

**CITY OF CRAIG
COUNCIL AGENDA
SEPTEMBER 8, 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 17, 2022
- Meeting Minutes July 18, 2022
- Ordinance 749, Investment Policies, Craig Endowment Fund

HEARING FROM THE PUBLIC

- Resolution 22-22, Health Reimbursement Account Plan

REPORTS FROM CITY OFFICIALS

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

READING OF CORRESPONDENCE

- Murkowski letter to Robin Hutcheson at FMCSA
- Reinventing the Tongass Economy – Mariculture Community Processing Facility

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Resolution 22-22, Health Reimbursement Account Plan

UNFINISHED BUSINESS

NEW BUSINESS

- Municipal Code Appraisal Requirement for Lease Renewals

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>.

CITY OF CRAIG
SPECIAL COUNCIL MEETING
WEDNESDAY, AUGUST 17, 2022

ROLL CALL

Mayor Timothy O'Connor called the meeting to order at 6:16 p.m. Present were Julie McDonald, Millie Schoonover, Michael Kampnich, and Chanel McKinley. Jim See was present telephonically. Hanna Bazinet was absent excused.

Staff Present: Brian Templin, City Administrator

Audience Present: None

CONSENT AGENDA

No consent agenda

HEARING FROM THE PUBLIC

None

READING OF CORRESPONDENCE

None

EXECUTIVE SESSION

SCHOONOVER/MCKINLEY

Move to go into executive session for the purpose of discussing matters related to the city finance director position.

MOTION PASSED BY ROLL CALL
VOTE

COUNCIL COMMENTS

None

ADJOURNMENT

MCDONALD/KAMPNICH

Move to adjourn at 7:07 p.m.
MOTION CARRIED

ROLL CALL

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

Staff Present: Brian Templin, City Administrator; Heather Mendonsa, City Clerk; Samantha Wilson, City Planner; V.Tsai, EMS Coordinator; Hans Hjort, Harbormaster; Patricia Gardner, Library Director; RJ Ely, Police Chief; Russell Dill, Public Works Director; Victoria Merritt, Recreation Director and Doug Ward, Parks/Facilities Manager. Sheri Purser, Treasurer, was present telephonically.

Audience Present: Lonnie and Nancy Walters

CONSENT AGENDA

1. Meeting Minutes July 21, 2022
MCKINLEY/MCDONALD

Moved to adopt the Consent Agenda.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE

HEARING FROM THE PUBLIC

Lonnie Walters, a member of the community, came to express safety concerns in the crosswalks near the harbor. He shared his own experiences being hit or nearly hit and was frustrated because he reported one instance to the police and did not receive a response. RJ Ely, Police Chief, later clarified that the person involved was, in fact, ticketed. Lonnie also said someone is going to get hurt or killed because of the way the crosswalks are being treated. Councilwoman Julie McDonald asked Lonnie what he suggested should be done. Lonnie suggested increased enforcement of crosswalk. Brainstorming ensued. Councilwoman Chanel McKinley wanted to know how much a light would cost. Samantha Wilson, City Planner, asked about speed trap videos. Hans Hjort, Harbormaster, said there was another close incident earlier in the summer. RJ reported that in the past three months there has only been one complaint, and it was dealt with. He explained it's hard to know there is a problem if people do not report anything. Mayor O'Connor said he has spoken with Hans about the area, and they will look into it. He also suggested putting up a pole near the dumpsters to monitor the crosswalks. This will be discussed further by RJ, Brian, and Mayor O'Connor.

REPORTS FROM CITY OFFICIALS

Mayor – Submitted a verbal report. A totem pad was placed near the cemetery and the totem will be installed about September 17. We have a new bushwhacker that will take care of alders growing near Island Repair that could be a safety hazard.

Administrator – Submitted a written report. Brian said Sheri Purser will be the office through September 2 working with the staff. The salmon social is Saturday night.

Treasurer – Submitted a written report.

Aquatics - Submitted a written report

Clerk – Submitted a written report. The next council meeting is scheduled for September 1, but council members will be out of town so there would not be a quorum. Brian and Mayor O’Conner will both be gone September 15. Instead, Heather will send out a poll looking at September 8.

Planner – Submitted a written report. Building permits are picking up as prices are getting better for materials.

Harbor – Submitted a written report.

Police – Submitted a written report. Made an offer to Benjamin Page for police sergeant and he has accepted. Benjamin will begin September 13. He worked here before and knows the department. RJ likes the fact that Benjamin has a great electronic monitoring background. The burn pit enforcement has been excellent. At last count there were well over 30 tickets issued. The city will be getting additional money toward contract jails, although the city has not yet signed the contract.

FIRE / EMS – Submitted a written report.

Library – Submitted a written report.

Parks / Facilities – Submitted a written report.

Public Works – Submitted a written report.

READING OF CORRESPONDENCE

1. Letter from Rich Trojan requesting to install a credit card fuel station at carwash
Councilman Kamprich said he likes the idea of having someone provide fuel, but the circumstances described are not the best way to do it. Mayor O’Connor agrees.
2. Southeast Senior Services Report
3. Article – It’s Time to End the Era of billion Dollar ‘Sealords’ and Heed the Fishermen
4. Comments to FMCSA regarding CDL Variance

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

1. Ordinance 748 Fuel Tax Cap Final Reading
Brian talked about the tax cap and explained that it is common for bulk fuel providers to tax a specific amount of fuel. That method favors larger consumers. Brian talked to Petrol and Arrowhead. They both said most people do not hit the \$500 fuel cap. That leaves two other options: set lower sales tax rates or initiate a sales tax rebate on fuel by submitting a form for reimbursement. He suggested adopting Option D where the tax rebate is limited to fuel delivered to homes within Craig city limits. McDonald had one concern about Option D, stating that the objective of the ordinance is to provide relief while prices are high. With the city’s financial department struggling to find employment would that another layer to a department which is already short staffed? Brian responded that yes, it would. Councilwoman Bazinet said it would be easier to adjust the tax rate. Councilman See agreed and said the petrol companies can get the

software to change their machines to they can comply with the tax rate. McDonald suggested Option B and making a clean reading for the next meeting. Kampnich also likes Option B because it is straightforward and does not require more from the city.

SEE/BAZINET

Motion to adopt Ordinance 748 with Option B
MOTION PASSES WITH 4-1 ROLL CALL VOTE

2. Resolution 22-20 Appointing Natalie Stone as Clerk Pro Tem

MCDONALD/MCKINLEY

Motion to approve 22-20 appointing Natalie Stone as clerk Pro Tem

MOTION PASSES WITH UNANYMUS ROLL CALL VOTE

3. Resolution 22-21 Setting the Sales Tax Cap on Fuel in Craig

The question was asked if this has already been discussed. Brian explained that the ordinance allows the council to set a lower tax rate by resolution. This is the resolution setting the lower tax rate. Option B is the one that lines up with what the council discussed earlier, and the council can change that amount by resolution anytime.

SEE/BAZINET

Motion to adopt Resolution 22-21 setting the sales tax cap on fuel in Craig

MOTION PASSES WITH UNANYMUS ROLL CALL VOTE

UNFINISHED BUSINESS

None

NEW BUSINESS

1. Reappropriation request from Public Works for Garbage Truck

Kampnich stated the dump truck arm assembly is part of our infrastructure, so it needs to be done. Brian said this is not new funding. McKinley asked if the part has a warranty, and for how long? Russell Dill said 7-10 years. A specialist came to the island to look at the part and said this was something that needed to be replaced due to wear and tear.

MCKINLEY/MCDONALD

Motion to reappropriate \$15,000 from the WWTP Roof project to the garbage truck repairs authorized in the city's capital reserve fund.

MOTION PASSES WITH UNANYMUS ROLL CALL VOTE

2. Finance Director Hiring

MCDONALD/KAMPNICH

Recommendation to direct staff to hire an interim assistant finance director with the interim position to be reviewed in 12 months and direct staff to take steps to hire a qualified individual or firm to conduct a review of the finance department and finance software used by the city.

MOTON CARRIED BY VOICE VOTE

3. Code Enforcement Officer

McKinley asked for clarification that the only current enforcement officer is the planner. Brian explained sworn police officers can enforce the code, but that this gives the police chief authority to designate a non-sworn officer to enforce code. RJ said this came before the council because an individual he would hire, but there is an old statute on the books that prohibits the hire until March of next year. This will utilize the person to help with code violations and work towards hiring him as a police officer. The individual will not wear police clothing and drive a police vehicle. Instead, they will have a city vehicle and clothing to identify the individual as code enforcement.

MCDONALD/BAZINET Move to authorize Craig Police Department to hire a code enforcement officer and grant the code enforcement officer authority to enforce Craig Municipal Codes under the direction of the Police Chief
MOTION CARRIED BY VOICE VOTE

4. Moving Expenses for Police Sergeant Hire

MCDONALD/BAZINET Move to approve reimbursable moving expenses for the City of Craig Police Department sergeant hire
MOTION CARRIED BY VOICE VOTE

COUNCIL COMMENTS

None

ADJOURNMENT

KAMPNICH/MCDONALD Moved to adjourn at 7:48 p.m.
MOTION CARRIED BY VOICE VOTE

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, City Administrator
Date: August 31, 2022
RE: Ordinance 749, Investment Policies, Craig Endowment Fund

Based on a presentation by Blake Phillips from Alaska Permanent Capital Management back in May, the council considered adding some investment tools to our portfolio.

The attached ordinance adds those tools to our investment mix and allows APCM to use these tools and their respective performance measurements as part of the endowment fund allocation process.

Recommendation: Pass 1st Reading of Ordinance 749 and schedule a public hearing on the ordinance for October 6, 2022.

