

CITY OF CRAIG  
COUNCIL AGENDA  
MAY 5, 2011  
COUNCIL CHAMBERS 7:00 P.M.

**ROLL CALL**

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

**BOARD OF EQUALIZATION**

- Consideration of appeals on 2011 property tax assessments

**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

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**HEARING FROM THE PUBLIC**

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**REPORTS FROM CITY OFFICIALS**

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

**READING OF CORRESPONDENCE**

- A flyer of events from the Craig Recreation Department
- Correspondence from Klawock Cooperative Association, First Annual Klawock Founder's Day & Sockeye Festival
- Finance Department Staff Report

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Resolution No. 11-06, Requesting FY12 Payment in Lieu of Taxes funding

**UNFINISHED BUSINESS**

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**NEW BUSINESS**

- 2010 Community Economic Development Strategy (CEDS) Committee Report

**ADJOURNMENT**

## ROLL CALL

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

Staff present: Jon Bolling, City Administrator; Ramona Wise, Aquatic Manager; Tina Habib Clerk Pro-Tem; Daniel Nelson, Harbormaster; Amy Marshall, Librarian; Mark Habib, Police Chief; Victoria Merritt, Parks and Recreation Director; Steve Tanner, Public Works Director; and Joyce Mason, Treasurer.

Audience present: Fred Ensign, Mike Kampnich, Mark Beardsley, Matt Houser, and Frank Lazo

## CONSENT AGENDA

The consent agenda was presented; it contained: 1) City council minutes of March 3, 2011, 2) 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, and 3) First reading of Ordinance No. 631, Repealing Ordinance No. 586, subsection 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.**

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

## HEARING FROM THE PUBLIC

Mark Beardsley commented he would be making his annual request from the city council for the Tax Relief Day at the next city council meeting. Mark had a question concerning the Bokan Mountain Project. Mark asked if there was an island-wide discussion in regards to a third class borough. Jon Bolling responded to Mark's question. The Prince of Wales Community Advisory Council has discussed this issue. Representatives from Bokan Mountain came to a meeting in Klawock two years ago. P.O.W.C.A.C. has talked in general terms about the merits of borough formation relative to the mines. The mines are viewed as a potential revenue source for education on the island. Jon Bolling suggested that an elected body needs to get the process started so there is an elected official saying that it is a good idea. Jon commented that a presentation about the Bokan Mountain prospect is scheduled for Craig on Saturday, April 16<sup>th</sup>.

City council members commented and expressed an interest in possibly forming an island wide borough on Prince of Wales Island. There was further discussion.

## REPORTS FROM CITY OFFICIALS

MAYOR-Mayor Schoonover reported she will be going to Washington D.C. this Spring to present the delegates with the city's list of six proposed needs. Millie read the list to the council. There was discussion on the sea otter hides and the federal law placed on how the sea otter hides are to be processed.

## **REPORTS FROM CITY OFFICIALS CONTINUED**

**ADMINISTRATOR**- Jon Bolling reported there is a workshop scheduled with the Craig School Board on Tuesday, April 19<sup>th</sup>. They will be going over the city's and the school's budget.

Work has begun on the Community Streets Project on Beach Road. Jon stated he would bring a change order to the council to add a valley gutter to the waterside of Beach Road.

Jon reported the Capital Budget is due out next week. The legislative session is supposed to end on April 17<sup>th</sup>. Jon is looking forward to fulfilling some of the city's capital needs through the legislature.

Jon would like to draft a letter to the Alaska Redistricting Board. Jon has a letter prepared for P.O.W.C.A.C, and would like to draft a similar one for the City of Craig that talks about Craig's preferences for redistricting. The draft Jon is working on is keeping Prince of Wales in a single House District and trying to avoid being lumped into another house district with another big community. Jon reported the Redistricting Board is scheduled to publish their draft plans by April 14<sup>th</sup>. He plans to send a letter to the Redistricting Board by early next week. The Redistricting Board is planning a trip to Craig after they publish their draft plans.

**AQUATIC MANAGER**-Ramona Wise reported they are planning their annual Easter Egg Hunt at the pool on Saturday, April 23<sup>rd</sup> from 12:00-1:30 p.m. Ramona plans to shut down the pool for maintenance work from May 30<sup>th</sup> through June 12<sup>th</sup>. Currently the pool is staying busy with swim lessons until the end of school.

**CITY CLERK**-Vicki Hamilton is ill today.

**CITY PLANNER**-Brian Templin is in Anchorage.

**HARBORMASTER**-Daniel Nelson reported he has hired a new assistant harbormaster, Eric Huestis. Eric will start work on Monday, April 11<sup>th</sup>.

Daniel has ordered six new dock carts for the harbors. Daniel reported receiving the new pedestal for the Silverado. Paul Dawson will do the installation.

Daniel reported moving three boats to the Shaan-Seet storage lot.

Jim See asked if Paul Dawson checked the electricity on the docks. Jim reported the further you go out on the dock, the less power is available. Instead of having 120 volt you may have 90 volt. Jim See thought maybe the connectors needed to be cleaned. Daniel is going to talk with Paul about this.

Daniel is going to upgrade the harbor rescue boat. Currently the boat needs a new antenna and also needs a heater installed.

**LIBRARIAN**-Amy Marshall reported the numbers for the month of March have escalated all around. Patron visits are up, circulation of books, tapes, etc. are up and she is seeing more visitors at the library. More library cards are being issued.

The State of Alaska has hired Shane Southwick, the networking administrator, to upgrade the library's internet connections for the Online with Libraries Project, which the Craig Library is a part of.

**POLICE CHIEF**-Mark Habib reported Officer Medina has returned from the Reid Class he attended in Anchorage. The new floor is in at the jail. The new officer, Jake Hamilton, arrives in Craig on April 16<sup>th</sup>. Mark reported on behalf of Chaundell Piburn, E.M.S. coordinator. The E.M.S. squad has six new E.M.T.s. Mark will be gone April 18<sup>th</sup>-26<sup>th</sup>.

Mayor Schoonover asked Chief Habib if the City of Craig had a plan in place in case of emergencies. Mark said there is a plan in place for emergencies.

**PUBLIC WORKS**-Steve Tanner reported they have received all the parts needed for the South Cove water meters. Public Works will start on that project next week.

Steve reported he will be training C.C.A. workers on installing fire hydrants out along Port Saint Nicholas Road. Public works will be installing a vault and meter on Port Saint Nick.

Steve reported the city needs to replace some high service pumps out at the water plant. The pumps are about 20 years old. The cost to replace them is about \$4,000 a piece.

Steve is planning to flush all the water lines in the down town area before Silver Bay Seafoods starts up. Steve also said the Port Saint Nicholas water tank needs to be drained and inspected with some alterations made to the inlet lights. Steve plans to use the water that will be drained from the water tank to flush the water lines in the down town area.

Steve reported on April 5<sup>th</sup> a rock rolled down on the road and put the first hole of the season into the city's 12" main line.

Southeast Road Builders will finish the drain work on Seventh Street.

The Household Hazardous Waste event is scheduled for May 7<sup>th</sup> at the Klawock Landfill. The Craig Clean-up Week event is scheduled for May 2-6<sup>th</sup>.

Craig Community Association's roads boss, John Huestis plans on starting the paving of the first 1.8 miles of the Port Saint Nicholas Road beginning the last week of April-first week of May.

**TREASURER**-Joyce Mason reported two people from the State were in Craig to do an audit on the city's grants. They are also responsible to monitor the Salmon grants (i.e. Ice House grant) and the South Cove grant (replacing old piling at South Cove). Joyce reported the insurance people will be in Craig in May. Joyce is currently working on the supplemental budget. She will have those numbers in after the first quarter sales tax returns are in. April 18-23<sup>rd</sup> Joyce travels to Valdez to attend Alaska Government Finance Officers meeting.

**PARKS AND RECREATION**-Victoria Merritt reported that elementary basketball (K-2) has been going well. The floors at the city gym are being redone starting on April 11<sup>th</sup>. Victoria will be on vacation from April 10-23<sup>rd</sup>. A second session of gymnastics is scheduled. The Spring Bazaar is scheduled for April 30<sup>th</sup>.

Victoria, who heads P.O.W.E.R., reported P.O.W.E.R. has spent over \$10,000 on food, power and fuel.

## **READING OF CORRESPONDENCE**

There were no comments.

