

**CITY OF CRAIG  
COUNCIL AGENDA  
June 2, 2022  
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.*

- Meeting Minutes of May 19, 2022

**HEARING FROM THE PUBLIC**

**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**

- Larger cruise ships to add Klawock to itinerary in 2023
- Letter from Joel Steenstra regarding fuel prices

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Resolution 22-14, A Resolution to Approve a 24 Month Access Permit to Ken Quigley for Use of City Property for Storage and Employee Parking Associated with Permittee's Business Activities on Lots 2A and 3A of the JT Brown Subdivision.

**UNFINISHED BUSINESS**

- 3A Murphy Land Sale
- Daycare Discussion
- 4<sup>th</sup> of July Pool Pass Donation

**NEW BUSINESS**

- Wells Fargo CD-Endowment Fund and Capital Reserve Fund

**COUNCIL COMMENTS**

**ADJOURNMENT**

To provide public comment to the council remotely, contact the Craig City Clerk at [cityclerk@craigak.com](mailto:cityclerk@craigak.com), before 5:00 p.m. by the day of the council meeting. City council meetings may be viewed at: <https://www.youtube.com/channel/UCTou8Pn03MIEjLLb9Em0Xrg>.

## **ROLL CALL**

Vice Mayor Jim See called the meeting to order at 6:38 p.m. Present were Julie McDonald, Jim See, Michael Kampnich, and Chanel McKinley. Hannah Bazinet was absent, and Millie Schoonover was absent excused. Mayor Timothy O'Connor arrived at 6:54 p.m. from a prior meeting.

**Staff Present:** Brian Templin, City Administrator; Samantha Wilson, City Planner; Sheri Purser, Treasurer; Heather Mendonsa, City Clerk; and Victoria Merritt, Recreation Director

**Audience Present:** Jan Trojan, Richard Trojan, Chris Reitan, and Melinda Bass

## **CONSENT AGENDA**

### 1. City Council Meeting Minutes of May 5, 2022

(Change the amount shown on the minutes that Craig Tribal Association has \$557,00, not \$57,000 to put toward sidewalks.)

MCKINLEY/BAZINET

Moved to adopt the Consent Agenda

MOTION CARRIED BY VOICE VOTE

## **HEARING FROM THE PUBLIC**

1. Letter from Cheryl Fecko regarding the burn pit in response to the administration's recommendations. She suggested that the city consider moving the burn pit to another location further away from residences, to enclose the burn pit with a fenced enclosure, to allow burning during limited times or days of the week, and to charge for its use. She also wondered about how other communities deal with their cities' yard waste and organic debris.

## **READING OF CORRESPONDENCE**

### 1. 4<sup>th</sup> of July Committee Donation Request

The council asked staff to add this item to the agenda under unfinished business on the June 2<sup>nd</sup> meeting agenda. Council also requested that staff let Karen Hobart know of the action.

### 2. Project Graduation Thank you letter

### 3. 2022 Assessment Letter

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

### 1. Ordinance 746, Providing for the adoption of the fiscal year 2023 Operating and Capital Budget.

In the EMS budget, staff found that one full time position had been changed to two part-time positions, but the benefits were not removed from the budget. This reduces the EMS budget by \$16,000. The difference added \$16,000 to the amount transferred to the capital reserve fund. Brian asked the council to adopt the changes with the budget.

MCDONALD/KAMPNICH

Move to accept Resolution 746 with changes to EMS budget.

MOTION CARRIED BY ROLL CALL VOTE

2. Ordinance 747, Adopting Utilities Rates for Municipal Water, Wastewater, and Garbage Collection Services

MCKINLEY/KAMPNICH

Move to adopt the utility rates for municipal water, wastewater, and garbage collection.

MOTION CARRIED BY ROLL CALL VOTE

3. Resolution 22-13, Setting the 2022 Property Tax Levy at 6 Mills

KAMPNICH/MCKINLEY

Move to adopt setting the 2022 property tax levy at 6 mills.

MOTION CARRIED BY ROLL CALL VOTE

4. Resolution 22-14, A Resolution to Approve a 24 Month Access Permit to Ken Quigley for Use of City Property for Storage and Employee Parking Associated with Permittee's Business Activities on Lots 2A and 3A of the JT Brown Subdivision.

The council had questions regarding the exact area and cost of the access permit. Staff said they would bring additional details to the council at the next meeting. Jim requested to receive specific rates for this Resolution before it passes. The council concurred and this is postponed until after June 2, 2022.

MCKINLEY/MCDONALD

Move to **POSTPONE** Resolution 22-14, to approve a 24-month access permit to Ken Quigley for use of city property for storage and employee parking associated with Permittee's business activities on Lots 2A and 3A of the JT Brown Subdivision, to the **June 2, 2022** Council Meeting.

MOTION CARRIED BY ROLL CALL VOTE

5. Resolution 22-15, Setting Rates for the Sale of Ice and for Cold Storage Space

Brian asked the council to make one change to the resolution to show the cost of \$120 for 1-30 tons of ice, not 1-10 tons as shown. Mayor O'Connor explained costs generally are going up to produce ice at the icehouse. According to a quick look by the budget committee \$120/ton is comparable when comparing ice prices across Southeast Alaska. The mayor requested input from the Harbor Committee but recommended that the council pass the resolution. Brian said he will talk to Hans about getting this in front of the harbor committee.

KAMPNICH/SEE

Move to adopt Resolution 22-15, setting Craig City rates for the sale of ice and for cold storage space.

MOTION CARRIED BY ROLL CALL VOTE

**UNFINISHED BUSINESS**

None

**NEW BUSINESS**

1. School Budget and Local Contributions

Chris Reitan, Superintendent, was present. He commented that the budget is working, and they are able to pay bills and stay liquid.

MCDONALD/KAMPNICH

Move to approve the school budget and local contributions.

MOTION CARRIED BY ROLL CALL VOTE

2. Burn Pit Discussion

There have been fewer complaints since it is getting locked and there is more police coverage. Jim liked Cheryl Fecko's suggestion at having a fence put up along the front. Tickets are being given out to people who misuse the burn pit. Brian reported to the council that the AKDEC Solid Waste Division may have potential funding for fencing all around the burn pit. Jim suggested that staff look into cameras running off of cellular service instead of Wi-Fi. Brian reported that cellular will likely not have the bandwidth for what we are trying to do but will ask Doug to look into it. Brian suggested the new policy on the keys because the current policy of \$20 for each key is too low. The intent of the \$500 deposit is to provide enough funds to change the locks so that "lost" keys are no longer useful. The changes proposed in the memo are not exhaustive and staff will continue to look for ways to reduce misuse of the burn pit.

MCKINLEY/SEE

Move to adopt staff recommendations for upgrades to the burn pit security and enforcement. Also move to appropriate \$2,400 and the internet cost of \$160 per month to complete upgrades.

