

**CITY OF CRAIG
COUNCIL AGENDA
APRIL 25, 2024
COUNCIL CHAMBERS 6:30 PM**

ROLL CALL

Mayor Kasey Smith, Hannah Bazinet, Shauna Thomas, Josh Bennett, 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 April 4, 2024
- Ordinance 770, Amending Title 3, Revenue and Finance, Section 3.09.030, Transient Room Tax, and Providing for a Ballot Question Ratifying the Rate of the Tax

HEARING FROM THE PUBLIC

- Resolution 24-08, Establishing Cemetery Rates
- Resolution 24-09, Amending the City Personnel Rules to Make Elected Officials Ineligible for City Health Insurance

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Resolution 24-08, Establishing Cemetery Rates
- Resolution 24-09, Amending the City Personnel Rules to Make Elected Officials Ineligible for City Health Insurance

NEW BUSINESS

- Increase Harbor On-Call Hourly Rate to Match Other City Departments
- School Contribution for FY25
- Building Specialties Contract

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.

**CITY OF CRAIG
COUNCIL MEETING
APRIL 4, 2024**

ROLL CALL

Mayor Kasey Smith called the meeting to order at 6:30 pm. Present were Shauna Thomas, Josh Bennett, Hannah Bazinet, Millie Schoonover, and Chanel McKinley. Mike Kampnich was present telephonically.

CONSENT AGENDA

Meeting minutes of June 15, 2023

Meeting minutes of March 28, 2024

Ordinance 769, Mike Stewart and Melanie Bergaron Lease D-1 & D-2

MCKINLEY/THOMAS

Motion to adopt the consent agenda.

MOTION CARRIED UNANIMOUSLY

REPORTS FROM CITY OFFICIALS

Mayor Smith commented on his recent meeting with the CTA and signed a memorandum of understanding.

Brian Templin, Administrator, submitted a written report. Brian shared that the Administrator Assistant put in her resignation and a candidate for the City Planner position will be visiting Craig on May 2nd and 3rd. Brian reminded the council of the City Council and School Board workshop on April 11th at 6:00 pm. Brian reported that Gretchen nominated Victoria Merritt for an award through the Alaska After School Network and is being recognized as an “outstanding individual who acts as an afterschool super hero in the lives of the youth” and requested council approval to send Victoria to Anchorage to receive the award.

Kimber Mikulecky, Treasurer, submitted a written report.

Mary Salazar, City Clerk, submitted a written report. Council member, Millie Schoonover, commented that she will be absent for the next council meeting.

Venessa Ritcher-Russel, Fire/EMS Coordinator, gave an oral report. Venessa stated she is currently working on an Emergency Planning Grant, a couple of the EMT’s are attending training in Ketchikan, and they have brought on another volunteer EMT. Venessa shared that there is an ammonia training at City Hall on April 9th-11th.

Hans Hjort, Harbormaster, gave an oral report. Hans shared that the boat yard has been busy, the ice house is full, and a soft start for the ice compressor has been installed. Hans shared that there were leaks in North and South Cove, but they were both repaired. Brian Templin commented that Hans saved the city \$30-40,000 by repairing the EMS air compressor.

RJ Ely, Police Chief, submitted a written report. Chief Ely shared that a new officer has been hired, and he will be starting on April 29th.

Oliver Lewis, Public Works/Parks & Public Facilities, submitted a written report. Oliver shared that Doug Ward is back at the Parks & Public Facilities department. Doug and Hans are planning on repairing the cannery point grass.

Gretchen Klein, Recreation, submitted a written report. Council member, Shauna Thomas, commented that the Recreation department did a great job with the Easter Carnival.

Stephanie Merritt, Library, submitted a written report. Stephanie shared that she is collaborating with Spruce Root to host financial wellness workshops starting in October.

READING OF CORRESPONDENCE

Assessors Field Work Letter
PFAS Awareness

NEW BUSINESS

Health Insurance Discussion- Brian Templin addressed workload concerns regarding the City Planner position, proposing that making the Administrative Assistant position full-time could alleviate the issue. He explained that the Administrative Assistant would still be responsible for HR duties, and they would assist the City Planner with grant administration. Brian suggested that discontinuing health insurance for elected officials could fund the full-time position with minimal budget deficit.

Council Member Mike Kampnich noted that the council may have already decided to remove health insurance for elected officials. Council Member Millie Schoonover advocated for keeping health insurance as an option.