## CONSIDERATION OF RESOLUTIONS AND ORDINANCES

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

PIERCE/HEAD: moved to adopt Resolution 11-04. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE

## UNFINISHED BUSINESS

**Final Terms of Land Sale to Matt Houser**-Matt Houser is interested in purchasing a piece of city property. This property is adjacent to his property. The lot is 7300 square ft.

PIERCE/DOUVILLE: moved to approve the terms of the sale of Lot 11A, Craig Millar Subdivision to Matthew Houser for \$15,370 and that the proceeds of the sale are placed in Craig's Land Development Fund. MOTION CARRIED

## NEW BUSINESS

**Consider approval of D.E.C. compliance order by consent-**

SEE/PIERCE: moved to authorize staff to sign the Compliance Order by Consent amendment. MOTION CARRIED

**Port St. Nicholas Service Alternatives**-Jon briefed the city council on an alternative choice for the City of Craig other than annexing Port Saint Nicholas Subdivision. 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.

There were three options proposed to the council in regards to service delivery at PSN.

**Option 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.

**Option 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.

**Option 3.** Initiate both 1 and 2, above.

**Option 4.** Take no action.

**Port St. Nicholas Service Alternatives continued**-There was much discussion on whether to annex or to claim extraterritorial jurisdiction of the Port Saint Nicholas Subdivision. There was discussion on updating the garbage collection system the City of Craig uses now. Also under discussion was the fire protection and police protection services.

The council was in agreement that they would have Jon proceed with Option No. 2.

**Request for funds for the 2011 Project Graduation event for Craig High School-**

KUNTZ/HEAD: moved to approve \$200.00 for the Project Graduation event for 2011. MOTION CARRIED

**Appointing Craig representative to the Career Technical Education Center Project Advisory Committee, April 18, 2011 in Klawock-** The city council appointed Brian Templin to be Craig's representative on the Career Technical Education Center Project Advisory Committee.

**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-**

HEAD/PIERCE: moved to approve additional expenditures in 2011 for pool hot tub, water treatment motor, and harbor repairs not to exceed \$50,000. MOTION CARRIED

**Consideration of property tax exemption for 2011 for Pattie Ninemire on late filing of senior citizen application-**

PIERCE/KUNTZ: moved to approve Pattie Ninemire's senior citizen property tax exemption application for 2011. MOTION CARRIED

**ADJOURNMENT**

HEAD/DOUVILLE: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:27 P.M.

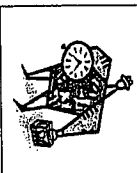
APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR A. MILLIE SCHOONOVER

ATTEST \_\_\_\_\_  
VICKI HAMILTON, CITY CLERK



Craig Recreation Department  
826-2575 or 401-1262



# Swap Meet


May 21, 2010

Saturday

9 am to 1pm

Craig City Gym

Sign up at Craig City Hall

**POW**  
  
**Marathon**  
**May 28th!!**  
 Booths available  
 for Celebration by  
 the Seal Contact  
 Victoria 826-2575



**New or used items!!**

Early Birds are \$10 or 10% of your sales to be paid at the Swap meet and Non profits are free.

Day of the Sale there is a \$15 fee. Set up on Friday night at 8:45 or Saturday at 8am. Come 1<sup>st</sup> choice of space, must clean up your own area and take care of the table and chairs you use.  
 Set up Friday at 8:45pm or Saturday 8am

**\*\*Spring Arts and Crafts Bazaar April 30<sup>th</sup>\*\***

Craig Recreation 826-2690 craigrecc@aptalaka.net

## Gymnastics!

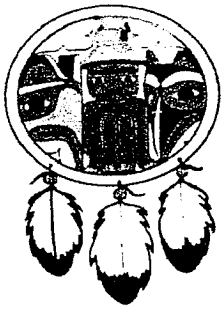


Session 2 Saturday, April 9, 2011,  
 The first session of gymnastics was so much fun, we are going to do it again! We have to work around the floor refinishing, and the April 30th Spring Bazaar, so there are some gaps in the schedule. The first Class is April 9th, then April 23, May 1, May 7, May 14 and 21st  
 Location: Craig City Gym Water and 3rd streets in Craig

This will be a gymnastics program with tumbling, bars, beam and vault work taught by Julie McDonald.  
 2pm age 4 \$5 each or 6 for \$25  
 2:30 ages 5 to 6 \$5 each or 6 for \$25  
 3:15 ages 7 to 9 \$7.50 each or 6 for \$40  
 4pm ages 10 and up. \$7.50 each or 6 for \$40  
 Scholarships available.

Sign up at Craig City Hall or  
 contact Victoria 826-2575

Schedule	April 9
<b>Session 2</b>	April 16 NO Class Gym floor
Gymnastics	April 23
Spring 2011	April 30 NO Class Spring Bazaar
	May 7
	May 14
	May 21 Swap Meet 9-1



City of Craig

Klawock Cooperative Association  
Email: timbooth@klawocktribe.org  
310 Bayview Blvd : P.O. Box 430  
Klawock, Alaska 99921  
Bus: 907-755-2265 Fax: 907-755-8800

RECEIVED

APR 25 2011

CITY OF CRAIG  
CRAIG, ALASKA

RE: First Annual Klawock Founder's Day & Sockeye Festival

Dear City of Craig,

The Klawock Cooperative Association "KCA" is planning to celebrate the day the community was founded and make this an annual celebration. We are also incorporating a Sockeye Festival. This will take place in Klawock, Alaska on June 18, 2011.

We plan to have a Parade, Business and Personal Floats with prizes for the best decorated float, Variety of Races, Tug-a-War, Jitter-Bug Contest, Native Regalia Contests, Herring Toss, and Beach Seine setting Contest, Most unique Fish Dish Contest for Adults and Most Unique Dessert Dish for the Youth, as well as Traditional Canoe Races and end the festival with a Community Social at the ANB Hall. We are extending an invitation to Craig and Hydaburg Cooperative Associations to bring their traditional canoes for a superb contest.

With this in mind we would respectfully request donations for prizes. We will acknowledge every Sponsor, Donation and Volunteer on our Sponsor Page in our Founder's Day / Sockeye Festival Program.

We would love to have local Sponsors and Donations from Prince of Wales Island Businesses and would like to extend an Opportunity to be part of the First Annual Klawock Founder's Day & Sockeye Festival Event. We will acknowledge every Sponsor and Donation and Volunteer on our Sponsor Page in our Program.

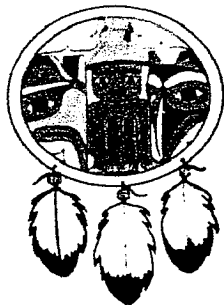
If you have any questions or would like to volunteer for this great celebration please don't hesitate to call Tim Booth, our Office Manager at 907-755-2265 or Celebration Coordinator Patty Cottle at 907-401-1167. We anxiously await your response! Thank you in advance for your contribution(s).

Respectfully,

  
Timothy R. Booth  
Office Manager

CC: KCA File





Klawock Cooperative Association  
Email: [timbooth@klawocktribe.org](mailto:timbooth@klawocktribe.org)  
310 Bayview Blvd : P.O. Box 430  
Klawock, Alaska 99921  
Bus: 907-755-2265 Fax: 907-755-8800

# SAVE THE DATE

## June 18<sup>th</sup>, 2011

### Klawock's 1<sup>st</sup> Annual

# Founder's Day

# &

# Sockeye Festival

**For more information contact KCA Office at:**

**Talk to Tim Booth 755-2265**

**Or**

**Celebration Coordinator Patty Cottle at 401-1167**



## Finance Department Staff Report

To: Mayor and City Council

From: Joyce Mason, Treasurer *Jm*

Date: May 2, 2011

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The first nine months of fiscal year 2011 revenue and expenditures report is attached. The revenue for the general fund is \$2,911,743 or 78% of budget, which is in line with our projects. General Fund expenditures are staying within the budget. The Enterprise Fund is struggling to stay within the budget. During the supplemental budget process the staff will reallocate expenses. With the turnover in staff funds budgeted for personnel benefits can be reallocated to other line items.

Grant accounting and reporting is minimal from prior years and is complete for the last quarter.

If you have any questions or concerns please contact me by email at [finance@craigak.com](mailto:finance@craigak.com) or stop by my office.

