

CITY OF CRAIG
COUNCIL AGENDA
OCTOBER 6, 2011
COUNCIL CHAMBERS 7:30 P.M.

ROLL CALL

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

CANVASS ELECTION

- Clerk's recommendation on Questioned Ballots (c.c. approves)
- Tally of valid absentee and questioned ballots
- Certify Election

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 September 15, 2011
- Introduction and first reading of Ordinance No. 639, Amend Live-Aboard Policy 4.30.010
- Introduction and first reading of Ordinance No.640, Amending the C.M.C. 15.12, Application for sewer service 15.12.040, Forfeiture of Deposit
- Introduction and first reading of Ordinance No.641, Amending CMC 15.32, Application for water service-15.32.040-Deposits

HEARING FROM THE PUBLIC

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REPORTS FROM CITY OFFICIALS

Mayor
Administrator-staff report
Aquatic Manager
City Clerk
City Planner-staff report, Ord.638
Harbormaster
Library
Police Sergeant-staff report
Public Works
Treasurer
Parks and Rec

READING OF CORRESPONDENCE

- Correspondence from the Alaska Permanent Capital Management-2011 August report
- Correspondence from Alaska Municipal League-conference in Fairbanks
- Correspondence-State of Alaska VS Intervenors in New Challenge to 2001 Roadless Rule's Application in Alaska

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

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UNFINISHED BUSINESS

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NEW BUSINESS

- Consider award, Prince of Wales Health Care Center Curb Rebuild Project
- Review and comment on Alaska DOT/PF Southern Southeast Transportation Plan
- Swearing in of newly elected council members and signing of oaths

ADJOURNMENT

ROLL CALL

Mayor Millie Schoonover called the meeting to order at 7:30 p.m. and the roll was taken. Present were Joni Kuntz, Marge Young, Don Pierce and Mike Douville. Absent excused was Greg Head and Jim See.

Staff present: Jon Bolling, City Administrator; Vicki Hamilton, City Clerk; Brian Templin, City Planner; Robert Ely, Police Sergeant; Joyce Mason, Treasurer

Audience present: Roberta Landgren, Kevin Barry, and Cheryl Fecko

The consent agenda was presented; it contained the city council minutes of September 1, 2011; and the first reading of Ordinance No. 638, Authorizing the city administrator to negotiate a lease of city-owned property with Silver Bay Seafoods.

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

HEARING FROM THE PUBLIC

Final reading and public hearing on Ordinance No. 637, An ordinance amending Title 18, Craig Land Development Code, Section 18.05.002, Residential-Medium Density (RM) Zone. There were no comments.

READING OF CORRESPONDENCE

There were no comments.

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Ordinance No. 637, An ordinance amending Title 18, Craig Land Development Code, Section 18.05.002, Residential-Medium Density (RM) Zone, was presented.

PIERCE/DOUVILLE: moved to adopt Ordinance No. 637. MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

UNFINISHED BUSINESS

None to consider.

NEW BUSINESS

- **Consider approval of grant agreement with E.P.A.-**

PIERCE/DOUVILLE: moved to authorize staff to sign E.P.A. grant agreement No.XP-00J49301-0.
MOTION CARRIED UNANIMOUSLY

NEW BUSINESS CONTINUED-

- **Purchase of Lot 2, Block 27, USS 1430**-Brian Templin said he was looking for direction from the council to start the formal process of purchasing the property or not. This property, which belongs to First Bank, could provide 3-5 parking spaces in the downtown area. There was discussion as to whether the city would consider purchasing it, or not. Jon Bolling stated the city does plan on replacing the downtown pump station. The design work for the pump station has not been done yet. Jon mentioned that there was a fuel oil tank buried on the western portion of that property. There was discussion; no action was taken.
- **Consider approval of stairway for Prince of Wales Health Care Center**-Jon Bolling reported the tenants at the Prince of Wales Health Care Center would like a stairway added to the building site. There is a fair amount of traffic between the first and second floors. They would like the stairway to be installed on the north end of the building. Jon stated if the city was to install the stairway, it would most likely cost the city more than its one-third share under the city's current proposal with ANTHC and the Denali Commission, who each would provide their one-third share to this project. If the council decides there is a need, they should direct staff to work with ANTHC to install the stairway at one-third the cost. Jon added that staff at the Prince of Wales Health Care Center would like to replace the north door in the PeaceHealth section of the building and install a wider door to accommodate movement of an ambulance gurney in and out of the building. Jon stated these two projects would not draw from the City of Craig general fund money. The projects will be funded through Alaska Native Tribal Health Consortium and the Denali Commission. The city is responsible to fund \$36,300 of this project.

PIERCE/YOUNG: moved to appropriate \$36,300 toward the construction of an exterior stairway at the Prince of Wales Health Clinic and to appropriate an additional \$3,120 for the wider door at the north end for the gurney. MOTION CARRIED

- **Harbormaster's recommendations for changes to live-aboard fees**-Jon asked the council if they wanted to consider an ordinance to the Craig Municipal Code that would remove the 15-day per month policy for the live-aboard fee. Currently the code says if you're on board the boat 15 days or more in a month, you're subject to the live-aboard fee. Another issue the harbormaster deals with are the pets that the live-aboards have. The harbor staff spends some of their time dealing with pet waste on the docks. Daniel Nelson, the harbormaster, would like to establish a live-aboard fee for pets at the harbors. The council was in agreement with bringing an ordinance before the council at the next meeting with changes regarding the live-aboard policy.

PIERCE/DOUVILLE: moved to adjourn the regular meeting and convene in executive session for the purpose of doing an evaluation of our city administrator. MOTION CARRIED

EXECUTIVE SESSION

Evaluation of the city administrator-

PIERCE/DOUVILLE: moved to adjourn executive session. MOTION CARRIED

Executive session adjourned at 8:24 p.m.

ADJOURNMENT

DOUVILLE/KUNTZ: moved to adjourn. MOTION CARRIED

The meeting adjourned at 8:25 p.m.

APPROVED _____

MAYOR A. MILLIE SCHOONOVER

ATTEST _____
VICKI HAMILTON, CITY CLERK

**City of Craig
Memorandum**

Date: October 1, 2011

To: Mayor and City Council

From: Daniel Nelson, Harbormaster

Re: Ordinance No. 639

The Harbor live-aboard policy, 4.30.010 is being amended with council's approval, because I have been receiving many complaints from the vessel owners saying that they have not been in town for more than fifteen (15) days out of a said month. To eliminate this problem, this ordinance establishes a flat fee of \$50.00 for those individuals making their vessel their residence.

CITY OF CRAIG

ORDINANCE NO. 639

AMENDING CHAPTER 4.30-RULES FOR HARBOR
4.30.010 LIVE-ABOARD POLICY

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

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted shall become a part of the code of the City of Craig, Alaska.

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

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

Section 4. Action. This ordinance deletes those words that are in brackets with strikethrough text and adds those words that are underlined, as follows:


- A. A person living aboard his/her own or another person's vessel [~~for 15 days within any 30-day period~~] is considered a live-aboard for purposes of this title.
- B. Pets may be kept on a live-aboard vessel at the discretion of the harbormaster.

APPROVED _____

MAYOR A. MILLIE SCHOONOVER

ATTEST
VICKI HAMILTON, CITY CLERK

CITY OF CRAIG
MEMORANDUM

To: City Council
From: Joyce Mason, Treasurer 
Date: October 3, 2011
Re: Ordinance No. 640 and 641

Attached are Ordinances No. 640 and 641. These ordinances add to the water and sewer ordinances pertaining to deposits which are made to the city at the time services are requested. In the past the deposits have been held indefinitely and interest was paid on the amounts. The staff would like to apply the deposit after one year and discontinue paying interest. This change will alleviate the accounting hassle of tracking the deposits over a number of years.

Recommendation

Approve first reading of Ordinance No. 640 and 641 at the October 6, 2011 meeting.

CITY OF CRAIG

ORDINANCE NO. 640

AN ORDINANCE AMENDING 15.12. APPLICATION FOR SEWER SERVICE-
15.12.030-DEPOSITS

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

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted shall become a part of the code of the City of Craig, Alaska.