Council Member Josh Bennett inquired about the possibility of elected officials waiving their stipend in exchange for health insurance.

Council Member Chanel McKinley supported eliminating health insurance for council members. She also asked about maternity leave policies for city employees. Brian clarified that while the city does not offer maternity leave, employees can use vacation days, sick leave, or have their position saved for 12 weeks unpaid.

MCKINLEY/THOMAS

Motion to write a resolution to have health insurance for elected officials taken off the budget
PASSED BY ROLL CALL VOTE (4-2)

Army Corps Chris Piburn Project South Cove- Council Member Josh Bennett asked how far back the structure is from the rock wall and Chris Piburn replied however far back the engineer decides. Council Member Mike Kampnich asked if they will be using a fabric behind the wall that will prevent erosion and Chris said yes.

BAZINET/MCKINLEY

Motion to direct staff to submit comments to the US Army Corps of Engineers as is
MOTION CARRIED UNANIMOUSLY

Sales Tax Survey- Brian Templin presented a draft survey, noting that the school board requested to include a statement from them. He highlighted the potential for a sales tax increase in October, with the option to decrease it later if improvements to the BSA are made by the legislature.

Clinton E. Cook Sr., President of Craig Tribal Association, suggested that lodges out Port Saint Nicholas and Waterfall Lodge should pay sales tax. Brian explained that this would be feasible through borough formation, which could take 3-5 years.

Council Member Chanel McKinley proposed adding a question about senior sales tax exemptions. Mayor Kasey Smith expressed support for the sales tax increase not affecting elders and suggested closing the survey before summer to exclude seasonal residents.

Council Member Mike Kampnich suggested removing the highest tax rates from the survey to avoid public backlash and raised concerns about a seasonal tax's impact on business owners.

Mayor Smith emphasized the necessity of action to support schools and retain their staff. Council Member Josh Bennett stressed transparency in communicating the work of the school board and budget committee, and how city contributions can assist schools.

The council instructed staff to proceed with the survey, incorporating the suggested question.

Senior Property Tax Exemption Application

MCKINLEY/BENNETT

Motion to accept Mr. Demmert's late application
MOTION CARRIED UNANIMOUSLY

Pile Driving Contract

BAZINET/THOMAS

Motion to approve the contract with Western Dock and Bridge for an amount to not exceed \$42,000.00 as well as move \$42,000 from the North Cove ramp project to cover this expense
PASSED BY ROLL CALL VOTE (6-0)

COUNCIL COMMENTS

Council Member Hannah Bazinet requested USB C chargers for the council iPads at their seats. She also requested a discussion for annexation/borough formation to be on a future meeting agenda.

Council Member Josh Bennett requested to see pricing information for paving to connect Beach Road and Main Street.

ADJOURNMENT

A motion was made to adjourn the meeting at 7:57 pm.

BAZINET/THOMAS

MOTION CARRIED UNANIMOUSLY

KASEY SMITH
MAYOR

MARY SALAZAR
CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

To: Mayor Kasey Smith and City Council

From: Mary Salazar, City Clerk

Date: April 4, 2024

RE: Ordinance 770, Amending Title 3, Revenue and Finance, Section 3.09.030, Transient Room Tax, and Providing for a Ballot Question Ratifying the Rate of the Tax

Ordinance 770 proposes an increase in the bed tax rate. This increase has been directed by the budget committee and is accounted for in the draft FY25 budget. This increase will have to be voted on by the public at this year's election in October.

I recommend the council passes the first reading of Ordinance 770.

**CITY OF CRAIG
ORDINANCE No. 770**

AMENDING TITLE 3, REVENUE AND FINANCE, SECTION 3.09.030, TRANSIENT ROOM TAX, AND PROVIDING FOR A BALLOT QUESTION RATIFYING THE RATE OF THE TAX

Section 1. Classification. Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Craig Municipal Code (CMC).

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. (a) Section 4 of this ordinance amending CMC 3.09.030 Rate, shall become effective on January 1, 2025, if the proposition required by Section 5 of this ordinance is approved by a majority of the qualified voters of the City voting on the proposition at the regular municipal election scheduled for October 1, 2024.

(b) Section 5 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City of Craig, shall be effective immediately upon adoption of this ordinance.

