

CITY OF CRAIG
COUNCIL AGENDA
APRIL 7, 2011
COUNCIL CHAMBERS 7:00 P.M.

ROLL CALL

Mayor Millie Schoonover, Greg Head, Joni Kuntz, Jim See, Marge Young, Don Pierce and Mike Douville

CONSENT AGENDA

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

- City council minutes of March 3, 2011
- Introduction and first reading of Ordinance No. 630, Authorizing the city administrator to negotiate with Mr. Fred Ensign, the terms of a trade of Lots 9 and 10A, Crab Cove Heights Subdivision for land of equal value at Lot 6, Park Place Subdivision
- Introduction and first reading of Ordinance No. 631, Repealing Ordinance 586, **Section 3.08.030 E.4. Notwithstanding any other eligibility requirements of Section 3.08.030, any Alaska resident who qualified for and held a valid City of Craig senior sales tax exemption card prior to July 1, 2006 may apply for and be issued a senior citizen sales tax exemption card**

HEARING FROM THE PUBLIC

- Open for Public Comment
- Public Comment on land exchange with Fred Ensign (Ordinance No. 630)

REPORTS FROM CITY OFFICIALS

Mayor
Administrator-Staff Report
Aquatic Manager
City Clerk
City Planner
Harbormaster
Library
Police Chief
Public Works
Treasurer
Parks and Rec

READING OF CORRESPONDENCE

- The February 2011 pool report from Craig Aquatic Center
- Correspondence from Horan and Co. regarding the 2011 Craig property assessments
- Public Meeting notice, Bokan Mountain Rare Earth Prospect
- Coming events from the Parks and Recreation Department

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Resolution No. 11-04, Supporting Senate Bill 100 regarding P.E.R.S. Liability

UNFINISHED BUSINESS

- Final terms of Land Sale to Matt Houser

NEW BUSINESS

- Consider approval of D.E.C. compliance order by consent
- Port Saint Nicholas Annexation Options
- Request for funds for the 2011 Project Graduation event for Craig High School
- Appointing Craig representative to the Career Technical Education Center Project Advisory Committee, April 18, 2011 in Klawock
- Approving the purchase of a new hot tub for the Aquatic Center, a new 50 HP motor for the water treatment plant and \$6,500 for harbor repairs to the breakwater and the harbor response boat
- Consideration of property tax exemption for 2011 for Pattie Ninemire on late filing of senior citizen application

ADJOURNMENT

ROLL CALL

Mayor Millie Schoonover called the meeting to order and the roll was taken. Present were Greg Head, Jim See, Marge Young, Don Pierce and Mike Douville. Absent excused was Joni Kuntz.

Staff present: Jon Bolling, City Administrator; Ramona Wise, Aquatic Manager; Vicki Hamilton, City Clerk; Brian Templin, City Planner; Daniel Nelson, Harbormaster; Amy Marshall, Librarian; Mark Habib, Police Chief; Victoria Merritt, Parks and Recreation Director; and Joyce Mason, Treasurer.

Audience present: Fred Ensign and two grandchildren

CONSENT AGENDA

The consent agenda was presented; it contained the city council minutes of February 17, 2011.

PIERCE/YOUNG: moved to adopt the consent agenda. MOTION CARRIED

HEARING FROM THE PUBLIC

Fred Ensign proposed a land exchange with the City of Craig. The commercially zoned land he has for exchange is Lot 6 of the Park Place Subdivision. The land Mr. Ensign is interested in is two lots of city-owned residential property in Crab Cove Heights Subdivision Lot 9 and Lot 10A. These lots adjoin New Hope Baptist Church. Mr. Ensign will work with Jon and Brian on this proposed exchange.

Jim See reported someone broke into the Port Saint Nicholas Hatchery Wednesday night and turned off the water to the 400,000 King Salmon Alevins that were in there and killed 98 to 99% of those fish. Representatives from the Prince of Wales Hatchery are planning to attend the SSRA meeting on March 11th to ask for more fish. The staff is working to make the hatchery site more secure. Jim asked Jon Bolling to write a letter of support for the Prince of Wales Hatchery by getting more fish for the Port Saint Nicholas Hatchery.

YOUNG/PIERCE: moved to have Jon Bolling write a letter of support for the Port Saint Nicholas Hatchery to obtain some fish from the Southern Southeast Region Aquaculture Association. MOTION CARRIED

REPORTS FROM CITY OFFICIALS

MAYOR-Mayor Schoonover reported she and Jon Bolling will be attending Southeast Conference in Juneau next week.

ADMINISTRATOR-Jon Bolling provided a written report for the council. Jon reported the President's F/Y 2012 Federal Budget includes funding for the National Forest Receipts Program for a five-year reauthorization. Jon reported this program will change significantly from what it is today. Currently, funding comes to the communities through Title 1. Title 1 provides money for schools and roads, which is what the National Forests Receipts Program has been about for many, many, years. Then there is Title 2, which is money for special projects.

ADMINISTRATOR Continued-These are projects that are typically on federal land that involve some kind of enhancement work, i.e. improving roads or drainages, water sheds, etc. Right now the Title 2 money is 15% of the Title 1 money. The Schools and Roads money is far and away the greater portion of what gets funded under the proposed reauthorization that wouldn't totally switch, but the Title 1 schools and roads money would go down drastically and the Title 2 money, the enhancement work, would go up drastically. In Jon's view it is exactly opposite of what we need. Jon said he will work on this at Southeast Conference. In Jon's view, most of the money should be in the education fund, Title 1 and that is what he'll be working on in Juneau.

AQUATIC MANAGER-Ramona Wise reported Corky will be gone. She will fill in for him.

CITY CLERK-Vicki Hamilton reported the assessors were in Craig assessing properties.

The 2011 assessment notices will be mailed out at the end of March.

There are 15 properties on the 2010 foreclosure list. Vicki said is compiling a list for the Island News.

Vicki announced there are classes being offered to city council members by the Division of Community and Regional Affairs. Classes will take place in Klawock City Hall next week.

CITY PLANNER-Brian Templin reported the annual Community Economic Development Strategy (C.E.D.S.) process is about to start. This list is our project nominations to Southeast Conference and Tlingit & Haida Central Council.

Brian reported he got the last of our Capital Improvement Projects submitted to the federal delegation this week.

Brian stated Silver Bay Seafoods is in the process of submitting a site plan for a new bunkhouse. The site for the proposed bunkhouse will be to the east of where the plant is.

HARBORMASTER-Daniel Nelson updated the council on the sunken boat, The Billy & I. The boat sank at the dock in North Cove on February 16th. The boat was hauled out of the water on February 25th. The crew at the harbor did a good job in containing the fuel. The boat will be hauled to Shaan-Seet's property at J.T. Brown Industrial Park.

The dive season is coming to an end. The herring pound season is opening up this month. The harbormaster has posted notices for a part time position at the Harbor Department. The Harbor Department will be getting six new dock carts for the harbors.

Daniel reported the city has organized a Safety Committee that Daniel is a part of. Daniel will be working at getting the harbor facilities up to code, in compliance with OSHA.

Mike Douville stated the harbormaster that the parking lot at the harbor is for 24-hour parking. The herring-pounding season is here and people need to adhere to the parking rules.

LIBRARIAN-Amy Marshall reported she came off the six month probation period with the city. Amy reported the library had 1,358 patron visits in February. The library is busy all the time. Amy reported she is busy with grants. One of the grants, Institute of Museum and Library Services grant (a Native American Basic Grant) was just submitted.

POLICE CHIEF-Mark Habib thanked the mayor and council for their vote of confidence. Mark reported jail activity is extremely high.

The new jail floor is going to be installed next week. A new police officer, Jake Hamilton has been hired by the City of Craig. He will be in Craig in April. Mark Habib reported the City of Craig now has 3G (cell phone upgrade). This month, Office Medina is going to Anchorage to a Reid Interview School; paid for by APSE.

TREASURER-Joyce Mason reported the city's insurance company (for property/liability) provides a refund if the city organizes a Safety Committee. The city has now formed a Safety Committee. If we comply with their requirements, the city should save 4% to 5% on its insurance. Joyce asked for volunteers to serve on the budget committee. The budget meetings will start in April. The council members who volunteered to serve on the committee were Don Pierce, Millie Schoonover and Marge Young.

PARKS AND RECREATION-Victoria reported there have been scrabble tournaments, swap meets, with the Spring Bazaar coming up on April 30th. Gymnastics has 62 participants. Elementary Basketball has started. The city volleyball league tournament is scheduled for next week. The gym floor is scheduled to be cleaned and treated on April 4-16th.