**CITY OF CRAIG
ORDINANCE NO. 749**

**AN ORDINANCE MODIFYING TITLE 3 OF THE CRAIG MUNICIPAL CODE,
RELATING TO INVESTMENT POLICIES FOR THE CITY OF CRAIG, ALASKA,
BY ADDING SPECIFIC ASSET CLASSES TO THE PERMISSIBLE RANGE OF
INVESTMENTS WITHIN THE CRAIG ENDOWMENT FUND**

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

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted 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 become effective immediately upon adoption.

Section 4. Action. This ordinance modifies Sections 3.15.050 and 3.15.055 as shown below. New text is shown underlined deleted text is shown with a ~~strikethrough~~.

3.15.050 Permissible Investments.

A. The City of Craig Endowment Fund may be invested in:

16. High Yield Domestic bonds which, taken as a whole, attempt to mirror the characteristics of or replicate the Bloomberg Barclays U.S. Corporate High Yield Very Liquid Index or a substantially similar index, including both mutual funds and exchange traded funds;
17. Alternative Beta funds which, taken as a whole, attempt to provide systematic exposure to trading strategies included in, or similar to, those within the Wilshire Liquid Alternatives Index, or another index of similar characteristics, utilizing mutual funds and/or exchange traded funds that adhere to the limitations identified in §3.15.55(B).

~~Target asset allocation with ranges shown in the table below;~~

<u>Asset Class</u>	<u>Strategic Weight</u>	<u>Range</u>
<u>Fixed Income</u>	<u>34%</u>	<u>20%-45%</u>
<u>Large Cap Domestic Equity</u>	<u>24%</u>	<u>15%-35%</u>
<u>Mid Cap Domestic Equity</u>	<u>7%</u>	<u>2%-12%</u>
<u>Small Cap Domestic Equity</u>	<u>3%</u>	<u>0%-6%</u>
<u>International Developed Equity</u>	<u>12%</u>	<u>7%-17%</u>
<u>Emerging Markets</u>	<u>5%</u>	<u>0%-10%</u>
<u>Real Estate</u>	<u>5%</u>	<u>0%-10%</u>
<u>Infrastructure</u>	<u>5%</u>	<u>0%-10%</u>
<u>Commodities</u>	<u>5%</u>	<u>0%-10%</u>

3.15.055 Asset allocation and performance.

B. The City Council will take a conservative posture on derivative securities in order to maintain a risk averse posture. Since it is anticipated that new derivative products will be created each year, it is not the City Council's intention to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. The City Council recognizes that derivatives may be utilized within investment vehicles as a portfolio management tool. Derivative use within an investment vehicle is permissible when utilized for the purpose of creating or enhancing exposure to an asset class or implementation strategy. Due to the inherent characteristics of derivatives, embedded leverage is permissible when fully collateralized. Net exposure of an investment vehicle exceeding the asset value of the investment vehicle is prohibited. Exposure must be net long at all times.

C. B. Performance of the Craig endowment fund's investment advisors will be measured as follows:

10. Performance measurement for the U.S. High Yield Credit allocation will be measured against the target weighting using the Bloomberg Barclays U.S. Corporate High Yield Very Liquid Index or a substantially similar index for the benchmark.
11. Performance measurement for the Alternative Beta allocation will be measured against the target weighting using the Wilshire Liquid Alternatives Index or a substantially similar index for the benchmark.

Passed and approved this ___ day of _____, 2022.

Mayor Tim O'Connor

Attest _____
Heather Mendonsa, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Brian Templin, City Administrator
Date: August 31, 2022
RE: September Staff Report

1. Staff Updates

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

- Kimber has started working as the Assistant Finance Director and has been getting training from Sheri the past two weeks. We are still advertising for a billing clerk and are now advertising for an accounts payable clerk as well. Marva Otos is travelling but will start working on a review of the department and some additional training for Kimber at the end of September.
- Both the new Sergeant at the PD and the new code enforcement officer will start in mid-September. These two hires fill out the PD staff.
- Ben Dill has recently returned to the pool to fill the part time position and Jessica has hired Kaila Canada to fill one of the full-time positions. Kayla has completed her lifeguard certification. There are still open positions at the pool. Jessica has expanded the programs and hours of the pool, but they will still not be completely open until additional staff is hired.

2. Grants Symposium

City Planner, Samantha Wilson, will be attending the Grant Symposium sponsored by Senator Murkowski in Anchorage on September 7th. She will also be attending a grant workshop on the 6th at the same location.

3. Craig Cannery/Harbor Project

The USACE is continuing to work on the environmental validation. Staff is scheduled to meet with the Pacific Ocean Division Commander, Alaska District Commander and Alaska District Deputy Commander on September 21st at the harbor site.

4. POWER Building

We have been working on completing the grant award documents for the \$150,000 appropriation from the Alaska Legislature for repairs and upgrades to the POWER building. That work will likely start this fall.

5. Contract Jail Funding

We recently signed the FY23 contract with the State of Alaska for operating the contract jail. There was additional funding in the state budget for contract jails this year which amounted to an additional \$195,000 in contract payment to the City of Craig. Chief Ely and I are working on how these funds will be allocated and will likely return to the council for formal appropriation for some of the additional funds for jail related expenses.

6. Daycare Center

We solicited proposals for a new operator of the day care center with the deadline being August 11th. We did not receive any proposals by the deadline, but since then we have had an interested party discuss lease and operation of the day care center with the mayor and I. We are currently

starting the normal lease application with them and will keep the council informed as this process moves forward.

7. Visit by Senator Murkowski

Thanks to staff for helping facilitate the Senator's visit on August 30th and thanks to the council members that were able to attend. Discussion throughout the day went well with the Senator and her staff.

8. Burn Pit

On August 24th we received a Notice of Violation from DEC regarding the burn pit. The NOV referred to the issues back in December and were partly based on a visit by DEC in April to the burn pit that the city was unaware of. DEC provided photos of some construction debris in the pit in April. In correspondence with DEC, they state that the city's corrective action plan that was submitted to them in January was not adequate. Our attorney, Bob Blasco and I have been reviewing the NOV and associated documents and plan to meet with DEC to discuss the issue further. We will keep the council informed and plan to have a more detailed discussion with the council if we determine that some action is necessary. In the meantime, Bob has offered to talk with the council in executive session if the council members would like.

9. Travel and Leave Schedule

I will be out of the office from September 13 – 20, partly to attend the SE Conference meeting in Ketchikan and partly for personal travel.

CITY OF CRAIG
MEMORANDUM

August 31, 2022

To: City Council

From: Sheri Purser, Treasurer

Re: Monthly Report

The August monthly financials and APMC reports are included.

Christine is finishing the audit. She emailed me today the Adjusted journal entries to enter. Hopefully will have the financial reports by next council meeting.

I am training Kimber and we have working on the monthly allocations. We are finishing up the last of FY22 transactions and we will start working on balancing the Trial Balance. I have been working on year end process. Closing out accounts, balancing the general ledger and starting on the supplemental budget.

April McDougall has resigned from the City of Craig. Roy Hayes has moved over the recreation department. Natalie Stone has moved down to the front desk position. The billing positions is now open and hoping to get applications soon. With Kimber now moving over to be the Assistant Finance Director the Accounts payable position has been posted as of today. If anyone knows someone looking for a job please send them our way.

The Salmon Derby was a great success. We were able to make a profit this year and the social was a hit and a lot of people came to support the cause.

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

City of Craig
Cash Balances
8/31/2022

General Fund

Deposit Clearing Account	167,027.98
Checking - First Bank	2,108,318.09
Checking - Wells Fargo	25,218.73
Petty Cash	356.60
Petty Cash-Harbors	165.29
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>2,812,533.78</u>

Restricted Fund

Cares Fund Checking	169,002.08
Cash, Police Fund	40,917.41
Cash Evidence, Police	4,416.00
Police Petty Cash	781.17
Cash Hatchery Salmon Derby	19,673.22
MM Park Funds	7,702.76
Fish Quota Funds	15,552.70
MM POW Clinic Funds	46,429.61
MM Invest Muni Land	433.73
Hatchery Saving Account	57,302.94
Cash MMkt NFR -School FB	61,592.36
Cash Invest School Funds APCM	2,901,437.01
Accrued Interest, School	<u>9,484.00</u>
Total	<u>3,334,724.99</u>

Endowment

Cash Held Endowment	74,108.09
Fixed Inc. Investment Endowment	5,543,444.43
Accr. Int., Endowment	40,314.95
Equity Invest., Endowment	7,331,682.17
Unrealized Gain/Loss Endowment	(388,034.94)
Unrealized Gain/Loss Equity, Endowment	<u>1,782,939.07</u>
Total	<u>14,384,453.77</u>

