B. Differences Between Actual Revenues and Expenditures and Actual on a Budgetary Basis for the General Fund

The General Fund revenues and expenditures reported on page 23 of the basic financial statements differ from the amounts reported on page 59 in the column headed "actual amounts budgetary basis" due to timing differences in the recognition of sales tax revenue, on-behalf of payment made by the State of Alaska into PERS for the City of Craig and the recognition of uncollectible receivables which are not budgeted.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2020, the City had the following deposits and investments:

Cash on hand	\$	4,642
Carrying amount of deposits		4,569,591
Carrying amount of investments		<u>15,780,450</u>
	\$	<u><u>20,354,683</u></u>

Deposits and investments were reported in the Statement of Net Assets as follows:

Cash and investments	\$	2,447,566
Cash and investments – Restricted		<u>17,907,117</u>
	\$	<u><u>20,354,683</u></u>

Custodial Credit Risk - Investments

For an investment, this is the risk that in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of outside parties. All of the City's investments subject to custodial credit risk are held by the City's agent in its name.

The credit quality ratings of the City's investments subject to custodial credit risk as of June 30, 2020, as described by the nationally recognized statistical rating organization Standard & Poor's are shown below:

	<u>Credit Rating</u>	<u>Investment Fair Value</u>	<u>% of Total</u>
U.S. Treasury	Aaa	\$ 6,941,135	43.99%
U.S. Agency Securities	Aaa	45,320	.28
Corporate securities	A1 to A3	617,609	3.91
Money market funds	not rated	64,235	.41
Exchange Traded Funds	not rated	<u>8,112,151</u>	<u>51.41</u>
		<u><u>\$ 15,780,450</u></u>	<u><u>100.00%</u></u>

Concentration of Credit Risk. The City's investment policy states that one of the general objectives of investing will be to diversify the portfolio so that potential losses on individual securities will be minimized. The policy does not limit the investment in any one security to a percentage of the total portfolio.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. It is the City's policy to mitigate this risk by requiring that all demand deposits be fully collateralized by securities pledged but not held in the City's name by an agent of the financial institution holding the demand deposits. Of the bank balance at June 30, 2020, \$500,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$4,216,428 was subject to collateral agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has a formal investment policy that limits certain investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City currently hold no investments to which the limit applies. Certificates of deposit are limited to two-year maturities. They are included with deposits rather than investments.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

As of June 30, 2020, investments subject to interest rate risk had the following maturities:

Investment Type	Less than 1 year	1 – 2 Years	2 – 5 Years	Greater than 5 Years
Corporate securities	\$ 50,665	\$ 102,803	\$ 324,856	\$ 139,285
U.S. Treasury securities	3,117,718	738,617	1,836,459	1,248,341
U.S. Agency securities	-	-	-	45,320
Total Investments Subject to Interest Rate Risk	\$ 3,168,383	\$ 841,420	\$ 2,161,315	\$ 1,432,946

B. RECEIVABLES

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregate columns. Below is the detail of receivables including the applicable allowance for uncollectible accounts:

	General	Enterprise	Nonmajor and other funds	Total
Taxes	\$ 410,232	\$ -	\$ -	\$ 410,232
Federal	-	-	9,414	9,414
State of Alaska	-	-	13,064	13,064
Customer	126,682	212,667	1,200	340,549
Interest	-	-	28,042	28,042
Total receivables	536,914	212,667	51,720	801,301
Less allowance for doubtful accounts	(50,246)	(35,007)	-	(85,253)
Total net receivables	\$ 486,668	\$ 177,660	\$ 51,720	\$ 716,048

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

C. CAPITAL ASSETS

Capital asset activity for year ended June 30, 2020 as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 90,864	\$ -	\$ -	\$ 90,864
Construction-in-progress	220,650	-	-	220,650
Total capital assets not being depreciated	311,514	-	-	311,514
Capital assets, being depreciated				
Buildings	31,206,787	-	-	31,206,787
Infrastructure	7,143,562	-	-	7,143,562
Equipment	2,441,233	80,668	(49,554)	2,472,347
Total capital assets, being depreciated	40,791,582	80,668	(49,554)	40,822,696
Less accumulated depreciation for				
Buildings	(11,783,159)	(807,422)	-	(12,590,581)
Infrastructure	(1,633,286)	(357,176)	-	(1,990,462)
Equipment	(1,440,007)	(103,354)	24,775	(1,518,586)
Total accumulated depreciation	(14,856,452)	(1,267,952)	24,775	(16,099,629)
Total capital assets, being depreciated, net	25,935,130	(1,187,284)	(24,779)	24,723,067
Governmental activities capital assets, net	\$ 26,246,644	\$ (1,187,284)	\$ (24,779)	\$ 25,034,581

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

C. CAPITAL ASSETS - continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 3,954,898	\$ -	\$ -	\$ 3,954,898
Construction-in-progress	400,000	-	-	400,000
Total capital assets not being depreciated	4,354,898	-	-	4,354,898
Capital assets, being depreciated				
Buildings	7,701,393	293,241	-	7,994,634
Equipment	1,138,464	-	-	1,138,464
Harbors	4,008,333	125,718	-	4,134,051
Water and sewer system	18,850,046	-	-	18,850,046
Sewer plant	4,246,636	-	-	4,246,636
Total capital assets, being depreciated	35,944,872	418,959	-	36,363,831
Less accumulated depreciation for				
Buildings	(2,263,507)	(241,676)	-	(2,505,183)
Equipment	(869,636)	(45,573)	-	(915,209)
Harbors	(3,124,647)	(66,708)	-	(3,191,355)
Water and sewer system	(9,695,667)	(397,705)	-	(10,093,372)
Sewer plant	(3,004,135)	(141,553)	-	(3,145,688)
Total accumulated depreciation	(18,957,592)	(893,215)	-	(19,850,807)
Total capital assets, being depreciated, net	16,987,280	(474,256)	-	16,513,024
Business-type activities capital assets, net	\$ 21,342,175	\$ (474,256)	\$ -	\$ 20,867,919

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

C. CAPITAL ASSETS - continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Administration	\$ 11,900
Fire	15,094
Library	3,426
Police	13,423
Public works	502,087
Parks and recreation	276,095
Planning	515
School support	351,223
Medical services	<u>94,189</u>
Total depreciation expense - governmental activities	<u>\$ 1,267,952</u>

Business - type activities:

Sewer	\$ 242,510
Water	302,324
Garbage	25,025
Harbor	66,653
Marine industrial park	241,381
Cannery property	<u>15,322</u>
Total depreciation expense -business type activities	<u>\$ 893,215</u>

Construction commitments

The City has no active construction projects as of June 30, 2020.

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds		
General Fund	Nonmajor Governmental Funds	\$ 19,600
General Fund	Enterprise Fund	323,822
General Fund	National Forest Receipts	19,483
General Fund	Endowment	<u>897</u>
		<u>\$ 363,802</u>

Amounts due between the General Fund and nonmajor governmental funds result from negative equity in central treasury because expenditures are made prior to the receipt of revenue, as in the case of funds that account for the activity of noncapital grants. Amounts due from the Enterprise Fund result from inadequate revenue to cover operating and capital expenses in prior years.