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

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

Section 4. Action. This ordinance deletes those words that are in brackets with strikethrough text and adds those words that are underlined and bolded, as follows:

At the time the deposit is given, the applicant will be given a receipt for the same. The deposit is not to be considered as a payment on account. In the event that water service is discontinued as provided in CMC 15.16.040 through 15.16.070, the deposit will be applied to the total amount due for sewer and water service and any amount in excess of the total amount due will be refunded. [~~The city will pay a reasonable rate of interest on deposits, the rate to be determined by resolution of the council.~~]

If account is in good standing after one year, the deposit will be applied to current balances.


PASSED AND APPROVED ON: _____

ATTEST _____

MAYOR A. MILLIE SCHOONOVER

VICKI HAMILTON, CITY CLERK

CITY OF CRAIG
MEMORANDUM

To: City Council
From: Joyce Mason, Treasurer 
Date: October 3, 2011
Re: Ordinance No. 640 and 641

Attached are Ordinances No. 640 and 641. These ordinances add to the water and sewer ordinances pertaining to deposits which are made to the city at the time services are requested. In the past the deposits have been held indefinitely and interest was paid on the amounts. The staff would like to apply the deposit after one year and discontinue paying interest. This change will alleviate the accounting hassle of tracking the deposits over a number of years.

Recommendation

Approve first reading of Ordinance No. 640 and 641 at the October 6, 2011 meeting.

CITY OF CRAIG

ORDINANCE NO. 641

AN ORDINANCE AMENDING 15.32 APPLICATION FOR WATER SERVICE-
15.32.040-DEPOSITS

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

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted shall become a part of the code of the City of Craig, Alaska.

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

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

Section 4. Action. This ordinance deletes those words that are in brackets with strikethrough text and adds those words that are underlined and bolded, as follows:

At the time that the deposit is given, the applicant will be given a receipt for the same. The deposit is not to be considered as a payment on account. In the event the service is discontinued, the deposit will be applied to the closing bill and any amount in excess of the closing bill will be refunded. [~~The city will pay a reasonable rate of interest on deposits, the rate to be determined by resolution of the council~~].

If account is in good standing after one year, the deposit will be applied to current balances.

PASSED AND APPROVED ON: _____

MAYOR A. MILLIE SCHOONOVER VICKI HAMILTON, CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

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



1. Roadless Rule Litigation

I participated in a teleconference on September 21, 2011 with the attorneys handling this case, and with about twelve of the seventeen intervenors, of which the City of Craig is one. The purpose of the teleconference was to receive an update from the attorneys on the progress of the case.

In short, the State of Alaska filed in Washington DC Federal District Court an action against the Department of Agriculture and the US Forest Service to have the roadless rule repealed. The City of Craig and sixteen other parties have petitioned the court to join the action as intervenors, supporting the State of Alaska. Our petition to the court to join as intervenors is not opposed by the Federal Government. The Federal District Court in Washington DC has not ruled on our petition to intervene. The attorneys for the intervenors feel that the court is likely to approve the petition for intervention.

The court recently denied a motion from the Federal Government to move the case from Federal District Court in Washington DC to a court in the Ninth Circuit. Our group opposed the motion to move the venue of the case.

2. New Curb at POW Health Care Center

I sent out requests for bids to several contractors to demolish the existing curb and pour new curb where the access road to the POW Health Care Center meets the separated path that parallels the Craig-Klawock Highway. Bids for the work are due next week. The council had asked staff some time ago to arrange for a new curb at the site after a bicycle accident there in 2010.

3. Wood Drying Equipment

Negotiations are ongoing for a draft lease with Viking Lumber Co. for operation of the proposed wood drying equipment. I hope to have this process complete by the first week of October and then send the draft the staff at the Alaska Energy Authority, and to the small mill operators who attended the recent Craig city council meeting where the council authorized city staff to begin lease negotiations.

I continue to believe that this project can result in great benefits for Craig and Prince of Wales Island, and look forward to bringing a final draft of the lease to the council at its October 20 meeting.

4. Wind Data at FAA Camera Web Site

I have collected several letters of support for installing automated wind and other weather data-collecting equipment here in Craig for use by aircraft and boats. I plan to submit a request soon to the National Weather Service for this equipment.

5. POW Vocational/Technical Facility

As the council will recall, in 2010 the State of Alaska sold general obligation bonds for a number of capital projects around the State of Alaska. One of the projects funded by the bond is \$3.2 million for a POW vocational technical center, intended to provide a facility to improve vocational education. Per statute, the funding will be channeled through the City of Klawock.

The POW Voc. Tech. Center steering committee continues to meet regularly to work toward construction of the proposed secondary and postsecondary facility. The committee recently heard a report from Mr. Jeff Selvey, who talked about his experience starting up a similar program in Northwest Alaska a number of years ago. Mr. Selvey also talked about the Alaska Regional Training Center program and how the POW project might fit into that program. The advisory committee has established three subcommittees to work on tasks specific to the project: a building design committee; a partnership committee; and a management plan committee.

The group has much still to do, including completing a number of tasks that meet the timeline imposed by the State of Alaska to expend the funding set aside for the project, about \$800,000 of which must be expended by December.

6. Public Works Director Recruitment

After a long period of receiving few applications from qualified candidates, the city received a rush of applications recently, some of which are from applicants with appealing backgrounds. Staff has interviewed seven candidates in the past two weeks. I hope to narrow the list of candidates to two or three by the week of October 3, conduct final interviews and work with the Mayor to make an offer to the best candidate. Current public works director Steve Tanner plans to work through March 31, 2012.

7. Sea Otter Management

I am working with city attorney Steve Silver and staff from Congressman Don Young's office, and with staff from Tlingit & Haida Central Council and the Craig Tribal Association, to line up Alaskans to testify in support of the Congressman's bill to amend the Marine Mammal Protection Act to allow trade in sea otter hides. No hearing date has been set yet.

8. Travel Schedule

I have no plans to travel off Prince of Wales Island the remainder of the calendar year.

Feel free to contact me with any questions.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: September 30, 2011
RE: Ordinance 638 – Lease of land to Silver Bay Seafoods – Postponement of final reading and approval

The council approved the first reading of Ordinance 638 at the September 15, 2011 council meeting and was scheduled to hear public comment and consider final approval of the ordinance at its October 6, 2011 meeting.

CMC 16.02.050 requires that public notice of the intent to lease city property must be posted in three public places in Craig for 30 days before the public hearing and that the notice has to be published in a newspaper of general circulation once per week for three weeks. The city routinely posts notices at city hall, First Bank and the Post Office and publishes them in the Island News.

Notice for the lease was posted in the required public places on August 22nd and the notice was sent to the Island News to be posted the same day. The city has not received its copies of the Island News for the last few weeks so it was just discovered that the notice had not been published. Since Island News failed to publish the notice for the last two weeks it is not possible to get the required three weeks of publication before the meeting on October 6th. Staff is working with the Ketchikan Daily News to get the notice published October 3rd, 10th and 17th so the ordinance can be considered at the meeting October 20th.

Staff will use the Ketchikan Daily News for future lease or sale notices to help avoid this problem in the future.

**CITY OF CRAIG
MEMORANDUM**



Date: September 28, 2011
To: Honorable Millie Schoonover, Craig City Council
Fr: Sgt. RJ Ely, Acting Police Chief
Re: Staff Report

RJ Ely

Chief Habib recently had a C.T. Scan, with positive results. Concerned area is shrinking and there is a good possibility that he might not have to have additional surgeries. He has stopped into the Police Department, a few times and is recovering well.

ACTIVITY

Activity for month of August is up from last month. Dispatch Center took the following amount of calls for service;

| | |
|---------|-----|
| Craig | 801 |
| Klawock | 324 |
| AST | 16 |

Juvenile crime(s) were extremely high during this time frame. Several felonies occurred, as well as misdemeanors. Several charges have been referred, to Juvenile Officer, as well as several charges filed in local court; juveniles charged as adults.

DEPARTMENT OF MOTOR VEHICLES

Drop off's have increased over the past month. This makes it easier / quicker for people to get certain DMV Documents faster and not having to wait in line. People are using this service more and it appears to be accommodating several people.

DISPATCHER

Dispatcher Nanette Wangerin (aka Nan) has resigned-retiring; her last day with the department will be September 30th, 2011. She worked over eight years, for the City of Craig / Craig Police Department.