Section 4. Action. This ordinance amends Section 3.09.030 of the Craig Municipal Code by deleting the items shown with strikethrough text and surrounded by square brackets (~~strikethrough~~) and by adding the underlined items, as follows:

Chapter 3.09 - TRANSIENT ROOM TAX

Section: 3.09.030 - Rate.

- A. The rate of the transient room tax is established at [~~five~~] ten dollars per day.
- B. This tax shall be in addition to the general sales tax. This tax shall not be levied on the sales tax portion of the rental bill. Neither shall the general sales tax be levied on this transient room tax.

Section 5. Election. At the regular election to be held on October 1, 2024, the following question shall be placed before the qualified voters of the City of Craig:

PROPOSITION NO. __

TRANSIENT OCCUPANCY TAX

Shall the City of Craig, Alaska increase the levy and collect a tax equal to ten dollars per day for occupied hotel rooms?

YES []

NO []

Passed and approved on _____, 2024.

Kasey Smith, Mayor

Attest _____
Mary Salazar, City Clerk

CITY OF CRAIG MEMORANDUM

To: Mayor Kasey Smith and City Council
From: Mary Salazar, City Clerk
Date: April 4, 2024
RE: Resolution 24-08

Resolution 24-08 outlines the rates for services at the Craig Cemetery. With the recent purchase of the columbarium, I collaborated with Oliver to establish pricing for the niches, ensuring that our rates are reasonable and cover necessary costs. It has come to our attention that in the past, we did not have established fees for preparing grave plots. Given the recent price increase in lumber, this fee will help offset rising expenses.

I recommend that the council approves Resolution 24-08.

**CITY OF CRAIG
RESOLUTION 24-08
A RESOLUTION TO ESTABLISH CEMETERY RATES**

WHEREAS, the City of Craig owns and operates a municipal cemetery, providing burial services to residents and visitors of the municipality,

WHEREAS, it is necessary to establish and periodically review rates for cemetery services to ensure the sustainability and proper maintenance of the cemetery grounds,

WHEREAS, a new columbarium has been installed at the cemetery to provide additional memorial options for the community,

NOW, THEREFORE IT BE RESOLVED BY THE CITY OF CRAIG:

Section 1: Cemetery Rates

The following rates are hereby established for burial services at the Craig Cemetery:

- Reservation for burial plot: \$50.00
- Opening and Closing Fee for burial plots: \$300.00
- Additional fees may apply if extra supplies or staff overtime is needed

Section 2: Columbarium rates

The following rates are hereby established for the columbarium at the Craig Cemetery:

- Columbarium Interment Fee: \$750.00
- Reopening Columbarium (for the purpose of adding another set of remains): \$75.00

Section 3: Effective date

This resolution shall take effect immediately upon adoption.

APPROVED _____, 2024.

Kasey Smith
Mayor

Mary Salazar
City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, City Administrator
Date: April 11, 2024
RE: Resolution 24-09, Amending the Personnel Handbook to Make Elected City Council Members and the Mayor Ineligible for City Health Insurance

At the April 4th council meeting the council discussed the issue of council member eligibility for health insurance. This discussion was based on a question that was raised by councilman Kampnich at a budget committee meeting.

Mr. Kampnich recalled that the council had made this change years ago. The city clerk and I spent a time researching all resolutions and council meetings since 2010 and did not find a corresponding resolution or action item in council meetings. It is likely that there was a budget committee discussion or some other meeting that the issue was discussed, but no formal action was taken.

Changes in the personnel handbook are generally incorporated by resolution.

The council voted 4-2 to direct staff to bring a resolution back to the council making this change official.

The proposed language is as follows:

*312 Health Insurance
Effective Date: 07/01/2010
Revision Date: 04/18/2024*

City of Craig's health insurance plan provides employees and their dependents access to health insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan:

**Full-time employees
[~~*Elected City Council Members and City Mayor~~]*

Recommendation: Move to approve Resolution 24-09, making council members and the mayor ineligible for city health insurance.

**CITY OF CRAIG
RESOLUTION NO. 24-09**

AMENDING THE CITY OF CRAIG EMPLOYEE HANDBOOK

WHEREAS, the City of Craig Employee Handbook, also known as the Personnel Rules, sets many terms and conditions of employment at the City of Craig; and,

WHEREAS, this resolution modifies the Handbook by amending language in Section 312, Health Insurance to remove elected city officials and the city mayor from eligibility for city health insurance.