MOTION CARRIED BY ROLL CALL VOTE

**COUNCIL COMMENTS**

Chanel asked if the municipal code for vacant commercial property required active use within a certain timeframe. Brian replied that there is no code that prevents the property from remaining vacant or unused, but any uses on commercial zoned property need to meet the code for that zone.

There was some discussion of loss of funding over the Breakwater. Brian said that for various reasons, some of which is likely tied to the ongoing environmental work, that the federal share of the construction cost was not funded with current infrastructure funds or in

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the upcoming federal budget appropriations. The next opportunity for federal funding for construction is the federal fiscal year 2024 budget. We have been told by the USACE that the funds needed for the environmental work should be secure on the federal end. Brian also said that he talked with Senator Murkowski at the grant symposium and that she is determined that the project will go forward.

Julie asked about the Webloft roof work being completed. Julie felt that if it is put on the backburner to do basic maintenance it will cost more in the long run. Brian told the council that it was a concern

but that we should be careful spending money on projects that may be replaced within a few years.

**ADJOURNMENT**

SEE/KAMPNICH

Move to adjourn meeting at 7:57 p.m.

MOTION CARRIED

APPROVED on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
MAYOR TIMOTHY O'CONNOR

ATTEST: \_\_\_\_\_  
HEATHER MENDONSA, CITY CLERK

# **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Brian Templin, City Administrator  
Date: May 23, 2022  
RE: June Staff Report

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## **1. Staff Updates**

We are continuing to make progress in filling positions in the city.

- City hall staff is nearly full with Michelle Maze filling the billing clerk position until mid-August. Our new city clerk is still working part time and will start full time on June 6<sup>th</sup>. We have extended another offer to fill the finance director but he turned down the offer.
  
- The pool and police department still have critical vacancies. The pool has had to reduce hours and currently is not holding open swims until more lifeguards are hired and trained. We are still continuing our search for police officers.
  
- We received Minnie Ellison's resignation this month effective immediately. Tsai was offered, and has accepted the position of EMS coordinator. A memo confirming his hire is included in the June 2, 2022 packet. This leaves one full time and one part time EMS positions unfilled. Tsai and Ken are planning to take the EMT II course over the next few months and add more EMT IIs to our roster. Sandy is also planning to take the course. We will sponsor Tsai and Ken and Sandy will be sponsored by the Hollis EMS. EMS is considering using some of the unfilled salary funding to bring EMTs from other communities to cover some of the on-call time. This will reduce on call time that has to be covered by our paid staff and will give experience to EMTs serving in communities that have far fewer runs. We will use some funding to cover hotel rooms, per diem, and likely a larger stipend for visiting EMTs. These EMTs will be expected to cover 12 hour overnight shifts. We will likely have just two night covered every other week if we can find other squads who want to participate. All EMTs will be approved by our coordinator. In the meantime Tsai and Sandy are continuing to recruit and train volunteers.

## **2. Grants and Other Funding Opportunities**

Largely based on contacts made at the Grant Symposium in April, we are seeing an increased number of opportunities for project funding from a number of sources. Staff is currently working on:

- Revolving Loan Funds for Water and Wastewater Projects (up to 50% loan forgiveness)
- Funding through AKDEC for solid waste projects (replacement of side load truck, carts, dumpsters, fencing for burn pit)
- Congressionally directed spending requests for a number of city projects
- Funding for a microhydro generator in the raw water line at the treatment plant through DOE
- Library planning and design
- Harbor Matching Grant projects

### **3. Craig Cannery/Harbor Project**

We have recently sent about \$6,000 to the USACE to match funds that were reappropriated from other projects toward the environmental work. This is part of the \$53,500 appropriated by the council earlier this year for that purpose. We will send them the balance after they finish securing the federal end of the funding.

### **4. Budget Process**

Thanks to the budget committee and the council for discussion and consideration of the FY23 budget. The finished product represents a lot of work by staff and council members.

### **5. Daycare Center**

We have not received any additional information from the daycare board about their licensing status or their likelihood of reopening. The last conversation we had with the board indicated that they were asking state licensing officials for permission to close for 60 days. The center closure started in mid-April so their 60 days should be up sometime before the end of June. Staff will continue to keep an eye on the situation.

### **6. State Budget**

The State Legislature completed their budget process and sent a final budget to the Governor on May 19<sup>th</sup>. There are a few items of note in the budget sent to the Governor:

- The appropriations for the capital projects contained in the infrastructure bond bill were not included in the final state budget. This includes the \$8.3 million for the Craig Harbor or the \$5 million for mariculture development in Craig. I have reached out to Senator Stedman and Rep. Kreiss-Tomkin's staff for follow up and to talk about how to start working on these for the next budget cycle.
- The state included an additional \$3 million for contract jails. When we talked to the Governor's staff earlier this year, they were working on a \$4 million appropriation that would increase the Craig jail contract by about \$150,000. We have not been told yet how much of a contract increase to expect with the \$3 million addition to this budget.
- The legislature funded \$7.1 million to the Community Assistance Payments (revenue sharing). This is not a large amount, but based on recent year's funding should provide for payments at or above last year (\$78,000).
- The legislature reappropriated unused funds from another project and included a \$150,000 grant for maintenance and upgrades of the POWER building. Samantha, Doug, and Victoria (and the POWER board) will work on how best to use this money.
- There were also significant funds added to some of the state matching grant programs including \$20 million dollars in the harbor matching grant program.

### **7. Klawock Heenya Cruise Ship Plans**

At the monthly Chamber of Commerce board meeting on May20th representatives from Klawock Heenya and Huna Totem attended the meeting and announced plans to bring cruise ships to Prince of Wales Island starting in 2023. The plan is to bring the first test ships (likely Oceania Cruise Lines) into the Kidco dock on Klawock Island. Their current plan is to roll out more stops and improvements to the berthing facility over the next several years. The first ships will be in the 750 passenger range but will likely include larger ships in future years if the concept works. Representatives for the development will likely be talking to POWCAC in

Coffman Cove on June 28<sup>th</sup> and have offered to meet with council and other groups over the next several months. If the council would like, we can extend an invitation for them to visit with the Craig City Council at a future meeting.

## **8. Supplemental Budget**

Each year finance staff prepares a supplemental budget. The intent of this supplemental is to show actual expenses and revenues versus the amounts shown in the budget at the beginning of the year. Sheri has just completed the first draft of the supplemental budget for the current fiscal year. The first draft will be used to determine where departments are in spending to see if any funds are available for use this fiscal year. This is not an accurate supplemental yet because there are still invoices and credit card usage that must be reconciled. In fact, we will still have June credit card statements that will not be reconciled until well into July. We will bring a final supplemental budget to the council in July or August after all FY22 expenses have been completed.

At this point, the supplemental budget is very positive. Records currently show that we are about \$166,000 under projected expenses (over all departments). The administration is over budget on expenses, mostly attributed to overlapping positions with the changeovers and a large part of unexpected insurance and fuel cost increases. This number will likely change as invoices and credit cards are reconciled over the next two months before the final supplemental budget is presented to the council.