READING OF CORRESPONDENCE

Mike Douville commented on correspondence from USDA, the P.O.W. Island Outfitter Guide Management Plan EA (environmental assessment). Mike Douville would like the city to support a local use area for deer.

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

UNFINISHED BUSINESS

NEW BUSINESS

Consideration of Blanche Farrell's senior citizen property tax exemption, late application-

DOUVILLE/HEAD: moved to approve Blanche Farrell's senior citizen property tax exemption for 2011. MOTION CARRIED

Consider bid award, Cannery Property Bunkhouse Building Demolition-

PIERCE/HEAD: moved to award Cannery Property Bunkhouse Building Demolition Project to B3 Contractors, in an amount not to exceed \$4,312. MOTION CARRIED

ADJOURNMENT

DOUVILLE/HEAD: moved to adjourn. MOTION CARRIED
The meeting adjourned at 7:37 P.M.

APPROVED _____

MAYOR A. MILLIE SCHOONOVER

ATTEST VICKI HAMILTON, CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: March 28, 2011
RE: Ordinance 630, Authorizing the City Administrator to Negotiate the Trade of City Owned Land for Equal Value Land Owned by Mr. Fred Ensign

The city currently several lots in the Crab Cove Heights Subdivision near the high school. The majority of the city owned lots are past the end of the developed road at Tanner Crab Court. New Hope Baptist Church owns Lot 8, Crab Cove Heights Subdivision. Mr. Ensign would like to acquire the two city owned lots (Lots 9 and 10A, Crab Cove Heights Subdivision) adjacent to the church to allow for additional church parking and housing for church staff. Mr. Ensign has proposed an equal value exchange and would like to exchange these two lots for Lot 6, Park Place Subdivision (site of the old Blossom Shop), which he owns.

Currently the city does not have an immediate need for the commercially zoned property that Mr. Ensign proposes to trade but the Craig Fire Chief has looked at this site as a possible expansion or relocation of the firehall to more centrally locate emergency services in Craig.

No appraisals of the properties have been done yet but will be done as part of the negotiation process. The exchange would be structured so that the land trade would be of equal values. If the land values are not equal the administrator will negotiate with Mr. Ensign a modification of the land exchange or potential partial cash payment to make the exchange equal.

Recommendation: Approve first reading of Ordinance 630

CITY OF CRAIG
ORDINANCE No. 630

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH MR. FRED ENSIGN, THE TERMS OF A TRADE OF LOTS 9 AND 10A, CRAB COVE HEIGHTS SUBDIVISION FOR LAND OF EQUAL VALUE AT LOT 6, PARK PLACE SUBDIVISION

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

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

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

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the trade of Lots 9 and 10A, Crab Cove Heights Subdivision, (approximately 24,000 square feet) for equal value property owned by Mr. Fred Ensign consisting of Lot 6, Park Place Subdivision and/or cash payment. Final terms of said trade are subject to the approval of the Craig city council.

Passed and approved this ___ day of _____, 2011.

Mayor A. Millie Schoonover

Attest

Vicki Hamilton, City Clerk

City of Craig
Inter-department Memorandum

Date: March 30, 2011

To: City Council

From: Mayor Schoonover *MS*

Re: Ordinance No. 631

As you may recall, the council passed Ordinance No. 586, on August 2, 2007. This ordinance has been a contentious item in our codebook. It allows persons who held senior citizen sales tax exempt cards prior to July 1, 2006 to be granted a senior card without showing proof of being eligible for an Alaska permanent fund dividend. The city bases residency on the P.F.D.

The three-year cycle, when senior sales tax exempt cards are due to expire, is upon us. This would be a good time for the council to reconsider the city's policy of grandfathering in the senior sales tax exemption to persons who do not qualify for the P.F.D.

Ordinance No. 631 eliminates the grandfathering provision from the city's municipal code.

Recommendation: Adopt Ordinance No. 631

CITY OF CRAIG

ORDINANCE NO. 631

AN ORDINANCE OF THE CITY OF CRAIG, ALASKA REPEALING SUBSECTION 3.08.030.E.4 OF THE CRAIG MUNICIPAL CODE

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 June 1, 2012.

Section 4. Action. This ordinance amends Section 3.08.030 of the Craig Municipal Code by repealing Subsection 3.08.030.E.4 and removing the following provision:

“Notwithstanding any other eligibility requirements of Section 3.08.030, any Alaska resident who qualified for and held a valid City of Craig senior sales tax exemption card prior to July 1, 2006 may apply for and be issued a senior citizen sales tax exemption card.”

APPROVED _____

ATTEST

MAYOR A. MILLIE SCHOONOVER  VICKI HAMILTON, CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: April 1, 2011
RE: Staff Report



1. Meetings in Juneau, March 7-11

I attended a number of meetings in Juneau in March. A summary of my meetings is provided below.

Monday, March 07, 2011

8:00 a.m. Met with Bill Oelklaus of the Environmental Protection Agency to discuss the city's \$244,000 grant for water and wastewater services. The funding is from a 2009 appropriation. Mr. Oelklaus stated that EPA has been told that appropriations that are not put out to contract are subject to recall, meaning that the city could lose access to the funding if we are not able to put the funding to use soon. The grant funds have a 45 percent match, meaning that EPA will reimburse the city for 55 percent of project expenses. We usually rely on state DEC matching funds for the difference. However, the city's grant application to DEC for share funding did not score high enough to receive funding from the State's municipal matching grant program for Fiscal Year 2012. Staff will have to identify another matching source for the EPA grant. I asked Mr. Oelklaus to determine if the national forest receipts Title II funds are an eligible match.

City staff must also complete soon EPA's NEPA process. The NEPA work completed as part of the city's paving project using Federal Highway Administration may suffice for water and wastewater work in the city's streets, however we still need to find matching funds.

9:00 a.m. Met with Rep. Bill Thomas, joined by Craig Schools Superintendent Jim Thomas and Craig School Board member Bob Claus. I talked with Rep. Thomas about the city's capital project requests. I spoke to the city's support for HB 155, which proposes to raise the threshold for prevailing wage projects from \$2,000 to \$75,000.

We also discussed the funding the island communities received last year of a POW vocational technical school, and how to fund the operation of that facility.

Rep. Thomas stated that the Governor recently added \$20 million in to the capital budget to rebuild the Klawock Hollis Highway, although there is some uncertainty as to whether this funding is really bound for the north POW road between the Coffman Cove junction and the Naukati junction. Rep. Thomas' staff will check into the matter and reply to the city on the intended use of the funds. Rep. Thomas is concerned that the additional appropriation will hurt District 5 capital funding, despite the fact that the highway dollars are federal funds, and not State of Alaska general funds.

We also discussed the impact of the expanding sea otter population in Southeast Alaska. Bill was familiar with the problem and supports efforts to lessen the impact of otters on commercial fishing stocks.

9:30 a.m. The three of us walked to Sen. Kookesh's office. The staff person who oversees capital project was out sick, so we discussed the city's capital projects request with Sen. Kookesh and Nancy Barnes. Sen. Kookesh was concerned that Governor Parnell's proposed capital budget left little discretionary funding for the legislature, something that Rep. Thomas had also mentioned.

At 11:00 a.m. I met with Ted Deats and Dan Bussard of the Alaska Department of Natural Resources about the city's dam at North Fork Lake. DNR oversees water right permitting in Alaska, including permitting the use of water from North Fork Lake. The city's water right permit is in good order. DNR staff would like the city to file a permit application for the water being used by the king salmon facility at the city's water treatment plant property. DNR has an established process to adjudicate permit applications and DNR staff sees no impediments to the city receiving a second water right use for the king salmon facility. As to raising the height of the dam at the lake, the dam height falls below the threshold set by DNR for regulation under the state's dam safety program. Depending upon how high the dam is raised the structure may fall under the dam safety program; even if it does the program does not at first blush appear to me to be onerous for the city. I told DNR staff that the city apply for the second water right permit, and keep DNR staff posted as to the final design height of the dam.

At 1:00 p.m. I met with Dan Easton at the Department of Environmental Conservation. We discussed several issues.

