

**CITY OF CRAIG
COUNCIL AGENDA
JULY 21, 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 July 7, 2022
- First reading for Ordinance 748 Fuel Tax Cap

HEARING FROM THE PUBLIC

- Open for public comment

READING OF CORRESPONDENCE

- Letter from Craig Child Care Center

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- None

UNFINISHED BUSINESS

- Senator Murkowski's August 8 Visit Discussion

NEW BUSINESS

- False Island Industrial Dock – Cathodic Protection Project
- Memo for North Cove Ramp

COUNCIL COMMENTS

ADJOURNMENT

To provide public comment to the council remotely, contact the Craig City Clerk at 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

Jim See, Chairman called the meeting to order at 6:37 p.m. Present were Julie McDonald, Jim See, Millie Schoonover, Michael Kampnich, Chanel McKinley, and Timothy O'Connor. Hannah Bazinet was absent excused.

Staff Present: Brian Templin, City Administrator; Heather Mendonsa, City Clerk; Samantha Wilson, Planner; Hans Hjort, Harbormaster; Jessica Holloway, Aquatics Manager; Doug Ward, Parks and Public Facilities Director; RJ Ely, Chief of Police; Russell Dill, Public Works Director; Tsai, EMS Coordinator and Victoria Merritt, Recreation Director. Sheri Purser, Treasurer and Patricia Gardner, Librarian attended by phone.

Audience Present: None

CONSENT AGENDA

1. Meeting Minutes June 16, 2022
MCKINLEY/SCHOONOVER

Moved to adopt the Consent Agenda.
MOTION CARRIED UNANIMOUSLY
BY VOICE VOTE

HEARING FROM THE PUBLIC

No public comment.

REPORTS FROM CITY OFFICIALS

Mayor – No comment.

Administrator – Submitted a written report. Councilwoman McDonald inquired about the breakwater status. Brian Templin replied that we are still moving forward on the project. Construction will likely be in the next year or two, pending the completion of environmental work.

Treasurer – Submitted a written report.

Aquatic Manager – Submitted a written report.

Clerk – Submitted a written report. The next meeting will be on July 21, 2022, at 6:30 p.m.

Planner – Submitted a written report. Samantha Wilson was praised for her hard work on multiple projects. Samantha said she has a survey posted for the cemetery expansion, which contains drawings of possible layouts. Open houses will be at the end of the month for the public.

Fire / EMS – Submitted a written report

Harbor – Hans Hjort provided a verbal report. He said he has been busy. The Harbor Advisory Committee met. They recommended some changes that will be coming to the City Council soon. The icehouse has been running well so far. The chains on the rake

system are worn out, so a few links broke before the season began. New chains should be here in about a week. Councilman See asked if we can put in stainless steel chains to avoid that problem. Hans replied that is not the industry standard, but he can look into it. Councilwoman McDonald asked if the emergency ladders are supposed to stay down all the time. Hans said no, but they are frequently left down. Stuff will grow on them, but they are a high grade of stainless steel.

Library – Submitted a written report

Police Chief – Submitted a written report. Chief Ely said there have been a significant number of thefts in North / South Cove over the last few days. The person responsible is in jail. He recommended that everybody check their boats. Councilman Kampnich asked if the surveillance cameras helped, and Chief Ely confirmed the ones that are working helped. If there were better videos at the end of North Cove and people knew there was surveillance covering both harbors people would be less apt to take things.

Public Works – Submitted a written report

Recreation – Victoria Merritt updated the Third and Fourth of July celebrations went well. Bubble blowing and the greasy pole were both popular. The kids enjoyed catching fish. Soccer will begin on Thursday next week. The bounce house was reserved to rent but was never picked up. So, there will be a teenage night tomorrow. The duck race first place winner was Andy Bresser. Second place was Ernie Ray. Third place was Christina Safford. The current leaders of the fishing derby are Michelle Peters (first place) with a 36.6-pound salmon, Rick Rocheleau (second place) with 36.1 pounds, and Ellen Hannon (third place) with a 33-pound salmon. The derby ends on August 15. Victoria was excused at the end of her report to leave for volleyball.