City of Craig  
Statement of Revenue and Expenditures  
For the Six Months Ending December 31, 2010

<b>General Fund</b>	YTD Actual	YTD Budget	% Budget
<b><u>Revenues</u></b>			
Property tax	521,048	515,000	101%
Sales Tax	878,144	1,260,000	70%
Liquor Sales Tax	69,705	100,000	70%
PILT State Funding	247,595	250,000	99%
State Revenue Sharing	151,217	151,810	100%
Liquor Revenue Sharing	0	10,000	0%
Fish Tax - DEC	84,017	50,000	168%
Shared Fish Tax	0	6,000	0%
EMS Service Fees	3,750	5,000	75%
EMS Training Fees	0	2,500	0%
Aquatic Center	32,756	65,000	50%
Recreation Programs	5,375	15,000	36%
Property Leases	20,353	71,500	28%
Equipment Sales	1,050	2,000	53%
Taxi Permits	90	50	180%
Building Permits	595	1,500	40%
Police Fines	1,777	17,000	10%
State Jail Contract	171,345	228,400	75%
State Trooper Dispatch	2,500	10,000	25%
Klawock Dispatch	24,894	46,300	54%
DMV Commission	27,418	56,000	49%
Interest Income	4,600	7,500	61%
Other Misc Income	3,370	1,000	337%
Donations	0	500	0%
<b>Total Revenue</b>	<b>2,251,599</b>	<b>2,872,060</b>	<b>78%</b>
<b><u>Expenditures</u></b>			
Administration	313,559	641,292	49%
Council	36,475	88,529	41%
Planning	43,588	74,249	59%
Parks & Facilities	111,715	190,885	59%
Public Works	100,585	276,241	36%
Police	433,685	893,697	49%
EMS	17,930	58,504	31%
Fire	13,068	25,734	51%
Library	32,583	75,539	43%
Recreation	41,423	90,919	46%
Aquatic Center	241,715	538,605	45%
<b>Total General Fund Expenditures</b>	<b>1,386,326</b>	<b>2,954,194</b>	<b>47%</b>
<b>Excess Revenue Over Expenditures</b>	<b>865,273</b>	<b>(82,134)</b>	
<b>Transfer Funds:</b>			
Transfer to Enterprise Funds	(56,994)	11,795	
Transfer to School Fund		(100,000)	
Transfer from Forest Receipts (Roads)		10,000	
Transfer from Endowment		182,000	
Transfer to Equipment Reserves		(21,661)	
<b>Total Transfers</b>	<b>(56,994)</b>	<b>82,134</b>	
<b>Net Change in Assets</b>	<b>808,279</b>	<b>0</b>	

City of Craig  
Statement of Revenue and Expenditures  
For the Nine Months Ending March 31, 2011

**Enterprise Fund**

**Revenue**

	YTD Actual	YTD Budget	% Budget
Sewer Fees	218,180	261,000	84%
Water Sales	221,640	251,500	88%
Garbage Fees	285,569	338,000	84%
Medical Services	30	0	
Harbor Services	214,372	233,050	92%
JTB Industrial Services	293,919	335,682	88%
Cannery Revenue	1,825	137,300	1%
<b>Total Revenue</b>	<b>1,235,535</b>	<b>1,556,532</b>	<b>79%</b>

**Expenses**

Sewer Expenses	200,075	261,000	77%
Water Expenses	213,362	251,500	85%
Garbage Expenses	244,378	338,000	72%
Clinic Expenses	17,167	0	
Harbor Expenses	177,034	255,308	69%
JTB Industrial Park Expenses	366,826	301,629	122%
Cannery Expenses	133,853	137,300	97%
<b>Total Expenses</b>	<b>1,352,695</b>	<b>1,544,737</b>	

Net Revenue Over Expenses

(117,160)      11,795

Transfer from General Fund

117,160      -11,795

Change in Net Assets

0      0

City of Craig  
Statement of Revenue and Expenditures  
For the Nine Months Ending March 31, 2011

Enterprise Fund By Department	Year to Date	Budget	% Budget
Sewer Fees	218,180	261,000	83.59%
Personnel Expenses	58,988	85,372	69.10%
Personnel Benefits Expenses	26,267	52,697	49.85%
Contract Expenses	3,534	3,600	98.17%
Personnel Misc Expenses	190	1,885	10.08%
Material & Supplies Expenses	7,355	4,000	183.88%
Utilities Expenses	28,061	30,900	90.81%
Maintenance Expenses	8,249	10,562	78.10%
Misc Expenses	5,597	10,263	54.54%
Debt Expenses	61,834	61,721	100.18%
Sewer Expenses	200,075	261,000	76.66%
Net Revenue over Expenses	18,105	0	
Water Sales	221,640	251,500	88.13%
Personnel Expenses	82,690	89,981	91.90%
Personnel Benefits Expenses	42,730	53,525	79.83%
Contract Expenses	6,863	7,000	98.04%
Personnel Misc Expenses	445	1,225	36.33%
Material & Supplies Expenses	36,945	28,037	131.77%
Utilities Expenses	35,826	48,600	73.72%
Maintenance Expenses	1,781	1,000	178.10%
Misc Expenses	5,966	13,000	45.89%
Debt Service	116	9,132	1.27%
Water Expenses	213,362	251,500	84.84%
Net Revenue over Expenses	8,278	0	
Garbage Fees	285,569	338,000	84.49%
Personnel Expenses	39,124	49,650	78.80%
Personnel Benefits Expenses	31,134	39,733	78.36%
Contract Expenses	162,877	230,000	70.82%
Personnel Misc Expenses	0	0	
Material & Supplies Expenses	599	2,200	27.23%
Fuel Expenses	3,062	4,000	76.55%
Maintenance Expenses	2,093	6,017	34.78%
Misc Expenses	3,381	6,400	52.83%
Equipment Expenses	2,108		
Garbage Expenses	244,378	338,000	72.30%
Net Revenue over Expenses	41,191	0	

City of Craig  
Statement of Revenue and Expenditures  
For the Nine Months Ending March 31, 2011

Enterprise Fund By Department	Year to Date	Budget	% Budget
Medical Services	30	0	
Personnel Expenses	8,786		
Personnel Benefits Expenses	6,210		
Contract Expenses	10		
Material & Supplies Expenses	661		
Utilities Expenses	612		
Misc Expenses	406		
Interest Expense	482		
Clinic Expenses	17,167	0	
Net Revenue over Expenses	(17,137)	0	
Harbor Moorage	156,653	159,000	98.52%
Boat Haul out	13,537	20,000	67.69%
Other Harbor Services	44,182	54,050	81.74%
Total Revenue	214,372	233,050	
Personnel Expenses	73,146	109,714	66.67%
Personnel Benefits Expenses	33,869	73,094	46.34%
Contract Expenses	2,508	1,000	250.80%
Personnel Misc Expenses	0	150	0.00%
Material & Supplies Expenses	6,929	3,200	216.53%
Utilities Expenses	22,610	37,200	60.78%
Maintenance Expenses	7,184	4,500	159.64%
Misc Expenses	30,788	26,450	116.40%
Harbor Expenses	177,034	255,308	69.34%
Net Revenue over Expenses	37,338	(22,258)	
JTB Industrial Park Leases	224,950	265,682	84.67%
Ice House sales	39,917	45,000	88.70%
Boat Storage & Other	29,052	25,000	116.21%
Total Revenue	293,919	335,682	
Personnel Expenses	28,168	30,434	92.55%
Personnel Benefits Expenses	23,664	12,645	187.14%
Contract Expenses	0	0	
Material & Supplies Expenses	105	1,000	10.50%
Utilities Expenses	19,997	7,000	285.67%
Maintenance Expenses	316	1,000	31.60%
Misc Expenses	8,107	22,600	35.87%
Debt Service	286,469	226,950	126.23%
JTB Industrial Park Expenses	366,826	301,629	121.61%
Net Revenue over Expenses	(72,907)	34,053	

City of Craig  
Statement of Revenue and Expenditures  
For the Nine Months Ending March 31, 2011

Enterprise Fund By Department	Year to Date	Budget	% Budget
Cannery Revenue	1,825	17,300	10.55%
Transfer from Endowment Fund		120,000	
Contract Expenses		2,000	
Material & Supplies Expenses		500	
Utilities Expenses	898	1,800	49.89%
Maintenance Expenses			
Misc Expenses	438	0	
Debt Service	132,517	133,000	99.64%
<i>Cannery Expenses</i>	133,853	137,300	97.49%
Net Revenue over Expenses	(132,028)	0	
Total Revenue over Expenses	(117,160)	11,795	

City of Craig  
Memorandum

Date: May 2, 2011

To: Mayor & City Council

From: Joyce Mason

Re: FY12 PILT Funding

---

Resolution 11-06 requests Payment in Lieu of Taxes funding for FY 12. The Department of Commerce, Community & Economic Development requires this resolution each year for this program.