- The Village Safe Water Hub Communities Program. The city received about \$900,000 from this program several years ago. The communities that qualify under the program appear to have changed, since the city has not been notified of eligibility in recent years. Dan Easton stated that he thought the number of hub communities under the program had been reduced to Kotzebue, Bethel, and Metlakatla, but he was not certain of this. He stated that he will check on Craig's eligibility and get back to me.
- Shore based seafood processing general permit. DEC continues to work on a general permit for shore-based seafood processing facilities. A number of processing plants, including the one owned by the City of Craig, are waiting for DEC to issue the GP to have their facilities fully permitted. The city's facility, operated by Silver Bay Seafoods, currently operates under a compliance order by consent (COBC) document issued by DEC as an interim seafood waste discharge authorization. The city is not fully protected for third party litigation so long as we operate under the COBC, so it is in the city's interest to press DEC to complete the process to develop the GP as soon as possible. Unfortunately DEC still appears to be a year away from issuing the GP, which means that the COBC will be in effect for at least one more fishing season, and possible through the 2012 season as well.
- Vacant SE Engineer Position. City staff worked frequently with a DEC engineer who oversaw use of DEC water and wastewater utility grants. The position has been vacant for some time now and I asked Dan for a recruitment update. He stated the state has gone through six recruitment cycles without success. He stated that the position is funded for the state 2012 fiscal year, meaning that the position will begin work when and if the state finds a candidate for the job whom

it finds acceptable. Dan assured me that DEC intends to keep the position based in Juneau.

- I gave Dan an update on the Southeast Alaska Solid Waste Authority's activities.

At 2:30 p.m. I met with representatives from the Public Employment Retirement System (PERS) to discuss a number of issues. PERS recently conducted an audit of the city's PERS files and issued some preliminary findings. Most of the discussion at the two-hour meeting was based on those draft findings. We resolved a few of the findings during the meeting, and left others unresolved. One of the topics discussed was the actuarial report that the city is compelled by statute to complete on the clinic employees that no longer work for the city. The report will document what PERS expects the city to pay toward what it calls the unfounded PERS liability for its former employees. Staff will keep the council posted as to the calculated extent of this liability once the actuarial report is complete.

Tuesday, March 8

At 6:45 a.m. I arrived at Centennial Hall, the meeting venue for the Southeast Conference mid-winter meeting. With help from Paul Coffey I set out copies of the new Prince of Wales Island Guide on a display table, and distributed into the conference binders a flier supporting POW efforts to host the 2012 Southeast Conference annual meeting. Mid-winter Meeting topics on Tuesday included a meeting of the SEASWA board of directors, a meeting of the conference's Transportation Committee, a presentation on oil production in Alaska and its impact on the state treasury, a speech from Governor Parnell, and a meeting of the conference's timber committee, and a panel discussion on the proposed reauthorization of the Alaska Coastal Management Program.

3:00 p.m. I stopped by the offices of the Alaska Municipal League/Joint Insurance Association and met with Kevin Smith. Kevin had asked me to stop by his office while during my Juneau trip. We talked about AML/JIA submitting a bid to the city for our general liability/property liability/workman's compensation insurance needs for the next fiscal year. I told Kevin that we would welcome a bid from his agency, and that we will likely also seek a bid from our current carrier, APEI.

In the afternoon I attended the board of directors meeting of SEASWA. Gail Slentz represented Craig at the meeting. The board discussed its recruitment goals for the coming year, its application for funding from the Alaska Legislature, and its plans to solicit replies from companies and communities on the level of interest in hosting solid waste disposal or processing facilities in Southeast Alaska. Later in the afternoon I joined other SEASWA board members in visits to Rep. Peggy Wilson and Sen. Bert Stedman to discuss SEASWA's funding request.

I also contacted several POW residents in attendance at the conference to line up speakers for the following day to support the island's proposal to host the 2012 annual meeting.

Wednesday, March 9

At 8:00 a.m. the conference attendees listened to representatives from POW pitch to ask the SE Conference membership to support the island's petition to host the 2012 annual

meeting. Representatives from Sitka also spoke in support of their own interest in hosting the meeting. In the end the membership voted to hold the 2012 meeting on POW, with the 2013 meeting going to Sitka.

At 9:00 a.m. I participated in a two-hour meeting of an ad-hoc group to discuss sea otter populations in Southeast Alaska. The meeting was attended by about a dozen people representing commercial fishing groups, tribal entities, and cities. Participating by telephone was a representative from the US Fish and Wildlife Service from Anchorage. The group discussed the impact that sea otter populations have on Southeast Alaska fisheries resources and how best to lessen the impact. Most in the group were anxious for an effective short-term solution; however US Fish and Wildlife Service staff cautioned against expectations for immediate change given their view of the restrictions on sea otter harvest imposed by federal statute and regulation. Federal agency staff reported that they have received letters from a number of communities and groups lately concerned about sea otter impacts, and that the agency will prepare a reply. I agreed to contact Phil Dougherty from SARDFa as soon as we receive the reply to plan our next action on this issue.

In the afternoon I attended the question/answer session with staff from the Alaska Congressional delegation, which was followed by a question and answer session with five of the seven Southeast Alaska representatives and senators in the Alaska Legislature.

Thursday, March 10 and Friday, March 11

Steve Tanner and I spent most of these two days attending the annual Sanitary Deficiency System meeting. This meeting, put on by the Alaska Native Tribal Health Consortium and SEARHC, is meant to plan for improvements to small community water and wastewater systems. For many years ANTHC provided matching funds to Craig's DEC grant funding for a number of water and wastewater improvements in town. Officials from ANTHC reported that funding for the program has changed, with most project funds going to interior villages. Steve and I spent time with ANTHC and SEARHC staff going over the city's needs and encouraging ANTHC to provide matching funds for Craig's highest priority water and wastewater projects.

2. Recruitment

Recruitment efforts to replace Craig Public Works Director Steve Tanner could be better. The city has received only three applications for the position. Next week Steve and I will review the applications and discuss the merits of the applicants.

Similarly, the response to the city's announcement that we intend to hire an assistant harbormaster has been quite poor. Harbormaster Daniel Nelson and I will weigh our options next week.

3. Washington DC Trip

Steve Silver has encouraged a visit to Washington DC to discuss Craig and POW issues. I have promised Mayor Schoonover a list of possible topics to discuss, and whether the topics merit a trip to DC to meet with the feds.

4. Travel Schedule

My proposed travel schedule for the next few months is as follows.

- May-December: I will, on three or four occasions, travel to Juneau for Catholic Community Service Board meetings. These trips are at CCS expense.
- September 12-15: Southeast Conference annual meeting in Ketchikan.
- September 26: Staff may attend the Rural Energy Conference in Juneau to make a presentation on the Craig wood boiler. I will keep the council posted on this possibility.

Feel free to contact me with any questions.

Craig AquaticCenter Monthly Report

For the Month of: _____

Prepared by: _____

CDJ

	Feb-10	Feb-11
LAP SWIM		
Walk Ins	52	99
Passes	130	163
FAMILY SWIM		
Youth		
Walk Ins	0	0
Passes	0	0
Adult		
Walk Ins	0	0
Passes	0	0
OPEN SWIM		
Youth		
Walk Ins	301	298
Passes	71	103
Adult		
Walk Ins	104	153
Passes	73	87
Tot Swim	0	71
Adaptive Swim	0	0
Walk Ins	0	0
Passes	0	0
Activity Swim	0	0
Walk Ins	0	0
Passes	0	0
SCHOOL INSTRUCTION	138	389
RENTALS	340	0
AQUA-AEROBICS	0	8
Walk Ins	49	43
Passes	31	37
FITNESS	263	385
Walk Ins	452	562
Passes	11	14
SHOWER ONLY	178	182
SWIM TEAM		

Revenue	Number of		Monthly		Number of		Monthly	
	People 2010	Amt 2010	People 2010	Amt 2010	People 2010	Amt 2011		
Cash	515	\$ 928.00	616	\$ 1,253.50				
Swim Pass	31	\$ 920.00	23	\$ 620.00				
10 Day	0	\$ -	7	\$ 150.00				
3 Month	0	\$ -	0	\$ -				
6 Month	0	\$ -	3	\$ 960.00				
1 Year	2	\$ 360.00	0	\$ -				
Payments	0	\$ -	0	\$ -				
Fitness	255	\$ 747.00	394	\$ 1,092.00				
Fitness Room	49	\$ 143.00	35	\$ 140.00				
Aqua-Aerobics	2	\$ 60.00	3	\$ 90.00				
Walkins	0	\$ -	0	\$ -				
Life Guard Class	0	\$ -	0	\$ -				
WSI Class	0	\$ -	0	\$ -				
Swim Team	0	\$ -	0	\$ -				
Rental	1	\$ 10.00	9	\$ 165.00				
Pool Rental	0	\$ -	2	\$ 50.00				
Locker Rental	0	\$ -	0	\$ -				
Misc. Revenue	35	\$ 39.00	64	\$ 84.00				
Gift Certificates	0	\$ -	0	\$ -				
Shirts, Etc.	0	\$ -	0	\$ -				
Lessons	0	\$ -	0	\$ -				