Arletha Melton has been hired and begins working October 1st, 2011. She is excited about starting a career in dispatching. She will undergo an extensive training program, before being allowed to cover shifts alone.

OFFICERS

Ofc. Medina and myself attended a 911 remembrance gathering at the Church of God on September 11th, 2011.

Ofc. Medina and I have been making presentations, Elementary and Middle School students; Stranger Danger and over all safety tips.

OTHER

Department running smoothly and all employees are covering extra tasks.

Once Dispatcher Melton has been cleared for solo shifts, Dispatcher Martyluik will begin taking over DMV Work, with Supervisor Arrant. Along with this, Dispatcher Martyluik will begin scheduling CDL Road Tests. A few people have already signed up for this service, once it's offered.

OCS (Office of Children Services) office in Craig is vacant. They are currently advertising to fill this position. Until position filled, certain OCS Investigation(s) will take longer than normal.



September 12, 2011

sent via email

Ms. Joyce Mason
Treasurer
City of Craig
P.O. Box 725
Craig, Alaska 99921

Dear Ms. Mason,

Enclosed is the August report for the City of Craig, which includes a listing of portfolio assets, purchases and sales.

At month-end, the market value of the account was \$7,704,591. Based upon the composition of the portfolio, the expected annual income is \$88,134.

Our monthly commentary is attached.

Please call if you have any questions regarding this month's report.

Sincerely,

A handwritten signature in black ink, appearing to read "Bert Wagnon".

Bert Wagnon
Senior Vice President

A handwritten signature in black ink, appearing to read "Evan D. Rose".

Evan D. Rose
President and CEO

cc via email: Mr. Jon Bolling, City Administrator

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
August 31, 2011

| Quantity | Security | Average Cost | Total Average Cost | Price | Market Value | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|--|---|--------------|--------------------|--------|--------------|-------------|---------------|------------------|-------------------|
| U.S. TREASURY | | | | | | | | | |
| 125,000 | US TREASURY NOTES 0.625% Due 07-31-12 | 100.20 | 125,244 | 100.46 | 125,576 | 1.63 | 781 | 68 | 0.12 |
| 40,000 | US TREASURY NOTES 1.250% Due 10-31-15 | 98.51 | 39,405 | 102.34 | 40,938 | 0.53 | 500 | 168 | 0.68 |
| 100,000 | US TREASURY NOTES 3.750% Due 11-15-18 | 106.48 | 106,480 | 115.02 | 115,023 | 1.49 | 3,750 | 1,111 | 1.54 |
| 100,000 | US TREASURY NOTES 3.500% Due 05-15-20 | 104.04 | 104,039 | 112.55 | 112,555 | 1.46 | 3,500 | 1,037 | 1.93 |
| 50,000 | US TREASURY NOTES 2.625% Due 11-15-20 | 95.36 | 47,680 | 104.48 | 52,238 | 0.68 | 1,312 | 389 | 2.09 |
| | Accrued Interest | | | | 2,773 | 0.04 | | | |
| | | | 422,849 | | 449,103 | 5.83 | | 2,773 | |
| AGENCIES | | | | | | | | | |
| 50,000 | REGIONS BANK (FDIC GUARANTEED) 3.250% Due 12-09-11 | 104.31 | 52,156 | 100.80 | 50,402 | 0.65 | 1,625 | 370 | 0.29 |
| 50,000 | FHLB US GOVT AGENCY 5.250% Due 06-18-14 | 100.80 | 50,401 | 113.31 | 56,655 | 0.74 | 2,625 | 532 | 0.46 |
| 100,000 | FHLMC 3.750% Due 03-27-19 | 101.41 | 101,410 | 112.40 | 112,401 | 1.46 | 3,750 | 1,604 | 1.98 |
| | Accrued Interest | | | | 2,507 | 0.03 | | | |
| | | | 203,967 | | 221,965 | 2.88 | | 2,507 | |
| FNMA & FHLMC | | | | | | | | | |
| 50,000 | FHLMC 4.00% POOL G14203 4.000% Due 04-01-26 | 104.56 | 52,281 | 105.28 | 52,640 | 0.68 | 2,000 | 167 | 2.12 |
| | Accrued Interest | | | | 167 | 0.00 | | | |
| | | | 52,281 | | 52,806 | 0.69 | | 167 | |
| ASSET-BACKED SECURITIES | | | | | | | | | |
| 100,000 | GE CAPITAL CREDIT CARD MASTER NOTE TRUST 3.690% Due 07-15-15 | 103.37 | 103,375 | 102.60 | 102,599 | 1.33 | 3,690 | 164 | 0.70 |
| | Accrued Interest | | | | 164 | 0.00 | | | |
| | | | 103,375 | | 102,763 | 1.33 | | 164 | |
| COMMERCIAL MORTGAGE-BACKED SECURITIES | | | | | | | | | |
| 138,643 | WACHOVIA BK COML MTG TR 4.925% Due 08-01-11 | 95.78 | 132,794 | 101.92 | 141,306 | 1.83 | 6,828 | 569 | 3.36 |
| 90,931 | FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-11 | 100.55 | 91,428 | 100.88 | 91,730 | 1.19 | 4,941 | 412 | 4.36 |
| | Accrued Interest | | | | 981 | 0.01 | | | |
| | | | 224,222 | | 234,016 | 3.04 | | 981 | |

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
August 31, 2011

| Quantity | Security | Average Cost | Total Average Cost | Price | Market Value | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|--|--|--------------|--------------------|--------|--------------|-------------|---------------|------------------|-------------------|
| CORPORATE BONDS | | | | | | | | | |
| 100,000 | AT&T WIRELESS SVCS INC 8.125% Due 05-01-12 | 113.08 | 113,085 | 104.75 | 104,755 | 1.36 | 8,125 | 2,708 | 0.95 |
| 100,000 | UNITED PARCEL SVC INC 4.500% Due 01-15-13 | 99.57 | 99,575 | 105.50 | 105,497 | 1.37 | 4,500 | 575 | 0.47 |
| 100,000 | VERIZON VA INC 4.625% Due 03-15-13 | 95.70 | 95,705 | 105.09 | 105,088 | 1.36 | 4,625 | 2,133 | 1.27 |
| 50,000 | TOYOTA MOTOR CREDIT 1.375% Due 08-12-13 | 101.03 | 50,513 | 101.30 | 50,651 | 0.66 | 687 | 36 | 0.70 |
| 100,000 | CATERPILLAR FINANCIAL 6.125% Due 02-17-14 | 100.12 | 100,125 | 112.16 | 112,159 | 1.46 | 6,125 | 238 | 1.10 |
| 100,000 | JP MORGAN CHASE & CO 4.750% Due 03-01-15 | 97.18 | 97,176 | 106.25 | 106,252 | 1.38 | 4,750 | 2,375 | 2.86 |
| 100,000 | HSBC FINANCE CORP 5.500% Due 01-19-16 | 100.21 | 100,206 | 107.99 | 107,988 | 1.40 | 5,500 | 642 | 3.51 |
| 50,000 | BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16 | 99.98 | 49,990 | 103.90 | 51,950 | 0.67 | 1,050 | 300 | 1.24 |
| 100,000 | WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18 | 99.57 | 99,572 | 114.40 | 114,405 | 1.48 | 5,750 | 479 | 3.24 |
| 75,000 | GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18 | 88.27 | 66,205 | 110.82 | 83,115 | 1.08 | 4,219 | 1,406 | 3.77 |
| 100,000 | GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19 | 116.51 | 116,514 | 114.24 | 114,238 | 1.48 | 7,500 | 333 | 5.17 |
| | Accrued Interest | | | | 11,226 | 0.15 | | | |
| | | | 988,666 | | 1,067,324 | 13.85 | | 11,226 | |
| DOMESTIC LARGE CAP EQUITY FUNDS/ETF | | | | | | | | | |
| 27,986 | SPDR S&P 500 ETF TRUST | 137.16 | 3,838,597 | 122.22 | 3,420,449 | 44.39 | NA | | |
| DOMESTIC MID CAP EQUITY FUNDS/ETF | | | | | | | | | |
| 5,496 | ISHARES S&P MIDCAP 400 | 69.71 | 383,101 | 87.56 | 481,230 | 6.25 | NA | | |
| INTERNATIONAL FUNDS/ETF | | | | | | | | | |
| 22,638 | VANGUARD MSCI EAFE ETF | 38.93 | 881,295 | 33.98 | 769,239 | 9.98 | NA | | |
| REAL ESTATE | | | | | | | | | |
| 12,857 | VANGUARD REIT ETF | 56.44 | 725,700 | 57.61 | 740,692 | 9.61 | NA | | |
| TREASURY BILLS | | | | | | | | | |
| 50,000 | US TREASURY BILLS 0.000% Due 05-31-12 | 99.83 | 49,916 | 99.95 | 49,975 | 0.65 | NA | 0 | 0.07 |