CITY OF CRAIG, ALASKA
NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

Interfund Transfers:

<u>Transfer in</u>						
Transfer out	<u>General Fund</u>	<u>National Forest Receipts Fund</u>	<u>Endowment Fund</u>	<u>Enterprise Fund</u>	<u>Non Major Governmental Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 1,596	\$ 1,538,755	\$ -	\$ 250,000	\$ 1,790,351
Endowment Fund	40,000	-	-	205,000	144,000	389,000
National Forest Receipts Fund	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
	<u>\$ 290,000</u>	<u>\$ 1,596</u>	<u>\$ 1,788,755</u>	<u>\$ 205,000</u>	<u>\$ 394,000</u>	<u>\$ 2,679,351</u>

E. LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In FY15, the City issued bonds to renovate the aquatic center. The bonds were issued at a premium of \$205,368. The premium is being amortized over the life of the bonds at \$10,268 each year.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. All of the bonds outstanding are held by the Alaska Municipal Bond Bank Authority. This State of Alaska agency purchases bonds from municipalities within the state, while simultaneously selling its own bonds to third parties in order fund the bond purchases.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities: Renovation of Aquatic Center		
\$1,810,000 2015 Series One, final payment due October 1, 2034	3.25 to 5.0%	<u>\$ 1,505,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 70,000	\$ 66,237
2022	70,000	62,737
2023	75,000	59,112
2024	80,000	55,237
2025	85,000	51,113
2026-2030	500,000	184,940
2031-2035	<u>625,000</u>	<u>59,946</u>
Total	<u>\$ 1,505,000</u>	<u>\$ 539,322</u>

Business-Type Activities

State of Alaska, Department of Environmental Conservation Loan Program

The City borrowed funds from the State of Alaska to upgrade the wastewater and water distribution systems.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
\$150,000 note payable for water distribution improvement system through the Alaska Drinking Water Fund; \$8,737 due annually on August 1 of each year.	1.5%	99,739
\$259,193 note payable for water distribution improvements system through the Alaska Drinking Water Fund; \$15,097 due annually on June 24 of each year	1.5%	<u>207,353</u>
		<u>307,092</u>
Total debt - governmental and business-type		<u>\$ 1,812,092</u>

Annual debt service requirements to maturity for all business-type notes payable is as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2021	20,201	4,606
2022	20,309	4,303
2023	20,420	3,999
2024	20,532	3,692
2025	20,645	3,385
2026-2030	104,990	12,242
2031-2035	87,036	4,430
2036	<u>12,959</u>	<u>194</u>
Total	<u>\$ 307,092</u>	<u>\$ 36,851</u>

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

Changes in long-term liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities:					
Bonds payable:					
GO Bonds	\$ 1,570,000	\$ -	\$ (65,000)	\$ 1,505,000	\$ 70,000
Issuance premiums	164,296	-	(10,270)	154,026	10,268
Total bonds payable	<u>1,734,296</u>	<u>-</u>	<u>(75,268)</u>	<u>1,659,026</u>	<u>80,268</u>
Net OPEB liability	457,580	-	(380,968)	76,612	-
Net pension liability	<u>2,203,205</u>	<u>58,006</u>	<u>-</u>	<u>2,261,211</u>	<u>-</u>
Government activities Long-term liabilities	<u>\$ 4,395,081</u>	<u>\$ 58,006</u>	<u>\$ (456,238)</u>	<u>\$ 3,996,849</u>	<u>\$ 80,268</u>
Business-type activities					
Notes payable					
State of Alaska	<u>\$ 386,296</u>	<u>\$ -</u>	<u>\$ (79,204)</u>	<u>\$ 307,092</u>	<u>\$ 20,201</u>
Total notes payable	386,296	-	(79,204)	307,092	20,201
Net OPEB liability	144,718	-	(140,082)	4,636	-
Net pension liability	<u>713,612</u>	<u>18,681</u>	<u>-</u>	<u>732,293</u>	<u>-</u>
Business-type activities Long-term liabilities	<u>\$ 1,244,626</u>	<u>\$ 18,681</u>	<u>\$ (219,286)</u>	<u>\$ 1,044,021</u>	<u>\$ 20,201</u>

Interest expense on all long-term debt was \$75,081 for the year ended June 30, 2020. The entire amount was charged to expense in the Statement of Activities.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 3. - continued

F. FUND BALANCE

Fund balance, reported in the aggregate on the governmental funds balance sheet, is subject to the following constraints:

	General Fund	Endow- ment Fund	National Forest Receipts Fund	Nonmajor Govern- mental Funds	Total
Nonspendable					
Prepaid items	\$ 16,839	\$ -	\$ -	\$ -	\$ 16,839
Restricted					
Police	-	-	-	18,342	18,342
Schools	-	-	1,664,305	-	1,664,305
Committed					
Library services	-	-	-	1,493	1,493
Hatchery support	-	-	-	134,877	134,877
Operating and capital support	-	12,691,215	-	1,391,436	14,082,651
Schools	-	-	1,491,085	-	1,491,085
Unassigned	3,032,388	-	-	-	3,032,388
Total fund balances	<u>\$ 3,049,227</u>	<u>\$ 12,691,215</u>	<u>\$ 3,155,390</u>	<u>\$ 1,546,148</u>	<u>20,441,980</u>

NOTE 4. OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City has not accrued a liability for claims and judgements at June 30, 2020 because the amount of potential claims at year end was determined to be immaterial. The City made no claim payments during FY 2020.

Effective January 1, 1989 the City was self-insured with respect to unemployment claims made by former employees. The City accounts for claims on a pay-as-you-go basis.

B. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Alaska and the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RETIREMENT PLANS

A. Defined Benefit (DB) Pension Plan

Plan descriptions

The City participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The plan was established and is administered by the State of Alaska to provide pension benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska State Legislature closed the plan to new members effective July 1, 2006.

The plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

State of Alaska
Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

or on the internet at <http://doa.alaska.drb>. Actuarial valuations reports, audited financial statements, and additional detailed plan information is also available on this website.

Benefits provided

PERS provides retirement, death and disability, and postemployment health care benefits. Participants are segregated into three tiers for PERS based on the participant's plan entry date. For all tiers within the defined benefits pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salaries times the number of years of service. The multiplier is dependent upon years of services for most employees. Each tier within the Plan establishes the criteria for normal retirement age, early retirement age, and the calculation of average monthly salary, COLA adjustments, and other postemployment retirement benefits. A complete benefit comparison chart is available at the website noted above.

Special Funding Situation

In connection with the conversion of the PERS plan in 2008 from an agent-multiple employer plan to a cost-sharing plan, the State of Alaska passed legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including those paid to participants of the PERS Tier IV defined contribution plan.

State of Alaska statute requires the state to contribute an amount equal to the difference between the statutory employer contribution rate and the rate sufficient to pay the past service liability contribution rate as adopted by the Alaska Retirement Management Board. As such, the plan is considered to be in a special funding situation as defined by GASB. The City has recorded the related on-behalf of contribution as both revenue and expense.

Employee Contribution Rates

City employees are required to contribute 6.75% of their annual covered salary for PERS. The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate assets to pay benefits when due.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the rate paid by all participating employers. Under current legislation, this rate is statutorily capped at 22%, subject to a wage floor and other termination events. The rate is applied to all wages attributable to employees participating in the Plan. In addition, the wages of employees participating in the defined contribution plan discussed later are subject to a percentage which is the difference between the required contribution rate and 22%. This amount is referred as the Defined Benefit Unfunded Liability or DBUL contribution to the defined benefit plan.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements. Prior to July 1, 2015, there were no constraints or restriction on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percentage of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board rates than previously adopted.

On-behalf Contribution Rate: This is the rate normally paid by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Contractual Rate.

GASB Rate: This is the rate used to determine long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. The GASB rate and the ARM Board Adopted Rate differ significantly due to variances in actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2020 were determined in the June 30, 2017 actuarial valuation.

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	22.34%	6.62%
Postemployment healthcare	6.28%	6.28%	-
Total PERS contribution rates	22.00%	28.62%	6.62%

In 2020, the City was credited with the following contributions to the pension plan.

	Measurement Period FY19	FY20
Employer contributions (including DBUL)	\$ 192,294	\$ 190,985
Non-employer contributions (on-behalf)	104,053	127,821
Total PERS contributions	\$ 296,347	\$ 318,806

Participating employees contributed \$39,778 to PERS during the City's fiscal year.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a liability for its proportionate share of the net pension liability. The amount recognized by the City as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability associated with the City were as follows:

City's proportionate share of the NPL	\$	2,993,504
State's proportionate share of the NPL associated with the City		<u>1,022,000</u>
Total net pension liability	\$	<u><u>4,015,504</u></u>

The net pension liabilities were measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability of the Plan was determined by an actuarial valuation as of June 20, 2018 rolled forward to June 30, 2019. The City's proportion of the net pension liabilities were based on a projection of the City's long-term contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2019, the measurement date, the City's proportion of the PERS net pension liability was 0.05468 percent, which is a decrease of .00402% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$257,732 for PERS.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflow of Resources

Net difference between projected and and actual investment earnings on pension plan investments	\$	42,920
Change in assumptions		91,648
City contributions subsequent to the measurement date		<u>190,985</u>
Total deferred outflow of resources	\$	<u><u>325,553</u></u>

Deferred Inflow of Resources

Difference between actual and Expected experience		44,316
Changes in proportion and Differences between employer contributions		<u>78,904</u>
Total deferred inflows of resources	\$	<u><u>123,220</u></u>

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

The amount reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2021	16,051
2022	(31,690)
2023	12,178
2024	14,809

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation rate	2.50%
Salary increases	Increase range from 6.75% to 2.75% based on age and service.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on average inflation rate of 2.5% and a real rate of return of 4.88%

Mortality rates (pre-termination) for PERS were based on the 2013 to 2017 actual mortality experience. Mortality rates (post-termination) are based on 100% of all rates of the RP-2014 table with MP-2017 generational improvement. Post-termination mortality rates were based on 91% male and 96% female rates of the RP-2014 table with MP-2017 generational improvement. Deaths are assumed to be occupational 40% of the time.