POOL
NUMBER OF PATRONS FOR THE MONTH 2193 2594

REVENUE FOR THE MONTH \$ 3,207.00 \$ 4,604.50

HORAN & COMPANY, LLC

403 LINCOLN STREET, SUITE 210 SITKA, ALASKA 99835

TELEPHONE (907) 747-6666 FAX (907) 747-7417 EMAIL appraisals@horanappraisals.com

CHARLES E. HORAN, MAI / WILLIAM G. FERGUSON, TIMOTHY W. RILEY, JOSHUA C. HORAN

JACQUE WALTON, SHASTA FENWICK

REAL ESTATE APPRAISERS / CONSULTANTS

March 11, 2011

Jon Bolling, City Manager
Vicki Hamilton, City Clerk
City of Craig
Post Office Box 725
Craig, AK 99921

Re: 2011 Assessment Fieldwork

Sent via email

Dear Jon and Vickie:

We completed the fieldwork and overall trending for the 2011 assessment roll in the last several weeks. Our sales for the 2011 tax roll that occurred in 2010, indicate that our assessed values for residential properties were fairly close after consideration of recent improvements or changes. We only had two house sales which did not give significant indication that residential assessment values should change. We did not adjust residential properties this year, after analyzing the sales. As usual, we visually inspected all of the sales to confirm where large discrepancies may be definable.

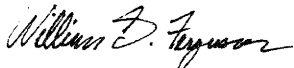
As is typical, we looked at and measured, as necessary, those properties which had building permits for additions and deletions and made appropriate corrections to the assessment roll.

After numerous years with very little commercial activity, we had some commercial sales to consider this year. We made some minor adjustments based on observed conditions on one of these properties. Based on the statistics, we lowered commercial land in town by 10% and commercial improvements in town by 10%. We did not adjust those properties located on J.T. Brown Drive considering positive activity in this area. Mobile homes within courts showed that our assessments were somewhat high. We made a downward adjustment on mobile homes within courts of 10% to a bottom floor of \$3,000. After the adjustments noted above, the commercial assessments are at approximately 98% of the sales prices.

The Craig City staff was very helpful as always. If there are any questions regarding the fieldwork or blue cards, please do not hesitate to call.

Respectfully submitted,

HORAN & COMPANY, LLC



William G. Ferguson,
Contract Assessor, City of Craig
WGF:wgf



PUBLIC MEETING NOTICE

BOKAN MOUNTAIN RARE EARTH PROSPECT

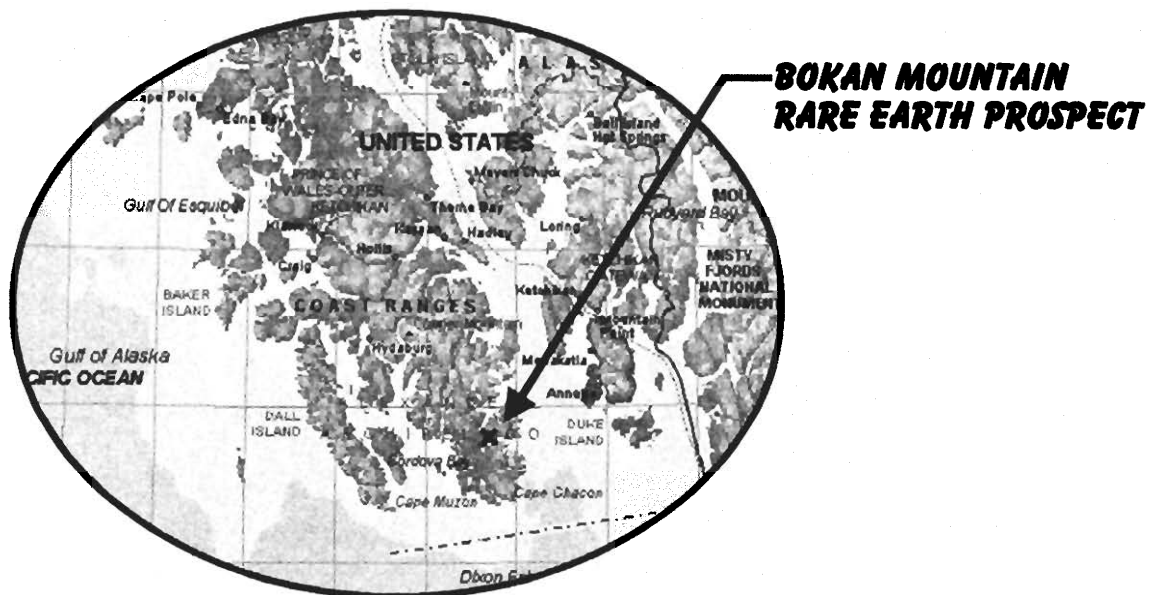
UCore Rare Metals, Inc. will hold a public information meeting to inform interested parties about their Bokan Rare Earth prospect located near Bokan Mountain, Kendrick Bay, Prince of Wales Island. The purpose of the meeting is to share background information on the project, outline current plans for continued exploration and environmental studies, and discuss the potential for future mining activities. UCore encourages you to take this opportunity to obtain information about the project and provide your input.

Date: Saturday, April 16, 2011

Time: Two meetings with same information presented: 10:00 AM and 2:00 PM

Location: Craig Community Center

For more information, please contact Sue Kent at 907-260-4069 or skent@ksienviro.com. If you are unable to attend the meeting and have questions or concerns about this project, please contact Sue.



**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: March 29, 2011
RE: Resolution 11-04



Attached you will find Resolution 11-04. The resolution states support for Senate Bill 100 (copy attached). SB 100 modifies Alaska Statutes as it relates to the PERS program to lessen the financial impact on communities that reduce their workforce. Current PERS regulations call for significant and indefinite payments to PERS for certain groups of employees that a PERS employer may choose to eliminate. The City of Craig faces this challenge as it relates to its employees who used to work at the Craig Clinic and at the EMS Department. Early estimates by city staff estimate that if the PERS statute is unchanged, initial costs of about ten thousand dollars, with annual costs estimated at about \$40,000 for positions that are not otherwise on the city's payroll.

The Fairbanks North Star Borough, the City of Kenai, and other municipalities, along with the Alaska Municipal League, have spent considerable time researching this complicated issue. Representatives from those and other communities did a fine job recently providing testimony on this issue to the Alaska Senate Labor and Commerce Committee. It is my hope that the Labor and Commerce Committee will approve this bill and move it to the Senate Finance Committee and then to the full Senate for consideration. I do not know how the Finance Committee will react to the bill, and at this late point in the first session of this legislature it is unlikely that the bill will clear either the Senate or the House. Even so the city should go on record supporting the bill if the council sees that doing so is in the city's interest.

Recommendation

After council discussion, adopt Resolution 11-04.