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
August 31, 2011

| <u>Quantity</u> | <u>Security</u> | <u>Average Cost</u> | <u>Total Average Cost</u> | <u>Price</u> | <u>Market Value</u> | <u>Pct. Assets</u> | <u>Annual Income</u> | <u>Accrued Interest</u> | <u>Yield to Maturity</u> |
|-----------------------------|---------------------------------|-------------------------|-------------------------------|--------------|-------------------------|------------------------|--------------------------|-----------------------------|----------------------------------|
| CASH AND EQUIVALENTS | | | | | | | | | |
| | CASH PAYABLE | | -38,042 | | -38,042 | -0.49 | NA | | |
| | FEDERATED GOVERNMENT OBLIGATION | | 153,069 | | 153,069 | 1.99 | | | |
| | | | 115,027 | | 115,027 | 1.49 | | | |
| TOTAL PORTFOLIO | | | 7,988,996 | | 7,704,591 | 100 | 88,134 | 17,817 | |

Alaska Permanent Capital Management Co.

TRANSACTION SUMMARY

CITY OF CRAIG

From 08-01-11 To 08-31-11

| Trade Date | Settle Date | Security | Quantity | Trade Amount |
|-------------------------------------|-------------|--|-----------|-------------------|
| PURCHASES | | | | |
| DOMESTIC LARGE CAP EQUITY FUNDS/ETF | | | | |
| 08-15-11 | 08-18-11 | SPDR S&P 500 ETF TRUST | 628.0000 | 75,051.53 |
| 08-31-11 | 09-06-11 | SPDR S&P 500 ETF TRUST | 310.0000 | 38,042.43 |
| | | | | 113,093.96 |
| | | | | 113,093.96 |
| TRANSFERS IN | | | | |
| CASH AND EQUIVALENTS | | | | |
| 08-16-11 | | FEDERATED GOVERNMENT OBLIGATION | | 0.47 |
| FNMA & FHLMC | | | | |
| 08-16-11 | | FHLMC 4.00% POOL G14203 4.000% Due 04-01-26 | 49,999.55 | 52,280.78 |
| | | | | 52,281.25 |
| TRANSFERS OUT | | | | |
| FNMA & FHLMC | | | | |
| 08-16-11 | | FGCI TBA 4.00% 4.000% Due 08-01-26 | 50,000.00 | 52,281.25 |
| | | | | 52,281.25 |
| DEPOSITS AND EXPENSES | | | | |
| CASH AND EQUIVALENTS | | | | |
| 08-16-11 | 08-16-11 | CASH PAYABLE | | 52,281.25 |
| 08-16-11 | 08-16-11 | CASH PAYABLE | | 83.33 |
| | | | | 52,364.58 |
| | | | | 52,364.58 |

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 08-01-11 To 08-31-11

| Trade Date | Settle Date | Security | Quantity | Trade Amount |
|---------------------------------------|----------------|---|----------|-----------------|
| INTEREST | | | | |
| ASSET-BACKED SECURITIES | | | | |
| 08-15-11 | 08-15-11 | GE CAPITAL CREDIT CARD MASTER NOTE TRUST 3.690% Due 07-15-15 | | 307.50 |
| CASH AND EQUIVALENTS | | | | |
| 08-01-11 | 08-01-11 | FEDERATED GOVERNMENT OBLIGATION | | 0.35 |
| COMMERCIAL MORTGAGE-BACKED SECURITIES | | | | |
| 08-01-11 | 08-09-11 | FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51 | | 414.81 |
| 08-01-11 | 08-14-11 | WACHOVIA BK COML MTG TR 4.925% Due 08-01-41 | | 578.33 |
| | | | | 993.14 |
| CORPORATE BONDS | | | | |
| 08-01-11 | 08-01-11 | WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18 | | 2,875.00 |
| 08-12-11 | 08-12-11 | TOYOTA MOTOR CREDIT 1.375% Due 08-12-13 | | 343.75 |
| 08-15-11 | 08-15-11 | GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19 | | 3,750.00 |

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 08-01-11 To 08-31-11

| Trade Date | Settle Date | Security | Quantity | Trade Amount |
|---------------------------------------|----------------|--|----------|-------------------|
| 08-17-11 | 08-17-11 | CATERPILLAR FINANCIAL 6.125% Due 02-17-14 | | 3,062.50 |
| | | | | 10,031.25 |
| | | | | 11,332.24 |
| PRINCIPAL PAYDOWNS | | | | |
| COMMERCIAL MORTGAGE-BACKED SECURITIES | | | | |
| 08-01-11 | 08-09-11 | FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51 | 673 | 672.99 |
| 08-01-11 | 08-14-11 | WACHOVIA BK COML MTG TR 4.925% Due 08-01-41 | 2,271 | 2,271.01 |
| | | | | 2,944.00 |
| | | | | 2,944.00 |
| PURCHASED ACCRUED INTEREST | | | | |
| FNMA & FHLMC | | | | |
| 08-16-11 | 08-16-11 | FHLMC 4.00% POOL G14203 4.000% Due 04-01-26 | | 83.33 |
| | | | | 83.33 |
| SALES, MATURITIES, AND CALLS | | | | |
| U.S. TREASURY | | | | |
| 08-15-11 | 08-16-11 | US TREASURY NOTES 0.625% Due 07-31-12 | 75,000 | 75,342.77 |
| 08-18-11 | 08-19-11 | US TREASURY NOTES 2.625% Due 11-15-20 | 125,000 | 131,884.77 |
| | | | | 207,227.54 |
| | | | | 207,227.54 |

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 08-01-11 To 08-31-11

| Trade Date | Settle Date | Security | Quantity | Trade Amount |
|------------------------------|----------------|---------------------------------------|----------|-----------------|
| SOLD ACCRUED INTEREST | | | | |
| FNMA & FHLMC | | | | |
| 08-16-11 | 08-16-11 | FGCI TBA 4.00% | | 83.33 |
| | | 4.000% Due 08-01-26 | | |
| U.S. TREASURY | | | | |
| 08-15-11 | 08-16-11 | US TREASURY NOTES | | 20.38 |
| | | 0.625% Due 07-31-12 | | |
| 08-18-11 | 08-19-11 | US TREASURY NOTES | | 855.98 |
| | | 2.625% Due 11-15-20 | | |
| | | | | 876.36 |
| | | | | 959.69 |
| WITHDRAW | | | | |
| CASH AND EQUIVALENTS | | | | |
| 08-01-11 | 08-01-11 | CASH RECEIVABLE | | 625.00 |
| 08-01-11 | 08-01-11 | FEDERATED GOVERNMENT OBLIGATION | | 4,080.59 |
| 08-15-11 | 08-15-11 | FEDERATED GOVERNMENT OBLIGATION | | 2,007.85 |
| | | | | 6,713.44 |
| | | | | 6,713.44 |

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES

CITY OF CRAIG

From 08-01-11 Through 08-31-11

| <u>Date</u> | <u>Quantity</u> | <u>Security</u> | <u>Avg. Cost Basis</u> | <u>Proceeds</u> | <u>Gain Or Loss</u> |
|--------------|-----------------|--|----------------------------|-------------------|---------------------|
| 08-01-11 | 673 | FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51 | 676.67 | 672.99 | -3.68 |
| 08-01-11 | 2,271 | WACHOVIA BK COML MTG TR 4.925% Due 08-01-41 | 2,175.20 | 2,271.01 | 95.81 |
| 08-15-11 | 75,000 | US TREASURY NOTES 0.625% Due 07-31-12 | 75,146.49 | 75,342.77 | 196.28 |
| 08-18-11 | 125,000 | US TREASURY NOTES 2.625% Due 11-15-20 | 119,200.61 | 131,884.77 | 12,684.16 |
| TOTAL GAINS | | | | | 12,976.25 |
| TOTAL LOSSES | | | | | -3.68 |
| | | | 197,198.97 | 210,171.54 | 12,972.57 |