Enterprise Fund

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

City of Craig
02. Craig Gov Revenue

August 31, 2022

	M-T-D Actual	Y-T-D Actual	Budget	Over(Under) Budget	% of Budget
01 00.4000.00 000 Property Tax	0	692,755	687,480	5,275	101
01 00.4050.00 000 Sales Tax	175,786	554,114	1,205,500	(651,386)	46
01 00.4051.00 000 1% Sales Tax for School	0	0	340,850	(340,850)	0
01 00.4052.00 000 Alaska Remote Sales Tax	22,530	22,530	100,000	(77,470)	23
01 00.4053.00 000 1% Sales Tax Pool & Rec	0	0	340,850	(340,850)	0
01 00.4060.00 000 Liquor Sales Tax	4,622	30,827	120,000	(89,174)	26
01 00.4065.00 000 Transient Room Tax	3,675	8,255	20,000	(11,745)	41
01 00.4080.00 000 Sales Tax Penalties	215	215	0	215	0
Total Local Taxes	206,828	1,308,696	2,814,680	(1,505,985)	47
01 00.4100.00 000 Property PILT Funding	0	0	300,000	(300,000)	0
01 00.4110.00 000 State Revenue Sharing	0	0	75,000	(75,000)	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	75,000	(75,000)	0
01 00.4120.00 000 Shared Fish Tax - DCED	0	0	2,000	(2,000)	0
Total State Revenue	0	0	456,000	(456,000)	0
01 00.4200.00 000 COVID 19 Response Revenue	0	0	75,000	(75,000)	0
01 00.4220.00 000 EMS Service Fees	126	51	50,000	(49,949)	0
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	2,841	2,641	50,000	(47,359)	5
01 00.4270.00 000 Library Fees	49	65	1,000	(935)	7
01 00.4275.00 000 Recreation Revenue	724	1,802	15,000	(13,198)	12
01 00.4280.00 000 Senior Card Fees	200	425	3,000	(2,575)	14
01 00.4620.00 000 Taxi Permit Fees	0	0	100	(100)	0
01 00.4640.00 000 Building Permit Fees	210	210	2,500	(2,290)	8
01 00.4644.00 000 Access Permit Fees	60	60	5,500	(5,440)	1
01 00.4646.00 000 PSN Road Maintenance	0	(300)	40,000	(40,300)	(1)
Total Permits & Fees	4,210	4,954	218,100	(213,146)	2
01 00.4300.00 000 Property Lease/Rentals	0	(788)	53,000	(53,788)	(1)
01 00.4400.00 000 Material Sales	0	0	1,000	(1,000)	0
Total Local Revenue	0	(788)	54,000	(54,788)	(1)
01 00.4700.00 000 Police-Fines,Citation	121	555	10,000	(9,445)	6
01 00.4703.00 000 Motor Vehicle Commision	3,474	10,601	60,000	(49,399)	18
01 00.4650.00 000 State Trooper Dispatch	0	(1,625)	7,200	(8,825)	(23)
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	3,595	13,955	490,812	(476,857)	3
01 00.4820.00 000 Interest Income (A/R)	27	134	1,000	(867)	13
01 00.4900.00 000 Misc Revenue	714	1,735	5,000	(3,265)	35
01 00.4990.00 000 TRANS.FRM RESERVES BAL. BUDGET	0	895	0	895	0
Total Other Revenue	741	2,764	6,000	(3,237)	46
Total Revenues	\$ 215,374	\$ 1,329,581	\$ 4,039,592	\$ (2,710,013)	\$ 33

City of CraigRevenue and Expense YTD & Budget
August 31, 2022

	Y-T-D Actual	Y-T-D Encumbrance	Y-T-D Budget	Total
Administration				
Total Personnel Expenditures	53,318	0	335,041	53,318
Total Benefits Expenditures	15,271	0	172,481	15,271
Total Contract Expenditures	24,332	0	178,200	24,332
Total Travel & Expenditures	7,199	0	14,545	7,199
Total Materials Expenditures	592	0	11,625	592
Total Utilities Expenditures	961	0	20,370	961
Total Repairs & Maint Expenditures	818	0	4,760	818
Total Other Expenditures	2,513	0	38,700	2,513
Total Capital & Debt Expenditures	1,932	0	8,000	1,932
Total Expenditures	<u>\$ 106,936</u>	<u>\$ 0</u>	<u>\$ 783,722</u>	<u>\$ 106,936</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (106,936)</u>	<u>\$ 0</u>	<u>\$ (783,722)</u>	<u>\$ (106,936)</u>
Council				
Total Personnel Expenditures	2,681	0	20,124	2,681
Total Benefits Expenditures	274	0	6,864	274
Total Contract Expenditures	0	0	950	0
Total Travel & Expenditures	796	0	5,050	796
Total Materials Expenditures	366	0	1,000	366
Total Utilities Expenditures	0	0	0	0
Total Repairs & Maint Expenditures	0	0	0	0
Total Other Expenditures	0	0	10,428	0
Total Capital & Debt Expenditures	0	0	0	0
Total Expenditures	<u>\$ 4,117</u>	<u>\$ 0</u>	<u>\$ 44,416</u>	<u>\$ 4,117</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (4,117)</u>	<u>\$ 0</u>	<u>\$ (44,416)</u>	<u>\$ (4,117)</u>
Planning				
Total Personnel Expenditures	7,067	0	41,915	7,067
Total Benefits Expenditures	2,411	0	26,132	2,411
Total Contract Expenditures	18,370	2,475	6,500	20,845
Total Travel & Expenditures	0	1,321	2,700	1,321
Total Materials Expenditures	32	0	1,000	32
Total Utilities Expenditures	0	0	0	0
Total Repairs & Maint Expenditures	0	0	500	0
Total Other Expenditures	24	0	1,742	24
Total Capital & Debt Expenditures	0	0	0	0
Total Expenditures	<u>\$ 27,904</u>	<u>\$ 3,796</u>	<u>\$ 80,489</u>	<u>\$ 31,700</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (27,904)</u>	<u>\$ (3,796)</u>	<u>\$ (80,489)</u>	<u>\$ (31,700)</u>
Parks & Facilities				
Total Personnel Expenditures	24,047	0	158,330	24,047
Total Benefits Expenditures	10,213	0	68,945	10,213
Total Contract Expenditures	(1,500)	0	7,500	(1,500)
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	2,346	4,657	16,175	7,003

City of Craig

Revenue and Expense YTD & Budget

August 31, 2022

	Y-T-D Actual	Y-T-D Encumbrance	Y-T-D Budget	Total
Total Utilities Expenditures	1,238	0	19,200	1,238
Total Repairs & Maint Expenditures	0	0	12,000	0
Total Other Expenditures	0	0	18,534	0
Total Capital & Debt Expenditures	0	0	48,550	0
Total Expenditures	<u>\$ 36,344</u>	<u>\$ 4,657</u>	<u>\$ 349,234</u>	<u>\$ 41,001</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (36,344)</u>	<u>\$ (4,657)</u>	<u>\$ (349,234)</u>	<u>\$ (41,001)</u>
Public Works				
Total Personnel Expenditures	23,213	0	111,888	23,213
Total Benefits Expenditures	12,326	0	64,617	12,326
Total Contract Expenditures	0	0	720	0
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	2,593	6,733	74,825	9,326
Total Utilities Expenditures	19	0	18,925	19
Total Repairs & Maint Expenditures	6,484	1,500	53,200	7,984
Total Other Expenditures	20	0	16,049	20
Total Capital & Debt Expenditures	47,205	2,339	111,774	49,544
Total Expenditures	<u>\$ 91,860</u>	<u>\$ 10,572</u>	<u>\$ 451,998</u>	<u>\$ 102,432</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (91,860)</u>	<u>\$ (10,572)</u>	<u>\$ (451,998)</u>	<u>\$ (102,432)</u>
Police				
Total Personnel Expenditures	89,711	0	635,955	89,711
Total Benefits Expenditures	40,992	0	357,833	40,992
Total Contract Expenditures	0	0	26,931	0
Total Travel & Expenditures	371	0	5,000	371
Total Materials Expenditures	3,616	3,159	60,000	6,775
Total Utilities Expenditures	110	0	27,111	110
Total Repairs & Maint Expenditures	0	0	1,000	0
Total Other Expenditures	(1,958)	1,048	56,008	(910)
Total Capital & Debt Expenditures	1,000	0	1,000	1,000
Total Expenditures	<u>\$ 133,842</u>	<u>\$ 4,207</u>	<u>\$ 1,170,838</u>	<u>\$ 138,049</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (133,842)</u>	<u>\$ (4,207)</u>	<u>\$ (1,170,838)</u>	<u>\$ (138,049)</u>
EMS				
Total Personnel Expenditures	24,665	0	202,467	24,665
Total Benefits Expenditures	7,993	0	69,165	7,993
Total Contract Expenditures	437	660	4,900	1,097
Total Travel & Expenditures	142	0	8,200	142
Total Materials Expenditures	101	582	13,450	682
Total Utilities Expenditures	0	0	8,600	0
Total Repairs & Maint Expenditures	0	0	0	0
Total Other Expenditures	190	0	10,077	190
Total Capital & Debt Expenditures	0	0	30,000	0
Total Expenditures	<u>\$ 33,528</u>	<u>\$ 1,242</u>	<u>\$ 346,859</u>	<u>\$ 34,769</u>

City of Craig

Revenue and Expense YTD & Budget

August 31, 2022

	Y-T-D Actual	Y-T-D Encumbrance	Y-T-D Budget	Total
Excess Revenue Over (Under) Expenditures	\$ (33,528)	\$ (1,242)	\$ (346,859)	\$ (34,769)
Fire Department				
Total Personnel Expenditures	0	0	0	0
Total Benefits Expenditures	0	0	4,186	0
Total Contract Expenditures	5,100	0	5,400	5,100
Total Travel & Expenditures	0	0	2,500	0
Total Materials Expenditures	0	0	2,300	0
Total Utilities Expenditures	0	0	5,425	0
Total Repairs & Maint Expenditures	0	0	1,000	0
Total Other Expenditures	0	0	5,954	0
Total Capital & Debt Expenditures	0	0	5,000	0
Total Expenditures	\$ 5,100	\$ 0	\$ 31,765	\$ 5,100
Excess Revenue Over (Under) Expenditures	\$ (5,100)	\$ 0	\$ (31,765)	\$ (5,100)
Library				
Total Personnel Expenditures	12,676	0	76,341	12,676
Total Benefits Expenditures	2,774	0	15,242	2,774
Total Contract Expenditures	0	1,291	4,934	1,291
Total Travel & Expenditures	0	0	1,000	0
Total Materials Expenditures	6,687	0	9,600	6,687
Total Utilities Expenditures	0	0	11,100	0
Total Repairs & Maint Expenditures	175	0	500	175
Total Other Expenditures	0	0	2,770	0
Total Capital & Debt Expenditures	0	0	2,860	0
Total Expenditures	\$ 22,312	\$ 1,291	\$ 124,347	\$ 23,603
Excess Revenue Over (Under) Expenditures	\$ (22,312)	\$ (1,291)	\$ (124,347)	\$ (23,603)
Recreation				
Total Personnel Expenditures	8,917	0	82,055	8,917
Total Benefits Expenditures	3,028	0	43,963	3,028
Total Contract Expenditures	200	0	1,500	200
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	(5)	0	2,525	(5)
Total Utilities Expenditures	0	0	19,625	0
Total Repairs & Maint Expenditures	0	0	2,100	0
Total Other Expenditures	0	0	6,239	0
Total Capital & Debt Expenditures	0	0	4,000	0
Total Expenditures	\$ 12,140	\$ 0	\$ 162,007	\$ 12,140
Excess Revenue Over (Under) Expenditures	\$ (12,140)	\$ 0	\$ (162,007)	\$ (12,140)
Aquatic Center				
Total Personnel Expenditures	8,737	0	180,222	8,737
Total Benefits Expenditures	7,667	0	115,484	7,667