**CITY OF CRAIG
RESOLUTION 11-04**

**SUPPORTING A BILL TO END REQUIREMENTS THAT EMPLOYERS WHO
TERMINATE SOME OR ALL PARTICIPATION IN THE PUBLIC EMPLOYEES
RETIREMENT SYSTEM OF ALASKA PAY TERMINATION COSTS, AND MAKING
THE CHANGES RETROACTIVE**

WHEREAS, in 2008 the Alaska State Legislature, via SB 125, helped Alaska's PERS employers tremendously by adopting the flat statutory 22% rate of salary to help fund current costs and the unfunded liability of the PERS system, and

WHEREAS, our legislators, in crafting SB 125 struggled hard to come up with a fair and equitable solution to a problem that most of them did not create. Further, in crafting SB 125, legislators never envisioned, intended, nor did they want to create any inequitable financial damage to any PERS member employer, nor negatively interfere with the current or future delivery of any member's services or programs because of SB 125, which the termination studies law does do, and

WHEREAS, if a PERS employer reduces its employee count because it made a decision to alter or suspend one of its programs or services, per 2 AAC 35.235 PERS might send the PERS employer three bills: The first for the cost of a termination study; the second for what the study concludes the employer owes PERS due to the employee change made; and the third requiring the employer to pay the past service cost (PSC) on each altered or suspended position. The employer will be required to pay the PSC (currently 18.63%) on the salary(ies) of the position(s) until the unfunded obligation is paid, perhaps as much as 30 years from away. These three bills cumulatively can run from hundreds of thousands of dollars to several millions of dollars, and

WHEREAS, the future financial stability of PERS employers, and their ability to efficiently and effectively manage the delivery of their programs and services, is directly impacted and undermined by 2 AAC 35.235, and

WHEREAS, the underlying fear that certain employers would purposely act in a manner that jeopardized payment of the unfunded obligation, and thus shrink the salary base that pays off the unfunded obligations, has simply not happened; and

WHEREAS, SB 125 led to an inescapably inequitable impact to small PERS employers. This State law, or its application by PERS creates a clear and unconscionable inequitable impact on small PERS employers, versus larger PERS employers. Many smaller communities have only one employee for a program or service; and

WHEREAS, over time, more and more resources will go toward paying for positions that no longer exist than go to the delivery of services such as fire protection,

law enforcement, teaching, recreational services, landfill services, library services, flood control services, emergency response services, and the list goes on from here. Once a PERS employer start shifting employee resources from one area of responsibility to another, the current program regulations start a negative downward spiral in programs and services, and

WHEREAS, termination studies nullify the intent of SB 125 that employers pay the exact same rate. It is clear that one result of these termination studies is that different employers will in fact be paying different net rates, and therefore, there will not be a single uniform contribution rate for PERS employers. The adoption of SB 125 was based on the acknowledgement that we do not have a single-agent, multiple employer PERS system, but rather we have had a consolidated un-equitable cost share system. The intent of SB 125 was that all employers would pay the same exact rate. That cannot happen when each employer pays a different termination cost amount, or pays none at all, and

WHEREAS, the termination language in SB 125 was a solution to a problem that never materialized, and it's not needed. The negative consequences, the additional charges and the payments that result from the termination language, were never contemplated or intended by the legislature, and they are destructive, and

WHEREAS, A.S. 39.35.625, that requires termination studies, and any other similar statutes or regulations, should be repealed.

NOW, THEREFORE, BE IT RESOLVED that the Craig City Council, while supporting a sustainable salary base to pay off the PERS unfunded obligation, believes that AS 39.35.625 and any other similar statutes or regulations that require termination studies should be repealed, and supports adoption and passage of SB 100 to remove termination study requirements from the law.

Passed and approved this 7th day of April, 2011.

Mayor A. Millie Schoonover

Vicki Hamilton, City Clerk



Senator Joe Paskvan

Alaska State Senate • District E • Fairbanks • Ft Wainwright

Sponsor Statement Senate Bill 100 PERS Termination Costs

Senate Bill 100 addresses the future financial stability of all PERS employers - the State, municipalities, school districts and the University of Alaska - and their ability to efficiently and effectively manage the delivery of programs and services.

Due to a variety of historical circumstances and decisions, the PERS defined benefit system evolved from being fully funded to being underfunded by billions of dollars. A solution embraced by all parties to address the unfunded liability was incorporated into Senate Bill 125 and was passed by the legislature in 2008. SB 125 set into law that the PERS system is a consolidated system and that the combined defined benefit (DB) and defined contribution (DC) salary base would be required to pay down the unfunded obligation, which in turn would provide for sustainable, predictable and affordable employer rates.

Paying off the unfunded obligation is predicated upon a stable, reasonably growing, system-wide salary base. A concern at the time SB 125 was adopted was that employers might en-masse elect to convert PERS salaried positions to contracted positions to reduce or avoid their PERS cost, thus shrinking the PERS salary base needed to pay off the unfunded obligation. To address this concern, it was agreed that employers would pay the *greater of 22* percent on their combined DB and DC salary base, or, 22 percent on their total payroll for the period ending 6/30/2008. This effectively set the minimum contribution, or floor, that an employer would pay once PERS converted to a consolidated system.

Additional language relating to termination studies was added at the time to prevent employers from intentionally reducing their fair share contribution toward paying off the unfunded obligation. The application of the termination studies law is the cause for concern and the introduction of SB 100.

Current law requires an employer who terminates participation of a department, group, or other classification of employees to pay the following bills:

1. the cost associated with obtaining a termination study from the PERS actuary;
2. the actuarial cost to the employer for future benefits due employees whose coverage is terminated; and
3. the past service cost, annually, on each position terminated until the unfunded obligation is paid off decades from now.

In Juneau:

State Capitol, Juneau, AK 99801
(907) 465-3709 Office • (907) 465-4714 Fax

senator_joe_paskvan@legis.state.ak.us



In Fairbanks:

1292 Sadler Way, Ste. 308 Fairbanks, AK 99701
(907) 451-4347 Office • (907) 451-4348 Fax

Enforcement of the termination studies law is making it difficult for employers to manage their delivery of services, discriminates against small municipalities even though their impact is immaterial, and is costly and nearly impossible to implement in an equitable manner. These mandated termination studies fail to recognize that we do *not* have a single-agent, multiple employer system in which different employers pay different net rates. SB 125 provided for one integrated system of accounting; the unfunded obligation is to be shared among all employers, with each paying a single, uniform contribution rate of 22 percent.

All agree that the unfunded obligation must be paid off. All agree that the entire PERS salary base - both DB and DC - is needed to pay off the unfunded obligation, and that it must be sustained and have reasonable growth. The fear that employers would act in a manner jeopardizing the payment of the unfunded obligation has not materialized; in fact, the system-wide salary base has grown steadily. The law providing for termination studies is not needed and is repealed through SB 100.

SB 100 maintains the 6/30/2008 floor as the base salary amount upon which PERS payments must be calculated as this is the most efficient, cost effective and equitable method of ensuring the unfunded obligation is paid off.

SENATE BILL NO. 100

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY SENATOR PASKVAN

Introduced: 3/14/11

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to employer contributions to the Public Employees' Retirement System**
2 **of Alaska; relating to requirements that employers who terminate some or all**
3 **participation in the Public Employees' Retirement System of Alaska pay termination**
4 **costs; and making the changes retroactive."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** AS 39.35.255 is amended by adding a new subsection to read:

7 (i) After an employer's participation in the plan terminates with regard to some
8 or all of the employer's employees who are active members of the system, the
9 employer remains obligated to make contributions under (a) of this section until the
10 plan does not have a past service liability.

11 *** Sec. 2.** AS 39.35.615(i) is amended to read:

12 (i) Termination of coverage of a department, group, or other classification of
13 employees does not bar future coverage of that department, group, or classification [IF
14 THE EMPLOYER IS CURRENT WITH PAYMENTS ON AMOUNTS DUE

1 UNDER AS 39.35.625]. If coverage of a department, group, or classification is
 2 terminated under (a) of this section and the employer later amends its participation
 3 agreement to provide renewed coverage of that department, group, or classification, an
 4 affected employee may be credited only with future service.

5 * **Sec. 3.** AS 39.35.620(k) is amended to read:

6 (k) Termination of an employer's participation in the plan does not bar future
 7 participation in the system by that employer [IF THE EMPLOYER IS CURRENT
 8 WITH PAYMENTS ON AMOUNTS DUE UNDER AS 39.35.625]. If a previously
 9 terminated employer returns to the system, the employer may only participate in the
 10 plan established under AS 39.35.700 - 39.35.990. Employees may be credited under
 11 AS 39.35.700 - 39.35.990 only with service subsequent to the date of return.

12 * **Sec. 4.** AS 39.35.958(c) is amended to read:

13 (c) When an employer's participation in the plan terminates [IS
 14 TERMINATED, OR WHEN AN EMPLOYER TERMINATES COVERAGE OF A
 15 DEPARTMENT, GROUP, OR OTHER CLASSIFICATION OF EMPLOYEES
 16 UNDER AS 39.35.957(c)], the administrator shall assess the employer a termination
 17 cost that the administrator determines is actuarially required to fully fund the costs to
 18 the plan for employees whose coverage is terminated, including the cost of providing
 19 the employer's share of retiree health benefits under AS 39.35.880, occupational
 20 disability and occupational death benefits under AS 39.35.890 and 39.35.892, and
 21 pension benefits elected under AS 39.35.890(h)(2).