Parks and Facilities – Doug Ward provided a verbal update. Terry was out for two weeks so the department focused on cutting a lot of grass and weeds. Graffiti has been a problem at the ballfield, restrooms, and cemetery. The camera system failed so they were unable to see who did it. Community members emailed with concerns. Chief Ely is aware of the problem. The graffiti is getting tagged by “The Midnight Owls.” The North Cove cameras installation was planned, but the lighting system went down. The cameras were then sent to False Island. New cameras are ready to install at the burn pit. A new machine is coming soon for the ball field cameras. Tim O’Connor added that August 15 is the date set to put in a totem pole on Cemetery Island Trail. Josh Bennett will do the concrete form and help fill the concrete. Hans Hjort said that Doug installed cameras at the boat launch, dock, ramp, restrooms, trailers, and shop. The communication also bounces to the icehouse and his office so he can monitor activity. Hans is getting set up with an external hard drive so data can be stored for a month at a time.

READING OF CORRESPONDENCE

1. Fishery managers call for deeper look at salmon bycatch but decline to tighten rules.
2. With a way of life on the Y-K Delta at risk, the North Pacific Council declines to reduce trawl bycatch, and instead wants more study of climate change.

Councilman Kampnich shared that a black cod was tagged eight years ago in Adak. It was found here. The bycatch affects everyone in Alaska because of the fish migration patterns.

3. Marathon Wrap Up

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

1. Resolution 22-17 Advocating for a Reduction of Trawl Bycatch

SCHOONOVER/KAMPNICH

Moved to adopt Resolution 22-17,
Advocating for a reduction of trawl
bycatch
CARRIED UNANIMOUSLY BY ROLL
CALL VOTE

2. Resolution 22-18 Adopting Harbor Rates

The council discussed the webloft fees. Years ago, the council voted to use a higher fee for people using the webloft commercially. The current \$10 a day, according to Councilman See, does not cover electricity. He would like to see a commercial rate of \$100 a day. Hans said he will see what other weblofts are charging. Brian clarified that the fees aren't changing in this ordinance. The crane usage and wharfage are being changed.

SCHOONOVER/KAMPNICH

Moved to adopt Resolution 22-18,
Adopting harbor rates
CARRIED UNANIMOUSLY BY ROLL
CALL VOTE

3. Resolution 22-19 Adopting Prince of Wales Community Advisory Committee Resolution 22-02, Opposing an Alaska Constitutional Convention

Brian gave some background on this resolution by explaining that this resolution was placed on the agenda at the request of POWCAC. At the last POWCAC meeting this resolution was passed, and now it needs to be passed by the majority of the communities and tribal governments that make up the POWCAC membership. The consensus of the council during discussion is that they are opposed to a Constitutional Convention.

SCHNOONOVER/KAMPNICH

Moved to adopt Resolution 22-19,
adopting Prince of Wales Community
Advisory Committee Resolution 22-
02, opposing an Alaska Constitutional
Convention
CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

UNFINISHED BUSINESS

1. Child Care City Budget and RFP

No formal action is needed. A firm date of August 31 was given to return the center to the city. Brian shared that if the city ran the daycare the rate would be \$3,000 a month per child to reach a breakeven point at 10 children. This rate would not include a food program. Projected revenue over expenses would be (\$76,335.00) The options of releasing the facility to a private interest and looking for proposals were brought up. The council agreed on putting an RFP out to get things started. Brian finished the discussion by saying the city will finish the RFP and put it out on the street. It will come back to the council in a few months.

2. Fuel Tax Cap Memo June, 2020

Brian is looking for guidance on this item. If action is wanted it will require an ordinance. This discussion goes back to Joel Steenstra's letter. After speaking to our Local Government Specialist in Juneau, it was confirmed that we can cap the sales tax charged on fuel as long as we don't change the tax rate. It can be approached broadly (all fuel sales) or narrowly (home heating fuel within city limits was used as an example). See wanted to know if an ordinance can be changed by a resolution. Brian confirmed that the ordinance could include language that the cap amount could be set by ordinance. He recommended putting a sunset date on the ordinance so it can be changed or removed. The council agreed that a \$4.50 per gallon tax cap would be helpful to the residents and people at the fuel dock and heating fuel to people in town. Brian said he will bring an ordinance to the council for first reading at the next meeting with a final reading set for August. The cap will be set by resolution at \$4.50 a gallon. This would take effect by mid-August. McDonald suggested setting the sunset time with the fiscal budget.