City of Craig

Revenue and Expense YTD & Budget

August 31, 2022

	Y-T-D Actual	Y-T-D Encumbrance	Y-T-D Budget	Total
Total Contract Expenditures	0	0	4,040	0
Total Travel & Expenditures	1,200	0	5,670	1,200
Total Materials Expenditures	(78)	314	23,420	236
Total Utilities Expenditures	0	0	138,650	0
Total Repairs & Maint Expenditures	0	0	4,500	0
Total Other Expenditures	(15)	0	20,012	(15)
Total Capital & Debt Expenditures	<u>107,796</u>	<u>1,950</u>	<u>144,738</u>	<u>109,747</u>
Total Expenditures	<u>\$ 125,307</u>	<u>\$ 2,264</u>	<u>\$ 636,736</u>	<u>\$ 127,572</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (125,307)</u>	<u>\$ (2,264)</u>	<u>\$ (636,736)</u>	<u>\$ (127,572)</u>
Sewer				
Total Revenues	\$ 51,493	\$ 0	\$ 0	\$ 51,493
Total Personnel Expenditures	18,183	0	137,550	18,183
Total Benefits Expenditures	8,624	0	63,163	8,624
Total Contract Expenditures	339	0	7,800	339
Total Travel & Expenditures	80	0	2,280	80
Total Materials Expenditures	(2,601)	5,617	8,350	3,016
Total Utilities Expenditures	0	0	51,700	0
Total Repairs & Maint Expenditures	0	1,210	4,000	1,210
Total Other Expenditures	167	0	26,262	167
Total Capital & Debt Expenditures	<u>6,356</u>	<u>0</u>	<u>379,445</u>	<u>6,356</u>
Total Expenditures	<u>\$ 31,148</u>	<u>\$ 6,827</u>	<u>\$ 680,550</u>	<u>\$ 37,975</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 20,345</u>	<u>\$ (6,827)</u>	<u>\$ (680,550)</u>	<u>\$ 13,518</u>
Water				
Total Revenues	\$ 70,998	\$ 0	\$ 0	\$ 70,998
Total Personnel Expenditures	25,047	0	199,528	25,047
Total Benefits Expenditures	11,496	0	92,026	11,496
Total Contract Expenditures	695	825	10,000	1,520
Total Travel & Expenditures	0	0	4,935	0
Total Materials Expenditures	1,185	5,876	69,900	7,062
Total Utilities Expenditures	0	0	57,400	0
Total Repairs & Maint Expenditures	0	2,555	10,000	2,555
Total Other Expenditures	(12,030)	0	18,345	(12,030)
Total Capital & Debt Expenditures	<u>26,355</u>	<u>15,945</u>	<u>83,208</u>	<u>42,300</u>
Total Expenditures	<u>\$ 52,748</u>	<u>\$ 25,201</u>	<u>\$ 545,342</u>	<u>\$ 77,950</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 18,250</u>	<u>\$ (25,201)</u>	<u>\$ (545,342)</u>	<u>\$ (6,952)</u>
Garbage				
Total Revenues	\$ 61,647	\$ 0	\$ 0	\$ 61,647
Total Personnel Expenditures	7,669	0	50,543	7,669
Total Benefits Expenditures	3,209	0	17,731	3,209
Total Contract Expenditures	18,984	0	239,500	18,984
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	562	1,200	9,475	1,762
Total Utilities Expenditures	0	0	500	0

City of Craig

Revenue and Expense YTD & Budget

August 31, 2022

	Y-T-D Actual	Y-T-D Encumbrance	Y-T-D Budget	Total
Total Repairs & Maint Expenditures	0	0	5,000	0
Total Other Expenditures	167	0	5,802	167
Total Capital & Debt Expenditures	11,662	0	55,831	11,662
Total Expenditures	<u>\$ 42,253</u>	<u>\$ 1,200</u>	<u>\$ 384,382</u>	<u>\$ 43,453</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 19,394</u>	<u>\$ (1,200)</u>	<u>\$ (384,382)</u>	<u>\$ 18,194</u>
Harbor				
Total Revenues	\$ 28,646	\$ 0	\$ 0	\$ 28,646
Total Personnel Expenditures	21,904	0	166,081	21,904
Total Benefits Expenditures	14,972	0	105,024	14,972
Total Contract Expenditures	0	0	1,200	0
Total Travel & Expenditures	22	425	2,500	447
Total Materials Expenditures	768	0	15,925	768
Total Utilities Expenditures	908	0	45,492	908
Total Repairs & Maint Expenditures	477	0	17,000	477
Total Other Expenditures	749	0	26,619	749
Total Capital & Debt Expenditures	0	0	197,250	0
Total Expenditures	<u>\$ 39,800</u>	<u>\$ 425</u>	<u>\$ 577,091</u>	<u>\$ 40,225</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (11,154)</u>	<u>\$ (425)</u>	<u>\$ (577,091)</u>	<u>\$ (11,579)</u>
JTB Industrail Park				
Total Revenues	\$ 100,219	\$ 0	\$ 0	\$ 100,219
Total Personnel Expenditures	38,242	0	97,407	38,242
Total Benefits Expenditures	6,363	0	39,183	6,363
Total Contract Expenditures	0	0	2,200	0
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	4,920	0	22,225	4,920
Total Utilities Expenditures	0	0	50,100	0
Total Repairs & Maint Expenditures	715	3,538	12,500	4,254
Total Other Expenditures	19	0	21,081	19
Total Capital & Debt Expenditures	593	0	128,400	593
Total Expenditures	<u>\$ 50,852</u>	<u>\$ 3,538</u>	<u>\$ 373,096</u>	<u>\$ 54,391</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 49,367</u>	<u>\$ (3,538)</u>	<u>\$ (373,096)</u>	<u>\$ 45,828</u>
Ward Cove Cannery				
Total Revenues	\$ 982	\$ 0	\$ 0	\$ 982
Total Personnel Expenditures	0	0	0	0
Total Benefits Expenditures	0	0	0	0
Total Contract Expenditures	0	0	0	0
Total Travel & Expenditures	0	0	0	0
Total Materials Expenditures	0	0	0	0
Total Utilities Expenditures	0	0	2,800	0
Total Repairs & Maint Expenditures	0	0	0	0
Total Other Expenditures	0	0	2,732	0
Total Capital & Debt Expenditures	0	0	76,750	0

City of CraigRevenue and Expense YTD & Budget
August 31, 2022

	<u>Y-T-D Actual</u>	<u>Y-T-D Encumbrance</u>	<u>Y-T-D Budget</u>	<u>Total</u>
Total Expenditures	\$ 0	\$ 0	\$ 82,282	\$ 0
Excess Revenue Over (Under) Expenditures	<u>\$ 982</u>	<u>\$ 0</u>	<u>\$ (82,282)</u>	<u>\$ 982</u>
GF Revenue				
Total Revenues	\$ 1,329,595	\$ 0	\$ 4,039,592	\$ 1,329,595
Total Personnel Expenditures	0	0	0	0
Total Benefits Expenditures	0	0	0	0
Total Contract Expenditures	0	0	0	0
Total Travel & Expenditures	0	0	0	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	0	0	0	0
Total Capital & Debt Expenditures	0	0	0	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 1,329,595</u>	<u>\$ 0</u>	<u>\$ 4,039,592</u>	<u>\$ 1,329,595</u>

CITY OF CRAIG - PERMANENT FUND

Account Statement - Period Ending July 31, 2022



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

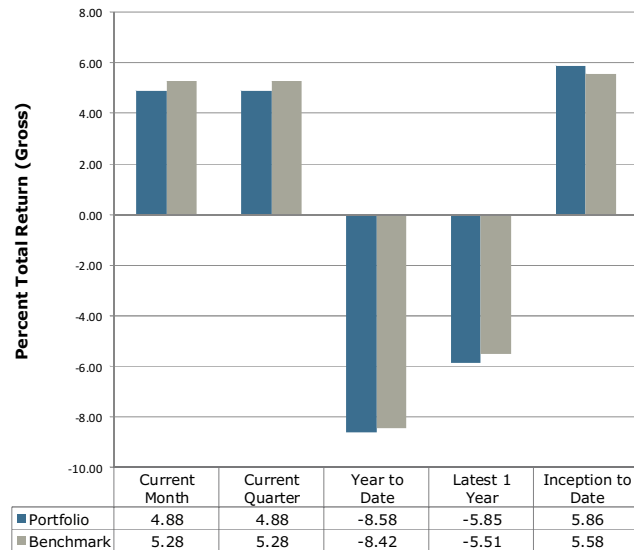
ACCOUNT ACTIVITY

Portfolio Value on 06-30-22	14,383,010
Contributions	0
Withdrawals	-3,358
Change in Market Value	693,294
Interest	8,823
Dividends	266

Portfolio Value on 07-31-22 15,082,035

INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend

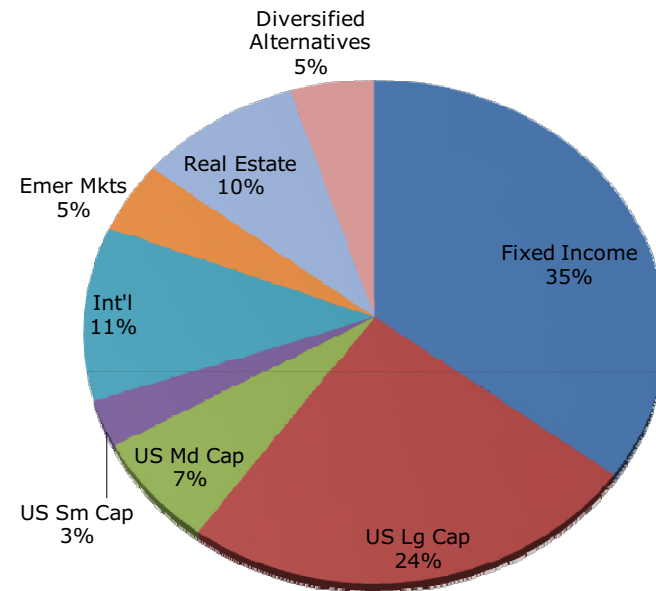


Performance is Annualized for Periods Greater than One Year

MANAGEMENT TEAM

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

PORTFOLIO COMPOSITION



[Return to Top](#)
Clients are encouraged to compare this report with the official statement from their custodian.