This resolution is an item presented to the Council each year

Recommendation:

Approve Resolution 11-06, Requesting FY12- Payment in Lieu of Taxes funding.



**CITY OF CRAIG  
RESOLUTION 11-06**

**A RESOLUTION REQUESTING F/Y 2012 PAYMENT IN LIEU OF TAXES FUNDING FROM THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

WHEREAS, 3 ACC 152.100 requires the governing body of a city to adopt a resolution requesting funding from the payment in Lieu of Taxes Program for cities in the unorganized borough and to submit the resolution to the Department of Community and Economic Development, and

WHEREAS, the city has conducted a regular election during the preceding state fiscal year and has reported the results of the election to the commissioner; and

WHEREAS, regular meetings of the governing body are held in the city and a record of the proceedings is maintained; and

WHEREAS, ordinances adopted by the city have been codified in accordance with AS29.25.050;

NOW THEREFORE BE IT RESOLVED THAT: The city council by this resolution hereby requests distribution from the F/Y 2012 Payment in Lieu of Taxes Program by the Department of Community and Economic Development on the date required by law.

PASSED AND APPROVED by a duly constituted quorum of the city council this 5th day of May 2011.

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MAYOR A. MILLIE SCHOONOVER

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ATTEST: VICKI HAMILTON, CITY CLERK

## **CITY OF CRAIG MEMORANDUM**

To: Mayor and Craig City Council  
From: Brian Templin, City Planner  
Date: April 28, 2011  
RE: 2010 Community Economic Development Strategy (CEDS) Committee Report

---

As the council is aware the city holds an annual meeting of the CEDS committee to discuss and rank local and regional projects. This is part of the Overall Economic Development Planning (OEDP) process. This year we had eleven people participate in meetings on April 20<sup>th</sup> and 21<sup>st</sup>. The meeting went very well this year and there was good representation from staff, Craig Community Association, the City Council, the Craig Planning Commission, Craig School District, the Forest Service, and Craig businesses.

Attached is a draft CEDS report for council approval. As in the past, the report is used throughout the year to work on projects. Inclusion in the report authorizes some funding opportunities and strengthens grant applications.

The committee ranked local and regional projects as follows:

### **Local Strategies**

1. Street Improvements
2. Utility Improvements
3. Harbor Improvements
4. Craig Public Safety Building
5. Fish Enhancement/Community Drinking Water – Water Source Imp.
6. Heavy Equipment Replacement
7. Expand Biomass Heat Capacity and Distribution
8. Community College/Community Center/Vocational Training
9. Recycling and Solid Waste Management (Cleaner and Greener Community)
10. Development of Cannery Site Uplands
11. Behavioral Health Services
12. Fishing Industry Value Added Input and Support
13. Prince of Wales Emergency Resources (POWER) Facility
14. Craig City School District Capital Projects Support
15. Port St. Nicholas Road Upgrade
16. Borough Discussion
17. Library Expansion
18. Indoor/Outdoor Recreational Facilities/Skate Park
19. Residential Land Availability
20. Community Quota Entity
21. Sunnahae Mountain Trail
22. Float Plane Terminal Access and Parking
23. Craig – Klawock Separated Bike Trail

### **Regional Strategies**

1. Solid Waste Facility/Recycling Program

2. Island Wide Economic Development Planning
3. Alternative Energy Resources
4. Island Wide Electrical Intertie
5. Vocational Training Center
6. Borough Study (Pros and Cons)
7. Emergency Planning
8. Timber and Value Added Processing Input and Support
9. Peratrovich Airport Improvements
10. Island Wide Transportation System
11. Paralytic Shellfish Poisoning Testing Laboratory
12. Bicycle and Pedestrian Paths
13. Island Wide Recreational Vehicle Facilities and Campgrounds
14. ATV Trails
15. Shooting Range
16. West Coast Kayak and Skiff Route
17. Golf Course

As with every year, the council is asked to adopt the report submitted by the committee. The council may also choose to modify the order of the project priorities or make other changes as they see fit. If you have any questions or comments about the process or any of the projects in the report please feel free to call, stop by city hall or email the city planner.

**Recommendation:** After discussion and any proposed changes approve the 2011 CEDS Annual Report.

**Recommended Motion:** I move to adopt the 2011 CEDS Committee Annual Report (as amended).

City of Craig

Craig Community Economic Development Strategy (CEDS)

Annual Report

May 2011

DRAFT



## **Craig Overall Economic Development Committee City of Craig**

The Craig CEDS Committee met April 20 – 21, 2011 in the Craig City Council Chambers.

### Committee Members:

Robert Claus	Craig City School District
Roberta Landgren	Interisland Ferry Authority
Gary Lawton	US Forest Service
Don Pierce	Craig City Council
Susan Quigley	Craig Community Association
Bill Russell	Craig Planning Commission
Francisco Sanchez	US Forest Service
Millie Schoonover	Craig Mayor

### Staff:

Jon Bolling	Craig City Administrator
Vicki Hamilton	Craig City Clerk
Brian Templin	Craig City Planner

The Craig City Council adopted the 2010 CEDS Annual Report on \_\_\_\_\_, 2011.

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# Development Strategies and Accomplishments

Following is a priority list of strategies developed by the Craig Economic Development Strategy Committee as a part of the Overall Economic Development Plan. Each item contains a brief description of the project and its impacts and details any activities that have taken place in the last 12 months.

## Local Strategies

### 1. Street Improvements

**Project Description:** A number of the collector streets in Craig merit upgrading. The addition of sidewalks and asphalt surfacing will define property lines, provide safe places for pedestrians to walk, and lower street maintenance costs. In addition, reducing dust generated by traffic on dirt roads keeps adjacent homes and businesses cleaner, and improves air quality for those with asthma and other diseases that are exacerbated by ambient air particulates. Maintenance and upgrade of existing roads and intersections are major concerns.

**Activity over the Last 12 Months:** Nearly all of the underground improvements that will be affected by paving have been completed. Phase 1 of the project was complete and CCA and Southeast Roadbuilders started working on Phase 2 (primarily West Hamilton and Beach Roads). Increases in the cost of the materials and contracts will limit phase 2 to these streets and a small handful of other streets in town. Preliminary designs have been submitted for most other streets.

**Current Activity:** The city will continue to work with Southeast Roadbuilders to complete phase 2 this year. The city is aggressively working with the state and federal delegations to secure an additional \$2 million to complete the remainder of the streets. This item was the number one funding request during FY2012 state and federal capital project requests.

### 2. Utility Improvements

**Project Description:** Upgrades to Craig's water treatment/distribution and sewer systems are very important to maintaining health and safety. Due to the age of parts of the system and changing needs, the city needs to continually look at maintenance, repair and upgrade of Craig utilities. The water distribution system has had a high rate of water loss due to broken pipes in the system. A major leak caused water rationing during 2010.

**Activity over the Last 12 Months:** The city has continued to work on making the repairs and improvements identified by staff and in long range planning documents. Most of the activity over the past twelve months was designed to complete underground improvements prior to paving. The city has exhausted almost all planned maintenance, upgrade and improvements identified in the current water and wastewater system master plans and is actively seeking funding to complete cleaning of sewer lines, television inspection of lines and updated master planning. The city is looking at some lift station replacements over the next several years.

**Current Activity:** Staff will continue to monitor the availability of funding and will continue

engineering and construction work to accomplish identified utility projects. Staff will also work aggressively to secure funding for cleaning, inspection and master planning. This project was included in FY2012 funding requests to both state and federal delegations.

### 3. Harbor Improvements

**Project Description:** This project includes the development of a new harbor at the Ward Cove Cannery Site and upgrades to existing city harbor and boat launch facilities. Increased and improved harbor facilities will help relieve the crowded conditions and attract pleasure boats traveling through the area. Projected improvements include parking, additional harbor space, current harbor upgrades and improved navigation (i.e. breakwaters). In addition to the design and construction of a new harbor the city also works to constantly upgrade safety, access, efficiency and usability of existing harbors.