The draft supplemental budget shows healthy revenue. Projected to the end of the fiscal year, we are about \$1.5 million over on revenue for FY22. This is largely attributed to high sales tax returns, collections efforts, CARES and ARPA funds, and higher than budgeted amounts for various state and federal program payments to the city (i.e. revenue sharing, PILT, fish tax, etc.). This amount is likely to change very little before the end of the fiscal year.

Thanks to our finance staff for their work with departments throughout the year and thanks to our departments who did a good job managing their department expenses.

## **9. US Forest Service Meeting**

On Thursday, June 2<sup>nd</sup> the Alaska Regional Forester (Dave Schmidt), Tongass Forest Supervisor (Earl Stewart) and the Craig/Thorne Bay Ranger (Mark Pentecost) will be holding a public meeting to discuss Forest Service related issues. The meeting will be held in the Craig Council Chambers and starts at 1:00 pm on the 2<sup>nd</sup>. Council members are invited to attend.

In addition, the mayor and I will be meeting with the USDA Undersecretary for Rural Development, Alaska Rural Development Coordinator and Southeast Regional Development Coordinator to discuss a number of USDA RD related projects and funding opportunities. The mayor and I will be happy to share the results of our discussion at the June 2<sup>nd</sup> council meeting. If you have any USDA Rural Development questions or issues that you would like us to bring up at the meeting, please let me know.

## **10. Travel and Leave Schedule**

Other than upcoming holidays and some long camping weekends, I don't have any extended travel or leave planned for the summer.

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# CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council  
From: Samantha Wilson, City Planner  
Date: May 26, 2022  
RE: Planning Department Staff Report – June 2022

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1. Army Corps funding of \$406,000 has been approved for the required environmental work on the harbor. The City of Craig has its money ready to match. More information is being requested regarding the City of Craig's portion of the payment and the timeline of environmental work moving forward.
2. SHSP Grant Progress (Emergency Disaster Trailers):
  - a. McKinnon Trailer: the trailer has arrived in Craig and is stored at the City Shop. Inspection revealed that the trailer is satisfactory. Final documentation and payment are required to complete the purchase.
  - b. Olympic Trailers: two trailers have been selected and the trailers have arrived on Prince of Wales. Final payment and documentation pending inspection of trailers is proceeding to complete the purchase.
  - c. Trailer Supplies: research for shelter supplies has been initiated and a quote list is being compiled. Based on communications with Stacey Mank (one of our partners in this project through the Craig Public Health Center), cots and blankets are being prioritized.
3. Lot 3A Murphy/Salmonberry Subdivision Land Sale: the three interested potential bidders were contacted regarding the land sale of Lot 3A Murphy Subdivision. Bidding was opened Wednesday, May 18<sup>th</sup> at 10:30am and closed Wednesday, May 25<sup>th</sup> at 10:30am. Two bids were received and Maranda Hamme was determined to be the high bidder. Please see the memo regarding this land sale for further details.
4. Craig Child Care Center: Allison Weyhmiller contacted the planning office regarding shut down and termination of the daycare's lease on the Craig Child Care Center building due to a lack of staffing. She has been advised on proper end-of-lease protocol including the need for an official 30-day notice of the daycare's intent to vacate the premise. Please see the Craig Child Care Center Memo.
5. Tsunami Brochure: A meeting is being scheduled for early June regarding development of a new Tsunami Brochure. A public lecture on tsunamis in coastal communities is also being scheduled for June 8<sup>th</sup> in City Hall during the time Dr. Elena Suleimani and James Benzschawel are on the island. This event will be advertised via flyers and on the radio. A time is still being determined.
6. Cemetery Expansion. We are still anticipating draft recommendations and designs from Corvus. Communications with Corvus revealed time sensitive work had come up, delaying progress on the cemetery expansion design work. This work

will be required to expand the existing cemetery and install a columbarium, or similar structure. Part of the contract requires Corvus to present materials at a City Council meeting for review; dates are not yet determined. Two additional meetings will be scheduled for public review.

7. Master Planning Sheet (Excel): due to popular demand for improved organization and documentation of planning activities, construction of a “Master Planning Sheet” (MPS) has been initiated. The MPS will include documentation of various planning activities including: Leases, Access permits, CUPs, TUPs, Variances, Replats, Rezoning, Building Permits, Code Amendments, and Other. This document is still in development, but is available upon request.
  - a. Planning Commission: CUPs, variances, replats, and rezoning decisions between 2000 and 2022 reviewed and used to populate relevant tabs. Benefits include:
    - i. Find documentation based on: dates, resolution numbers, location, people/business name, and activity.
    - ii. Review decisions: approved CUPs are subject to be reviewed after a year, this list will make it easy to check in on what is due for review).
    - iii. Extract desired information (i.e. How many approved B&Bs in Craig?)
    - iv. Adjust/update zoning documentation: maps have not been done since early 2000s, MARS is largely lacking information on residential zones.
    - v. Review of past decisions for comparative purposes: this will allow consistent decision making in the future, reduce bias, and allow for easy recall/finding of dated planning commission decisions.
  - b. The next focus will be on leases and access permits as these need to be updated/renewed and monitored into the future. Leases have been started, but much work is still required to organize and manage this section.
8. Patrick and Corbin Quigley CUP. A conditional use permit application was submitted by Patrick and Corbin Quigley to operate a bed and breakfast on Residential-High Density zone property. PC Resolution 599-22 was approved by the Planning Commission April 28<sup>th</sup>.
9. Building Permits.
  - a. Lauren Mackie: Residential renovation on Block 18, Lot 8.
10. Access Permits:
  - a. Stephanie Jurries, Gale Force Garden: renewing and updating the access permit to allow the set-up of two non-permanent tent structures. Awaiting final approval and review of City Administrator.
  - b. Ken Quigley: Resolution 22-14, adjustment of access permit to a 24-month access permit. Decision postponed by City Council due to concerns regarding location/size of access permit area due to use possibly exceeding access permit area. Application updated with a map. Awaiting approval and review of City Council, please see memo and supporting documents.

11. Absentee Ballot Training: staff at City Hall took part in absentee ballot training for the upcoming primary. Absentee ballot resources have arrived and can be filled out at City Hall starting May 27<sup>th</sup>.
12. FEMA Training: this training helps prepare personnel for emergency situations and also keeps the city eligible for EMPG grants and additional emergency service trainings
  - a. Professional Development Series Training: Complete
  - b. FEMA IS-100: Complete

## Harbor department report June 2022

- The JT Brown boat yard continues to be very full. We haven't had to turn anyone away yet but there have already been times when we were unable to offer yard space that had power available. We have been trying to get some of the vessels that have been there a long time to get moving or to move to Shaan Seet for longer term storage. We have not been successful in getting anyone to move yet. Shaan Seet seems to be at full capacity as well.
- The Ice house has been very busy this spring. We have been running both machines and keeping the ice bin full. Daniel Jackson is back in the USA and is planning to come back for the summer. We have signed the agreement with SPC for the Ice House Operator position. We will be getting him up here by the middle of the month to start the summer season.
- Western Dock and Bridge has replaced both piling that we needed changed. The project went well with no problems.
- We are continuing to work on the cathodic protection system design for the False Island dock. The engineer from PND was down here from Juneau and did a site visit. I was also able to talk to him about some other projects that we want to do in the near future. The proposed cost for the other projects is very high. We will be looking at some other options for getting the engineering work completed.
- We are currently working to get engineering work done for a new longer ramp in North Cove harbor. The new ramp will be at least 80ft (instead of the current 50ft) which will make it ADA compliant as well as much more user friendly when the tide is out.