**City Of Craig
Memorandum**

To: Mayor Tim O'Connor and Craig City Council
From: Jessica Holloway, Aquatic Manager
RE: Aug report
Date: August 12, 2022

There is not a lot to report with the Aquatic Center. Shut down went well and I was able to get all but one thing from my list done.

Ben Dill Returns to work on the 15th and open swim will return then as well. The new Schedule is already posted. That schedule will again change after I get our new hire Kaila Canada fully trained. Kaila will be a full time employee and I am grateful to have her as part of the team.

High school swim team began on the 3rd of Aug and we will be closed on September 2nd for a home meet. This will be our first home meet in 8 years and we are all nervous and excited for it.

Wave runners will begin in September and we are looking forward to that.

I am still looking for workers to fill spots so we can get the rest of our programs going again.

Always if you have questions or comments please feel free to email me at pool@craigak.com

CITY OF CRAIG MEMORANDUM

To: Mayor O'Connor and the Craig City Council
From: Heather Mendonsa, City Clerk
Date: August 31, 2022
RE: August Staff Report

City Council:

The city council had some changes to the schedule last month, but meetings were held and everything has been updated. Many members of the Council were able to meet briefly with Senator Murkowski on August 30 and discuss some important local issues.

Resolutions/Ordinances:

The city website is current with all council meeting minutes, resolutions, and ordinances.

Next Craig City Council Meeting:

The first Thursday of the month, October 6, 2022.

Personal Leave:

I will taking leave without pay to take care of family matters September 7-12 and September 15-19. No further leave is anticipated at this time.

Municipal Elections:

The final day to file declaration of candidacy is on Friday, September 2. To date, we have two applications in for the open City Council seats. The school board seats have two applications (one two-year and one three-year) with two more anticipated to be filed by the deadline. Absentee voting will begin at 8:00 a.m. on September 14 at the city offices.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Samantha Wilson, City Planner
Date: August 21, 2022
RE: Planning Department Staff Report – September 2022

1. Senator Murkowski Visit August 30th: Senator Murkowski reviewed a couple details regarding congressionally designated spending requests like the biomass boiler (\$800,000). Primary concerns include access to woodchips long-term/second growth mills. Although not supported at this time by the Senator, the issue of water treatment arose, including the need to get a preliminary engineering report (PER) to optimize water treatment. The Denali Commission rejected the project. Congressionally designated spending requests must still be passed by the house, the senate, and receive the President's signature.
2. POWER Building funding: \$150,000 funding to repair the POWER building has been approved through Bill HB 281. A scope of work for the project was completed and turned in along with a completed signatory authority form, and site control documents. Doug and Victoria were consulted about repair priorities.
3. Grant Research:
 - a. Another grant symposium is being held in Anchorage, as well as a grant writing workshop on September 6th and 7th. I will be attending on those dates and returning September 8th.
4. Cemetery Expansion: Public comments were compiled and presented to the planning commission on August 11th. Direction was provided to Chris Mertl with CORVUS to create the next draft design. The next draft design was evaluated and approved with minor alterations on August 25th.
5. SHSP Grant Progress (Emergency Disaster Trailers):
 - a. Corrections are being made on quarterly financial/progress reports.
 - b. The Red Cross procurement request to transport 78 cots and 180 blankets from Juneau to Craig through AML was approved.
 - c. A procurement form to provide the remaining 72 cots was submitted and approved.
 - d. There are funds remaining from the EMS Hazmat portion of the project, I will need to work on transferring remaining funds to the trailer project with EMS approval.
6. CUPS
 - a. Rick Roseleau B&B CUP. A conditional use permit application was submitted by Rick Roseleau to continue to operate a Bed and Breakfast. PC Resolution 602-22 was reviewed and approved by the Planning Commission on August 25th.

- b. Craig Tribal Association CUP. A conditional use permit application was submitted by the CTA to operate a Marijuana retail establishment in the old IFA terminal. PC Resolution 603-22 was reviewed and approved by the Planning Commission August 25th.
7. Building Permits.
- a. Tiffany Stephens (Lot 8B, Windansea Sub): landscaping drainage project and retaining wall. An easement is still required but more information is needed.
 - b. Tammy/Aimee Demmert (Lot 2, Block 18, USS 1430): deck and awning. Follow-up needed.
 - c. John and Barbara Moots (Port St. Nick Lot 8, ANCSA): single family home.
 - d. Jared/Bernard Grieve (Lot 2 Tract 6 ANCSA 14c3): single family home
 - e. Jack and Yelena Stuart (Lot 1, Tract 6 USS 2611): repair/interior improvements.
 - f. Doug Veit (Lot 23A Windansea Sub): Interior bath, exterior siding, stairs and landing. Needs CUP for stairs and landing in setback.
8. Library Drawing Class: I partnered with the Craig Library to lead a drawing class as part of the library youth programming on August 24th.
9. FEMA 700 and 800 training completed
10. Thorne Bay Omnilert list for Fire and EMS were updated.

EMS Report/August 25th, 2022

Submitted by Tsai, EMS Coordinator

Calls to Date

August 2022 Calls: 18 (Updated 8/29)

2022 Calls to date: 178 (Updated 8/29)

Crew Status

All EMTs are responding as scheduled or to back up crew as needed.

Craig EMS is not responding to Klawock EMS calls.

Training

The EMS office is now a training room for anyone to come in and practice.

In person training is on hold due to crew schedules, and will resume in September.

Recruitment

Looking for 1 part time EMT and additional volunteers.

Planning on moving Sandy to a Training Officer

- Obtain MOI Certification
- Obtain ETT/EMT 1 Instructor Certification

James is now full time, working on obtaining his EMT 1 Certification.

Other Responsibilities:

Working on obtaining a new medical director

Continue working on standing orders (BLS Orders, need a new medical director for ALS Orders)

EMPG:

- Applications/Work Plan Projects for FY2022
- FEMA courses

Reports for EMPG/SHSP

SHSP Grant: SCBA tanks on hold

Working on revised On Call Policy

Creating Incentive Policy for Volunteers/Employees

Keeping reports up to date with EMS System/Billing and State of Alaska

Updating and maintaining Team Schedule



To: Craig City Council

From: Hans Hjort, Harbor Master

Date: August 31, 2022

RE: September staff report

Harbor department report September 2022

- We have had some hoses fail on the Brownell boat trailer drive motors. The hoses were over 5 years old. The fittings were stainless steel but the wire in the hose was steel. I have talked to Brownell and found out that they don't have a good solution to this problem. No one makes a hydraulic hose with stainless steel wire. We hired PC Hydraulics in Ketchikan to make all new hoses for the drive motors. We are in the process of changing all the hoses. We will schedule the hoses to be replaced 4 years from now.
- The ice house has been running smoothly this season. We have three maintenance projects that we need to take care of. The first is changing the drive chains on the ice rakes. This should take us about an entire day to do. We have all the parts for this job, we just need to find a convenient time to take the ice house out of service. The other project is changing out a bearing on an auger. We have all the parts, we just need 4-5 hours to get the job done. The third job is replacing a speed sensor on the rake system. We will get these projects done before the end of the season when our ice house operator leaves.
- We have repaired the camera system at North Cove. We have plans to buy and install a new system at South Cove.
- We had a large water leak at South Cove last week. Harbor staff was able to repair the leak with upgraded parts.
- I will be traveling at the end of the month for the annual Harbor Master Conference.

07/27/22-08/31/22

Patron Visits: 867

Circulation: 2,798

Computer Usage: 120

WiFi Usage: 416 unique visitors, 1,143 total visits

Programs: Craig Public Library Story Time (24 Children)

Summer Reading Program 145 participants (Sam, Jessica)

Teen Computer Gaming 38

Free Items 296 (Victoria)

Inter-Library Loans: 34

Volunteer Hours: 18 hours

New-

- ✓ Books to Movie Program Sept. 6th-Nov. 22nd
- ✓ Summer Reading Programming Ended
- ✓ Meeting with Craig Library Association

Project-

- Working on the Winter Reading Program.
- Working on the ALA Grant
- Outdoor Seating Project (Doug)
- Inventory/Ordering



Submitted by Patricia Gardner, Library Director

**CITY OF CRAIG
MEMORANDUM**



Date: 09/01/2202
To: Honorable Tim O'Connor, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report / August 2022 *RJ Ely*

ACTIVITY

Activity from July 26, 2022 through August 31, 2022, the Dispatch Center took the following amount of calls for service.

Craig	1,131
Klawock	387
AST	5

DEPARTMENT OF MOTOR VEHICLES

Both DMV Agents are back to work, allowing for faster drop off service.

We are again offering the class D road examination test.

DISPATCHER(S)

Fully staffed / have one dispatcher that needs to complete jail guard training.

OFFICER(S)

Former Police Officer Ben Page has been offered and accepted the Police Sergeant Position. He will start working in mid September.