**Activity over the Last 12 Months:** The US Army Corps of Engineers has been very slow in completing their cost share agreement for the Cannery property harbor project. The city is working to secure funds for the non-federal match and complete the cost sharing agreement with the Corps of Engineers for the corps study. The city has been working on maintenance and upgrades in South Cove and other harbors in town.

**Current Activity:** The city will continue to pursue funding for completion of the Corps of Engineers studies and for ultimate design and construction of breakwaters and harbor space at the site. The city will also continue to work on upgrades to South Cove Harbor and the False Island Boat Launch during the upcoming year.

### 4. Craig Public Safety Building

**Current Situation:** Existing public safety facilities in Craig are no longer satisfactory to provide adequate service to the community of Craig. The Craig Volunteer Fire Department (CVFD) recently purchased a new vehicle to replace a 28 year old apparatus. Craig's Emergency Medical Services (EMS) squad has two ambulances and has only parking facilities for one. The second ambulance is parked in an out-of-the-way location resulting in delayed response time for calls requiring a second ambulance. The current facility also does not allow for adequate storage of other equipment or supplies for either service. The Craig Police Department (CPD) provides public safety services and provides the State of Alaska with jail services and DMV services in a space only designed for the Craig Police Department.

**Project Description:** This project would result in the construction of a new Public Safety Building which may include space for CPD, EMS, and CVFD. The building would include office space for Police Chief, Fire Chief, EMS Captain, police sergeant, a dispatch center, DMV office, classroom/conference room, temporary quarters with kitchen facilities, police interview rooms, and a jail. The aforementioned would be located on the second floor above a five- or six-bay garage for fire trucks and ambulances, and equipment storage areas for police, fire, and EMS.

**Activity over the Last 12 Months:** As an interim solution to a new public safety or firehall the city has been working with Shaan-Seet Inc. on a land trade which would include addition room to expand the current firehall. City staff is meeting to determine an appropriate



expansion or addition to the existing firehall to meet near term goals.

Current Activity: The scoping group will continue to work on a concept plan expansion to the current facility and designs/locations for the new facility.

## 5. Fish Enhancement/Community Drinking Water – Water Source Improvement

Project Description: Water source improvements will benefit the king salmon enhancement project and the community drinking water capacity. This project includes improvements and raising the dam at North Fork Lake, which is the municipal water source for Craig. Raising the water level will result in increased water flow to the king salmon hatchery located at Port St. Nicholas and will result in higher capacity for stored raw water for treatment and use by the City of Craig. Improving stocks of high value king salmon has benefits for all categories of fish users.

Increased populations of these fish will mean greater opportunities for commercial, subsistence, charter, and sport fishermen. Working in cooperation with the Prince of Wales Hatchery Association, king salmon stocks can be increased locally. By enhancing king salmon stocks, all fishermen will have access to more high value fish. In addition, those king salmon will not be counted toward the Southeast Alaska King Salmon Harvest under the Pacific Salmon Treaty, resulting in a net gain of available king salmon. The local charter and sport fishing sectors will benefit by increasing the number of popular king salmon available to charter customers and sport fishermen.

Activity over the Last 12 Months: The hatchery has been operating successfully now for three years and rearing king salmon for Port St. Nicholas and Coffman Cove. Silver Bay Seafoods operated successfully for their first season and increased the overall water demand substantially. The city has continued to look for funds to raise the dam at the water source. The project was recently listed on the Federal Resource Advisory Committee (RAC) for funding under Title II of the “Forest Receipts” program.

Current Activity: The salmon hatchery will continue to hatch and rear zero-check fry for Coffman Cove and one plus fry for release at Port St. Nicholas. This year will be the first year that there will be a full run of fish consisting of three, four and five year old king salmon. The hatchery is also in the exploratory/feasibility phase of looking at alternative energy production using the raw water coming into the facility. The city will work with the Forest Service on permitting and other issues related to the RAC funding.

## 6. Heavy Equipment Replacement

Project Description: This project consists of purchase of heavy equipment to replace aging and failing machinery. Craig maintains approximately 19 miles of roads, water treatment/distribution system, sewer collection/treatment, parks, facilities, parking lots, garbage collection and other municipal services. To accomplish these tasks the public works department maintains a small fleet of heavy equipment which includes garbage trucks, dump trucks, a bulldozer, a small backhoe/front end loader, sander, and plow. All equipment was originally purchased used and had significant wear when they were acquired. City maintenance personnel work to keep all of the equipment operational but

many of the vehicles are reaching the end of their useful life and some, such as the bulldozer and backhoe/front end loader are near complete failure. In addition to routine tasks the front end loader and bulldozer have been used to clear landslides and road failures to the city's water treatment and water source in emergencies. In addition to current services the city will also need to purchase equipment to maintain the additional paved streets in town.

Activity over the Last 12 Months: The city has been working hard to maintain existing equipment.

Current Activity: The city has identified equipment that is at or near complete failure and are a priority to be replaced. The city will also look at the priority and funding options for replacement of other equipment before it reaches the end of its useful life. A request was submitted to the state legislature as part of the FY2012 capital projects process to replace some of the highest priority equipment.

#### 7. Expand Biomass Heat Capacity and Distribution

Project Description: With the completion and startup of the wood fired boiler in 2008 the city is continuing to look for ways to make it operate more efficiently and to use excess capacity generated by the facility. Options include heating additional buildings and electrical co-generation. The city should continue to look for ways to maximize the use of the existing facility and look for other alternative energy sources such as development of a micro-hydro turbine at the water treatment plant to supplement traditional energy sources.

Activity over the Past 12 Months: This last year saw another considerable impact on the amount of propane and oil used by the pool and school. There has been some continued interest in connecting the tribal hall to the system and using some of the current capacity to generate electricity. The city has also been working with Viking Lumber to install drying and storage capacity for fuel that is delivered to the plant. Ultimately this dry fuel could also be used for other biomass projects in the region.

Current Activity: The city will continue to make adjustments to the system to operate at full potential. The city will also continue to look at adding facilities or developing other uses for excess capacity.

#### 8. Community College/Community Center/Vocational Training

Project Description: Establishing a community college program locally could provide a wide array of vocational, arts, and academic classes for residents. An associate degree program could allow local high school graduates the option of staying home for two years of a four-year program, reducing the cost of postsecondary education substantially. The Craig Community Foundation has completed a scope of work and a draft site plan for development of a community center at Crab Creek. The foundation envisions many of the projects on this list, including a library, museum, a visitor center and college classes at the facility. A focus added during the 2008 CEDS process adds vocational training as a part of this project.

Activity over the Last 12 Months: Local school district superintendents worked very hard

last year to secure significant funding from the state for development of a Career and Technical Education (CTE) Center.

Current Activity: The City of Craig has appointed a representative to the CTE working group which will begin planning and development for the project this year.

#### 9. Recycling and Solid Waste Management Program (Cleaner and Greener Community)

Project Description: Due to increasing costs of solid waste disposal and renewed interest in recycling, the 2008 CEDS committee added this project to the list. This project is in the conceptual stages and will be further formed over the next twelve months.

Activity over the Last 12 Months: No action has been taken on this project in the past twelve months.

Current Activity: The City of Craig is working with the Craig Community Association and other communities to look at some recycling options. The city is also looking at ways to reduce the amount of sold waste in the current waste stream to reduce solid waste costs.

#### 10. Development of Cannery Site Uplands

Project Description: Development of this five acre upland parcel will greatly enhance the traffic flow, parking, appearance and commercial attraction to the downtown area. Primary development will probably include commercial and marine related development that supports the harbor development and downtown parking. Throughout the planning process for the site discussions included the potential of adding museum, visitor center, community center, or other public facilities as well as commercial development.

Activity over the Last 12 Months: The city has continued to work on the development of this area. The city allowed a lease of the industrial dock on the site to allow Seafood Producers Co-op to land fish locally for transportation. The city also started the planning and concept design process for a new park at the west end of the property and completed some of the initial groundwork, specifically a new rock retaining wall along the beachline.

Current Activity: The city will also continue to gather input and move forward with the park/seaman's memorial at the west end of the property.

#### 11. Behavioral Health Services

Project Description: With a long-term view to replacing and expanding the services previously conducted by COHO, several agencies and the Prince of Wales Health Network are working to provide mental health and substance abuse programs (behavioral health) and services on the island. At the moment there are no concrete projects formed but the City of Craig will work to support other agencies working to provide these services.