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 08-01-11 To 08-31-11

| Trade Date | Settle Date | Tran Code | Activity | Security | Amount |
|--|-------------|-----------|-----------------------|---|-------------------|
| CASH PAYABLE | | | | | |
| 08-01-11 | | | Beginning Balance | | -52,364.58 |
| 08-16-11 | 08-16-11 | dp | Transfer from | FEDERATED GOVERNMENT OBLIGATION | 52,281.25 |
| 08-16-11 | 08-16-11 | dp | Transfer from | FEDERATED GOVERNMENT OBLIGATION | 83.33 |
| 08-31-11 | 09-06-11 | wd | Purchase | SPDR S&P 500 ETF TRUST | -38,042.43 |
| 08-31-11 | | | Ending Balance | | -38,042.43 |
| FEDERATED GOVERNMENT OBLIGATION | | | | | |
| 08-01-11 | | | Beginning Balance | | 63,568.19 |
| 08-01-11 | 08-01-11 | dp | Transfer from | CASH RECEIVABLE | 625.00 |
| 08-01-11 | 08-01-11 | dp | Interest | WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18 | 2,875.00 |
| 08-01-11 | 08-09-11 | dp | Interest | FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51 | 414.81 |
| 08-01-11 | 08-09-11 | dp | Paydown | FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51 | 672.99 |
| 08-01-11 | 08-14-11 | dp | Interest | WACHOVIA BK COML MTG TR 4.925% Due 08-01-41 | 578.33 |
| 08-01-11 | 08-14-11 | dp | Paydown | WACHOVIA BK COML MTG TR 4.925% Due 08-01-41 | 2,271.01 |
| 08-01-11 | 08-01-11 | dp | Interest | FEDERATED GOVERNMENT OBLIGATION | 0.35 |
| 08-01-11 | 08-01-11 | wd | Withdrawal | from Portfolio | -4,080.59 |

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 08-01-11 To 08-31-11

| Trade Date | Settle Date | Tran Code | Activity | Security | Amount |
|------------------------|-------------|-----------|-----------------------|--|-------------------|
| 08-12-11 | 08-12-11 | dp | Interest | TOYOTA MOTOR CREDIT 1.375% Due 08-12-13 | 343.75 |
| 08-15-11 | 08-16-11 | dp | Sale | US TREASURY NOTES 0.625% Due 07-31-12 | 75,342.77 |
| 08-15-11 | 08-16-11 | dp | Accrued Interest | US TREASURY NOTES 0.625% Due 07-31-12 | 20.38 |
| 08-15-11 | 08-18-11 | wd | Purchase | SPDR S&P 500 ETF TRUST | -75,051.53 |
| 08-15-11 | 08-15-11 | dp | Interest | GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19 | 3,750.00 |
| 08-15-11 | 08-15-11 | dp | Interest | GE CAPITAL CREDIT CARD MASTER NOTE TRUST 3.690% Due 07-15-15 | 307.50 |
| 08-15-11 | 08-15-11 | wd | Withdrawal | from Portfolio | -2,007.85 |
| 08-16-11 | 08-16-11 | wd | Transfer to | CASH PAYABLE | -52,281.25 |
| 08-16-11 | 08-16-11 | wd | Transfer to | CASH PAYABLE | -83.33 |
| 08-16-11 | 08-16-11 | li | Addition | to Portfolio | 0.47 |
| 08-17-11 | 08-17-11 | dp | Interest | CATERPILLAR FINANCIAL 6.125% Due 02-17-14 | 3,062.50 |
| 08-18-11 | 08-19-11 | dp | Sale | US TREASURY NOTES 2.625% Due 11-15-20 | 131,884.77 |
| 08-18-11 | 08-19-11 | dp | Accrued Interest | US TREASURY NOTES 2.625% Due 11-15-20 | 855.98 |
| 08-31-11 | | | Ending Balance | | 153,069.25 |
| CASH RECEIVABLE | | | | | |
| 08-01-11 | | | Beginning Balance | | 625.00 |

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF CRAIG
From 08-01-11 To 08-31-11

| Trade Date | Settle Date | Tran Code | Activity | Security | Amount |
|-------------------|--------------------|------------------|-----------------------|------------------------------------|---------------|
| 08-01-11 | 08-01-11 | wd | Transfer to | FEDERATED GOVERNMENT OBLIGATION | -625.00 |
| 08-31-11 | | | Ending Balance | | 0.00 |

MONTHLY PERSPECTIVES

ECONOMY & MARKETS

It was a pretty rough month for risk assets. Investors' mood soured early on as the debt ceiling debate lingered to the bitter end. Then the drama of an S&P downgrade of the U.S. credit rating to AA+ played out in the midst of data showing that economic growth has slowed to "stall speed" of around 1% or so. Concern over a "double dip" recession began making the rounds. Europe's sovereign debt crisis enveloped Spain and Italy and then spilled over to the banking system. In the background was memory of the panic of 2008 exacerbating fears. The media was on the story with ominous headlines and "breaking news." All of this led to wild trading in August and lower stock prices.

A semblance of calm returned later in the month and stock prices did bounce back a bit. Still, U.S. large cap stocks (S&P 500) lost -5.4%. Smaller stocks as measured by the S&P 600 were down -7.7%. More carnage was seen overseas. The European Stoxx 600 posted losses of -10.2% and emerging markets (Brazil, Russia, India, and China) were off -8.9%.

Both gold and Treasuries rallied strongly, but it's not inflation fears that are driving these markets. Rather the loss of confidence in the government's ability to get their hands around macroeconomic issues including jump starting sluggish economies that have deficit/debt problems. Gold gained +12.1% to end the month at \$1,827 an ounce. WTI oil lost \$7 per barrel and settled in at \$89.

The Treasury market had its biggest monthly gain since December of 2008. The yield curve flattened with two year bonds down 15bp to yield 0.2%, while long 30 year bonds fell 50bp to yield 3.6%. An initial flight to quality rally was helped along when the Federal Reserve offered to keep short rates at record lows for two years to help the economy. They reckon inflation will be tame given slack in the economy and a 9.1% unemployment rate.

Corporate bonds fared poorly. According to Bank of America (BAC) the extra yield investors demand to own corporate bonds compared to treasuries has climbed to 227 basis points, the highest level since October 2009. The financials were particularly hard hit, although BAC got a boost when Warren Buffett agreed to purchase \$5 billion of their preferred stock.

I know what you're thinking. Other than that Mrs. Lincoln, how was the play? Frankly there isn't a lot of good macroeconomic news out there. But, the markets reflect this circumstance. However just like the news surrounding Hurricane Irene we believe that this storm in the markets is passing by and investors will experience clearer skies ahead.

We've said this before, but Benjamin Graham's famous quote is worth repeating. "In the short run the stock market is voting machine. In the long run it is weighing machine." Valuation in the stock market is attractive. A price earnings ratio of around 11 means an earnings yield of 9% on the S&P 500. The dividend yield is 2.3%. The Barclays Treasury index yields 1.1%. Even 10 year Treasuries are about 2%. Investors should favor stocks over bonds.

That doesn't mean that you shouldn't own bonds in a diversified portfolio. They do provide some protection against really bad deflationary scenarios. But long term investors should tilt away from them a bit. Bond only investors should be tilting to spread product like intermediate corporate and high quality AAA rated CMBS securities. Taxable investors should look at municipals. U.S. government bonds are overvalued in our view.

I hope everyone had a wonderful Labor Day holiday.