Robert Larue (aka Bobby) has accepted the Code Enforcement Officer Position and will start in mid September.

OTHER

Recently signed new jail contract and we did get the full \$195,000.00 dollars increase.

I will be attending Glock Armorer's Course, in Juneau September 12, 2022.

Will be looking at sending Sgt. Page to the next available DataMaster cdm Supervisor's Training Course. As well, Taser Instructor Training.

Kim Rice was sworn in, Tuesday August 30, 2022 officially the new Magistrate/Judge for POW Court.

Craig Recreation Report to the Craig City Council and Mayor O'Connor September, 2022

Fall is in the air and the summer is ending. School has started back and school has started back and so has the after school program. We are meeting in the gym for the first week. Roy Hayes is our new Recreation Assistant. Elli is on a month long vacation and will be back September 18th. I am going on vacation September 15-26. When I return I will continue to train Elli on how I ran programs. I retire at the end of this year.

The Craig Klawock King Salmon Derby turned out to be a success. We had lots of sponsors, Lots of volunteers and a successful dinner and auction. I am sure I will miss names as there are so many to thank. Petro and Black Bear were weigh in stations again this year. Elli helped get the tickets out, picked up donations and made the garlic bread for the dinner. Shari even flew back to help take credit cards at the door. Roy made fettucine, Mike Sheets made pork BBQ, Mayor Tim was our grill master, Norma put together the baked salmon and chowder, Tsai was on rice and salad. Marla Dillman, her friend Kirstin from Minnesota, Carol Gray, Birthday girl Kathleen Duvall, Christine Noel all helped out. The CHS Volleyball teams-MS and HS helped set up, serve and clean up and did a great job! Thanks coach Shannon Isaacs. Toni Omagachi played her harp during dinner. Doug Rhodes was an outstanding auctioneer. Ellen Hannan and Mary Hailey helped with the auction as fill in s when dinner took a bit longer than anticipated. The hatchery donated coho for the dinner. Wanda from AC made a lovely cake. We used the daycare kitchen and left it in good shape. Thanks to the Chamber of commerce for the pipe and drape and table cloths etc. And my daughter Stephanie for loading them up. Everyone had fun. The Country Line dancers added some spice.

So many wonderful donations fro the auction from the community. Log, Cabin, Tyler Rental, AC Klawock-kid kayaks, AC Craig-2 utility carts, Mike Cleary sign and box, Alaska Gifts, Whale Tail pharmacy, Napa, Arrowhead. Viking Lumber, Shaan Seet, Catch a King Charters, Fire weed, Heppes indoor addition, Echo- a Pendleton blanket, and many more.

Karate Tuesday and Thursdays at 5pm Volleyball open gym is back to Tuesdays and Thursdays at 7pm. Skating and dodgeball are a part of the after school program.

A swap meet will be on October 1. Harvest Festival on October 8. A Haunted house at the end of October. Then we have the bazaars. Never a dull moment.

Submitted by Victoria Merritt





Parks & Public Facilities

8/31/2022

Staff Report –September 2022

To: Craig Mayor and City Council

From: Douglas Ward

Current Projects Underway:

- 1 Build and install shelving in Municipal offices. (Nearing completion)
- 2 Install conduit and wiring for heating controls at Harbor building.
- 3 We are awaiting delivery of the Ventrac mower / snow removal equipment.

*Should be in Craig the week of the 5th.

- 4 Annual Wood Boiler repair and maintenance.
- 5 Touchscreen repair on boiler at the Aquatic center.
- 6 Air venting repair at Peacehealth
- 7 Lawn cutting and weed eating throughout city parks.
 - Assisted Harbors with camera repairs at North Cove.
 - Monitored camera system at City Burn Pit.
 - Pressure washing around the city.
 - Assisting other department heads with repairs and help as needed.
 - Performed required administrative duties throughout the month.

Responded to day-to-day routine, and emergency calls as they come in.

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

LISA MURKOWSKI
ALASKA

COMMITTEES:
ENERGY AND NATURAL RESOURCES

APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR,
ENVIRONMENT, AND RELATED AGENCIES
RANKING MEMBER

HEALTH, EDUCATION, LABOR,
AND PENSIONS

INDIAN AFFAIRS
VICE CHAIRMAN

United States Senate

WASHINGTON, DC 20510-0203
(202) 224-6665
(202) 224-5301 FAX

August 3, 2022

510 L STREET, SUITE 600
ANCHORAGE, AK 99501-1956
(907) 271-3735

250 CUSHMAN STREET, SUITE 2D
FAIRBANKS, AK 99701
(907) 456-0233

800 GLACIER AVENUE, SUITE 101
JUNEAU, AK 99801
(907) 586-7277

44539 STERLING HIGHWAY, SUITE 203
SOLDOTNA, AK 99669
(907) 262-4220

1900 FIRST AVENUE, SUITE 225
KETCHIKAN, AK 99901-6059
(907) 225-6880

851 EAST WESTPOINT DRIVE, SUITE 307
WASILLA, AK 99654-7142
(907) 376-7665

Robin Hutcheson
Deputy Administrator
Federal Motor Carrier Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590-0001

Dear Deputy Administrator Hutcheson:

I write in support of the State of Alaska's request for an exemption to recently promulgated Entry-Level Driver Training regulations that is the subject of Federal Register Docket No. FMCSA-2022-0122. More specifically, I strongly support the State's request for a variance to 49 CFR 380.700 Appendix A, Section A 3.1. It is my sincere hope that once the public comment period ends on August 5, 2022, that this exemption is granted expeditiously without any further uncertainty or delay.

I have spent much of my Senate career educating federal agencies about Alaska's uniqueness. Alaska is a rural state with among the fewest miles of paved roads in the nation. According to the State, there are over three hundred cities and villages not connected via road to the National Highway System including the Capitol City Juneau.

While I appreciate that following the release of these regulations FMCSA has engaged with the State of Alaska to find a workable solution, this rulemaking should have considered the unique needs of Alaska prior to being promulgated. Outreach and consultation ahead of regulatory actions is an essential part of the process and in this case it may have saved valuable time and resources, while our state focuses on managing the safe and efficient flow of commerce. Thank you again for your timely attention to this matter.

Sincerely,

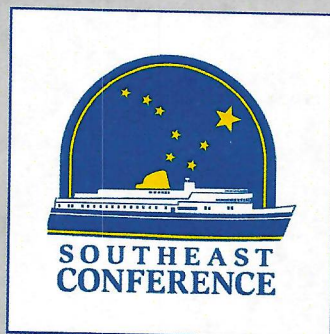


Lisa Murkowski
United States Senator

Reinventing the Tongass Economy

**MARICULTURE COMMUNITY
PROCESSING FACILITY**

An Industry "Incubator"





Mariculture

is a significant and growing industry on a global scale. Seaweeds, especially kelp, are being utilized for an ever-diversifying array of needs including medicinal products, whole foods, protein replacements, fertilizer and animal feed, carbon sequestration and bioplastics. Seaweed is a \$6 billion global industry that produces more than 70 billion pounds of wet-weight harvest per year.[1] More than 97% of seaweed is produced in Asia, the majority farmed. The U.S. currently imports more than 95% of edible seaweeds, growing less than one-hundredth of one percent of the world's seaweed domestically.[2] This presents a major economic opportunity for Southeast Alaska with its over 18,000 miles of pristine, nutrient-rich coastline, existing seafood infrastructure, and reputation for its sustainably managed fishery resources. With strategic investment, specifically with infrastructure enhancement and private sector investments, Alaska's modest mariculture industry is ripe for exponential growth – and it could not come at a better time. With debates ongoing on the future use of the Tongass National Forest (Tongass), the nation's largest forest bordering 90% of the region's coastline, mariculture has the potential to reinvent the economy of the Tongass and provide sustainable economic opportunity for the land and its people.

Mariculture in Alaska is defined as enhancement, restoration and aquatic farming of shellfish and seaweeds. Southeast Alaska is uniquely capable of developing a robust and thriving mariculture market to complement, rather than replace existing seafood infrastructure. Alaska already produces more than 50 percent of seafood in the United States,[3] giving it the infrastructure, workforce, market, and Alaska Seafood brand that can support a thriving mariculture industry. In the wake of a post-COVID-19 era as the tourism industry gains footing such a boost would be a welcome sight in this region. Further, Southeast Alaska's coastal environments would benefit greatly from strong mariculture farms.

[1] FAO, 2018. *The Global Status of Seaweed Production, Trade and Utilization*. Globefish Research Program Volume 123.

[2] <https://www.afdf.org/wp-content/uploads/Alaska-Seaweed-Market-Assessment-2021-08-FINAL.pdf>

[3] Alaska Mariculture Development Plan
https://www.adfg.alaska.gov/Static/fishing_pdfs/mariculture/ak_mariculture_devplan_06-29-18.pdf

These farms improve local ecosystems in many ways, including carbon sequestration, countering ocean acidification, and habitat improvement. There are cultural benefits as well, and this is particularly unique to Alaska. Mariculture is compatible with the traditions, cultures, and skills of the Tribal and rural communities present in Alaska, which will further the cultural tourism opportunities as well as the community's ties to the land. This will also expand and complement the existing renewable seafood industry, which is Alaska's largest private sector employer.



the Alaska Mariculture Development Plan (has) the goal to grow a \$100 million industry in 20 years.

There is strong support for the mariculture industry from both state and federal agencies. In Alaska, the Alaska Mariculture Task Force was established by Administrative Orders #280 and #297 in 2014. This led to the adoption of a statewide comprehensive plan, called the Alaska Mariculture Development Plan with the goal to grow a \$100 million industry in 20 years. On the federal side, fostering a robust mariculture industry in the Southeast region will complement the goals set out in President Biden's recent Executive Order, 30 X 30, "Tackling the Climate Crisis at Home and Abroad"^[4] by supporting local efforts in carbon sequestration, sustainable economic diversification, and equity in resource development.