Activity over the Last 12 Months: Most services previously done by COHO have been assumed by SEARHC, Community Connections and other healthcare providers and the Prince of Wales Health Network has been gathering information to complete a behavioral health needs assessment to further identify needs.

Current Activity: The city will continue to work with the Prince of Wales Health Network and area providers to meet the behavioral health needs of the city's residents.

## 12. Fishing Industry Value Added Input and Support

Project Description: Reestablishing fish processing capability in Craig has been an important development step. The employment, fish processing tax, and selling point for commercial fishing boats all generate new income for the local private and public sector. That revenue increases payroll, and in turn the net amount of dollars circulating within the community. The net increase in raw fish tax receipts provides a revenue stream for maintenance and upgrade of the community's harbors that is now absent. In order to increase the infrastructure, add value to the area fisheries, provide economic flexibility to the local fleet and add local jobs to the community it is crucial that we upgrade fishing, fish processing and storage capabilities in Craig. Commercially available ice, fish processing capability and cold storage space are critical to increasing this industry in Craig.

Activity over the Past 12 Months: The city provided dock space at the Cannery industrial dock to Seafood Producers Co-op (SPC) out of Sitka to land fish here. Silver Bay Seafoods continues to process significant amounts of seine caught salmon in their facility. Silver Bay once again employed over 150 people at the peak of the season under the long term lease agreement with the city.

Current Activity: The city will continue to work with both SPC and Silver Bay to utilize city owned property to process fish in the 2011 season. The city will also work to continue to increase the quality and capacity of ice at the city's ice plant with planned capacity upgrades this year.

## 13. Prince of Wales Emergency Resources (POWER) Facility

Project Description: POWER, a non-profit group in Craig runs a thrift store, food bank and assistance clearing house in Craig. POWER is currently located in an old city owned building that is in need of major upgrade or replacement. This project would upgrade the current facility, construct a new facility or move POWER into a different facility.

Activity over the Last 12 Months: None.

Current Activity: This project is still in the conceptual stages.

## 14. School District Capital Projects

Project Description: The Craig City School District supports P-12 and alternative education on three separate campuses. The school district is active in maintaining and expanding their facilities to enhance education in Craig. While the school district goes through a capital project list within the district it is important to provide municipal support to those projects.

Activity over the Last 12 Months: This project was added new during the 2011 CEDS meetings.

Current Activity: A copy of the current School District Capital Project list will be added as an attachment to this report.

#### 15. Port St. Nicholas Road Upgrade

Project Description: This project consists of survey, design, engineering and construction of road improvements along the current Port St. Nicholas Road corridor from the Craig-Klawock Highway to 5.5 mile on the Port St. Nicholas Road. Improvement of this road will reduce long term maintenance of roads and will improve driving conditions for residents of Port St. Nicholas.

Activity over the Past 12 Months: The Craig Community Association (CCA) has continued to work this project. The CCA has been working on the road reconstruction and realignment by force account. CCA has continued to work to secure additional funding to complete the project. The city worked with the CCA to replace 900' of water and sewer line along the road corridor as part of their upgrades.

Current Activity: CCA will continue to work the funding issues to try to ensure that the current 5 ½ mile project is fully funded and completed.

#### 16. Borough Discussion (Pros and Cons)

Project Description: From time to time discussions surface as to the merits of forming an island borough. However, a lack of understanding of the consequences of borough formation results in action on the issue ending at the initial discussion level. As discussions go on at an island wide level it is important for the City of Craig to look at effects of borough formation on the city itself.

Activity over the Last 12 Months: POWCAC and the Prince of Wales Chamber of Commerce have conducted a number of discussions regarding formation of a borough.

Current Activity: Craig city staff continues to closely monitor borough issues in the legislature, governor's office and the Local Boundary Commission. The city will continue to weigh the benefits and drawbacks of conducting an independent study on the feasibility of borough formation.

#### 17. Library Expansion

Project Description: The current library space is full with no room for much needed expansion. As the city develops property related to other projects relocation of the library to another facility or construction of a new library needs to be considered.

Activity over the Last 12 Months: The library staff continues to analyze user data and services.

Current Activity: The library staff and board will continue looking at alternatives for renovation or new construction to meet current and future needs.

## 18. Indoor/Outdoor Recreation Facilities/Skatepark

**Project Description:** The city provides recreational and fitness activities to the area residents at the aquatic center, city gym and other facilities in town. This value is a strong part of the quality of life of Craig residents and staff is always looking to expand the available services and opportunities to area residents. Among the proposed expansions is a racquetball court and expanded physical fitness facilities at the Aquatic Center, skate park and others.

**Activity over the Last 12 Months:** The community garden has now been operating for five years. City staff continues to add opportunities within existing facilities such as the aquatic center, gym, and youth/recreation center.

**Current Activity:** City staff will continue to look for potential funding for expansion of the aquatic center and will move forward as funding becomes available. Staff will also look at other recreational opportunities as they present themselves.

## 19. Residential Land Availability

**Project Description:** Due to community growth and the land-locked nature of the City of Craig there is limited residential land available for development. In addition to small undeveloped areas in Craig there are two large undeveloped tracts and a small city subdivision which are currently zoned for residential development. The western half of Cemetery Island is owned by Shaan-Seet and is zoned residential. This tract may be developed into numerous prime residential lots in an area that is currently undeveloped. Tract 18 of USS 2611 in East Craig is owned by the Craig Community Association and may yield as many as eleven residential lots in the middle of a residential neighborhood. The city owns seven undeveloped lots that make up the Salmonberry Subdivision on the Port St. Nicholas Road

**Activity over the Last 12 Months:** The city has been working to design utility installation for the Salmonberry Subdivision.

**Current Activity:** The city will continue to work on the Salmonberry Subdivision.

## 20. Community Quota Entity

**Project Description:** The project is the purchase of halibut quota shares by the Prince of Wales Island Community Holding Corporation (POWICHC), a non-profit corporation representing the City of Craig in the Community Quota Entity program. The Community Quota Entity program was enacted by Amendment 66 to the National Marine Fisheries Service rules. Craig quickly took the lead in the state in participation in this program. The city completed formation and approval of the POWICHC as a Community Quota Entity under amendment 66. As the charter fleet has moved to a Charter Halibut Permit (CP) system the CQE will also work under any new rules to incorporate Catch Sharing Plan (CSP) to include Charter businesses into the CQE system.

**Activity over the Last 12 Months:** Staff has continued to look for funding sources for the CQE program.

Current Activity: Recently the Gulf of Alaska Coastal Community Coalition (GOAC3) have been working with state legislators to establish a workable loan or grant program to allow for quota purchase by CQEs. Staff will continue to monitor these opportunities and will work with state legislators and staff if a program is approved.

## 21. Sunnahae Mountain Trail

Project Description: The Sunnahae Trail ownership was transferred to the US Forest Service. The Sunnahae Trail was constructed over twenty years ago on extremely steep ground. The condition of the trail has deteriorated significantly over this time and is now in a state of disrepair that can be dangerous to hikers. The Forest Service is committed to reconstructing the Sunnahae Trail as soon as funding is available. It is estimated that complete reconstruction of the Sunnahae Trail will cost between \$700,000 to \$1 million. The Sunnahae Trail is approximately ¾-mile long and climbs over 2000 feet to an exquisite open muskeg system, with excellent views of the City of Craig, its surrounding waters and the Prince of Wales Outer Islands. Accessible by foot from the City of Craig, the Sunnahae Trail supports Prince of Wales Island tourism by providing a high value recreation opportunity and a nearby place for local residents to hike, get exercise and spend some time in the natural environment. Seeking grant funds and partnership funding would be a strategy the Forest Service would employ.

Activity over the Last 12 Months: The city and Forest Service have been working to secure funding to bring the trail up to USFS standards.

Current Activity: The city and Forest Service will continue to work to secure trail redesign and reconstruction funding.

## 22. Float Plane Terminal Access and Parking

Project Description: The State of Alaska has turned over ownership and operation of the float plane terminal property in Craig to the city. Reopening this facility has improved the appearance of the float plane terminal, has been a benefit to travelers, and has allowed local air carriers to operate more efficiently. Continued work on this project would include improvement of parking at the facility and continuing to analyze the feasibility of access along the Eighth Street corridor.