Jeff Pantages, CFA
Chief Investment Officer

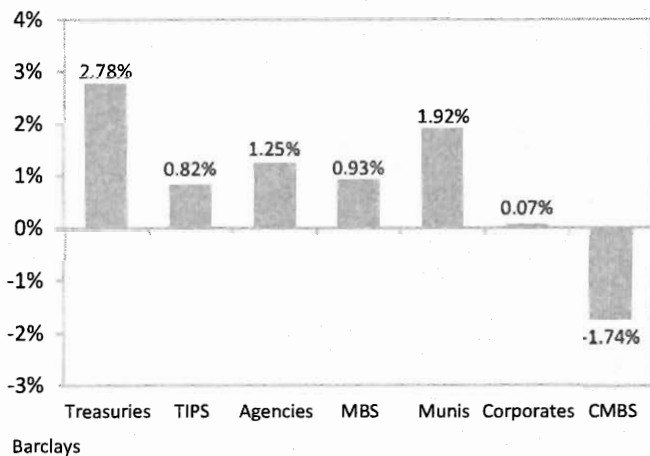


Bill Lierman
Sr. Investment Analyst

■ Fixed income markets showed another month of strong positive returns. The FOMC noted in its statement that it “now expects a somewhat slower pace of recovery... and downside risks to the economic outlook have increased.” In addition, the FOMC expects to keep low level of rates through mid-2013.

■ The risk off trade was in place as the Treasury and TIPS market rallied +2.78% and +0.82% respectively. Interest rates continue to plummet across the curve with the 10yr nominal bond leading the way decreasing 58bp.

July 2011 Bond Total Return



■ Corporates were very volatile and delivered a negative excess return (vs. Treasuries). Investors continued to shy away from risk as lower rated issues underperformed those of higher quality.

■ The U.S. sovereign debt downgrade had a direct effect on the Government Sponsored Entities as they were also downgraded by S&P. Agency debt and mortgage backed securities yielded negative excess returns vs. Treasuries.

■ Commercial real estate investors continued to price in harsh economic news as CMBS produced a negative -1.74% absolute return.

■ Despite net outflows, municipal bonds returned a positive +1.92% for the month with below average issuance.

■ August was an extremely difficult month, equity markets plummeted around the world as investors became concerned that the declining stock market will cause GDP to contract. Investors also continued to focus on the European sovereign debt crisis and its potential impact on the banking sector.

■ These fears weighed down on already fragile investor confidence and August marked the worst month thus far in 2011 in terms of monthly performance for the S&P 500 (-5.4%). Mid (-7.1%) and small caps (-7.7%) had almost identical returns.

■ Emerging market equities fell -15.1% before rebounding 6% to end the month down -8.9%. Nevertheless, emerging markets experienced their largest monthly decline since October 2008.

■ The Dow Jones-UBS Commodity Index ended up +1.0% for the month. Coffee (+18.5), corn (+13.6%), and gold (+12.3%) had the strongest gains. Physical commodities such as food are favored in uncertain economic environments because of their consistent demand.

■ According to data compiled by Bloomberg, the number of CEOs cutting profit forecasts fell 38% below average in August. A total of 138 companies reduced earnings forecast compared with the historical average of 221.

Total Return (%) as of August 31, 2011

| | One Month | Three Month | Six Month | Twelve Month |
|--|-----------|-------------|-----------|--------------|
| Domestic Equities | | | | |
| Large Cap S&P 500 | -5.4 | -8.9 | -7.2 | 18.5 |
| Mid Cap S&P 400 | -7.1 | -12.2 | -8.9 | 22.9 |
| Small Cap S&P 600 | -7.7 | -12.3 | -8.1 | 24.4 |
| International Equities | | | | |
| Developed MSCI EAFE | -9.0 | -11.6 | -11.1 | 10.0 |
| Emerging MSCI Emerging Markets | -8.9 | -10.7 | -5.1 | 9.1 |
| Other | | | | |
| Commercial Property S&P U.S. REIT | -5.7 | -7.3 | -2.2 | 18.5 |
| Commodities DJ-UBS Commodity | 1.0 | -1.3 | -1.0 | 25.8 |
| Fixed Income | | | | |
| Total Bond Market Barclays Aggregate | 1.5 | 2.8 | 5.5 | 4.6 |
| 1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov | 0.3 | 0.6 | 1.4 | 1.5 |
| Int'l Treasury Barclays Global Tsy ex-US | 1.4 | 3.2 | 8.0 | 12.3 |



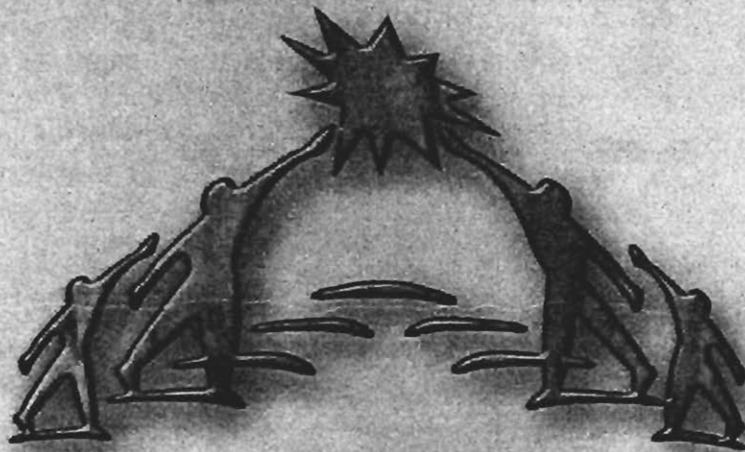
Brandy Niclai, CFA
Sr. Investment Analyst



ALASKA MUNICIPAL LEAGUE

ANNUAL LOCAL GOVERNMENT CONFERENCE

NOVEMBER 7-11, 2011



Stepping It Up

CONFERENCE

Registration Packet

Westmark Hotel and Convention Center
Fairbanks, Alaska

Alaska Municipal League

Stepping it Up!

Municipalities have greatly increased their political effectiveness over the last several years.

We successfully reinstated Revenue Sharing, providing a GROWING, consistent revenue stream for municipalities to provide basic services.

We negotiated with the State to keep municipal PERS rate to a flat 22%.

We have successfully fought back many attempts to place unfunded mandates on Alaska's municipalities.

Now is the time we need to be STEPPING IT UP to assure that the interests of municipalities and our residents are protected – to work for funding for transportation, energy and the greater good of our communities and our state.

We have the position, the ability, and the resources to inform and engage the public like *no one* else can.

We have the relationships and the perspectives that allow us to be in tune with what the people in our

communities need, so they can be the productive and contributing citizens they want to be.

We have the contacts to tap the power and the talents of the great people in our neighborhoods, our communities and our State.

Now is the time for all municipal officials to join together and plan how we can step up to these responsibilities.

The 2011 Alaska Municipal League Annual Local Government Conference will provide the place and the opportunity.

You can provide the energy, vision, and commitment to make this leadership possible.

Be part of this important and influential "STEP UP!"

Be part of the 2011 Alaska Municipal League Annual Local Government Conference!

Municipal Policy

An important part of the Annual Local Government Conference is to discuss and approve the 2012 AML Policy Statement and Legislative Priorities, adopt Resolutions, and create consensus on key legislative issues. AML members are invited to comment and/or propose amendments to the Policy Statement, Legislative Priorities and Resolutions during the four policy sections." The process is completed at the 61st Annual Business Meeting where the entire membership will review and adopt the 2012 documents.

Training & Networking

AML provides the best training in the state on issues facing municipal leaders. The conference also offers networking opportunities between communities and municipal officials. Preconference events for AML Affiliate Associations begin Saturday, November 5, 2011.

The 61st Annual Conference begins Wednesday, November 9 at 9:30 a.m.

Newly Elected Officials

Building a solid leadership foundation begins with AML's Newly Elected Officials (NEO) Seminar. It is one of Alaska's most highly regarded training programs for local leaders. Officials who would like a refresher course and those who are newly elected to office are invited to attend.

The NEO Seminar takes place on Monday & Tuesday, November 7 & 8, starting at 8:00 a.m. A separate registration fee is required. A \$50 discount is offered for NEO participants who also attend the Local Government Conference. Please come and join us!

Hotel & Travel Information

Hotel

Westmark Fairbanks Hotel
813 Noble Street
Fairbanks, Alaska 99701-4977
Phone: (907) 456-7722

Toll Free: (800) 544-0970

RATE:** Single/Dbl: \$75/night

***does not include 8% occupancy tax*

To receive the conference rates above you must **Mention AML** when registering.

Rates are guaranteed until October 20, 2011.

Rental Cars

Several Rental Car companies in the Fairbanks area are offering AML discounted rates during the Annual Conference. Please visit www.akml.org for a complete list of rates and carriers.



Airlines

Alaska Airlines: A 7% discount is available on all regular Alaska Airlines fares to Fairbanks.