NOW, THEREFORE BE IT RESOLVED the Craig City Council amends the City of Craig Employee Handbook to amend Section 312 – Health Insurance Deleted language is shown with [~~brackets and a strikethrough~~] and added language is shown with an underline.

312 Health Insurance
Effective Date: 07/01/2010
Revision Date: 04/18/2024

City of Craig’s health insurance plan provides employees and their dependents access to health insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan:

*Full-time employees
[~~*Elected City Council Members and City Mayor~~]

APPROVED this 18th day of April, 2024.

MAYOR KASEY SMITH

MARY SALAZAR, CITY CLERK

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Hans Hjort
Date: April 10, 2024
RE: Increase Harbor On-Call hourly rate to match other City Departments.

During the yearly budget workshops held by the Craig City Council Budget Committee, on-call pay was discussed. It was determined that somehow the Harbor Department was already being paid at a higher rate than was set by the City Council. The current rate set in the pay schedule for Harbor Department on-call pay is \$4.00 per hour. This rate is lower than other city departments that perform similar on-call duty. All other city departments pay \$6.00 per on-call hour. I would ask that the City Council consider raising the on-call pay for the Harbor Department to \$6.00 to match other city department's pay scales.

Recommendation: Move to approve increasing on-call pay to \$6 per hour for harbor employees.

**CITY OF CRAIG
MEMORANDUM**

To: Craig Mayor and City Council
From: Brian Templin, City Administrator
Date: April 11, 2024
RE: Local Contribution to Craig City School District for FY25

The city council and school board met on March 13th with another meeting scheduled for April 11th to discuss the school district deficit for FY25. At the March 13th meeting the school district showed a deficit of \$1.289 million (with \$550,660 already included in the district budget). Based on some changes and additional budget cuts made since that meeting (two additional positions) the school district's budget deficit now stands at about \$1.155 million.

The council and school board will have a chance to discuss the deficit and other potential changes at the April 11th meeting.

In a memo provided to the budget committee we showed that our current contribution (including the full SRS payment, \$200,000 in city general funds, drawing \$61,000 from a school related savings account) would allow for a contribution of \$736,656 this year with no additional draw from savings or increased revenue this fiscal year. This contribution would leave a school deficit of \$969,447.

At a recent budget committee meeting we discussed options to fund the school district's deficit for the upcoming fiscal year were to increase property tax, make significant cuts to the city's budget, or to draw from the school savings at Alaska Permanent Capital Management (approximately \$2.9 million). The budget committee all expressed that increased property tax or major cuts to city services were not an option. The budget committee also discussed the level of funding they wanted the city to make for FY25. There was no consensus on the level of funding preferred. The current or project funding amounts shown above do not include the \$81,000 in in-kind and supplemental funding.

It is important to note that staff is preparing to distribute a public opinion survey on increased sales tax and the corresponding funding level for the school district and will discuss some ballot proposition to increase sales tax as a more permanent solution to additional school funding.

The budget committee also generally agreed that if we draw from savings this year and some additional funding comes through the state, that the draw from savings should be reduced by the amount of the additional state funding.

The council should discuss the amount of additional funding (above \$736,656) that the city wants to draw from savings this year. This amount can be anywhere from \$0 additional draw (which would leave the district with a \$969,447 deficit) up to the full deficit amount of \$969,447 (which would fully fund the current district budget). It is

important that the council have this discussion now and settle on a funding amount so that the school district can complete their final budget and submit it to the city and to DEED by statutory deadlines.

Recommendation: Move to approve a local contribution of \$_____ (\$0 - \$969,447) in addition to the projected contribution of \$736,656 for FY25. Further direct staff to draw this amount from the APCM account as needed and to reduce this amount by an amount equal to additional state funding for the school district in FY25.



City of Craig
Memorandum

To: Mayor Kasey Smith and City Council
From: Oliver Lewis
Date: 4-4-24
RE: Building Specialties Contract


Mr. Mayor and City Council Members,

The public works department has conducted a bid analysis for all bidders who submitted a proposal for the Waste Water Treatment Plant Roof Replacement project. The lowest responsive bidder was Building Specialties located in Anchor Point AK. The bid amount was within our budget. Building Specialties has previously completed the Web Loft roof replacement for the City of Craig.

Recommended Motion:

Authorize City administrator to sign a construction contract with Building Specialties for \$456,990.00

Respectfully,


Oliver Lewis
City of Craig Public Works Director