## **Public Works Monthly Report**

**June, 2022**

### **Streets and Alleys:**

- a. Continued brushing of PSN road
- b. Street sweeping as needed.
- c. Spring cleanup completed as of May 20<sup>th</sup>. A full report on final volumes will be submitted the following council meeting.

### **Sewer:**

- a. Daily and Monthly General maintenance and sampling at the wastewater treatment plant as required.
- b. Responded to power outages.
- c. Monthly Sludge removal as required.
- d. Working with Architect on WWTP roof Project

### **Water:**

- a. "Water Operator Report". Daily and Monthly General maintenance and sampling at the water treatment plant and distribution system as required.
- b. Consumer Confidence Report to be sent out with utility billing. Notification Certification complete.
- c. Water meter repair and/or replace as required.
- d. Monthly Bacti samples collected as required.
- e. Continuous work with radio reads meter system.
- f. Public works Dept. has begun water main valve exercising on the west side of the city.
- g. Meeting with ANTHC concerning Preliminary Engineering Report for increase in treated water volume.

### **Equipment:**

- a. Public Works will be posting open bids for used vehicles/equipment mid-June 2022.

### **Solid Waste:**

- a. Weekly pick-up process performed as require.
- b. New garbage truck is in service.

**Projects:**

- a. Safety Program review (work in progress)
- b. North & South Cove Harbors back-flow preventer installation project bid (work in progress)
- c. Dam inspection by engineers. (in progress)
- d. Water line road bridge replacement (working to replace bridge May thru August 2023).



Report from the Recreation Department to the Craig City Council, June 2022,  
Submitted by Victoria Merritt



Spring is here! We are planting out City Baskets and incidentally feeding the deer. The deer just took a few nibbles. Elli painted the planter stands so they look fresh. Marla Dillman helped plant the baskets. Elli and I put the baskets up last Friday. By the time this meeting is held the POW Marathon, the Spring Bazaar and the Blessing of the fleet will all be over. The Ballet and Gymnastics recital was held on May 21 and was wonderful. Thanks to Julie McDonald and Ann Marie Whits were our instructors with Melissa Bergtold



helping out.

The Craig 4th of July Celebration is coming up and it will be a full tilt event! Lots of fun for everyone. The Craig Klawock King Salmon Derby will have started by now with some fun additions. The Derby runs June 1 to August 15 with an Awards event on August 20. We will have extra prizes of \$500 on Fathers Day weekend for the guy who catches the biggest fish, a weekend for women July 2 and 3 and a kids mini derby on August 13 and 14.

Regular programming continues. Nice weather slowed after school. A water balloon and bubble blowing contest will be held tomorrow at 4pm, following an hour of dodgeball with the Craig Police and 1st responders. Volleyball has lots of players and the teen nights have teens! Elli is a dream to train for the job. She will be a great asset for the City of Craig.

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# Larger cruise ships to add Klawock to itinerary in 2023

Posted by Maria Dudzak | May 23, 2022

The Klawock Heenya Corp. is partnering with Huna Totem Corp. to bring larger cruise ships to the community of Klawock, on the west side of Prince of Wales Island.

Mary Edenshaw is chief operations officer for Klawock Heenya, the village Native corporation for Klawock. She says small cruise ships have docked at the city float previously. The larger ships will tie up at an existing dock on Klawock Island owned by Klawock Heenya.

“It was used in the past for exporting logs and the huge log ships that would come in. They would dock there. And so we’re going to convert that into a cruise dock port,” Edenshaw said.

She says Huna Totem Corp. reached out to Klawock Heenya wanting to add the community as a destination, along the lines of Icy Strait Point in Hoonah, which Huna Totem also owns.. Edenshaw says the plan is to start out small with ships that carry between 500 and 700 passengers.

“This is going to be a process to include larger vessels down the road, but we will build a float that will attach to the existing structure that we have right now.”

She says some cruise lines have already agreed to add Klawock to future itineraries, but because plans are still under development, Edenshaw did not give additional details, other than that the first ships will arrive in Klawock in summer 2023.



## City Clerk

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**From:** Joel Steenstra <alaskawideopen@gmail.com>  
**Sent:** Thursday, May 26, 2022 2:21 PM  
**To:** Tim O'Connor - Mayor; City Clerk; Hannah Bazinet; Millie Schoonover; Mike Kampnich; Jim See; Julie McDonald; Chanal Mckinley  
**Subject:** Craig Sales Tax on Fuel  
**Attachments:** Petro Invoice.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Dear Craig City Council,

I am sure all of you have noticed, but fuel prices have been skyrocketing. As we enter the summer season, I think it's time to think of the commercial fishermen and charter fisherman in Craig who utilize a good amount of fuel to run their fishing operations.

The City of Craig taxes fuel at the Petro Marine fuel dock at 5%. When fuel prices are sane, that is fine. We normally pay about 15 cents per gallon of fuel that gets consumed. This year, we are already paying over 25 cents per gallon in City Sales Tax on every gallon we use. That is a big difference when when you consider the volume of fuel that gets used every summer by the boats in the Craig area. And, fuel prices are expected to go higher that would make fuel even more expensive given a 5% sales tax rate.

I would request that the City of Craig look at the way fuel is taxed, and bring the tax per gallon down to .15-18 cents per gallon, no matter how high fuel prices soar for commercial users in Craig.

I have attached a Petro Invoice.