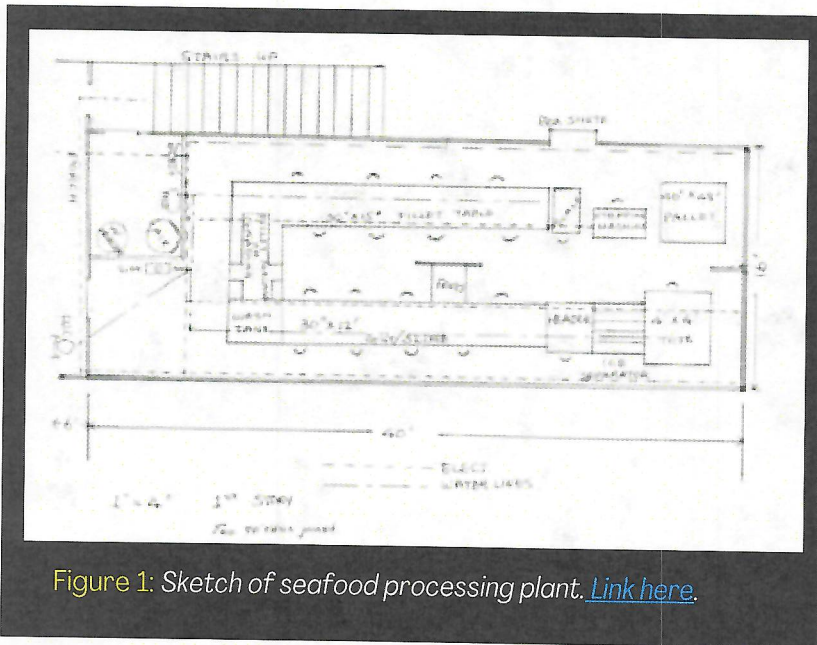


Figure 1: Sketch of seafood processing plant. [Link here.](#)

One of the key recommendations by the Mariculture Task Force^[5] in growing the industry relates to infrastructure - specifically, having a shared processing facility to increase product output and share the burden of what are extremely expensive infrastructure costs. Mariculture farmers in Southeast Alaska have cited lack of dedicated infrastructure as a significant barrier to increasing scale to match market demands. Having a shared processing space would reduce costs for individual farmers, and enable them to grow their products to scale, thus reaching markets currently unattainable.

[4] White House Briefing Room "Executive Order on Tackling the Climate Crisis at Home and Abroad" <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

[5] Alaska Mariculture Development Plan https://www.adfg.alaska.gov/Static/fishing/pdfs/mariculture/ak_mariculture_devplan_06-29-18.pdf

Creating such a shared facility, a "mariculture incubator" facility and seeing it in action would position Southeast Alaska to become a proof-of-concept model for mariculture advancement, serving as a template for similar mariculture infrastructure development throughout coastal Alaska.

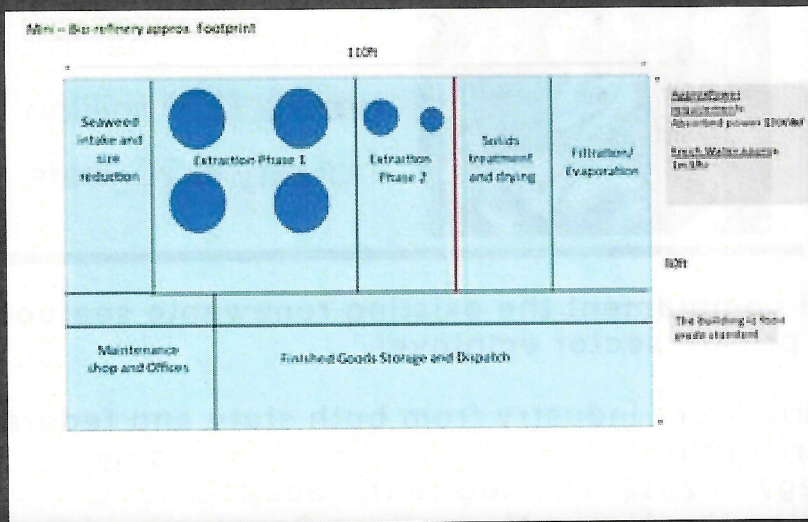


Figure 2: Sketch of biorefinery footprint.

This mariculture incubator would be a hub for the various processing needs of mariculture farmers. It would include office spaces, and the second floor would accommodate dry space handling procedures. There would be cold Storage capacity for frozen, palletized goods, thus providing local storage for products to be utilized in value added production when in season productions will not be available. Processing includes handling, storing, preparing, drying, freezing, changing into different market forms,

manufacturing, preserving, packing, labeling, dockside unloading or holding. Figure 2 depicts a similar processing plant plan and the necessary components. There would be an outside receiving and shipping area to accommodate vans of goods coming in and shipping containers going out on a monthly basis when in full production. There would also be an area outside for seaweed receiving before the product is taken into the processing area.

Southeast Conference is looking to secure an "anchor tenant" for a portion of the Mariculture Incubator (based on the sketch), that will provide fiscal certainty to the operations plan and support the facility's power and water needs. This mariculture incubator is the demonstration project that will provide "proof of concept" verification to the type of partnering processing center that can support and accelerate the mariculture industry into the status as an economic engine for coastal Alaska.



Tasks*

Preconstruction design and existing facility enhancement determination**

Site location, land, structure and right-of-way agreements

Stakeholder engagement, including travel

Water, sewer, electric utility agreements, extension design, permits

Infrastructure needs analysis and environmental due diligence

Identification of sustainable processing technology and applicable equipment
Contingency

Administrative expenses

Southeast Conference USDA Funding Proposal Mariculture Comm

Southeast Conference will design the processing facility utilizing e and develop a Request for Proposal (RFP) for construction. The s maximize drying and processing, in a DEC approved standard. It v for aggregation. Mariculture farmers will be able to work togethe maximize their individual output. The space will need access to st and shipping. The building design and use will work closely with a processor in order to maximize their facility capacity in the off-se

Identify and assess site location needs including land ownership, lease agreements. Assess existing infrastructure and its potential i facility

Southeast Conference will continue to work with and engage its s stakeholders to receive input on the design, use and location of t facility. Southeast Conference will facilitate meetings and site visi potential tenants as well as select an anchor tenant.

Determine water, sewer, electric and waste-management needs with existing utility infrastructure and/or extension design as well completing applicable permits.

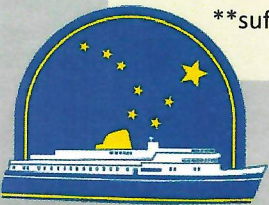
Southeast Conference will work with state regulatory agencies in & Game (ADFG), the Department of Environmental Conservation Natural Resources (ADNR) as well as federal entities to provide ei as well as necessary permits. Southeast Conference will also worl tribal representation to receive input and address any environme

Research and determine appropriate equipment necessary to ef process a broad range of mariculture products, making use of exi as available technology.

Southeast Conference will dedicate staff to overseeing and arran soliciting professional and legal services, permitting, and ongoin operation.

*Estimates for the processing facility range from \$10-15 million with pre-construction cost of 5%

**sufficient for design-build or permit ready as traditional 30% - 50% design documents that include all the plans and spec



SOUTHEAST CONFERENCE

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, City Administrator
Date: September 1, 2022
RE: Health Reimbursement Account Plan

In order to reduce health insurance premiums while still providing affordable healthcare to employees, the city started using a Health Reimbursement Plan several years ago. This allows us to opt for a higher deductible insurance plan. Currently the city health insurance plan has a \$3,000 deductible.

Under the HRA plan the employee is responsible for the first \$500 of the deductible (per person) and then the city (through the HRA) pays the next \$2,500 in deductible costs. After the deductible is paid then the normal insurance split kicks in.

This option has been used successfully for several years. The attached plan is a new provider, but is provided at the same cost for the program and keeps the health insurance rates at the FY23 level. Both the health insurance and the HRA were included in the FY23 budget.

Recommendation: Approve Resolution 22-22, approving the FY23 City of Craig Health Reimbursement Arrangement plan.

**CITY OF CRAIG
RESOLUTION NO. 22-22**

CITY OF CRAIG HEALTH REIMBURSEMENT ARRANGEMENT

WHEREAS, on this date, the Craig City Council did meet to discuss the implementation of the City of Craig Health Reimbursement Arrangement, to be effective July 1, 2022. Let it be known that the following resolution is duly adopted by the Craig city council and that this resolution has not been modified or rescinded as of the date hereof; and,

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

WHEREAS, the Plan Year shall be for a 12-month period, beginning on July 1, 2022; and,

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

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

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

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

APPROVED this 8th day of September, 2022

MAYOR TIM O'CONNOR

HEATHER MENDONSA, CITY CLERK



18887 State Hwy 305, #600
 Poulsbo, WA 98370
 (360) 779-7047 Phone
 (866) 320-1932 Fax
 Email: sba@soundadmin.com
 Website: www.soundadmin.com

Health Reimbursement Arrangement Plan Application

Legal Name of Company Sponsoring Plan: City of Craig

Business Entity Type (non-profit, S Corp, etc.): Municipality (similar to non-profit)

Federal Employer Identification Number (Must be 9 digits): 92-6000139

Enrollment Contact Person: Sheri Purser – finance@craigak.com & Kimber Mikulecky – acctspay@craigak.com & Heather Mendonsa - hr@craigak.com

Phone number: (907) 826-3275

Street Address: 500 Third St Craig, AK 99921

Mailing Address: P.O. Box 725 Craig, AK 99921

Name of person who will be identified in the plan documents as the **Benefits Coordinator** for this Health Reimbursement Arrangement plan: Sheri Purser Title: Finance Director

Name of person who will be **accepting legal responsibility** for adoption of this Health Reimbursement Arrangement plan: Brian Templin Title: Adminstrator

Confirm that your company is offering a group medical plan in 2022: Yes No

When does your medical plan renew? 7/1

Do you have a H.S.A. qualified medical plan? Yes No

Medical Insurance Company & Group # Premera #4018465

Broker: Davies & Barry – Amy (907) 318-9268

HRIS/Ben Admin system (Y or N)? No

Employee enrollment form needed? Yes

Legal names(s) of affiliated company(ies) that will be covered by this plan: None

NOTE (Internal Use Only): New plan

Date this HRA plan will be effective:

A new plan effective as of (date): July 1, 2022

A SHORT 6-month plan year beginning (date) 7/1/2022 and ending (date) 12/31/2022

Employer’s Principal Office:

This HRA plan shall be governed under the laws of the State of Alaska.