- Go online to www.alaskaair.com and use the e-certificate code **ECMF15** when searching for flights or
- Call the Alaska Airlines Group Reservation Desk: **1-800-445-4435** and use the code **MF15**. A \$15.00 ticketing fee will apply for bookings made by calling Group Reservation Desk.

ERA Aviation: A 15% discount is available for all flights on ERA related to Annual Conference travel. Call: **1-800-866-8394** and use the code **AML11** to receive this discount. Some restrictions apply.

Pre-Conference Contacts & Conference Overview

Affiliate Pre-Conference Events

Saturday - Tuesday
Nov. 5-8, 2011

Alaska Association of Municipal Clerks
Kathryn Weber, MMC
City of North Pole
125 Snowman Lane
North Pole, AK 99705
Phone: 907 488-8583
www.alaskaclerks.org

Sunday - Tuesday
Nov. 6-8, 2011

American Planning Association - AK Chapter
Lauren Krueger
Mat-Su Borough
350 E. Dahlia Ave.
Palmer, AK 99645
Phone: 907 745-9855
lauren.krueger@matsugov.us

Monday - Wednesday
Nov. 7-9, 2011

Alaska Government Finance Officers Association
Elizabeth Hartley
Mat-Su Borough
350 E. Dahlia Ave
Palmer, AK 99645
Phone: 907 745-
www.akgfoa.com

Monday & Tuesday
Nov. 7&8, 2011

Alaska Municipal Attorneys Association
A. Rene' Broker
Fairbanks North Star Bor.
P.O. Box 71267
Fairbanks, Alaska 99707
Phone: 907 459-1318
Fax: 907 459-1155
RBroker@fnsb.us

Alaska Association of Assessing Officers
Kelly Taylor
Municipality of Anchorage
632 W. 6th Ave., Ste 320
Anchorage, AK 99501
Phone: 907 343-6891
taylorkp@muni.org

Alaska Municipal Management Association
Betty Svensson, AML
217 2nd St, Ste. 200
Juneau, AK 99801
(907) 586-1325
betty@akml.org

Tuesday
Nov. 8, 2011

Alaska Conference of Mayors
Betty Svensson, AML
217 2nd St, Ste. 200
Juneau, AK 99801
(907) 586-1325
betty@akml.org

Alaska Municipal League Events

Pre-Conference

Monday & Tuesday, Nov. 7&8, 2011

Newly Elected Officials Training

- Roles and Responsibilities of Municipal Officials
- Budget and Governmental Accounting
- Open Meetings Act
- Quasi-Judicial Role and Ex Parte Contact
- Ethics and Conflicts of Interest
- Parliamentary Procedures and Conducting Effective Meetings and much more...

Conference

Wednesday, Nov. 9, 2011

- All Day - Registration & Exhibits
- Opening Session
- Opening Day Luncheon & Keynote
- Day One Workshops I, II
- Fairbanks North Star Borough Host Reception

Thursday, Nov. 10, 2011

- All Day - Registration & Exhibits
- Policy Section Meetings
- Day Two Workshops III, IV
- Day Two Luncheon
- Resolutions Committee
- ACoM Silent Auction & AML President's Reception
- 61st Annual Awards Banquet

Friday, Nov. 11, 2011

- Board of Directors Elections
- Annual Business Meeting
- 2012 AML Board of Directors

2011 CONFERENCE REGISTRATION

Skip This



Visit: WWW.AKML.ORG

To Register & Pay Online By Credit Card

Conference Fees

\$50.00 discount with joint Conference & NEO registration.

AML Member*

Conference _____ \$325

Newly Elected

Officials _____ \$225

Conference &

NEO _____ \$500

One Day Attendance:

Wednesday _____ \$175

Thursday _____ \$175

Friday _____ \$175

After 10/07/11 _____ \$50

AML Non-Member*

Conference _____ \$400

Newly Elected

Officials _____ \$300

Conference &

NEO _____ \$650

One Day Attendance:

Wednesday _____ \$225

Thursday _____ \$225

Friday _____ \$225

After 10/07/11 _____ \$50

TOTAL \$ _____ TOTAL \$ _____

**Member Rates apply to employees and local officials of member municipalities, and to AML Affiliate and Associate organizations.*

Cancellation Policy

Cancellations or changes must be made in writing on municipal/organization letterhead and received by mail or fax no later than Friday October 21, 2011. No refunds will be made for "no-shows" or cancellations after this date. "No-shows" will be billed for the full amount. AML can not be responsible for cancellations due to weather. If you have any questions, please contact Betty Svensson at (907) 586-1325 or betty@akml.org.

Credit Card Payment:

Mastercard

Card Number _____

Exp. CVC# _____

Name On Card _____

Online Address _____

Return Registration Form & Check/
Money Order To:

MAIL: Alaska Municipal League
217 2nd St., Ste. 200, Juneau, AK 99801

Delegate Information

(Please Copy and Attach Additional Forms for Multiple Attendees)

Delegate Name _____

Name to Appear on Badge _____

Municipality/Organization _____

Title _____

Preferred E-mail Address (contact reasons only) _____

Billing Information

Name _____

Title _____

Address _____

City, State, Zip _____

Telephone/Fax _____

E-mail Address (contact reasons only) _____

DO YOU HAVE SPECIAL DIETARY NEEDS?

*If so, AML would like to help out! Please call us at
(907) 586-1325 to discuss alternate menu options.*



THE BEST WAY TO SEE
ALASKA
IS ON THE RAILROAD

Interested in a FREE ride?

The Alaska Railroad is sponsoring a free train ride to Fairbanks for municipal officials to attend the AML Conference in November.

Departure Date: Sunday, November 6, 2011

Pick up times are as follows:

7:00 a.m.

Anchorage Railroad Depot

411 West 1st Avenue

Anchorage, Alaska 99501

8:20 a.m.

Wasilla Railroad Depot

415 E. Railroad Ave

Wasilla, Alaska 99654

The City of Wasilla has graciously arranged for this transportation opportunity! To reserve your space today, or ask questions, please contact:

Jamie Weddell with the City of Wasilla

Phone: 907-373-9033

Email: jweddell@ci.wasilla.ak.us

At the time of reservation, please provide the name of the attendee as it appears on a state issued identification.

Deadline to register: Friday, October 14, 2011!

If your municipality will donate refreshments, please also let Jamie know that too.

Hope you will join us!

Southwest Conference and Alaska Forest
Association – Intervenor in New Challenge
to 2001 Roadless Rule’s Application in
Alaska

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STATE OF ALASKA V. U.S.
DEPARTMENT OF AGRICULTURE, D.C.
DISTRICT COURT CASE NO. 11-1122
(FILED JUNE 17, 2011)

PRESENTED BY JULIE WEIS
HAGLUND KELLEY JONES & WILDER LLP

2001 Roadless Rule: What Is It? Why Care?

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- Roadless Area Conservation Final Rule, 66 Fed. Reg. 3244 (Jan. 12, 2001)
- Issued During the Waning Days of the Clinton Administration
- Designed to End Virtually All Logging, Road Building and Development in Inventoried Roadless Areas
- One-Size-Fits-All Rule
- Led to Extensive Litigation and Spent Much of Its Existence Not in Effect

2001 Roadless Rule Led To Extensive Litigation

- 2001: Bush Administration Delayed Rule
- 2001: Idaho District Court Preliminarily Enjoined Rule
- 2003: Ninth Circuit Reversed, Rule in Effect April 14, 2003
- 2003: Wyoming District Court Invalidated Rule July 14, 2003
- 2005: Bush Administration Issued Alternative and Voluntary State Petitions Rule
- 2006: California District Court Invalidated State Petitions Rule, Reinstated 2001 Roadless Rule
- 2008: Wyoming District Court Invalidated Rule Again
- 2010: Obama Administration Appealed Wyoming District Court's Decision, Case Argued Before the Tenth Circuit

What About Alaska?