Activity over the Last 12 Months: Operations of the float plane facility are going well. Both tenants appear to be satisfied with the facilities and utility bills are under control. The city included environmental permitting for the access road and parking lot in the street improvement project. In addition to Promech and Pacific Airways the city recently approved an access permit to Taquaan Air to use the old mechanical room as a staging area for their local staff and freight.

Current Activity: At this time the access road and parking lot are low on the priority list, but as funds allow, they may get paved as part of ongoing street improvement projects.

## 23. Craig – Klawock Separated Bike Trail

**Project Description:** This project includes the construction of a separated trail along the Craig – Klawock Highway. The trail would start at the Craig High School and run parallel to the highway approximately seven miles into Klawock. The trail would be used by bicycles, runners and hikers.

**Activity over the Past 12 Months:** A group of community representatives began meeting in 2010 to move this project forward.

**Current Activity:** This project is still in the conceptual stages.

## **Regional Strategies**

### 1. Solid Waste Facility/Recycling Program

**Project Description:** The local landfill transships solid waste to a landfill in eastern Oregon. Initially, the landfill, operated by the City of Klawock, and used primarily by the cities of Craig and Klawock, anticipated changing their disposal method from landfill to incineration. However, Klawock has moved away from incineration after hearing reports of unsatisfactory results in other southeast communities. There is some interest in the region in developing a SE Alaska solid waste site to serve the area's communities, almost all of whom now transship their municipal solid waste to points in Washington and Oregon. The effort to find a regional solid waste facility should continue through feasibility and site studies. In 2008 the CEDS committee added a recycling program component to this project to encourage regional recycling efforts in relation to solid waste disposal.

**Activity over the Last 12 Months:** Communities and Southeast Conference have continued to look at alternative methods of dealing with municipal wastes. During the 2009 Municipal Elections the residents of Craig recommended creation of a regional solid waste authority to deal with this problem. The city council adopted a resolution forming the Southeast Alaska Solid Waste Authority (SEASWA). Petersburg, Thorne Bay and Wrangell conducted similar public advisory votes and adopted similar resolutions. These four communities have appointed representatives and currently make up the membership of the authority.

**Current Activity:** SEASWA is currently doing mostly formative work and initial planning. Ultimately the authority will work to resolve regional solid waste disposal issues.

### 2. Island-Wide Economic Development Planning

**Project Description:** With a wide array of common economic and social issues facing all the communities on Prince of Wales Island, a coordinated, Island-wide effort to address these issues is merited. The obvious place to begin is with an update of the 1992 Prince of Wales Economic Development Strategy produced by C.L. Cheshire and funded by a grant from the U.S. Forest Service. Economic development planning is a critical part of long term, comprehensive development on Prince of Wales. Recent cuts to commercial halibut quota, changes to the charter industry, severely curtailed logging activities, higher costs of doing business on Prince of Wales and the overall downturn in the economy make good, solid,



comprehensive economic development planning critical for the island. Part of economic development planning on Prince of Wales should include some small business planning assistance or information clearinghouse.

Activity over the Last 12 Months: The City of Craig has deferred to the Prince of Wales Community Advisory Council as lead organization on this project. Over the last 12 months POWCAC invited various people to speak on economic development issues but has not yet begun to develop a comprehensive economic plan for the Island.

Current Activity: City staff will look at the feasibility of conducting an island wide economic summit in the next couple of years. Staff will also look for funding to have a new economic development plan written.

### 3. Alternative Energy Sources

Project Description: With the high and increasing cost of fuel there has been a major impact in gas, home heating, electricity, transportation and purchase of consumer goods. Biomass, wind, hydro and other alternative fuel and power sources are becoming more and more feasible and prudent given the high cost of fuel. The CEDS Committee would like to see some exploration of alternative energy and fuel sources. One of the focuses for alternative energy should be a wind power feasibility study of likely areas on the island.

Activity over the Last 12 Months: The City of Craig has continued to operate the wood fired boiler system in Craig. This boiler uses wood waste to heat the municipal pool, elementary school and middle school and has significantly reduced fossil fuel use for these facilities.

Current Activity: POWCAC and communities will continue to look at various alternative energy sources.

### 4. Island-Wide Electrical Intertie

Project Description: The Alaska Energy Authority, with the Denali Commission, is considering an on-island intertie between the existing electric grid serving (Craig, Klawock and Thorne Bay), and the communities on the north end of the island. Doing so will reduce kilowatt hour costs in the north end communities by about one half, resulting in significant cost savings for north end rate payers. Connecting the Island's electric grid to the east side communities of Coffman Cove and Whale Pass also provides two additional connection points for an eventual tie into a region-wide intertie in Southeast Alaska. This project also includes connection to the proposed Reynolds Creek Hydro site.

Activity over the Last 12 Months: AP&T has continued to extend lines on the island. Work also continues on finding funding and completing design and permitting for the proposed Reynolds Creek Hydro project near Hydaburg.

Current Activity: The City of Craig continues to work with Southeast Conference and other communities on the electrical intertie project. Recently AP&T has been working to complete permits and start adding poles and lines to connect Naukati and Coffman Cove to the Black Bear Hydro Grid.

## 5. Vocational Training Center

**Project Description:** Post-high school education is important to our area. The ability for local graduates, industry workers looking to enhance their skills and marketability and displaced workers in the timber and fishing industries to receive vocational training is important. This project is to encourage development of vocational training in the area for these target populations.

**Activity over the Last 12 Months:** Local school district superintendents worked very hard last year to secure significant funding from the state for development of a Career and Technical Education (CTE) Center.

**Current Activity:** The City of Craig has appointed a representative to the CTE working group which will begin planning and development for the project this year.

## 6. Borough Study (Pros and Cons)

**Project Description:** Prince of Wales Island is in Alaska's unorganized borough. Put another way, no borough-level government exists on the island. From time to time discussions surface as to the merits of forming an island borough. However, a lack of understanding of the consequences of borough formation results in action on the issue ending at the discussion level. A comprehensive analysis of the changes brought about by the formation of a Prince of Wales Island Borough is necessary to give island residents a complete look at what borough formation would mean, and whether or not it is in the island's best interest to organize in that manner.

**Activity over the Last 12 Months:** Communities on Prince of Wales Island have continued to discuss the pros and cons of borough formation through POWCAC and the Prince of Wales Chamber of Commerce..

**Current Activity:** Craig city staff continues to closely monitor borough issues in the legislature, governor's office and the Local Boundary Commission. The city will continue to weigh the benefits and drawbacks of conducting an independent study on the feasibility of borough formation.

## 7. Emergency Planning

**Project Description:** Preparedness for emergencies and response to them has critical economic impact. The local emergency planning committee has been charged with the responsibility of preparing draft emergency response plans for area communities. Adoption and implementation of plans are completely at the discretion of each individual community.

**Activity over the Last 12 Months:** The Southern Southeast Local Emergency Planning Committee (SSLEPC) has continued to meet and work on community emergency response plans.

**Current Activity:** The SSLEPC continues to work on draft emergency plans for communities to consider adopting. The committee is working with the regional Metropolitan Medical Response System to conduct an area wide drill at the Klawock Airport at the end of April.

## 8. Timber and Value Added Processing Input and Support

**Project Description:** With the overall decline of the timber industry it becomes more and more critical for municipalities to support a marketable level of timber harvest and development of added value industries.

**Activity over the Last 12 Months:** The City of Craig has been very active in timber related issues over the past year. There have been significant discussions on the Sealaska land exchange bill, initial briefings on the Alaska Mental Health Trust proposal to exchange land for timber land on Prince of Wales Island and on environmental litigation against current timber sales and other issues within the US Forest Service.

**Current Activity:** Craig city staff will continue to monitor timber sale availability relative to local demand and will seek ways to develop or enhance the value added timber industry in Craig. Staff will also work with the USFS to seek ways to diversify the use of local timber.

## 9. Peratrovich Airport Improvements

**Project Description:** The State of Alaska-owned airport near Klawock, formally called the Frank Peratrovich Airport, is a critical piece of island infrastructure. The facility's 5,000 foot long paved runway can accommodate many classes of passenger and freight aircraft. Regular air freight service from the airport to markets in the continental U.S. or on to the east via Anchorage can increase the price paid to local fishermen by selling their product on the fresh market, rather than selling to cold storage buyers for eventual sale in the frozen or processed markets.

In addition, scheduled air passenger service to and from the island would eliminate the expensive, unpredictable and all-too-often unpleasant travel required to board the jet in Ketchikan.