3. Liberty Church Donation Memo

\$1,500 will cover one week of expenses. Mayor O'Connor said 55-75 kids are coming out to eat each day.

SEE/MCKINLEY

Moved to make a \$1,500 to the Liberty Church for the summer lunch program.
CARRIED UNANIMOUSLY BY VOICE VOTE

NEW BUSINESS

No new business.

COUNCIL COMMENTS

Mayor O'Connor said a totem pole is being put in. It is 16-18 feet high. A plaque will be installed to explain the totem.

Kampnich wanted to have some talking points agreed upon prior to Senator Murkowski's meeting next month. McDonald agreed that it would be good to brainstorm so each person has the same message to deliver. Brian asked the clerk to put that on the next agenda.

ADJOURNMENT

SEE/KAMPNICH

Moved to adjourn at 7:38 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: July 13, 2022
RE: Ordinance 748 - Fuel Sales Tax Cap – First Reading

At the July 7th council meeting the council held a general discussion on the merits of instituting a cap on sales tax for fuel. Fuel prices have increased by \$2.75 - \$3.50 per gallon since January 2022.

At the July 7th meeting, the council directed staff to prepare an ordinance that would allow for general relief of fuel at the pump or delivered by the local fuel vendors. The council determined that currently exempting sales above \$4.50 per gallon would still allow additional sales tax revenue to the city to help with increasing fuel and other costs.

Ordinance 748, attached, defines fuel as:

“Fuel”, for purposes of this section, means fuel (refined gasoline, diesel fuel, and propane) that is subject to Craig sales tax. This does not include other products; pre-packaged fuel sold in cans or other containers; or any other types of fuel charges.

This excludes other petroleum products such as oil (other than vehicle/equipment or heating fuel) and prepackaged fuel such as small propane or camp fuel products. The intent of this ordinance is to cap the tax collected per gallon for traditional fuels pumped by vendors or delivered by fuel vendors.

The council also asked to be able to set the cap by resolution and that a sunset date of June 30, 2023 be applied to the exemption. Both of these provisions are contained in the ordinance.

If Ordinance 748 is passed for first reading, staff will prepare the public hearing and final consideration for the August 4th council meeting. Staff will also prepare a resolution setting the rates as directed by the council.

Recommendation: Approve first reading of Ordinance 748.

**CITY OF CRAIG
ORDINANCE No. 748**

AMENDING SECTION 10.04 OF THE CRAIG MUNICIPAL CODE, ADDING SECTION 3.08.010 AND 3.08.020 ESTABLISHING A CAP ON SALES TAX COLLECTED ON FUEL

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 September 1, 2022.

Section 4. Findings. The Craig City Council finds the following:

WHEREAS, on January 1, 2022, fuel costs for vehicle, equipment, and heating fuel were approximately \$4.00 per gallon; and

WHEREAS, as of July 10, 2022 fuel prices are between \$5.75 and \$6.50 per gallon depending on type of fuel; and

WHEREAS, the Craig City Council wishes to provide relief to consumers for high fuel prices; and

WHEREAS, the City of Craig is choosing to adopt an ordinance providing for the definition of “fuel” in this context and placing a cap on the amount of sales tax collected per gallon.

Section 5. Action. This ordinance adds Section 3.08.010 and 3.08.020 to the Craig Municipal Code as detailed in Attachment A.

Passed and approved this ___ day of _____, 2022.

Mayor Tim O’Connor

Attest _____
Heather Mendonsa, City Clerk

**ORDINANCE No. 748
ATTACHMENT A**

Title 3 of the Craig Municipal Code is hereby amended by adopting a new definition for “Fuel” in Section 3.08.010 and adding a cap on sales tax collected on fuel in Section 3.08.020 to read as follows:

3.08.010 Definitions

“Fuel”, for purposes of this section, means fuel (refined gasoline, diesel fuel, and propane) that is subject to Craig sales tax. This does not include other products; pre-packaged fuel sold in cans or other containers; or any other types of fuel charges.