The actuarial assumptions used in the June 30, 2018 actuarial valuations were based on the results of an experience study for the period July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

Long-term Expected Rate of Return

The long-term expected rate of return on PERS pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of arithmetic real return for each major asset class included in each Plan's current and expected asset allocation is summarized in the following table (note that the rates shown below exclude the inflation component):

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

<u>Asset class</u>	<u>Long- term expected real rate of return</u>
Domestic equity	8.16%
Global equity (non-US)	7.51
Fixed income	1.58
Opportunistic	3.96
Real estate	4.76
Absolute return	4.76
Private equity	11.39
Cash equivalents	0.83

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.38%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployee contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of June 30, 2019, calculated using the discount rate of 7.38% as well as what the Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate:

	<u>1% Decrease (6.38%)</u>	<u>Current Discount rate</u>	<u>1% Increase (8.38%)</u>
City proportional share of the net pension liability	\$ 3,950,902	\$ 2,993,504	\$ 2,191,717

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS financial report.

B. Defined Contribution (DC) Pension Plan

Employees hired on or after July 1, 2006 participate in PERS Tier IV, defined contribution plan. The Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan described in the notes above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan is an individual pension account, retiree medical insurance, and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. The Plan is included in the comprehensive annual financial reports for PERS at the following website, as noted above. <http://doa.alaska.gov/dr/b>.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

Contributions to the defined contribution plan consists solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, employers are required to contribute 22% of all PERS defined contribution wages. After deducting the required defined contribution pension and OPEB contributions, the remaining amount remitted (the DBUL) is deposited into the defined benefit plan discussed earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2020 to cover a portion of the City's employer match contributions. For the year ended June 30, 2020, forfeitures reduced pension expense by \$2,356.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the participant's account.

Employer Contribution Rates

For the year ended June 30, 2020, the City was required to contribute 5% of covered salary into the PERS defined contribution plan.

The City and employee contributions to PERS for pensions for the year ended June 30, 2020 were \$139,398 and \$100,589, respectively. City contributions are recognized as pension expense.

C. Defined Benefit OPEB Plan

As part of its participation in the PERS Defined Benefits Plan (Tiers I, II, III for PERS), the City participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP), and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP is self-insured and provides major medical coverage to retirees of the PERS DC Plan (Tier IV). Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plan is administered by the State of Alaska, Department of Administration. The OPEB plans are included in a comprehensive annual financial report for PERS, at the follow website, <http://doa.alaska.gov/drb/pers>.

Employer Contribution Rates

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2020 were as follows

Alaska Retiree Healthcare Trust	6.28%
Retiree Medical Plan	1.32%
Occupational Death and Disability	0.26%
	<hr/>
Total contribution rates	7.86%

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

Participating employees contributed \$100,589 to PERS during the City's fiscal year.

In 2020, the City was credited with the following contributions to the other postemployment benefit plans:

	Measurement Period FY19	FY20
	<u> </u>	<u> </u>
Alaska Retiree Healthcare Trust	\$ 69,877	\$ 76,297
Retiree Medical Plan	11,070	16,597
Occupational Death and Disability	4,282	4,192
	<u> </u>	<u> </u>
Total contributions	<u>\$ 85,229</u>	<u>\$ 97,086</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2020, the City reported a liability of for its proportionate share of the net OPEB liability (NOL). The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability associated with the City were as follows:

City's proportionate share of NOL - ARHCT	\$ 81,248
City's proportionate share of NOL - RMP	22,568
City's proportionate share of NOL – ODD	(25,426)
State's proportionate share of the NOL associated with the City	<u>596,000</u>
Total net OPEB liability	<u>\$ 674,390</u>

The total OPEB liabilities/assets for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 to calculate the net OPEB liabilities as of that date. The City's proportion of the net OPEB liabilities were based on the ratio of the present value of projected future contributions for each employer to the present value of projected future contributions to the Plans for the fiscal years 2020 to 2039.

	June 30,2018 Measurement Date Employer Proportion	June 30, 2019 Measurement Date Employer Proportion	Change
	<u> </u>	<u> </u>	<u> </u>
City's proportionate share of the net OPEB liability			
ARHCT	0.05869%	0.05476%	(0.00393)%
RMP	0.09961%	0.09433%	(0.00528)%
ODD	0.09961%	0.10487%	0.00526%

As a result of its requirement to contribute to the Plan, the City recognized OPEB expense of \$(535,580) and no on-behalf of revenue.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflow of Resources

Changes in assumptions	107,814
Changes in proportion and differences between employer contributions	3,018
City contributions subsequent to the measurement date	<u>\$ 76,296</u>
Total deferred outflow of resources	<u><u>\$ 187,128</u></u>

Deferred Inflow of Resources

Difference between actual and expected experience	\$ 54,597
Net difference between projected and actual investment earnings or pension plan investments	35,577
Change in proportion and differences between City contributions and proportionate share of contributions	<u>14,411</u>
Total deferred inflows of resources	<u><u>\$ 104,585</u></u>

The amount reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2021	14,171
2022	(27,654)
2023	8,560
2024	11,170

Actuarial Assumptions

The total OPEB liability for the measurement period ended June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2019.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation rate	2.5%
Salary increases	Graded by service, from 6.75% to 2.75%.
Investment rate of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.88%
Heath care cost trend rates	Pre-65 medical: 7.5% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drugs: 8.5% grading down to 4.5% Employer Group Waiver Plan (EGWP): 8.5% grading down to 4.5%

Mortality rates (pre-termination) for PERS were based on the 2013 to 2017 actual mortality experience. Mortality rates (post-termination) are based on 100% of all rates of the RP-2014 table with MP-2017 generational improvement. Post-termination mortality rates were based on 91% male and 96% female rates of the RP-2014 table with MP-2017 generational improvement. The rates for pre-termination mortality were 100% of the RP-2014 employee table with MP-2017 generational improvement.

Participation - (ARHCT) 100% of system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible, 10% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2018 actuarial valuations for PERS were based on the results of an experience study for the period July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

Long-term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an target asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of arithmetic real rates of return, excluding the inflation component of 2.5%, for each major asset class included in the Plan's target asset allocation as of June 30, 2019 are summarized in the following table (note that the rates shown below exclude the inflation component):

<u>Asset class</u>	<u>Long- term expected real rate of return</u>
Domestic equity	8.16%
Global equity (non-US)	7.51
Fixed income	1.58
Opportunistic	3.96
Real assets	4.76
Absolute return	4.76
Private equity	11.39
Cash equivalents	0.83

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2019 was 7.38%. This is a reduction in the discount rate used since the prior measurement date, which was 8%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployee contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan, calculated using the discount rate of 7.38% as well as what the Plan net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> (6.38%)	<u>Current</u> <u>Discount rate</u>	<u>1% Increase</u> (8.38%)
ARHCT	\$ 653,534	\$ 81,248	\$ (389,521)
RMP	56,684	22,568	(3,116)
ODD	(24,118)	(25,426)	(26,483)

Healthcare Cost Trend Rates Sensitivity

The following presents the City's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the City's proportionate share of the net OPEB liabilities would be if it were calculated using healthcare cost trend rates that 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u> (6.38%)	<u>Current</u> <u>Discount rate</u>	<u>1% Increase</u> (8.38%)
ARHCT	\$ (444,580)	\$ 81,248	\$ 722,955
RMP	(6,941)	22,568	62,964
ODD	-	(25,426)	-

OPEB Plan Fiduciary Net Position

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS financial reports.