Thank you,

Joel Steenstra

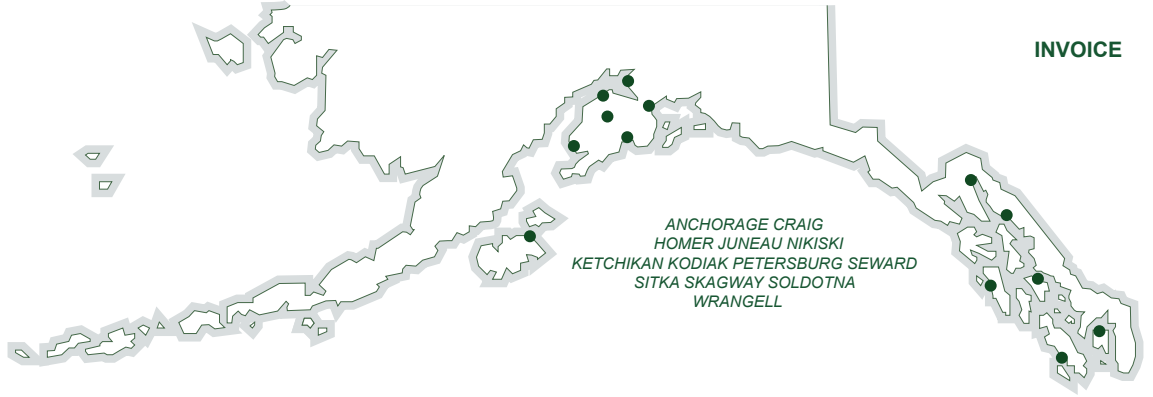
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**PETRO 49, INC.**  
 dba PETRO MARINE SERVICES  
 110 J.T. Brown St/P.O. Box 9  
 Craig, Alaska 99921  
 Phone (907) 826-3296  
 Fax (907) 826-3905  
 www.petro49.com

BILLING ADDRESS:

**ALASKA WIDE OPEN CHARTERS**  
**C/O JOEL STEENSTRA**  
**PO BOX 1367**  
**CRAIG, AK 99921**



INVOICE

SHIPPED TO:

**ALASKA WIDE OPEN CHARTERS**  
**CRAIG, AK 99921**

INVOICE DATE	CUSTOMER P.O. #	ACCOUNT #	INVOICE #	LOCATION	
05/25/22	CC NM	35967	659484	CRAIG PLANT	
PACK CODE	DESCRIPTION	QUANTITY LOADED	QUANTITY BILLED	UNIT PRICE	AMOUNT
BULK	MARINE UNLEADED GASOLINE	36.70	36.70	5.0700G	186.06
	FEDERAL EXCISE TAX - GAS	36.70		0.18300	6.72
	STATE EXCISE TAX MARINE GAS	36.70		0.05000	1.84
	STATE OF AK - FUEL SURCHARGE	36.70		0.00950	0.35
	FEDERAL LUST TAX	36.70		0.00100	0.04
	<b>SALES TAX @ 5.000%</b>				<b>9.75</b>
<b>THANK YOU FOR YOUR BUSINESS</b>		<b>TERMS: NET 30 DAYS DUE: 06-24-22</b>		<b>SUB-TOTAL</b>	<b>204.76</b>

TERMS:

X

Acceptance of products and/or services constitutes agreement of the terms and conditions stated herein. Payment terms are net 30 from invoice date. Unless otherwise stated on invoice. All invoices not paid within terms are subject to a 0.875% service charge per month (or maximum allowed by law). Purchaser is responsible for interest, court costs and attorney's fees incidental to the collection of the invoice.

ERRORS IN PRICE,  
 EXTENSION AND ADDITION  
 SUBJECT TO CORRECTIONS.

Return to top

**PAY THIS AMOUNT** ▶

**204.76**

## **CITY OF CRAIG MEMORANDUM**

To: Mayor and Craig City Council  
From: City Administrator Brian Templin  
Date: May 26, 2022  
RE: Resolution 22-14, 24 Month Access Permit for Ken Quigley

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Attached is Resolution 21-14, authorizing the City Administrator to execute a 24-month access permit for Ken Quigley to continue storing materials and providing employee parking for his business. Also attached is a copy of the permit for the council's review and a map outlying the access permit area as originally defined in the 2021 access permit.

As of the May 19<sup>th</sup>, 2022 City Council meeting, the council considered this request from Ken Quigley to issue a 24-month access permit for storage and employee parking on approximately 4,500 square feet of Lot 4A, JT Brown Subdivision. At that meeting, the council expressed concern that a larger portion of Lot 4A was being used than is permitted by the access permit. The council determined that there was not enough information in the packet and requested the City Planner to provide a map outlying the access permit area. Upon review, the City Planner discovered that the access permit had been omitted from the packet.

This access permit extension is part of an effort for Ken Quigley to eventually get a lease approved for the same area.

# **CITY OF CRAIG RESOLUTION 22-14**

A RESOLUTION TO APPROVE A 24 MONTH ACCESS PERMIT TO KEN QUIGLEY FOR USE OF CITY PROPERTY FOR STORAGE AND EMPLOYEE PARKING ASSOCIATED WITH PERMITTEE'S BUSINESS ACTIVITIES ON LOTS 2A AND 3A OF THE JT BROWN SUBDIVISION.

WHEREAS, Ken Quigley has requested a 24-month, non-exclusive Access Permit for the purpose of storage and providing employee parking on city owned Lot 4A of JT Brown Subdivision, Plat No. 2002-44; and,

WHEREAS, Craig Municipal Code 16.04.020 requires that all access permits for more than one year must be approved by resolution by the City Council.

NOW, THEREFORE, BE IT RESOLVED that the City of Craig hereby directs city staff to negotiate an access permit, not to exceed 24 months, for the purpose of storage and employee parking on Lot 4A of JT Brown Subdivision, Plat No. 2002-44.

Adopted this 2<sup>nd</sup> day of June, 2022.

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

ATTEST \_\_\_\_\_  
Heather Mendonsa, City Clerk

## **CITY OF CRAIG ACCESS PERMIT**

The City of Craig (hereafter "City"), through authority granted to it under 16.04.020 of the Craig Municipal Code, hereby grants an access permit to Mr. Ken Quigley, whose address is PO Box 752 Craig, AK 99921 (hereafter "Permittee") for use of approximately 4,500 square feet in the approximate dimensions of 50' x 90' of Lot 4A, of the JT Brown Subdivision, Plat No. 2002-44, Ketchikan Recording District (hereafter "the property"), for use as a desirable location for storage and providing employee parking related to his business activities on Lots 2A and 3A of the JT Brown Subdivision, subject to the following conditions:

1. That this permit is valid for the use of the property as employee parking and storage. No other use may be made of the property. The permit may be terminated by written notice, at least 30 days in advance of termination, by the Permittee or the City. The effective dates of this permit are May 1, 2021 to April 30, 2023.

2. Site Contamination Prohibited; Environmental Compliance Required. (a) Any violation at the site of the property by Permittee, or by a third-party present upon the land with Permittee's permission, of an environmental statute or regulation of the city, state or federal governments shall be grounds for immediate termination of the permit by the city at the city's sole discretion. By entering into the permit, the Permittee agrees not to make any claim for monetary damages against the city for permit cancellation pursuant to this subsection.

(b) The Permittee shall at all times manage Permittee's activities upon the property, and the activities of third parties present with Permittee's permission, so as to positively prevent any and all contamination of the property which would violate any statute or regulation, which could subject the city to enforcement action by a state or federal agency, or which could subject the city to statutory or common law liability, diminish the value of the land, or cause city expenditures for response costs caused by a hazardous substances release.

(c) By entering into the permit, the Permittee agrees to defend and indemnify the city from and against any and all claims by third parties (including governmental entities and industry pollution-based claims) brought against city by reason of activities on the property during the effective period of the permit.