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**2001 ROADLESS RULE AND THE
2003 TONGASS EXEMPTION**

Treatment of the Tongass:

Draft EIS

versus

Final EIS

versus

Final 2001

Roadless Rule

- **2001 Roadless Rule Draft EIS**
 - Four Tongass Alternatives
 - Preferred Alternative: Defer Decision Until Forest Plan 5-Year Review in 2004
- **2001 Roadless Rule Final EIS**
 - Preferred Alternative: Apply Rule to Tongass But Mitigate Hurtful Effects By Waiting Until 2004
- **Final 2001 Roadless Rule**
 - Immediate Application to the Tongass
 - Effective Date March 13, 2001

State of Alaska Sued the Forest Service

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- Lawsuit Filed February 1, 2001 Challenging Roadless Rule's Application in Alaska
- Intervenor's Joined the State
 - Alaska Forest Association, Ketchikan Gateway Borough, City of Wrangell, Chugach Alaska Corp., Two Individuals
- Alleged Violations of Federal Laws Including ANILCA and the TTRA
 - ANILCA "No More" Clause: Congress Already Struck the Proper Balance Between Protection and Development
 - TTRA "Seek to Meet Market Demand for Timber" Clause
- Case Stayed During Ninth Circuit Roadless Rule Litigation
- June 2003 Settlement
 - Led to Interim Rule Exempting the Tongass

June 2003 Settlement

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**“FEDERAL DEFENDANTS HAVE
BECOME CONCERNED ABOUT
APPLICATION OF THE
ROADLESS RULE TO THE
NATIONAL FORESTS IN
ALASKA.”**

2003 Settlement Led to the Tongass Exemption

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- **Tongass Exemption Rule Issued December 30, 2003**
 - Interim Rule
 - Alaska-Specific Rulemaking Was to Follow
- **Tongass Exemption Acknowledged the 2001 Roadless Rule's Hurtful Impacts in Southeast Alaska**

Tongass Exemption

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- “The roadless rule significantly limits the ability of communities to develop road and utility connections that almost all other communities in the U.S. take for granted.”
- “Only 4 percent of the Tongass is available for commercial timber harvest About half of this is in inventoried roadless areas. Further reductions in areas available for timber harvest . . . would have unacceptable social, aesthetic, and environmental impacts.”

Tongass Exemption

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- “Roadless areas are common, not rare, on the Tongass National Forest, and most Southeast Alaska communities are significantly impacted by the Roadless Rule. The department believes that exempting the Tongass from the prohibitions in the Roadless Rule is consistent with congressional direction and intent in the ANILCA and the TRRA legislation.”
- “There is a need to retain opportunities for the communities of Southeast Alaska regarding basic access and utility infrastructure. This is related primarily to road systems, the State ferry system, electrical utility lines, and hydropower opportunities that are on the horizon.”

Tongass Exemption

- “Roadless values are plentiful on the Tongass and are well protected by the Tongass Forest Plan. The minor risk of the loss of such values is outweighed by the more certain socioeconomic costs of applying the Roadless Rule’s prohibitions to the Tongass. Imposing those costs on the local communities of Southeast Alaska is unwarranted.”

Tongass Exemption Challenged in Court

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**DECEMBER 2009: GREENPEACE
AND OTHER PLAINTIFFS FILED
LAWSUIT ALLEGING THE
TONGASS EXEMPTION
VIOLATED NEPA**

Greenpeace Challenge to the Tongass Exemption

13

- **Intervenors Joined the Forest Service in Defending the Tongass Exemption**
 - State of Alaska
 - Alaska Forest Association
- **Greenpeace Alleged:**
 - Forest Service Overestimated the Hurtful Effects to Southeast Alaska from Application of the Roadless Rule
 - Forest Service Should Have Considered Other Alternatives For Managing Tongass Roadless Areas
- **Court Ruled in Favor of Greenpeace March 2011**

Court Vacates Tongass Exemption

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- **Court's Reasons for Vacating Tongass Exemption:**
 - Unreasonable to Rely on Long-Term Job Losses Associated with the 2001 Roadless Rule to Justify an Interim Rule
 - Roadless Rule Was Designed to Ensure a Smooth Transition for Forest Dependent Communities
 - Job Losses Were Attributable to Decline in Market Demand, Not the 2001 Roadless Rule
 - No evidence the 2001 Roadless Rule would significantly limit the Development of Road and Utility Connections
 - Forest Service Did Not Explain Its Reversal of Position on the Adequacy of the Tongass Forest Plan's Protection of Roadless Values
 - Tongass Exemption Not Founded on Forest Service's Concern that Roadless Rule Violated ANILCA and the TTRA

Court Reinstates 2001 Roadless Rule

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- No Analysis on the Issue of Remedy – Just Reinstated the 2001 Roadless Rule
- Instructed Parties to Confer on a Form of Judgment Consistent With Court’s Ruling
 - Forest Service Conferred with Greenpeace and to Lesser Extent the State and the Alaska Forest Association
- Proposed Judgment of Forest Service and Greenpeace
 - Identified Certain Projects Not Prohibited by 2001 Roadless Rule or Not Challenged by Greenpeace
 - Effort by Forest Service to Avoid Project-Specific Challenges to Extent Possible
 - State and Alaska Forest Association Took Position that Not Enough Projects Were Listed
- Alternative Proposed Judgment Submitted by State

Court Reinstates 2001 Roadless Rule

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- **State's Alternative Proposed Judgment**
 - State Emphasized It Was Not in a Position to Identify All Projects that Should be on the List
 - Supported by Alaska Forest Association
 - Alaska Forest Association Emphasized It Opposed Any Form of Judgment that Would Essentially End Timber Harvest on the Tongass
- **Judge Sedwick Adopted the Forest Service/Greenpeace Form of Judgment With Minor Changes**
- **State is Appealing Decision to Ninth Circuit**

Tongass is the Nation's
Largest National Forest

Its 16.8 Million Acres
Covers About 80% of the
Land Area in Southeast
Alaska

Without Roadless Rule,
at least 90% of the
Tongass Off-Limits to
Resource Management
Activities

With Roadless Rule,
Only About 1% of
Tongass Available for
Timber Harvest Over
Current 100-year
Planning Cycle

Similar Constraints on
Other Economically-
Beneficial Uses



United States
Department of
Agriculture

Forest Service
R10-MB-603a

January 2008



Tongass Land and
Resource Management Plan

**Final Environmental
Impact Statement**

Plan Amendment

Record of Decision

**Tongass is a National Forest, Not a
National Park. It is Unlawful to Set Aside
Any National Forest for Non-Use.**

**Déjà Vu – State of Alaska Sues
Forest Service**

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**SOUTHEAST CONFERENCE AND
ALASKA FOREST ASSOCIATION
ARE INTERVENORS IN NEW
CHALLENGE TO APPLICATION
OF THE 2001 ROADLESS RULE
IN ALASKA**

**FILED JUNE 17, 2011 IN D.C. DISTRICT
COURT**


**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 1, 2011
RE: Bid for New Curbing at POW Health Care Center

I sent out a solicitation to several contractors recently, asking for bids to replace the curb where the separated path meets the access road to the Prince of Wales Health Care Center. The curb there has been the location of at least two bicycle accidents in the past year, and the bid solicitation I sent out calls for a more gradual curb transition than the one in place now.

Bids are due Tuesday, October 5 at 2:00 p.m. I will summarize the bids and bring the results to the council for consideration of award at the October 6 meeting.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: October 1, 2011
RE: Southeast Alaska Transportation Plan Comment Period

Attached you will find a copy of the Southeast Alaska Transportation Plan scoping report. In short, Alaska DOT/PF periodically updates the Southeast Alaska Transportation Plan. The public portion of the process begins in earnest with the publication of the attached scoping report. DOT collects comments on the scoping report and subsequently publishes a draft plan, which is also published for public comment.

The heart of the scoping document is the six proposed alternatives. One of these alternatives, Alternative 5, would greatly increase traffic through Prince of Wales Island, using the ports at Hollis and Coffman Cove. In this alternative, the Alaska Marine Highway would rely on shorter ferry runs and existing and proposed highways to shuttle passengers and freight around Southeast Alaska. Under this scenario, summer round trip traffic between Hollis and Ketchikan would increase to 21 sailings per week, up from the current seven sailings, and 14 sailings during winter months. The Coffman Cove terminal would see 14 sailings per week to Wrangell and South Mitkoff Island.

State DOT staff will hold a public meeting on the scoping document here in Craig the evening of October 12. The State is accepting comments on the scoping report until Friday, November 4.

Please take some time to review the scoping document and provide comments to me so that I can submit written comments to DOT on behalf of the City of Craig.