Defined Contribution OPEB

Defined Contribution Pension Plan participants (PERS Tier IV), in addition to participating in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan, also participate in the Health Reimbursement Arrangement Plan (HRA). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. Employees do not contribute to the HRA Plan.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 5. - continued

Employer Contribution Rates

The HRA contribution amount is “three percent of the average annual employee compensation of all employees for all employers of the plan”. As of July 1, 2019, for actual remittance, this amount is calculated as a flat rate for each full time or part time employee per pay period and approximated \$2,121 per year for each full-time employee, and \$1.36 per hour for part-time employees.

In fiscal year 2020, the City contributed \$33,479 to the DC OPEB plan. These amounts have been recognized as an expense.

Note 6. New Accounting Pronouncements

GASB 84 – Fiduciary Activities – Effective for year-end June 30, 2021, with earlier application encouraged. This statement addresses criteria for identifying and reporting fiduciary activities.

GASB 87 – Leases – Effective for year-end June 30, 2022. This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement – Effective for year-end June 30, 2021. This statement addresses note disclosures related to debt, clarifies which liabilities to include when disclosing information related to debt, and defines debt for the purpose of disclosure. It requires additional essential information related to debt be disclosed in the notes, as well as information for direct borrowings and direct placements.

GASB 89 – Accounting for Interest Costs Incurred Before the End of a Construction Period – Effective for year-end June 30, 2022, with earlier application encouraged – This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statement prepared using the economic resources measurement focus.

GASB 90 – Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61 – Effective for year-end June 30, 2021, with earlier application encouraged – This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

GASB 91 – Conduit Debt Obligations – Effective for year ended June 30, 2023, with earlier application encouraged – This statement provides for one method of reporting conduit debt, clarifies the definition of conduit debt and improves note disclosures.

GASB 92 – Omnibus 2020- Effective for the most part upon issuance (January 2020). The statement addresses practice issues that have been identified during the implementation and application of certain GASB statements.

GASB 93 – Replacement of Interbank Offer Rates – Effective for year end June 30, 2022. This statement addresses the accounting and financial reporting issues related to the replacement of an interbank offer rates due to LIBOR changes.

GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements – Effective for year-end June 30, 2023. This statement addresses issues related to arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use assets such as infrastructure.

CITY OF CRAIG, ALASKA

NOTES TO FINANCIAL STATEMENTS

Note 7. Coronavirus Pandemic

On March 11, 2020 the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak a national emergency on March 13, 2020. In response to the emergency the updated its policies to increase screening of all employees, requiring social distancing and the use of face masks, and other protective and cleaning measures. Employees were able to work remotely and access to City facilities was restricted.

The Coronavirus pandemic has had a significant impact on the City. The City received Federal (CARES) funding passed through the State of Alaska for operational support to mitigate some of the effect of reduced revenue and provide needed aid to businesses, organizations and individuals negatively impacted by mandated quarantines and closures. The full impact of this funding on financial condition, results of operation, and liquidity is not yet determinable.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRAIG, ALASKA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Real and personal	\$ 655,300	\$ 655,300	\$ 663,083	\$ 7,783
Sales and bed	1,763,250	1,763,250	2,051,659	288,409
State sources	178,018	178,018	241,138	63,120
Federal sources	289,500	289,500	823,365	533,865
Charges for services	543,812	543,812	580,716	36,904
Fines, forfeitures and penalties	10,000	10,000	6,855	(3,145)
Investment income	35,000	35,000	52,610	17,610
Uses of property	72,000	72,000	72,898	898
Licenses and permits	71,100	71,100	81,075	9,975
Other	5,000	5,000	20,081	15,081
Total revenues	3,622,980	3,622,980	4,593,480	970,500
EXPENDITURES				
Current:				
Administration	683,985	683,985	763,567	(79,582)
Council	34,353	34,353	39,739	(5,386)
Planning	71,019	71,019	89,969	(18,950)
Parks and facilities	269,442	269,442	335,058	(65,616)
Public works	346,012	346,012	350,045	(4,033)
Police	982,588	982,588	888,526	94,062
Emergency medical services	202,154	202,154	203,219	(1,065)
Fire	39,593	39,593	18,708	20,885
Library	130,361	130,361	106,708	23,653
Recreation	110,005	110,005	100,975	9,030
Aquatic facilities	470,405	470,405	338,053	132,352
Hatchery	56,000	56,000	56,000	-
Debt service	136,888	136,888	134,288	2,600
Capital outlay	40,000	84,000	80,668	3,332
Total expenditures	3,572,805	3,616,805	3,505,523	111,282
Excess (deficit) of revenues over (under) expenditures	50,175	6,175	1,087,957	1,081,782
OTHER FINANCING SOURCES (USES)				
Transfers in	279,825	279,825	290,000	10,175
Transfers out	(330,000)	(1,788,755)	(1,790,351)	(1,596)
Total other financing sources (uses)	(50,175)	(1,508,930)	(1,500,351)	8,579
Net change in fund balances	\$ -	\$ (1,502,755)	(412,394)	\$ 1,090,361
Fund balances, beginning of year			3,501,054	
Fund balances, end of year			\$ 3,088,660	

CITY OF CRAIG, ALASKA

PUBLIC EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

<u>Year ended June 30,</u>	<u>City's Proportion of Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>State of Alaska Proportionate Share of the Net Pension Liability</u>	<u>Total Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.03545%	\$ 1,653,479	\$ 1,562,450	\$ 3,215,929	\$ 755,381	219%	62.37%
2016	0.06072%	2,945,168	791,170	3,736,338	699,061	421%	63.96%
2017	0.06438%	3,598,637	454,277	4,052,914	609,523	590%	59.55%
2018	0.05809%	3,002,736	1,170,000	4,172,736	608,534	493%	63.37%
2019	0.05870%	2,916,817	845,804	3,762,621	590,521	494%	65.19%
2020	0.05468%	2,993,504	1,022,000	4,015,504	569,719	525%	63.42%

CITY OF CRAIG, ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF CITY'S CONTRIBUTIONS

Year Ended June 30,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 143,028	\$ 143,028	\$ -	\$ 699,061	20.46%
2016	145,754	145,754	-	609,523	23.91%
2017	173,706	173,706	-	608,534	28.54%
2018	197,107	197,107	-	590,521	33.38%
2019	192,294	192,294	-	569,719	33.75%
2020	190,985	190,985	-	580,225	32.92%

See notes to required supplementary information

CITY OF CRAIG, ALASKA

PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

<u>Year ended June 30,</u>	<u>City's Proportion of Net OPEB Liability</u>	<u>City's Proportionate Share of the Net OPEB Liability</u>	<u>State of Alaska Proportionate Share of the Net OPEB Liability</u>	<u>Total Net OPEB Liability</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net OPEB Liability as a Percentage of Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
2018	0.05812%	\$ 490,984	\$ 182,679	\$ 673,663	\$ 608,534	81%	89.68%
2019	0.05869%	602,298	175,406	777,704	590,521	102%	88.12%
2020	0.05476%	81,248	596,000	677,248	569,719	14%	98.13%

See notes to required supplementary information.

CITY OF CRAIG, ALASKA

PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN

SCHEDULE OF CITY'S CONTRIBUTIONS

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relative to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 56,185	\$ 56,185	\$ -	\$ 590,521	9.51%
2019	69,877	69,877	-	569,719	12.27%
2020	76,297	76,297	-	580,225	13.15%

See notes to required supplementary information

CITY OF CRAIG, ALASKA

Notes to Required Supplementary Information June 30, 2020

Note 1. Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

The schedule is presented on the modified accrual basis with adjustments for timing differences for the recognition of sales tax revenue and the elimination of on-behalf revenues and expenditure for State of Alaska pension and OPEB amounts.

Note 2. Public Employees' Retirement System Pension Plan

Schedule of the City's Proportionate Share of the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2020, the Plan measurement date is June 30, 2019.