(d) By entering into the permit, the Permittee agrees to reimburse the city for any and all expenses reasonably incurred by the city (including any response or site cleanup costs) because of activities on the property during the effective period of the permit.

3. Permittee agrees to maintain the leased area, and any appurtenant equipment or structures in a well-maintained and slightly condition. Permittee agrees to perform all custodial duties for the permitted area at no cost to the city. Permittee agrees to conform to all applicable City land use requirements and shall comply with all laws and regulations of the City, the State of Alaska, and the federal government. Permittee will be required to obtain authorization from the City for placement or construction of any and all structures placed on the property. Permittee agrees to pay electric, heating oil, and other operational expenses resulting from the Permittee's occupation of the property.

4. The City shall have the right to enter the permitted premises at all reasonable times to examine the condition of same.

5. Permittee shall indemnify and appear and defend and hold harmless the City, its elected and appointed officials and employees, from and against any and all claims, damages, losses, costs and expenses, including attorneys' fees and expenses incurred, whether or not suit is filed, and for injuries to or theft of property, including loss of use, injuries to persons, including death, and from any and all other claims, suits or liability, caused in whole or in part by any act or omission of the Permittee, or any of its officers, agents, employees, representatives, servants or subcontractors, or anyone employed by them, or for whose acts Permittee may be liable, during the term of this permit, or of any of the terms and/or conditions of this permit, or caused by or resulting from any act or omission of Permittee, or any of Permittee's employees, agents, representatives, licensees, contractors or representatives; and to appear, defend, indemnify and hold harmless the City and its officers, agents, and employees from and against any and all claims, judgments, liens, loss, damage, cost, charge or expense, including defense costs, court costs and attorneys' fees, whether direct or indirect, by reason of casualties to the use of the property, including loss of use thereof.

6. In addition to operational expenses listed in Paragraph 3, Permittee agrees to pay to City the lump sum of \$1,260 for use of the property during the effective dates of this permit. Payment is due on the date this permit is signed by Permittee.

7. This permit expires April 30, 2023.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Brian Templin, Craig City Administrator

Permittee's Acknowledgment:

I accept the terms and conditions of this Access Permit.

\_\_\_\_\_  
Ken Quigley

\_\_\_\_\_  
Date

**CERTIFICATE OF IMPROVEMENTS**

No improvements are required for this <sup>replat</sup> subdivision.

Reviewed and Approved: Mills McFarland PUBLIC WORKS DIRECTOR Date 5-24-02  
 Reviewed and approved: [Signature] CITY OFFICIAL Date 5-24-02  
 Reviewed and approved by: Crystal L Bureau PLANNING COMMISSION Date 5-23-02

**TAX STATEMENT**

I hereby certify that all ad valorem taxes, special assessments, and other charges required by law to be placed on the tax rolls have been paid.

Vicki Hamilton 5-24-02  
 City Clerk Date

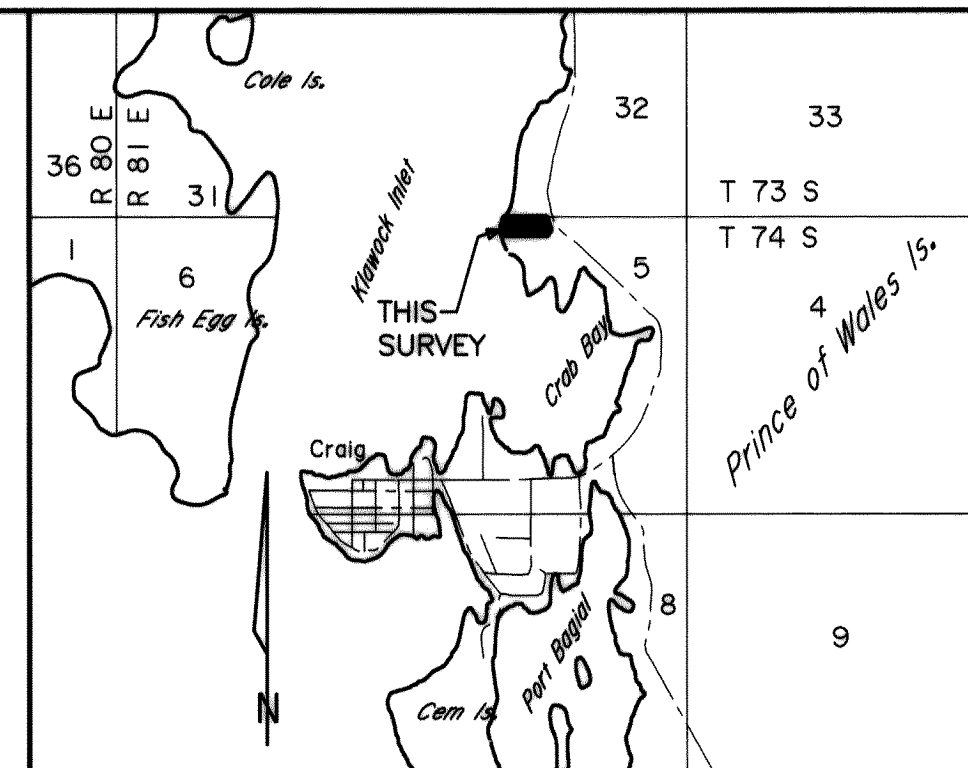
**APPROVAL BY CITY OF CRAIG PLANNING COMMISSION**

This final subdivision plat has been reviewed and approved in accordance with the Craig Land Development Code - Subdivision Ordinance. All dedications to the public have been inspected and accepted by the City of Craig.

[Signature] 5-24-02  
 City Platting Official Date  
Karen Safford 5-23-02  
 Presiding Officer - Planning Commission Date  
Crystal L Bureau 5-23-02  
 Planning Commission Member Date

**CURVE TABLE**

CURVE	RADIUS	LENGTH	DELTA	CHORD	CH.BEARING
C-1	40.00'	62.83'	90°00'00"	56.57'	N45°03'23"E
C-2	20.00'	31.42'	90°00'00"	28.28'	N45°03'23"E
C-3	175.00'	13.33'	4°21'56"	13.33'	S87°46'10"E
C-4	175.00'	20.19'	6°36'39"	20.18'	S82°16'53"E
C-5	175.00'	101.95'	33°22'41"	100.51'	S62°17'20"E
C-6	150.00'	87.69'	33°29'43"	86.45'	S73°12'17"E
C-7	1211.92'	111.68'	5°16'47"	111.64'	N36°13'13"W
C-8	1211.92'	66.46'	3°08'32"	66.45'	N40°25'52"W
C-9	1211.92'	178.14'	8°25'19"	177.98'	S37°47'29"E
C-9(R)	1211.92'	178.07'	8°25'08"	177.91'	S37°43'42"E



VICINITY MAP Craig B-4, 1949 (Rev 1989) Scale 1" = 3400'

**CERTIFICATE OF OWNERSHIP AND DEDICATION**

We hereby certify that we are the owners of Lots 2A, 3A and 4A JT Brown Subdivision, that we do approve of this survey and plat and that we do for ourselves, our heirs, and assigns dedicate, donate, and convey to the public all right-of-way / alleys / public utility areas / easements / other public ways as shown hereon.