22 * **Sec. 5.** AS 39.35.958(e) is amended to read:

23 (e) An employer whose [TERMINATING] participation in the plan
 24 terminates shall pay termination costs determined under (c) of this section [BY THE
 25 ADMINISTRATOR], or enter into a payment plan acceptable to the administrator,
 26 within 60 days after the employer receives notice of its termination costs from the
 27 administrator. Termination costs not paid within the prescribed time limit or in
 28 accordance with the approved payment plan shall be collected by the administrator in
 29 accordance with AS 39.35.610(b). Termination of participation by an employer in the
 30 plan does not bar future participation by the employer if the employer has paid in full
 31 its prior termination costs.

1 * **Sec. 6.** AS 39.35.625 is repealed.

2 * **Sec. 7.** AS 39.35.958(f) is repealed.

3 * **Sec. 8.** 2 AAC 35.235 is annulled.

4 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 **APPLICABILITY.** Notwithstanding sec. 10 of this Act, secs. 2 and 3 of this Act do
7 not apply to AS 39.35.625(a), and secs. 4 and 5 of this Act do not apply to AS 39.35.958, for
8 termination costs paid before the effective date of this Act for payroll periods or partial
9 payroll periods that occur before the effective date of this Act.

10 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 **RETROACTIVITY.** Sections 1 - 3 and 6 of this Act are retroactive to July 1, 2008,
13 secs. 4, 5, and 7 of this Act are retroactive to June 7, 2007, and sec. 8 of this Act is retroactive
14 to January 13, 2010.

CITY OF CRAIG MEMORANDUM

To: Mayor and Craig City Council
From: Brian Templin, City Planner
Date: March 28, 2011
RE: Sale of Lot 11A, Craig Millar Subdivision to Mr. Matthew Houser

At its regular meeting on February 17, 2011 the Craig City Council approved Ordinance 629 which authorized the City Administrator to negotiate the sale of a parcel of city owned property, particularly Lot 11A, Craig Millar Subdivision to Mr. Matthew Houser. Mr. Houser owns an adjacent lot and intends to use the purchased lot area to expand his current residential dwelling on the property.

Lot 11A was created when Lot 11, Craig Millar Subdivision was divided into two pieces in 2001. A portion of Lot 11 was attached to Lot 7, Street of Dreams Subdivision under a sales agreement with the property owner at that time. The remainder lot (Lot 11A) was retained by the city but the plat creating the lot (Plat 2002-10, Ketchikan Recording District) contained the following plat note:

“Lot 11A is below the minimum lots size for Low Density Residential Zone. This lot may not be developed for residential use unless it is replatted and attached to an adjacent lot. Lot 11A may be developed for recreation or open space use.”

Mr. Houser is an adjacent landowner and intends to attach Lot 11A to his adjacent lot.

Craig Municipal Code Section 16.03.050.C.3 allows the fair market value of substandard parcels (that will be attached to adjacent parcels) to be set using the current assessed value of the property. The property was assessed recently by the city assessors at a value of \$14,700. Appraisal, recording and other fees increase the total cost of the lot to \$15,370.

This price is valid until June 30, 2011. If payment is not made to the city by June 30, 2011 then the sale will be deemed invalid and any prospective purchaser (including Mr. Houser) will have to start the purchase process from the beginning. A copy of the sales agreement is attached.

As with other land sales that the city has conducted, all proceeds from the sale of the property should be held in the city's Land Development Fund for real property purchase, development or debt repayment.

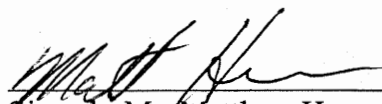
Recommendation: That the Craig City Council make a motion to approve the terms of the sale of Lot 11A, Craig Millar Subdivision to Mr. Matthew House for \$15,370 and that the proceeds of the sale are placed in Craig's Land Development Fund.

Sales Agreement
Lot 11A, Craig Millar Subdivision (Tract 1, USS 2611)
from the City of Craig, Alaska to Mr. Matthew Houser

The City of Craig (hereinafter "city") agrees to transfer interest in Lot 11A, Craig Millar Subdivision, Plat 2002-10, Ketchikan Recording District. The parcel is a remnant parcel (substandard in size for development) and restricted for addition to an adjoining lot (Plat 2002-10).

Upon full payment, the city agrees to transfer the above referenced parcel to Mr. Matthew Houser (hereinafter "purchaser") for a total of \$15,370 (fifteen thousand three hundred seventy dollars and no cents). Purchase price includes fair market value of the property (\$14,700 as determined by assessed value), appraisal cost (\$650) and recording cost (\$20). Upon receipt of full payment, the property will be transferred by a Quit Claim Deed with the following provisions:

1. Final sales terms and conditions are approved by the Craig city council.
2. Full payment is made to the City of Craig no later than ninety (90) days after approval of final terms by the Craig City Council. If full payment is not made within this period this agreement shall be void.
3. Mr. Houser agrees to abide by all municipal zoning laws and subdivision covenants in regards to the property shown above.
4. Mr. Houser agrees that within 12 months from the date of purchase that he will apply to the Craig Planning Commission to rezone the area encompassed by Lot 11A, Craig Millar Subdivision from Low Density Residential to High Density Residential.
5. Lot 11A, Craig Millar Subdivision and Lot 6, Street of Dreams Subdivision must be replatted within 12 months of the date of sale. Mr. Houser will pay a \$2,000 deposit to the City of Craig at the execution of the deed as security for this replat. This deposit will be refunded in its entirety to Mr. Houser upon recording of a final replat acceptable to the city. In the event the Mr. Houser does not submit a final replat combining the two properties to the City of Craig within the specified time limit the City of Craig is authorized to hire a surveyor to complete the replat. Mr. Houser further further agrees that the city may sign the plat on his behalf if he does not complete the replat within 12 months. If the survey and replat cost is less than the deposited amount then the difference will be refunded to Mr. Houser when the final plat is recorded. If the survey and replat cost is greater than the deposited amount Mr. Houser will be billed for the difference and will not be entitled to a refund.


Signed: Mr. Matthew Houser 3/30/11
Date

Dated this _____ day of _____, 2011.

By: _____
Jon Bolling, City of Craig, Alaska

State of Alaska)
) ss.
First Judicial District)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011 by City Administrator Jon Bolling, City of Craig, Alaska.

Notary Public in and for Alaska
My Commission expires: _____

Dated this 30th day of March, 2011.

By: *Matthew Houser*
Matthew Houser


State of Alaska)
) ss.
First Judicial District)

The foregoing instrument was acknowledged before me this 30th day of March, 2011 by Mr. Matthew Houser.

Vicki Hamilton
Notary Public in and for Alaska
My Commission expires: 10-29-13



**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: April 1, 2011
RE: Compliance Order by Consent Document

Attached you will find an amendment to a Compliance Order by Consent document from the Alaska Department of Environmental Conservation.

As the council is aware, the city leases its seafood processing building at False Island to Silver Bay Seafoods. In addition to owning the building, the City of Craig also owns the seafood waste outfall line and the permit to discharge seafood waste. As such, the city must eventually secure a seafood waste disposal permit for the processing facility. The city does not have a discharge permit because the State of Alaska Department of Environmental Conservation is still writing the terms of a permit that would cover shore-based seafood processing activities statewide. Until they complete this permit, DEC issues a COBC. The COBC is actually an enforcement measure that DEC typically uses when negotiating a remedy to an unauthorized seafood discharge. However, DEC has used this authority as a tool to fill the void left by the lack of a statewide general permit for seafood processing waste.

While the COBC does not grant the City of Craig (or any other seafood processing facility in Alaska) the same legal protection that a general permit will, it does demonstrate that the city agrees to comply with certain discharge standards. The processing facility has operated under a COBC the past two seasons. DEC expects to issue a draft shore-based seafood processing general permit later this year. The attached amendment extends the COBC for another season.

Recommendation

Authorize staff to sign the COBC amendment.