Changes in Assumptions:

In 2020, the discount rate was lowered from 8% to 7.38%

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

Schedule of the City's Contributions

This table is based on the City's contributions for each fiscal year presented. The contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

Note 3. Public Employees' Retirement System OPEB Plan

Schedule of the City's Proportionate Share of the Net OPEB Liability

This table is presented based on the Plan measurement date. For June 30, 2020, the Plan measurement date is June 30, 2019.

Changes in assumptions:

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated
3. Per capital claims costs were updated to reflect recent experience.
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.
5. The discount rate was lowered from 8% to 7.38%

CITY OF CRAIG, ALASKA

Notes to Required Supplementary Information- continued

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

Changes in Methods:

As part of the experience study, the actuarial cost method for the retiree healthcare plan was changed from the Entry Age Level Dollar method to the Entry Age Level Percent of Pay method.

Schedule of the City's Contributions - Public Employees Retirement System OPEB Plan

This table is based on the City's contributions for each fiscal year presented. The contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

Note 4. All Pension and OPEB Tables

All Pension and OPEB tables are required to present 10 years of information. Until a full 10-year trend is compiled, the City has only presented information for the years in which it is available.

ADDITIONAL SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Facilities Development Fund - This fund accounts for amounts set aside for special projects for facilities that the City is developing. Current projects which are being developed include: a marine memorial park; improvements to the Port St. Nick Hatchery, future maintenance on the medical clinic and a program to acquire fishing quota shares.

Police Drug Forfeiture Fund - This fund accounts for amounts received from the disposal of assets pursuant to drug convictions.

Land Development Fund - This fund accounts for the utility development, appraisal, and platting for City owned lots. The lots will eventually be sold to the general public.

Equipment Fund - This fund accounts for amounts set aside in prior years in various other funds for equipment replacement. Each year, department managers submit requests for equipment upgrades to be paid for by this fund.

Salmon Derby Fund - This fund accounts for proceeds from the annual Salmon Derby and related prize payments. The net proceeds generated by the derby support the Port St. Nicolas Salmon Hatchery.

Local Emergency Planning/Homeland Security - This fund accounts for a grant from the State of Alaska, Division of Homeland Security and Emergency Management. The purpose of the grant is to fund the preparation and maintenance of a local emergency plan.

Fire and EMS Funds – This fund accounts for donations and other revenue for fire and EMS departments enhancements.

POW DAT Team Fund – This fund accounts for monies passed through from the POW Chamber of Commerce to purchase Red Cross Disaster Action Team supplies.

CARES Grant Fund – This fund accounts for federal funds passed through the State of Alaska for the Coronavirus Relief Fund. These monies are for necessary expenditures due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19). Expenditures in this fund are for emergency supplies related to COVID-19. Funding for emergency personnel is accounted for in the General Fund.

Library Funds – This fund accounts for the State of Alaska Library Assistance grant for public library purposes including the purchase of materials and books. It also includes a grant from the Institute of Library and Museum Services passed through Craig Community Association to provide basic library services to Native Americans. In addition, this fund accounts for donations from patrons that wish to have a new library constructed. The project is just in the initial stage of development.

Capital Projects Funds

Craig Pool Refinishing Fund – This fund accounts for an monies transferred from the General and Endowment funds to refinish the aquatic center floor.

CITY OF CRAIG, ALASKA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

	Special Revenue Funds			
	Facilities Development Fund	Police Drug Forfeiture	Land Development Fund	Equipment Fund
ASSETS				
Equity in central treasury	\$ 23,436	\$ -	\$ -	\$ -
Cash and cash equivalents	69,685	19,109	568,283	452,693
Receivables, net of allowance for uncollectibles	1,200	-	-	-
Total assets	\$ 94,321	\$ 19,109	\$ 568,283	\$ 452,693
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Due to other funds	-	767	122	5
Total liabilities	-	767	122	5
Fund balances:				
Restricted	-	18,342	-	-
Committed	94,321	-	568,161	452,688
Total fund balances	94,321	18,342	568,161	452,688
Total liabilities and fund balances	\$ 94,321	\$ 19,109	\$ 568,283	\$ 452,693

<u>Salmon Derby Fund</u>	<u>Local Emergency Planning/ Homeland Security</u>	<u>Fire and EMS Funds</u>	<u>POW DAT Team Fund</u>	<u>CARES Funding Safety Supplies Fund</u>	<u>Library Funds</u>
\$ 77,025	\$ -	\$ 14,272	\$ 2,166	\$ 395,565	\$ 3,028
58,027	-	-	-	-	-
-	13,064	-	-	-	9,414
<u>\$ 135,052</u>	<u>\$ 13,064</u>	<u>\$ 14,272</u>	<u>\$ 2,166</u>	<u>\$ 395,565</u>	<u>\$ 12,442</u>
\$ 175	\$ -	\$ -	\$ -	\$ 10,319	\$ 301
-	3,772	-	2,166	385,246	1,234
-	9,292	-	-	-	9,414
175	13,064	-	2,166	395,565	10,949
-	-	-	-	-	-
<u>134,877</u>	<u>-</u>	<u>14,272</u>	<u>-</u>	<u>-</u>	<u>1,493</u>
134,877	-	14,272	-	-	1,493
<u>\$ 135,052</u>	<u>\$ 13,064</u>	<u>\$ 14,272</u>	<u>\$ 2,166</u>	<u>\$ 395,565</u>	<u>\$ 12,442</u>

CITY OF CRAIG, ALASKA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

	Capital Projects Fund	
	Craig Pool Refinishing Fund	Total Nonmajor Governmental Funds
ASSETS		
Equity in central treasury	\$ 381,836	\$ 897,328
Cash and cash equivalents	-	1,167,797
Receivables, net of allowance for uncollectibles	-	23,678
	-	23,678
Total assets	\$ 381,836	\$ 2,088,803
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 119,842	\$ 130,637
Deferred revenue		392,418
Due to other funds		19,600
	119,842	542,655
Total liabilities	119,842	542,655
Fund balances:		
Restricted	-	18,342
Committed	261,994	1,527,806
	261,994	1,546,148
Total fund balances	261,994	1,546,148
Total liabilities and fund balances	\$ 381,836	\$ 2,088,803

CITY OF CRAIG, ALASKA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

Special Revenue Funds

	Facilities Special Revenue	Police Drug Forfeiture	Land Development Fund	Equipment Fund
REVENUES				
State sources	\$ -	\$ 21,536	\$ -	\$ -
Federal sources	-	-	-	-
Investment income	43	6	347	545
Other	4,500	-	-	-
Total revenues	4,543	21,542	347	545
EXPENDITURES				
Current:				
Planning	-	-	-	-
Public works	-	-	-	-
Police	-	8,721	-	5
Library	-	-	-	-
Hatchery	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	8,721	-	5
Excess (deficit) of revenues over expenditures	4,543	12,821	347	540
Other financing sources(uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	4,543	12,821	347	540
Fund balance, beginning of year - as restated	89,778	5,521	567,814	452,148
Fund balance, end of year	<u>\$ 94,321</u>	<u>\$ 18,342</u>	<u>\$ 568,161</u>	<u>\$ 452,688</u>

CITY OF CRAIG, ALASKA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Salmon Derby Fund	Local Emergency Planning/ Homeland Security	Fire and EMS Funds	POW DAT Team Fund
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	-	25,645	-	-
Investment income	32,395	-	-	-
Other	15	-	8,573	4,334
Total revenues	32,410	25,645	8,573	4,334
EXPENDITURES				
Current:				
Planning	-	14,500	-	-
Public works	-	-	-	-
Police	-	11,145	-	4,334
Library	-	-	-	-
Hatchery	9,122	-	-	-
Capital outlay	-	-	-	-
Total expenditures	9,122	25,645	-	4,334
Excess (deficit) of revenues over expenditures	23,288	-	8,573	-
Other financing sources(uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	23,288	-	8,573	-
Fund balance, beginning of year - as restated	111,589	-	5,699	-
Fund balance, end of year	<u>\$ 134,877</u>	<u>\$ -</u>	<u>\$ 14,272</u>	<u>\$ -</u>

		Capital Projects Fund	
CARES Funding Safety Supplies Fund	Library Funds	Craig Pool Refinishing Fund	Total Nonmajor Governmental Funds
\$ -	\$ 7,000	\$ -	28,536
14,908	11,089	-	51,642
-	-	-	33,336
5,000	7,712	-	30,134
19,908	25,801	-	143,648
-	-	-	14,500
-	-	-	-
19,908	-	-	44,113
-	25,801	-	25,801
-	-	-	9,122
-	-	132,006	132,006
19,908	25,801	132,006	225,542
-	-	(132,006)	(81,894)
-	-	394,000	394,000
-	-	394,000	394,000
-	-	261,994	312,106
-	1,493	-	1,234,042
<u>\$ -</u>	<u>\$ 1,493</u>	<u>\$ 261,994</u>	<u>\$ 1,546,148</u>

Enterprise Fund Departments

An enterprise fund is a proprietary fund and is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City is that the costs of providing services to the general public on a continuing basis be financed primarily through user charges.