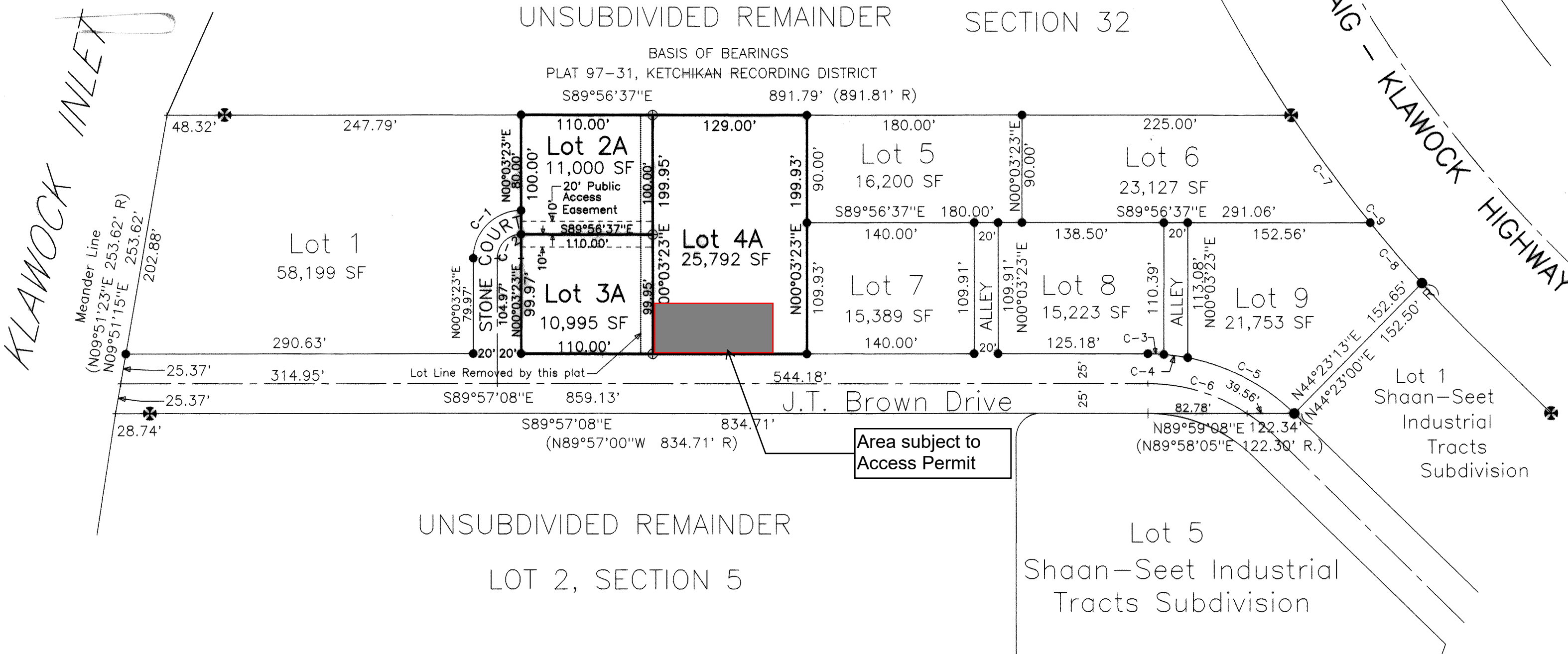
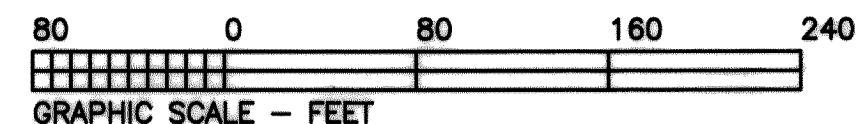
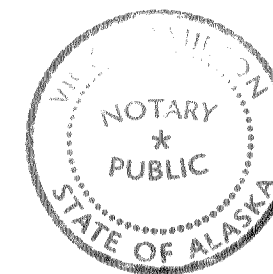
Thomas Briggs May 24, 2002  
 Owner Date

**NOTARY'S ACKNOWLEDGEMENT**

Subscribed and sworn before me this 24th day of May, 2002.

Personally appeared Thomas Briggs.

Vicki Hamilton  
 Notary Public for the State of Alaska  
 My Commission Expires 8-12-05



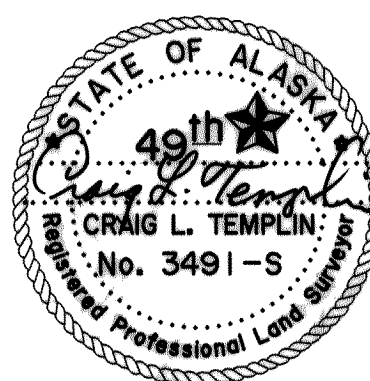
**LEGEND:**

- ⊗ Found 3 1/4" BLM Monument
- ⊕ Set 2" Alcap on 5/8"x30" Rebar
- Found 2" Alcap on Rebar
- (R) Record Data (Plat 97-31)

**SURVEYOR'S CERTIFICATE**

I hereby certify that I am properly registered and licensed to practice land surveying in the State of Alaska, that this plat represents a survey made by me or under my direct supervision, that the monuments shown hereon actually exist as described and that all dimensions and other details are correct.

Craig L. Templin  
 CRAIG L. TEMPLIN, AK RLS No. 3491  
4-30-2002  
 Date



2002-44  
 Ketchikan REC DIST  
 DATE June 4 2002  
 TIME 2:30 P M  
 Requested By City of Craig  
 Address \_\_\_\_\_

**RECORDED-FILED**  
 Ketchikan REC. DIST.  
 DATE \_\_\_\_\_, 20\_\_\_\_  
 TIME \_\_\_\_\_ M  
 Requested by \_\_\_\_\_  
 Address \_\_\_\_\_

**PLAT OF:**  
**Lots 2A, 3A and 4A, JT Brown Subdivision**  
 A REPLAT OF LOTS 2-4, JT BROWN SUBDIVISION  
 Plat 2002-11  
 LOCATED WITHIN:  
 SEC 5, T 74 S, R 81 E, CRM, ALASKA  
 KETCHIKAN RECORDING DISTRICT

Surveyed For: City of Craig PO Box 725 Craig AK 99921	Surveyed By: TEMPLIN LAND SURVEYING PO BOX WWP - WHALE PASS KETCHIKAN, AK. 99950 (907) 846-5120
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Scale: 1"=80' Date: 03/12/02 Drawn By: BLT Checked By: CLT File No. CGA\_F12

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Samantha Wilson, City Planner  
Date: 5/26/2022  
RE: Lot 3A, Murphy Subdivision Sealed Bid Land Sale

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The Lot 3A, Murphy Subdivision land sale initiated by Hans Hjort was advertised as required under Section 16.03.070.B of the Municipal Code and attracted the interest of two additional individuals. The City of Craig received the completed appraisal of the land on April 27, 2022. On May 5<sup>th</sup> the City Council approved initiating the sealed bid process with the minimum bid starting at \$73,170.00 based on the appraised value of the land and costs associated with the appraisal, advertisement, and sale of same.