BEFORE THE STATE OF ALASKA

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the matter of:) AMENDMENT #2 TO INTERIM
STATE OF ALASKA, DEPARTMENT OF) COMPLIANCE ORDER
ENVIRONMENTAL CONSERVATION,) BY CONSENT
)
Complainant,)
)
vs.)
)
CITY OF CRAIG,)
)
Respondent.)
_____)
File No. 1504.54.002

**A COPY OF THIS AMENDMENT #2, TOGETHER WITH THE INTERIM
COMPLIANCE ORDER BY CONSENT AND THE SEAFOOD GENERAL PERMIT
REFERRED TO HEREIN MUST BE KEPT AT THE FACILITY AND
MADE AVAILABLE TO ADEC OR EPA UPON REQUEST**

AMENDMENT # 2 TO INTERIM COMPLIANCE ORDER BY CONSENT

WHEREAS, Respondent City of Craig ("Respondent" or "City") has requested that the Alaska Department of Environmental Conservation ("ADEC") extend the period of discharge authorization provided in Paragraph 8 of the Interim Compliance Order by Consent (the "Interim COBC"), which originally provided for a discharge authorization through December 31, 2009;

WHEREAS, Respondent and ADEC entered into Amendment #1 to the Interim COBC, which extended the discharge authorization through December 31, 2010;

WHEREAS, ADEC has consented to further extend the period of discharge authorization under the Interim COBC, based upon the terms and conditions set forth herein;

NOW, THEREFORE, the parties agree as follows:

1. Description of Modification to Interim COBC

The period of Respondent's authorization to discharge as provided under Paragraph 8 of the Interim COBC is hereby extended through (a) December 31, 2011, or (b) until Respondent is issued an individual APDES permit for seafood processing waste at the subject facility, or (c) until coverage is available to Respondent under an APDES General Permit for shore-based seafood processing, whichever first occurs.

2. All Other Terms and Conditions of Interim COBC Remain in Full Force and Effect

Except for the modification provided above, all other terms and conditions of the Interim COBC shall remain unchanged and in full force and effect.

DATED: _____

DEPARTMENT OF ENVIRONMENTAL
CONSERVATION

By: _____
Lynn Tomich Kent, Director
Division of Water

DATED: _____

JOHN J. BURNS
ATTORNEY GENERAL

By: _____
Steven G. Ross
Assistant Attorney General

DATED: _____

CITY OF CRAIG

By: _____

[Name]
[Title]


ACKNOWLEDGMENT

I, _____ hereby certify that I hold the position of _____ and that I am a responsible official for the City of Craig (the "City") and that I have the authority to enter into order on behalf of the City and to otherwise legally bind the City. I hereby acknowledge that I have freely and voluntarily entered into this agreement with the State of Alaska on behalf of the City.

SUBSCRIBED AND SWORN to before me this ___ day of _____, 2011.

Notary Public, State of Alaska
My commission expires: _____

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: March 14, 2011
RE: Port St. Nicholas Service Alternatives

Background

At its January meeting, the city council authorized staff to finalize a request for proposals that would solicit bids for a study to determine the financial effect on the city should it choose to annex the Port St. Nicholas area. Since then I have talked with the city attorney about another alternative for the council to consider. That alternative is extraterritorial jurisdiction.

Per Section 29.35.020 of Alaska Statutes (copy attached) provides authority for municipalities like Craig to exercise municipal powers outside municipal boundaries. The statute empowers municipalities to provide certain services outside municipal boundaries through a "regulation." In this context, staff believes "regulation" means the adoption of an ordinance. The ordinance must state explicitly that the service applies outside the municipality. Staff's reading of the statute, and staff's discussion of the matter with the city attorney, is that the city can extend the service to the Port St. Nicholas Subdivision and compel those to whom the service is offered to pay for the service, just as residents in Craig are compelled to support some public services.

Extraterritorial jurisdiction can allow the City of Craig to deliver services and collect fees for those services to Port St. Nicholas short of undergoing the entire annexation process. It also allows the city to target the services that are most at issue while not targeting other services that are not relevant to the subdivision. There are at least two municipal services that appear to be most relevant: solid waste collection and road maintenance services.

Solid Waste Collection

Solid waste collection as it relates to the City of Craig and Port St. Nicholas is a long standing issue. In the early 1990's the city used to maintain a dumpster station at about 0.75 mile of the Port St. Nicholas Road. For several years the city emptied the dumpsters (and collected other items disposed of at the site) several times per week until the service, for which the city collected no fees, ended in the mid 1990s. Since then city staff has heard numerous complaints from city residents and businesses in town about non-residents improperly using local dumpsters.

Should the council choose to pursue this option staff would develop an ordinance providing for solid waste collection and disposal and establish a rate for the service. This effort will require some research to ensure that the cost of the service is fully covered and also to investigate how it will impact staff at public works, since collecting solid waste at Port St. Nicholas may well add a whole day to the existing three day-per-week garbage collection schedule. While curbside collection at PSN is one option, other collection options exist, including re-establishing a central drop-off spot for solid waste generated by PSN residents.

Street Maintenance

As the council will recall, the city has agreed in principal to maintain the Port St. Nicholas Road once the right-of-way is paved. Even now the city already provides maintenance on the road, especially during storm events when culverts plug and water runs over the road surface. The city also plows and sands the road after snowfall, and grades the road on occasion. Staff gets telephone calls periodically from Port St. Nicholas residents ask city crews for PSN road plowing, or grading, or other maintenance services.

For both the solid waste and street maintenance services, staff can develop a service delivery plan and calculate the expected cost of those services, and then detail the expected cost per PSN property or household. The city already has billing data for some PSN residents due to the 80+ active water services at PSN, but additional research would be needed to determine the owner of record of undeveloped properties and lots that do not have water services. A number of other details would need to be resolved to implement either service. However, staff time will be needed to address any service delivery issue regarding PSN, whether the service is provided through extraterritorial jurisdiction or annexation.

Council Options

City staff is prepared to implement whatever decision the council chooses to make regarding the service delivery issue at PSN. The council has several options to choose from at this point, including the following.

1. Proceed with the annexation study request for proposals drafted by city staff. This alternative will require staff to put finishing touches on the RFP, write scoring criteria to judge received proposals, and develop a draft contract. The purpose of the document that results from the RFP is to give the council an idea of the fiscal changes to the city likely to come about if the city annexes PSN.
2. Direct staff to prepare an ordinance for the exercise of the city's extraterritorial jurisdiction authority for specific services, and at the same time develop a plan to implement those services and draft a fee schedule.
3. Initiate both 1 and 2, above.
4. Take no action.

Ultimately it is in the city's interest to have as many options available to it as possible. Soliciting proposals to complete Option 1 poses little risk to the city, and if we receive bids for the work the council can decide at that point if it wants to award a contract to the successful bidder to complete an annexation study. In the meantime staff can begin in earnest the work of analyzing how best to deliver solid waste and road maintenance services to PSN through extraterritorial jurisdiction.

Recommendation

Direct staff to implement one or more options above and then bring the matter back to the council for further action.

Sec. 29.35.020. Extraterritorial jurisdiction.

(a) To the extent a municipality is otherwise authorized by law to exercise the power necessary to provide the facility or service, the municipality may provide facilities for the confinement and care of prisoners, parks, playgrounds, cemeteries, emergency medical services, solid and septic waste disposal, utility services, airports, streets (including ice roads), trails, transportation facilities, wharves, harbors and other marine facilities outside its boundaries and may regulate their use and operation to the extent that the jurisdiction in which they are located does not regulate them. A regulation adopted under this section must state that it applies outside the municipality.

(b) A municipality may adopt an ordinance to exercise a power authorized by this subsection and may enforce the ordinance outside its boundaries. Before a power authorized by this subsection may be exercised inside the boundaries of another municipality, the approval of the other municipality must be given by ordinance, and before a power authorized by this subsection may be exercised inside a village, as that term is defined by AS 46.08.900, the approval of the village must be given by resolution. A municipality intending to exercise its authority under this subsection shall act by ordinance, and may adopt an ordinance under this subsection to

(1) protect its water supply and watershed; or

(2) contain, clean up, or prevent the release or threatened release of oil or a hazardous substance that may pose an imminent or substantial threat to persons, property, or natural resources within the municipality's boundaries; however, this paragraph does not authorize a municipality to enforce an ordinance outside its boundaries to regulate exploration, development, production, or transportation of oil, gas, or minerals in a manner inconsistent with the state's management of those resources, and enforcement of the ordinance must be consistent with a regional master plan prepared by the Department of Environmental Conservation under AS 46.04.210; in this paragraph, "natural resources" has the meaning given in AS 46.03.826.

(c) A municipality may enter into agreements with the United States Coast Guard, the United States Environmental Protection Agency, and other persons relating to development and enforcement of vessel traffic control and monitoring systems for oil barges and tank vessels carrying oil operating in or near the waters of the state.

(d) This section applies to home rule and general law municipalities.