The Enterprise Fund accounts for the following activities:

1. Sewer, water and garbage service to the residents of Craig,
2. Operation of a municipal boat harbor and dock financed by moorage and storage fees,
3. Operation of a marine industrial park financed by tenant property rental fees,
4. Development of a facility on the site of the former Wards Cove cannery.

CITY OF CRAIG, ALASKA

COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN DEPARTMENT NET POSITION

ENTERPRISE FUND

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Sewer Department</u>	<u>Water Department</u>	<u>Garbage Department</u>	<u>Harbor Department</u>	<u>Marine Industrial Park Department</u>	<u>Cannery Property Department</u>	<u>Total</u>
Operating revenue:							
Charges for services	\$ 296,013	\$ 308,042	\$ 298,685	\$ 264,698	\$ 443,343	\$ 6,305	\$ 1,617,086
Operating expenses:							
Salaries and benefits	115,798	173,127	62,890	185,686	105,056	-	642,557
Insurance	6,924	10,896	3,300	24,290	14,976	2,052	62,438
Utilities	49,896	49,050	-	21,949	46,246	1,929	169,070
Contractual services	7,770	10,271	196,692	1,925	1,828	-	218,486
Repairs and maintenance	4,732	-	-	11,099	16,476	1,236	33,543
Materials and supplies	18,760	83,229	7,112	17,625	13,335	17	140,078
Travel and per diem	100	5,494	-	3,905	200	-	9,699
Small equipment	-	2,402	28,929	7,289	1,198	-	39,818
Other	1,280	52	189	1,514	1,544	-	4,579
Depreciation	242,510	302,324	25,025	66,653	241,381	15,322	893,215
Total operating expenses	<u>447,770</u>	<u>636,845</u>	<u>324,137</u>	<u>341,935</u>	<u>442,240</u>	<u>20,556</u>	<u>2,213,483</u>
Operating income (loss)	(151,757)	(328,803)	(25,452)	(77,237)	1,103	(14,251)	(596,397)
Nonoperating revenues (expenses):							
Investment income	1,174	-	-	-	-	-	1,174
Interest expense	-	(4,905)	-	-	-	-	(4,905)
Noncapital grants	6,068	9,502	2,914	5,825	2,832	-	27,141
Total nonoperating revenue (expenses)	<u>7,242</u>	<u>4,597</u>	<u>2,914</u>	<u>5,825</u>	<u>2,832</u>	<u>-</u>	<u>23,410</u>
Change in net position	<u>\$ (144,515)</u>	<u>\$ (324,206)</u>	<u>\$ (22,538)</u>	<u>\$ (71,412)</u>	<u>\$ 3,935</u>	<u>\$ (14,251)</u>	<u>\$ (572,987)</u>

CITY OF CRAIG, ALASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

Grantor and Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture			
Forest Service Schools and Road Cluster			
Passed through the State of Alaska, Department of Commerce Community and Economic Development National Forest Receipts - Municipal & Regional Assistance	10.665		<u>598,381</u>
Total Department of Agriculture			598,381
Department of Homeland Security			
Passed through the State of Alaska, Department of Military and Veterans Affairs State Homeland Security Program	97.067	20SHSP-GY18	11,145
Emergency Management Performance Grants	97.042	20EMPG-G18	<u>14,500</u>
Total Department of Homeland Security			25,645
Department of the Interior			
Passed through the State of Alaska, Department of Commerce Community and Economic Development Payment in Lieu of Taxes	15.226		<u>315,508</u>
Total Department of the Interior			315,508
Department of the Treasury			
Passed through the State of Alaska Coronavirus Relief Fund	21.019		<u>493,948</u>
Total Department of the Treasury			493,948
Institute of Museum and Library Services National Endowment for the Humanities Pass- Through Programs			
Passed through the Craig Community Association Native American and Native Hawaiian Library Services	45.311		<u>11,089</u>
Total Institute of Museum and Library Sciences			<u>11,089</u>
Total Federal Financial Assistance			<u>\$ 1,444,571</u>

See notes to the schedule of expenditures
of federal awards.

CITY OF CRAIG, ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "SEFA") includes the federal award activity for the City of Craig, Alaska under programs of the federal government for the year ended June 30, 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City of Craig, Alaska, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Craig, Alaska.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The City of Craig, Alaska has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 4. Subrecipients

The City of Craig, Alaska provided no federal awards to subrecipients during the fiscal year.

Note 5. Reconciliation of the Schedule of Expenditures of Federal Awards to Amounts Reported as Grant Income in the Financial Statement

The following is a reconciliation of grant revenue reported in the City of Craig, Alaska's financial statements to the expenditures of federal awards reported in the Schedule of Expenditures of Federal Awards:

From the Statement of Activities:	
Operating grants and contributions	\$ 1,089,650
Grants and contributions not restricted for specific programs	583,787
Adjustments:	
State of Alaska funding	(373,927)
PRF non-reporting requirement	(1,564)
Timing difference in recognition of National Forest Receipts	<u>146,625</u>
Federal expenditures as reported on the Schedule of Expenditures of Federal Awards	<u>\$ 1,444,571</u>

Note 6. National Forest Receipts

National Forest Receipts are recorded directly to revenue and any unspent amounts are reported as restricted fund balance. The National Forest Receipts fund reports \$1,664,305 of restricted fund balance as of June 30, 2020 related to unspent grant funds.

COMPLIANCE REPORTS

CHRISTINE E. HARRINGTON

Certified Public Accountant, LLC

329 Harbor Drive, Suite 210, P.O. Box 1328 Sitka, Alaska 99835 (907) 747-5500

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the City Council
City of Craig, Alaska

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Craig, Alaska, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City of Craig, Alaska's basic financial statements and have issued my report thereon dated August 18, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City of Craig, Alaska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Craig, Alaska's internal control. Accordingly, I do not express an opinion on the effectiveness of the City of Craig, Alaska's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and question costs as item 2020-001 that I consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Craig, Alaska's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Members of the City Council
City of Craig, Alaska

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christine E. Harrington

Sitka, Alaska
August 18, 2021

CHRISTINE E. HARRINGTON

Certified Public Accountant, LLC

329 Harbor Drive, Suite 210, P.O. Box 1328 Sitka, Alaska 99835 (907) 747-5500

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the City Council
City of Craig, Alaska

Report on Compliance for Each Major Federal Program

I have audited the City of Craig, Alaska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Craig, Alaska's major federal programs for the year ended June 30, 2020. The City of Craig, Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City of Craig, Alaska's basic financial statements include the operations of the Craig City School District, a governmental discretely presented component unit. My audit, described below, did not include the operations of the Craig City School District (District) because the District was subject to a separate audit. Those financial statements reported \$1,729,940 of federal awards subject to Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance of each of the City of Craig, Alaska's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Craig, Alaska's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on the City of Craig, Alaska's compliance.