All employees are eligible for the HRA Plan EXCEPT:

Employees who do not meet the eligibility requirements of the group medical plan

Employees who do not enroll in the group medical plan

All employees can enter the Health Reimbursement Arrangement:

When they meet the eligibility requirements of the group medical plan and enroll in the group medical plan

HRA Plan Design:

- All employees eligible for benefits and enrolled in the group medical plan offered by the City of Craig are eligible for the HRA.

Out-of-Pocket Medical (OOP) Expenses Reimbursement:

- Out-of-Pocket medical expenses include deductible, copay, and coinsurance expenses.
- Each employee and covered dependent enrolled in the medical plan must meet the first responsible for the first \$500 of the individual’s medical out-of-pocket expenses (up to \$1,000 for covered family). The HRA will reimburse the remaining OOP expenses

Out-of-Pocket Expenses (In Network or Out of Network)	Employee Only	Employee+ Family
Employee meets the first	\$500	\$500 each (\$1,000 family max)
HRA pays the next	\$2,500	\$2,500 each (\$5,000 family max)
Employee meets the next	\$2,000	\$2,000 each (\$4,000 family max)
HRA pays the final	\$1,000	\$1,000 each (\$2,000 Family max)
Total Out-of-Pocket Expenses	\$6,000	\$6,000 each (\$12,000 family max)

- The employee must submit a completed HRA Medical Deductible Claim Form and provide a copy of an “Explanation of Benefits” (EOB) or “Benefit Summary” from the insurance company showing the employee, or covered dependent, has accumulated at least \$500 of individual out-of-pocket medical expenses (In Network or Out of Network).
- There are no funds at the end of each year that will roll over to the next year and accumulate.
- The employee is responsible for all other out-of-pocket expenses.
- This Plan is funded by the employer and is non-taxable to the employee.
- Employees with secondary insurance coverage must submit EOB’s from both insurance carriers to determine employee responsibility.

Eligible charges for reimbursement must be incurred during the plan year or while the participant is eligible and enrolled in the plan. Charges incurred prior to the plan start date or after the plan end date are not eligible for reimbursement. Charges incurred prior to a participant's enrollment date or after his termination date are not eligible for reimbursement.

Employees cannot submit charges incurred by anyone other than themselves, their spouse, or their children, otherwise known as their legal dependents. Charges incurred by domestic partners and/or their children are not eligible for reimbursement under this plan.

Employees should submit reimbursement claims during the Plan Year, but in no event later than 60 days after the end of a Plan Year. For a terminated employee or any Participant who is no longer eligible under the terms of this Plan, claims will still be reimbursed but only if such reimbursement requests are made by the earlier of (1) 60 days following the date that they ceased their employment or eligibility; or (2) the end of the 60-day period following the close of the Plan Year in which the expense arose. Any claims submitted after that time will not be considered.

Employee Eligibility Changes: Notify Sound Benefit Administration of changes in employee eligibility (additions and terminations) at least 5 business days prior to the date affected. Sound Benefit Administration must be notified by email (claims@soundadmin.com) or fax (866-320-1932).

Reconciliation and closure of a plan: Sixty days after a plan ends, a final report for the plan will be mailed to the employer and the plan will be closed.

Claims reimbursement: Every Tuesday, SBA emails a payment register to the employer. The payment registers identify HRA participants who are due a reimbursement and the amount. The employer will then reimburse the participant directly.

Total number of employees:

24

A large, stylized handwritten signature in black ink that reads "Shari Purser". The signature is written in a cursive, flowing style with large loops and is positioned above a horizontal line.

COBRA Administrator (when applicable): City of Craig

Pricing Information:

One-time setup fee: \$400 for 1-10 participants, \$500 for 11-50 participants, \$500 for 51-99 participants, \$750 for 100+ participants

Monthly Fee: Flat \$50 for 1 – 10 participants, \$5.00 per participant for 11+ participants.

Annual Renewal Fee: \$100 for 1-10 participants, \$200 for 11-99 participants, \$300 for 100+ participants

Amendment Fee (if the employer requests a plan change): \$200.00

HRA Non-Discrimination Testing:

INELIGIBLE INDIVIDUALS

More than 2% owners of an S-Corp (and their spouse, children, grandchildren, and parents), partners in a partnership, or members of an LLC are not eligible to participate in the Health Reimbursement Arrangement. C-Corp owners are eligible to participate in the Health Reimbursement Arrangement.

1. List all ineligible individuals:

Seasonal employees, volunteer EMS/Firefighters

2. List five of the highest paid officers:

Brian Kemplin (Administrator), Robert Ely (Chief of Police), Russell Dill (Public Works), Sheri Purser (Finance Direction), Hans Hjort (Harbor Master)

3. List shareholders who own more than 10% of the company:

N/A

4. List the names of the highest paid 25% of all employees:

Brian Kemplin, Robert Ely, Russell Dill, Sheri Purser, Hans Hjort

In order to be excluded for testing purposes, excludable employees also must be excluded from participation in the HRA by the terms of the plan

Excludable employees include:

- employees with less than 3 years of service
- employees who are under age 25
- employees who are part-time or seasonal
- employees covered by a collective bargaining agreement
- employees who are non-resident aliens with no U.S. source income

Non-discrimination test #1 - Eligibility Test: This HRA plan will benefit all HCEs and Non-HCEs and therefore passes.

Details of how to apply this test:

- a. Plan must benefit at least 70% of all non-excludable employees; or
- b. Plan must benefit at least 80% of all eligible employees and at least 70% of all non-excludable employees are eligible to join the plan

Non-discrimination test #2 - Employee Benefits Test This HRA plan makes the same benefit available to both HCEs and Non-HCEs and therefore passes.

Details of how to apply this test:

- a. All benefits provided for participants who are highly compensated individuals must be provided for all other participants
- b. The easiest way to conform to this requirement is to have uniform benefits for all employees

Signed by: _____ Date: _____
Authorized Company Representative

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Samantha Wilson, City Planner
Date: July 28, 2022
RE: Municipal Code Appraisal Requirement for Lease Renewals

It has come to my attention that the city has a long list of expired leases that need to be renewed. These leases are being maintained on a month-by-month basis at the present time.

In early 2018, Brian Templin initiated efforts to start the lease renewal process, starting with leased lots at the JT Brown Industrial Park. As the first step in renewing the leases, Brian sent out letters to the lessees outlining the requirements of lease renewal and the process moving forward. There was significant backlash and the renewal process was largely postponed.

Although there have been a couple different complaints, the main item of contention for lessees is the requirement outlined in 16.02.030C that "...no land shall be leased, or a renewal lease issued therefor, unless the land has been appraised at its fair market value within 12 months prior...". In 2018, the estimate from Horan and Company to appraise each lease at the JT Brown Industrial Park was \$800 - \$1000 per lot, for which the lessee would be billed. Complicating the issue is the fact that the appraisal value only determines the minimum price of the lease (8% of the appraised value of the land). Once an Ordinance is passed by the City Council, the City Administrator has the authority to negotiate a lease price that is equal-to or greater-than the appraised minimum price while the City Council reserves the right to approve or disapprove the final terms of the lease as outlined in 16.02.090. A lessee may therefore pay a considerable sum of money to establish a minimum price that is likely to be adjusted anyways.

Additionally, appraisals are unlikely to reveal a significant change in land value across the typical lease period; alternative means of adjusting the lease price may adequately meet those needs, particularly for shorter term leases. Ordinance 710 outlined in 16.02.140B allows for the lease rent to be adjusted via three means: an appraisal, an assessment, or by using the Consumer Price Index (CPI). Although any of these three means may be used to adjust the rent of an active lease, the wording in 16.02.030C continues to prohibit the same options being available for renewals.

Wording in 16.02.140O2 further outlines the requirement that an appraisal take place every fifth anniversary.

Please recall the differences between the three means of establishing a minimum lease price. Appraisals examine a particular piece of property and its improvements to establish its fair market value based on recent sale prices of similar properties in the area; this method is ideal for property sales as it determines the actual property/improvement value. Appraisals are only valid for 12 months and are an additional cost. Assessments look to past sale prices of similar properties and improvements to establish a property value; assessments are generally used to establish the property tax. Assessments are already a price that the City of Craig pays annually and is not an additional cost. The CPI can be used to estimate the expected increase in the value of a property or its lease across a select period of time; the fluctuating price of key consumer goods is what establishes the CPI. While the CPI is free, it is reliant on good data.

Although assessments generally establish a lower value for a property than appraisals due to the focus on older sales, in a small town like Craig there are not likely to be many recent sales of similar properties and the appraised value must either share a similar data pool as an assessment (resulting in similar estimations) or will suffer from a limited data pool that is more likely to have inaccuracies.

Recommendation: The council should direct staff to draft an Ordinance to change sections of language in Municipal Code Title 16 to increase flexibility in establishing minimum lease rates. Due to the expense and inconvenience of requiring an appraisal within 12 months of a lease renewal, and the enormous volume of leases that need to be renewed, I recommend that the City Council consider adjusting 16.02.030 and 16.02.14002 to allow the minimum rent of a leased lot to be determined via one of the three options listed in 16.02.140B. This would provide more options for establishing the minimum lease rate while still providing the City freedom to favor one method over others based on the lease lot history and perceived need.