The airport runway is already long enough for jet cargo and passenger service. The State of Alaska last year contracted for the installation of a security fence along the airport perimeter. The presence of a perimeter fence and the installation of an instrument approach provide two important prerequisites for introduction of jet passenger service to the island. Other physical improvements, as well as promotion of the airport, are necessary to bring regular jet service to the island.

**Activity over the Last 12 Months:** The airport has continued to fill areas for expansion and is continuing planning for additional improvements based on the completed update to the Klawock Airport Master Plan.

**Current Activity:** Analysis, funding and improvements will continue this year. Potential improvements include resurfacing the runway and continuing to fill expansion areas.

## 10. Island-Wide Transportation System

**Project Description:** With the advent of daily ferry service by the Inter Island Ferry Authority (IFA) and with great growth potential at the Island's airport, an effort to organize and plan for passenger and freight transportation needs is needed. An integrated system will

allow for orderly growth and ideally encourage on-island businesses to meet anticipated needs. Additionally, the document will qualify the Island for mass transit and other grant programs geared toward moving people and freight between the various transportation modes.

Activity over the Last 12 Months: The State of Alaska has designated highways on Prince of Wales Island as Scenic Byways and a corridor management plan is being written and approved to manage projects and opportunities under this designation.

Current Activity: CCA will continue to develop a draft program and seek funding. IFA and other parties will continue to look at options for reestablishing a northern run, or alternative uses for the second ferry.

### 11. Paralytic Shellfish Poisoning Testing Laboratory

Project Description: Prince of Wales area waters contain commercial quantities of shellfish. In addition, a number of shellfish farms exist that culture product for commercial markets. Prior to their sale to retail markets, all of these species must be tested for paralytic shellfish poisoning (PSP). PSP occurs periodically and unpredictably in both wild and cultured shellfish stocks. The only PSP laboratory in Alaska is in Palmer. Shipping product to Palmer can take several days depending upon weather conditions. These several days delay the shipping of the harvested shellfish to market. Having a PSP laboratory in Southeast Alaska will reduce the time between when shellfish is harvested and when it can be tested for PSP. This will get the fresh product to market sooner, and ultimately fetch a higher price for shellfish producers.

Activity over the Last 12 Months: No activity has taken place on this item in the past twelve months. The community of Naukati continues to develop infrastructure for aquatic farming (primarily oysters and clams) but no PSP testing facility is available on Prince of Wales.

Current Activity: This project is still in the developmental stages.

### 12. Bicycle and Pedestrian Paths

Project Description: With the improved ferry service to the island, additional interest in a tourist industry that caters to the independent traveler, and the focus in recent years on improving Prince of Wales Island's road system, there is merit in including in road designs bicycle and pedestrian paths along the island's main roads. Such improvements are useful not only to seasonal tourists and to the annual POW marathon, but also to local residents. The paths would increase transportation alternatives and may help facilitate new businesses.

Activity over the Last 12 Months: No local activity has taken place on this project in the past twelve months.

Current Activity: Area residents continue to seek bicycle and pedestrian paths in and around Craig. The city will continue to work with the State of Alaska and the Federal Highway Administration to extend the existing bike path.

### 13. Island Wide Recreational Vehicle Facilities and Campgrounds

**Project Description:** With the island roads being upgraded, existing ferry availability to Hollis there should be an increase in self directed tourism on the island. In order to meet this increase in traffic the establishment of RV facilities and campgrounds on the island is necessary. The U.S. Forest Service has property at El Capitan and at Labouchere Bay, either one of which could be developed into prime campground sites. A north end campground facility would provide a destination for independent travelers on the island. The committee supports private and public development of such sites.

**Activity over the Last 12 Months:** None

**Current Activity:** This project is in the conceptual stages.

### 14. ATV Trails

**Project Description:** With a large number of resident all terrain vehicle users and with increasing visitors to the island there is some interest in developing ATV trails across the island.

**Activity over the Last 12 Months:** None. This project is new to the list in 2009.

**Current Activity:** None.

### 15. Shooting Range

**Project Description:** Development of a multi-user shooting range on Prince of Wales.

**Activity over the Last 12 Months:** None

**Current Activity:** This project was new to the CEDS list in 2007 and is in the conceptual stages.

### 16. West Coast Kayak and Skiff Route

**Project Description:** A west coast kayak and skiff route, from Prince of Wales Island to points north, would add another dimension to the seasonal tourism market. Campsites on national forest or private land placed along the route at intervals equal to a day's travel would allow boaters the opportunity to camp along the route while also staging in the west coast communities along the way. The simple infrastructure required by the program would add an attractive new opportunity for recreation in the area.

**Activity over the Last 12 Months:** The Forest Service has continued to include recreation facilities that will make this project possible.

**Current Activity:** None at this time.

## 17. Golf Course

Project Description: Development of a golf course on Prince of Wales.

Activity over the Last 12 Months: None

Current Activity: This project was new to the CEDS list in 2007 and is in the conceptual stages.

## Economic Climate

Staff has looked at some economic factors to develop a quick, rough set of economic trends for the City of Craig over the last several years. We used five factors to look at the economic trends of the city. Those factors were: population, school enrollment, sales tax, building permits, and property assessment trends. Although these are not enough to provide detailed analysis, they are enough to get a quick idea of the trends.

### **Economic Factors Analyzed:**

Factor 1: Population figures used by the State of Alaska and the US Census are as follows (2010 figure is US Census Data):

2002	1,227
2003	1,174
2004	1,127
2005	1,102
2006	1,105
2007	1,054
2008	1,117
2009	1,201
2010 (Census Data)	1,201

Factor 2: School Enrollment. Total enrollment of local students (excluding correspondence and cyber students) in the Craig City School District is as follows:

2002	391
2003	382
2004	367
2005	356
2006	369
2007	341
2008	332
2009	315
2010	313

Factor 3: The city assesses 5% sales tax for goods and services and 6% sales tax on liquor in the City of Craig. Annual sales tax revenues are as follows:

2002	\$1.272 million
2003	\$1.262 million
2004	\$1.290 million
2005	\$1.414 million
2006	\$1.449 million
2007	\$1.490 million
2008	\$1.614 million
2009	\$1.556 million
2010	\$1.381 million

Factor 4: Building Permits issued over the past several years are as follows:

Year	New Homes	Commercial Permits	All Others	Total
2003	1	5	29	35
2004	8	7	30	45
2005	1	6	26	33
2006	4	10	34	48
2007	4	6	31	41
2008	3	7	32	42
2009	1	7	40	48
2010	1	6	22	29

Factor 5: Property Assessment Trends. Trend adjustments assigned by the city assessors are generally broken into five categories which include; trailers, residential land, residential improvements, commercial land and commercial improvements. Trend adjustments are shown as an increase/decrease from the previous year's value. Assessments have shown general trend adjustments as follows:

Year	Res. Land	Res. Imp.	Comm. Land	Comm. Imp.	Trailers
2004	0%	0%	0%	0%	-25%
2005	0%	0%	0%	0%	0%
2006	0%	0%	0%	0%	0%
2007	+10%	+10%	0%	0%	0%
2008	0%	0%	0%	0%	0%
2009	+10%	+10%	0%	0%	0%
2010	0%	0%	+10%	+10%	-10%



# Attachment A

## Craig City School District

### Capital Projects List – FY2012-2017

#### CRAIG CITY SCHOOL DISTRICT SIX YEAR CAPITAL IMPROVEMENT PLAN

#### DISTRICT PRIORITY

1. Alternative Wood Heat Project
2. Elementary School Floor Replacement
3. Elementary and Middle School HVAC control replacement
4. Middle School and Middle School Gym Siding Replacement and Paint
5. Elementary and Middle School Exterior and Interior Doors
6. Elementary, Cafeteria and Middle School Windows
7. Middle School Gym Overhaul: Locker Rooms, Floor, Lighting, Wiring, Bleachers and Wall Covering
8. Security System Upgrade: Phones and Cameras
9. Middle School Commons Area
10. Elementary and Middle School Fire Alarm, Detection and Suppression Improvements
11. Elementary and Middle School Lighting
12. Elementary and Middle School Carpet Replacement
13. School Kitchen Replacement, Including Freezers and Coolers
14. High School Gym Floor Refinish
15. High School Shop Expansion
16. High School Wood Heat Pump System
17. Replace Modular Classrooms w/Middle School Gym Overhaul