Opinion on Each Major Federal Program

In my opinion, the City of Craig, Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Members of the City Council
City of Craig, Alaska

Report on Internal Control Over Compliance

Management of the City of Craig, Alaska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the City of Craig, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City of Craig, Alaska's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Christine E. Harrington

Sitka, Alaska
August 18, 2021

City of Craig, Alaska

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of audit results:

Financial Statements:

Type of report issued on financial statements	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified	No (none reported)
Noncompliance material to the financial statements noted	No

Federal Financial Assistance:

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No (none reported)

Type of auditor's report issued on compliance for major programs	Unmodified
--	------------

Audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.516(a)	No
--	----

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between a major program:	\$750,000
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Auditee qualifies as low risk auditee	Yes
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City of Craig, Alaska

Schedule of Findings and Questioned Costs, continued

Year Ended June 30, 2020

Section II - Financial Statement Findings Required to be Reported in Accordance with *Governmental Auditing Standards*:

Finding 2020-001 General Ledger Reconciliation – Material Weakness

Criteria: Management is responsible for establishing and maintaining effective internal control to help ensure that financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent, or detect and correct misstatements on a timely basis.

Condition: There were significant adjustments made to the general ledger of the City during the course of the audit, which resulted in a significant change to revenues and expenditures. Specifically, adjustments were made to Accounts and Grant Receivable, Transfers, Fixed Assets and related Depreciation. In addition we noted that the bank reconciliations for the General Fund checking account were not performed timely.

Context: The goal of the general ledger reconciliation process is to produce accurate financial statements for review by management in order to assist in the decision-making process throughout the year.

Effect: Individual accounts were misstated which resulted in revenues and expenditures/expenses being misstated.

Cause: Internal controls were not established to ensure that all general ledger accounts were properly reconciled and adjusted.

Recommendation: City staff must closely review the activity in the General Ledger. Information should be reviewed timely for completeness and accuracy.

Management Response – Refer to corrective action plan

Section III – Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in Section 2CFR 200.516(a)) that are required to be reported.

Section IV - Disposition of Prior Year Findings and Question Costs

No prior year findings and questioned costs

Section V - Corrective Action Plan

See following page



CORRECTIVE ACTION PLAN

Finding 2020-001 General Ledger Reconciliation

Management Response:

Management concurs with the independent auditor's finding.

Corrective Action:

Management will implement reconciliation of the general ledger checking accounts monthly. Management is being trained on reconciliations, transfers and adjustments at the year-end that will be able to better assist during the year and audit.

Internal Controls will be reviewed, and staff will be trained accordingly.

Expected Completion:

Corrective actions will be implemented in conjunction with the FY2021 audit.

Sheri Purser
City Treasurer
(907) 826-3275

RETURN TO TOP

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**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: August 26, 2021
RE: Mayoral Nomination of Doug Rhodes to IFA At-Large Board Seat

The Interisland Ferry Authority Board of Directors is made up of residents from each IFA community, plus one at-large member from one of the member communities. The at-large board seat is currently vacant.

Per the Section 8.e of the IFA enabling ordinance, the mayor of each community may nominate a person for the at-large board seat. The IFA board then appoints one of the candidates nominated by the mayors. No council action is called for in the mayor making the at-large nomination. The relevant text from the enabling ordinance is shown below.

(e) The Board shall appoint the At-large Director(s) from names submitted by the mayors of all Participating Municipalities. In the event that the Board cannot reach a decision with regard to the proposed appointment(s) to the At-large Director position(s), the Board shall submit the names of not more than two candidates for each At-large position to the mayors of all Participating Municipalities, a majority of whom shall then, with the concurrence of their respective City Councils, appoint the At-Large Director(s).

Mr. Doug Rhodes submitted an email (copy attached) asking to be nominated by Craig Mayor O'Connor to the at-large seat. Mayor O'Connor has directed staff to notify the IFA of his nomination of Mr. Rhodes.

The process of actually appointing the at-large member from the mayoral nominations falls initially to the IFA Board of Directors.

This nomination process differs from that of appointing a municipality's representative to the IFA Board. That process requires the concurrence of the community's city council.

As noted above, no council action is required for the at-large nomination.

Jon Bolling

From: Doug Rhodes [REDACTED]
Sent: Monday, August 16, 2021 2:07 PM
To: administrator@craigak.com
Subject: IFA Board Vacancy

Mayor O'Connor and Administrator Bolling:

I am interested in serving on the IFA board and I understand that there is currently an opening for the "at large " seat. Please consider me for this opening.

Thank you

Doug Rhodes

Sent from my iPhone=

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: August 20, 2021
RE: Consider Extension of Covid Sick Leave Benefit

The federal Families First Coronavirus Response Act (FFCRA), passed by into law in 2020, provides for extended sick leave benefits required of some employers. The effective period of the act originally ran through December 31, 2020. The benefit was later extended at the option of the employer through March 31, 2021. The American Rescue Plan Act extends the benefit through September 30, 2021, and added additional benefits that employers must offer if they choose to extend the benefit. Employers who choose to offer the expanded benefits are offered a tax credit.

Some city employees qualified for the extended leave offered by the Act in 2020. The benefit offered was no loss of accrued hours in one's sick leave bank if the employee missed work due to Covid, under certain qualifying criteria, up to a cap of 80 hours. Those criteria were that the employee:

1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. has been advised by a health care provider to self-quarantine related to COVID-19;
3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or
6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services.

Until recently there have been very few inquiries from city staff about the FFCRA leave benefit. With the ongoing increase in transmission of the virus, some employees have been contacted by the Alaska Public Health Nurse office and advised to isolate or quarantine due to reported exposure to someone who tested positive for the virus. The public health advisories have prompted employee requests about the FFCRA leave benefit. I can understand why: staff is being told by public health authorities to stay home from work even when they are not sick (I am not being critical of the direction from public health on this point—I understand the agency's rationale). I am sympathetic to employee requests to replace lost sick leave bank hours.

Rather than formally opt into the expanded FFCRA benefit mandates, the council should instead authorize me to add back sick leave bank hours to employees who use sick leave for one of the six qualifying reasons in the original act, up to the hourly cap set out in the act, and set a date after which the authorization expires.

Recommended Motion:

I move to authorize the city administrator to add back up to 80 hours of sick leave bank hours for employees who use sick leave for one of the six qualifying reasons in the original Families First Coronavirus Response Act. This benefit applies to qualifying leave taken prior to January 1, 2022, and for which the employee requests the add back benefit prior to that deadline.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: August 25, 2021
RE: Harbor Concept Drawings

The council approved \$50,000 in planning funds for the Cannery Site Harbor Project in the current budget year. After discussing the planning needs with staff and the planning commission, staff decided that the most pressing needs were:

1. Concept site plans and renderings for both the upland and harbor development (based on previous discussions and the recommendations adopted by the city council in January 2020)
2. A general condition assessment of high priority buildings to determine viability of restoration or preservation
3. Historical American Building Survey (HABS) documentation of the high priority buildings to help meet some of the project mitigation requirements (included as an optional item in the request for proposals)

We advertised the project starting on July 22nd after the planning commission reviewed it and opened proposals on August 17th. We had two complete, timely proposals submitted by Corvus Design and Bettisworth/Welsh-Whitely. On August 19th Hans Hjort, Jon Bolling and myself met and scored the proposals. We determined that Corvus Design was the successful proposer and started discussing the fees to complete the work outlined in the scope of work, including the optional HABS work.

The total fee proposal for conducting additional public meetings, preparing a low-level condition report of the high priority buildings, meeting with the planning commission and harbor committee, revising the drawings based on input from those bodies, meeting with the city council, and submitting all final drawings and reports is \$59,100. This includes all budgeted hours for the work and all expenses related to the project. This does not include additional costs caused by travel delays, additional revisions/versions of drawings, or the HABS work that was included in the scope of work.

Total cost of the HABS work is \$23,088. Each additional version/revision of the drawings beyond what is included in the public meetings, planning commission/harbor committee meeting, and final version after the city council meeting will be charged at \$4,362 per version/revision. The proposal also included a cost estimate for economic programming for the site at a cost of \$2,557.

We may be able to negotiate some of the fine points of the base proposal but will not likely be able to reduce that price much without cutting out some important parts of the process.

The economic programming, while likely having some value, is not necessary at this time. We should work to avoid additional versions/revisions of the drawings unless we are prepared to pay the estimated cost.

The HABS work is important, and likely will have to be done as part of the project agreement with the USACE, but is not critical at this time. There are likely some cost savings doing the work now as opposed to doing just this work later on. The economic programming is also very helpful but can be held off. The cost of the economic programming is about \$2,500 in the proposal.