3.08.020 Levy of Sales Tax – rate

E. The following are exempt from the tax:

26. Gross receipts derived from sales of fuel for that portion of the per gallon cost above a rate set by resolution by the Craig City Council. This provision is effective until June 30, 2023.

July 1, 2022

Dear City of Craig Council,

This letter is to inform you on the most recent update regarding the Craig Child Care Center and its current operations. Our Board of Directors met on Monday June 27, 2022 and made the decision to close our doors indefinitely. We have had little to no interest in employment for the administrator nor teacher positions as well as volunteer interest for our Board.

Although we present this information to you with heavy hearts, we wanted to express how grateful we are in the City of Craig Council offering the use of this facility during our many years of operation. This letter is notice of our effective date of lease termination on August 31, 2022.

We are currently working with some nonprofit organizations, including HOPE, to help clean out and donate to most of our supplies that are in the building and will have all our belongings vacated by this date. Please let us know if there is anything else you need from us.

Sincerely,

Craig Child Care Center Board



**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, City Administrator
Date: July 14, 2022
RE: Meeting Topics for Meeting with Senator Murkowski on August 8th

As the council is aware, Senator Lisa Murkowski is scheduled to visit Craig and Prince of Wales on August 8th. As part of her visit we are working to schedule a meeting with the Craig City Council, Mayor, and some staff members. The Senator is also scheduling a number of other meetings and events throughout the day and is scheduled to fly out that afternoon.

We will not have a long time to meet, likely between a half hour and an hour so it is in our best interest to settle on priority discussion topics to cover in that time.

Based on recent meetings with the Senator and staff; and recent discussions with the council I would suggest that we start with the following items:

1. Craig Harbor Funding and timeline
2. The Landless Bill
3. Trawl Bycatch
4. Mariculture (kelp and seaweed development)

We have also been asked to schedule a short windshield tour of projects in Craig. It is likely that Samantha and I will give her a tour accompanied by the mayor if he is available. Our top priorities for the windshield tour include:

- Visit to the cannery/harbor site
- Visit to the industrial park (mariculture discussion)
- Visit to Biomass Boiler/Aquatic Center

At the July 7th council meeting, the council requested that the discussion agenda/topics be discussed by the council to make the meeting go better.

Recommendation: Discuss the meeting topics for Senator Murkowski's schedule on August 8th and provide guidance to staff on the issues and priorities to be included in the discussion. No formal action is required.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, City Administrator
Date: July 13, 2022
RE: False Island Industrial Dock – Cathodic Protection Project

Last year the city budgeted \$97,000 to start the project to replace zinc anodes on the piling at the industrial dock. An additional \$100,000 was budgeted this year. PND Engineers was selected to do the design and bid management work.

Bids are due on the project July 18th. Due to supply chain issues, some of the contractors have expressed concerns that their quotes for zinc anodes will likely only be good for a week. In order to hopefully save some money on the project, staff is trying to turn the bids around quickly.

Staff will open the bids and determine the lowest bid/qualified bidder on the project. We will provide additional information to the council prior to the meeting on July 21st regarding this issue and consideration of approval of the selected bidder.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Hans Hjort, Harbor Master
Date: July 14, 2022
RE: North Cove ramp expansion – Engineering work contract

In 2020 the City hired PND engineering to complete a harbor condition survey. One of the items that they noted was the 50ft gangway ramp in North Cove harbor. In order to be ADA compliant the ramp needs to be at least 80ft or longer. This year money was budgeted to start the process to get a new ramp.

Unfortunately the project is not as simple as just installing a longer ramp. If we did this the new ramp would cut off access to an entire float. The new ramp needs to land at the same location as the old ramp. In order to do this we will need to remove part of the approach dock.

The City received proposals from two engineering firms that are interested in doing the design work. WSP was the low bidder at a price not to exceed \$15,000.

We will be submitting an application to the state by August 8th of this year for a matching grant to complete the project. The project would be funded for FY24.

We are requesting the council approve the contract to have WSP complete the design work for the North Cove ramp expansion project.