(e) In this section, "village"

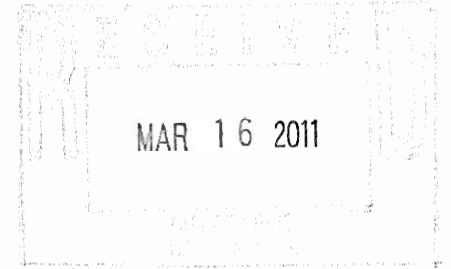
(1) means the area within a five-mile radius of the village post office or, if there is no post office, another site designated by the commissioner;

(2) does not include an area described in (1) of this subsection that is within a city or another village.

Project Graduation 2011

Craig High School, PO Box 800, Craig, AK 99921

March 14, 2011



Dear Friends,

The Class of 2011 is set to graduate on May 19! Their friends and families are gearing up for another Project Graduation, which is a drug and alcohol-free party that follows the graduation ceremony. We offer an evening of fun, food, dance, games and prizes to our graduates in a safe environment.

Project Graduation has always been fortunate to have the support of businesses and the community for this event. We are currently seeking contributions of cash and/or prizes or services, and your support would be greatly appreciated. We will publicize your efforts at the party and in the local newspaper (unless you request that we not do so).

Please send your contribution to Craig City School District (CCSD), c/o Project Graduation 2011 at the above address. If you have an item to donate that needs to be picked up, or if you have any questions, please call Dolores Owen at (907) 826-2123.

Thank you for your consideration of our request.

Sincerely,

The Class of 2011 and parents

**City of Craig
Memorandum**

Date: March 31, 2011
To: City Council
From: Mayor Schoonover *MS*
Re: Proposed Career and Technical Education Center

Prince of Wales Island has received an appropriation of \$3.2 million to build a Career and Technical Education Center. The funding for this project will go through the City of Klawock. The City of Klawock is forming an advisory committee from all areas of the island. Klawock has asked the City of Craig to send a designee to attend the initial meeting on April 18th at 6:00 p.m. in the Klawock School Library. If any city council members are interested in volunteering to serve on this committee, please let me know.



Klawock City School District

P.O. Box 9 Klawock, Alaska 99925 907-755-2220 Fax: 907-755-2913

Richard E. Carlson
Superintendent

Jim Holien
K -12 Principal

March 17, 2011

MAR 21 2011

Mayor Millie Schoonover
City of Craig
P.O. Box 725
Craig, AK 99921

Dear Mayor Schoonover:

As many of you are aware Prince of Wales Island has received an appropriation of \$3.2 million to build a Career and Technical Education (Vocational Education) Center. The appropriation was part of the General Obligation package that was approved by the voters during last November's election. The CTE Center will provide young adults with opportunities to gain meaningful job related skills that will help them become prepared to enter the workforce, hopefully, on Prince of Wales Island.

The funding for the CTE center is coming through the Alaska Department of Commerce and is going to the City of Klawock. The City of Klawock will be the fiscal agent and will be responsible for the construction of the facility. However, the City is seeking input from a wide range of stakeholders throughout POW. A CTE Advisory Committee is being formed to assist in the planning of the Center. The Advisory Committee will be tasked primarily with the identification of who the Center will serve, what programs will be offered, what will be the governance structure once the facility is opened, and how will the program be financially sustained in the future. Your input and that of your organization is critical in assuring that all segments of POW are represented and have input. The first meeting of the Advisory Committee will occur on Monday, April 18 at 6 PM in the Klawock School Library. We would very much like to have you or the City of Craig's designee attend this initial meeting. We will provide snacks and drinks, and plan to have the meeting concluded by 7:30 PM. Attached you will find a tentative list of Advisory Committee members for your review.

We look forward to seeing you on the 18th to begin this long, but exciting journey of planning for a quality CTE Center on Prince of Wales Island.

Sincerely,

Richard E. Carlson
Superintendent

Prince of Wales VocTech Center Advisory Committee Info

The contact person can appoint their organization's representative(s) to attend all committee meetings. The project will take up to 3 years with advisory committee and working committee meetings as needed.

First meeting will be in April 18, 2011 at 6 pm in the Klawock School Library.

Suggestions for School Districts: Board member, administrator, teacher knowledgeable about vocational education

Organization	Contact Person	Position	Committee Representative	Organization Address
City of Klawock	Don Marvin	Mayor		PO Box 469 Klawock, AK 99925
City of Klawock	Millie Schoonover	Mayor		PO Box 725 Craig, AK 99921
City of Hyدابurg	Anthony Christianson	Mayor		PO Box 49 Hyدابurg, AK 99922
City of Thorne Bay	Jim Gould	Mayor		PO Box 19110 Thorne Bay, AK 99919
City of Coffman Cove	Misty Fitzpatrick	Mayor		PO Box 18047 Coffman Cove, AK 99918
Klawock City Schools	Karen Cleary	Board President	Karen Cleary, School Board	PO Box 9 Klawock, AK 99925
Klawock City Schools			Rich Carlson, Supt.	
Klawock City Schools			Mike Cleary, VocEd Teacher	
Craig City Schools	Mike Kampnich	Board President	Mike Kampnich, School Board	PO Box 800 Craig, AK 99921
Craig City Schools			Jim Thomas, Supt.	
Craig City Schools			Todd Bass, VocEd Teacher	
Hyدابurg City Schools	Jolene Edenshaw	Board President		PO Box 109 Hyدابurg, AK 99922
Hyدابurg City Schools				
Hyدابurg City Schools				
SEISD School District	Richard Peterson	Board President		PO Box 19569 Thorne Bay, AK 99919
SEISD School District				
SEISD School District				
Klawock Cooperative Assoc.	Webster Demmert	President		PO Box 430 Klawock, AK 99925
Craig Community Assoc.	Sam Thomas	President		PO Box 828 Craig, AK 99921
Hyدابurg Cooperative Assoc.	Doreen Witwer	Tribal Administrator		PO Box 349 Hyدابurg, AK 99922
Organized Village of Kasaan	Richard Peterson	President		PO Box 26 Kasaan Ketchikan, AK 99950-0340
Klawock Heenya Corp.	Mac Demmert	President		PO Box 129 Klawock, AK 99925
Shaan Seet Inc.	James Carle	President		PO Box 690 Craig, AK 99921
Haida Corporation	Marvell Edenshaw	President		PO Box 89 Hyدابurg, AK 99922
POW Chamber of Commerce	Jan Bush	President		PO Box 490 Klawock, AK 99925
US Forest Service Craig	Francisco Sanchez	District Ranger		PO Box 500 Craig, AK 99921
US Forest Service Thorne Bay	Jason Anderson	District Ranger		PO Box 19001 Thorne Bay, AK 99919
POWCAC	Jon Bolling	Chairman		PO Box 725 Craig, AK 99921
Naukat Community Assoc	Candy Hemble	President		PO Box NK1 1 Ketchikan, AK 99950
ARMC - SEARHC	Donna Miller	Clinic Administrator		PO Box 69 Klawock, AK 99925



March 28, 2011

To: City Council

From: Joyce Mason, Treasurer *JM*

This year the city staff has experienced turnover in the public works, police, finance, and harbor departments which reduces the retirement contributions the city is required to make for the amount of \$63,066. This turnover also saved health insurance premiums of \$78,396 even with the more than expected premium increase. That is the good news, regrettably the water line breaks and other repairs, increased chemical use at the water treatment plant, and other supplies have consumed much of this excess. I anticipate having additional funds of approximately \$50,000 to \$60,000.

The hot tub at the aquatic center is in need of major repairs or replacement. The staff would like to replace the tub this spring. The cost is estimated at \$25,000. The water treatment plant has requested a 50 HP motor for \$5,000 and the harbor needs additional repairs on the breakwater and response boat for additional costs of \$6,500.

These additional expenditures will be reflected in the supplemental budget which I will present to the council at the May 5, 2011 meeting. We would appreciate approval of these expenditures at the April 7, 2011 meeting so the tub could be ordered to arrive in time for May installation.

Thank you

Recommendation: Approve additional expenditures in 2011 for pool hot tub, water treatment motor, and harbor repairs not to exceed \$50,000.

City of Craig,

3-28-11

my spouse William S Kinemire
had went south in Jan & the
28th, He had an accident and
broke 3 ribs, and also had
heart failure. So was in the Hosp.
for a week and it wasnt until
3 weeks later we came back
home and Tod Tue had our
tax's to be done, then 2 weeks
later had finished. He had our
1099 on our PFD to show proof
of our dividends.

Thank you

Jatsy & WS Kinemire

430 Post Bagjal Rd Trailer I

Craig AZ