Since travel tends to get a bit sketchier as we go into fall, it is likely that we will have some additional costs related to travel delays so we should include some funds budgeted for that.

I would like to see all of the base work included in the proposal done, so additional funding should be appropriated by the council. I would also like to see the HABS work and the economic programming done now as well and would like the council to appropriate those funds as well.

Recommendation: Move to approve a contract with Corvus Design Inc. to complete the planning work on the Cannery Site Harbor project as outlined above including the HABS documents and economic programming. Contract amount not to exceed \$87,500, including \$50,000 already appropriated and an additional \$37,500 appropriated from the city's general fund.

NOTE: If the council does not want to do the HABS work or economic programming at this point then it should approve a contract not to exceed \$61,000, including \$50,000 already appropriated and an additional \$11,000 appropriated from the city's general fund.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: August 26, 2021
RE: Appointment of City Administrator Recruitment Committee

As the council is aware, I have given notice of my resignation (see attached).

Mayor O'Connor proposes to appoint a committee to oversee recruitment for the city administrator position. Per 2.04.240 of the city's municipal code, the mayor may appoint special committees, subject to veto of the city council. The mayor will be prepared to make his appointments by the council's September 3 meeting. I expect that the work of the committee will include reviewing the position job description, deciding on how to advertise the vacancy, make initial reviews of applications and resumes, and other tasks related to recruitment.

In the meantime the mayor has asked me to update the job description for the city administrator position, which I have done with input from the city attorney and city staff. A copy of the draft description is attached.

Feel free to contact me with questions.

August 23, 2021

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

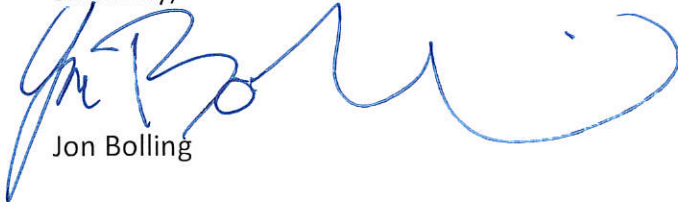
Dear Mayor O'Connor and Members of the City Council:

This letter serves as notice of my resignation from the position of Craig City Administrator.

I am grateful to have been employed as both city planner and city administrator since I joined the city in February 1992. I am fortunate to have been part of great teams in the workplace, and to have worked with many conscientious, community-minded residents of Craig and Prince of Wales Island. My time with the city has been full of challenges and rewards; I will happily remember the cooperative efforts that made the rewards possible. We live in a great community, with great prospects.

I am prepared to stay on with the city during the transition to a new city administrator if that is your wish. In any event, I propose that my final day in the office be October 29, 2021 (although I am flexible as to this date), after which I propose drawing down the balance of my accrued annual leave and benefits with each 80-hour pay period until my annual leave bank is exhausted. Thereafter I can be available to you and city staff as needed.

Sincerely,



Jon Bolling

Job Title: Craig City Administrator
Pay Rate: Contractual
Department: Administration
Immediate Supervisor: Mayor
Date Revised: August 2021

Position Summary

The city administrator shall, under the direction of the mayor, perform and supervise work of city staff, including fiscal, personnel, supply, training, public information and planning services. To the extent the mayor delegates in writing any of the mayor's chief administrative officer functions, the administrator shall perform those delegated functions, and shall make such reports thereon to the mayor as the mayor may require.

Duties & Responsibilities

- The authority of the City Administrator, consistent with State law, City code, and the degree to which the Mayor (as Chief Executive Officer) has delegated any of the Mayor's CEO functions pursuant to Craig Municipal Code Sec. 2.04.040(D), shall include, but not be limited to the following: the overall management, administration and direction of City operations; the hiring, disciplining and terminating of City employees; the negotiation, execution and administration of City contracts within budget appropriations pursuant to City policy and code; demonstrate thorough understanding of construction project planning and scheduling, with a detailed understanding of time lines and project sequencing.
- Demonstrate comprehensive understanding of the bidding process and skills to engage professional services;
- Possess a strong ability to develop and maintain productive relationships with Federal and State officials.
- Assist in drafting ordinances, resolutions, proclamations, communications and official positions for Council consideration; Attend all Council meetings, assists with development of Council agendas and prepares an administrator report dealing with each agenda item specifically, and with other on-going projects and issues generally.
- Oversee the development of grants and the implementation of grant-funded projects. May be identified as the main contact/responsible party for some grant projects.
- Policy advice to elected officials and open communication with the community so as to foster responsive and courteous public service.
- Oversee and participate in the development and administration of the City's budget; direct forecast of funds needed for staffing, equipment, materials and supplies.
- The manager operates in a professional office environment and routinely uses standard office equipment requiring strong computer skills, Microsoft Office skills, spread sheets as well as Internet research abilities and strong communication skills.

Supervisory Responsibilities

The City Administrator directly supervises all department managers within the

city, and indirectly supervises all other city employees.

Qualifications

- At least three years work experience as city administrator, or relevant municipal experience in another supervisory position, preferably in Alaska.
- Bachelor's or Master's degree in public administration, rural development, or related field.
- Demonstrated knowledge of Title 29 of Alaska Statutes.
- Demonstrated knowledge of strong mayor form of local government.
- Any combination of education of a Bachelor's degree and work experience that provides the applicant with the skills, knowledge, and ability required to perform the duties of the position.
- Must be bondable.
- Must embrace and support the City of Craig mission and its implied values and behaviors.

Language Skills

Ability to read and interpret documents such as municipal code, policy and procedure publications, safety rules, operating and maintenance instructions, and contracts. Ability to write routine and ad-hoc reports and correspondence within deadlines. Ability to speak effectively before groups of residents or employees of the city.

Hours of Work

Nominal work hours are 8:00 a.m. to 5:00 p.m. Monday through Friday. Applicants are advised that the City Administrator must devote time outside the normal working hours to the business of the city. The Administrator position is exempt under the Fair Labor Standards Act (FLSA). As such, the Administrator is not eligible for overtime or compensatory time provisions available to other employees of the city, except as provided under a contract of employment with the city.

Mathematical Skills

Ability to add, subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret bar graphs.

Reasoning Ability

Ability to apply common sense understanding to carry out instructions furnished in written, oral, or diagram form. Ability to address complex issues and recommend and implement solutions.

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the

employee is regularly required to sit, stand, and walk. The employee must occasionally lift and/or move up to 50 pounds.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. The work environment is an inside office structure. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. The noise level in the work environment is usually moderate.

Employment Contract

The position of City Administrator is under contract; therefore, the most current contract should be referred to regarding all aspects of the position.

Please note this job description is not designed to cover or contain a comprehensive listing of activities, duties or responsibilities that are required of the employee for this job. Duties, responsibilities and activities may change at any time with or without notice.

EEO Statement: We consider applicants for all positions without regard to any legally protected status under local, state, or federal law

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: August 26, 2021
RE: Executive Session Agenda Item

The agenda for the council's September 2, 2021 meeting includes an executive session. Councilman Jim See has asked the council to consider entering into an executive session to discuss personnel matters related to my resignation as Craig City Administrator.

Public bodies, like the Craig City Council, are permitted to meet in executive session—outside of the presence of the public—under limited circumstances, per 44.62.310 of Alaska Statutes.

Those circumstances include:

1. matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
2. subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
3. matters which by law, municipal charter, or ordinance are required to be confidential;
4. matters involving consideration of government records that by law are not subject to public disclosure.

The executive session scheduled falls under the second circumstance listed above.

Per the cited statute, action may not be taken at an executive session, except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations.

Written or printed materials prepared for the council in preparation for an executive session are confidential and also not immediately available for public review. These materials are typically made available to the public when the matter subject to the executive session is subsequently resolved and the city's finances are no longer at risk of an adverse effect. I have no written or printed materials to provide for the proposed executive session.

In order to move into an executive session, the council must first meet in open session and adopt a motion to move into executive session. Following the executive session, the council typically approves a motion to reconvene into open session.

Recommendation

That the council adopt the motion below to move into executive session.

Recommended motion: I move to convene an executive session of the Craig city council to discuss matters, the immediate knowledge of which by law, municipal charter, or ordinance are required to be confidential: to discuss personnel matters related to the resignation of the city administrator.