Sealed bidding took place from May 18<sup>th</sup> to May 25<sup>th</sup> starting and ending at 10:30am. Two bids were turned in before the 10:30am deadline. A bid from the third interested party was never received. Bids were opened at 11:00am on May 25<sup>th</sup> and the high bidder was determined as witnessed by Brian Templin, Roy Hayes, and Samantha Wilson. Both bids met all requirements.

1. Maranda Hamme was determined to be the high bidder with a bid of \$80,117.00 (eighty thousand one-hundred seventeen dollars and no cents). Her earnest payment of \$801.17 will go towards the purchase of the property. The remaining balance to be paid within 90 days is \$79,315.83. Maranda will also need to get a sales agreement signed and notarized. The property will be transferred by quitclaim deed upon full payment.
2. Hans Hjort was the second highest bidder with a bid of \$74,672.00 (seventy-four thousand, six-hundred and seventy-two dollars and no cents) and an earnest payment of \$746.72. In the event that full payment is not made within the required 90 days by Maranda Hamme, Hans Hjort is the next highest bidder and will have the property offered to him.

As with all land sales, the proceeds from this sale will be deposited into the land development fund (now housed in the Capital Reserve Fund).

Recommended motion: I move to approve the sale of Lot 3A, Murphy Subdivision for a total of \$80,117.00 to Maranda Hamme.



## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Brian Templin, City Administrator  
Date: May 25, 2022  
RE: Craig Child Care Center (CCCC) Discussion

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On May 24<sup>th</sup> we received an email from the CCCC board notifying us that they have not been able to find staff and were starting the process of shutting down operations and the non-profit completely.

Under the terms of the current lease the CCCC can terminate the lease by providing written notice 30 days before termination. We have asked them to submit a formal letter giving notice.

In their email they offered to transfer their state license and/or non-profit corporation to the city. I talked with the childcare program office and was told that the license was non-transferable. We could assume the non-profit and possibly the license but would have to go through a staffing and inspection process very similar to a new license. We would also have to do the same thing if we find another operator. I don't see any real advantage in the city taking this step, even if it is possible. The childcare program manager I talked to did have some helpful contacts as potential operators.

At this point it is nearly guaranteed that the city will get the building back from the CCCC. It would be helpful for the council to discuss the level of involvement they would like staff to take to reopen the facility, or to use the facility for some other use.

I will also say that a lack of licensed daycare in Craig is a substantial cost to parents who are no longer eligible for any state subsidies for childcare.

We have several options that we can take, including:

- Take no action and repurpose the building, relying on the private sector or other agencies to fill in the childcare gap
- Issuing a Request for Proposals for a new operator under terms similar to the current lease with CCCC. If we take this route, we should require a strong business plan as part of the proposals.
  - We can also consider adding terms or assistance to a new operator that may include any financial or technical assistance from the city, city representation on the board of directors, regular reporting to the city council, etc.
- Having the city manage the daycare center completely

Recommendation: The council should discuss the issue and give direction to staff. No formal action is required as any direction given by the council will result in future discussion and approval of actions.

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Brian Templin, City Administrator  
Date: May 25, 2022  
RE: 4<sup>th</sup> of July Committee – Pool Pass Donation Request

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At the May 19<sup>th</sup> council meeting the meeting packet contained a letter from the Craig 4<sup>th</sup> of July Committee asking for a donation of a pool pass to use as one of the HERO raffle prizes. The council asked staff to put the item on the agenda for the June 2<sup>nd</sup> meeting and to invite someone from the committee to be at the meeting. A copy of the letter is attached.

The pool pass in question has a value of about \$480.

Just a couple of things to bring to the council's attention.

- The 4<sup>th</sup> of July Committee does very good work with the festivities each year. They use raised funds and donated prizes well and there is always a good turnout for the activities.
- Due to Covid the past couple of years they have had to curtail their sales of raffle tickets. To help make up for that the city has increased its contribution to the committee.
- This year the recently approved budget includes \$5,000 from the city to the 4<sup>th</sup> of July committee. The city generally also provides support such as garbage, helping set up booths, managing the kid's fishing derby, etc.
- The pool manager has been generous with passes for a number of purposes this year, including the recent change to the personnel handbook granting a pass for employees and active volunteers.

Recommendation. The council should discuss issuing a pool pass to the 4<sup>th</sup> of July committee to use as a raffle prize.



Craig 4<sup>th</sup> of July Committee  
C/O City of Craig  
PO Box 725  
Craig, AK 99921

Craig City Council  
PO Box 725  
Craig, AK 99921

Dear Craig City Council,

The Craig 4<sup>th</sup> of July Committee is busy planning this year's 4<sup>th</sup> of July Celebration! We're excited to be bringing back the HERO Raffle (formerly known as the Royalty Raffle).

We're writing to request a donation of a 6 Month Family Pass (\$480 value) from the Craig Aquatic Center. We'd like to use it as one of our HERO Raffle prizes.

Thank you for your consideration,

Sincerely,



Craig 4th of July Committee  
Karen Hobart  
503-437-4068

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Brian Templin, City Administrator  
Date: May 27, 2022  
RE: Wells Fargo CD – Capitalization of Endowment Fund and Capital Reserve Fund

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As the council is aware, we have been reviewing funds in various banks and accounts and moving them to funds at Alaska Permanent Capital Management that have higher earning potential. Currently the CD is earning about 0.01%.

One of those investments is a CD with Wells Fargo Bank. The CD recently matured and is currently valued at \$508,984.65. The council considered moving these funds to the endowment account a couple of years ago but staff recommended keeping them in the CD in case we our finances were significantly affected by Covid. In the end, we did not need the funds to cover revenue due to good fiscal management and state/federal relief funds.

Staff would like to cash out the CD and move the funds to APCM. Half of the funds would be moved to the endowment fund for permanent investment and half of the funds would be moved to the Capital Reserve Fund set up earlier this year. This would result in about \$255,500 deposited into each of these funds.

As a reminder the endowment fund generally grows at a rate of 6%+ and the new Capital Reserve Fund is invested with the intent of growing 3 – 4% annually.

Recommendation. The council should move to close out the city's CD at Wells Fargo and move those funds to Alaska Permanent Capital Management, split between the Endowment Fund and the Capital Reserve Fund.

Recommended Motion: Move to approve staff to execute the closure of the CD at Wells Fargo and move those funds to Alaska Permanent Capital Management as described above.