

CITY OF CRAIG  
COUNCIL AGENDA  
June 5, 2014  
COUNCIL CHAMBERS 7:00 P.M

**ROLL CALL**

Mayor Dennis Watson, Greg Head, Joni Kuntz, Jim See, Don Pierce, Mike Douville and Jan Storbakken

**BOARD OF EQUALIZATION**

- Consideration of appeals on 2014 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.*

- City Council Minutes of May 1, 2014

**HEARING FROM THE PUBLIC**

- Open for public comment
- Resolution 14-14, Appointment of City Clerk
- Resolution 14-15, PILT FY15

**REPORTS FROM CITY OFFICIALS**

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

**READING OF CORRESPONDENCE**

- APCM April Report
- Prince of Wales Health Network funding request
- Cannery Harbor Project update

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

1. Resolution 14-14, Appointment of City Clerk
2. Resolution 14-15, PILT FY15

**UNFINISHED BUSINESS**

1. Discussion of Ford Property

**NEW BUSINESS**

1. IFA Bridge Loan
2. Action on Employee Health Insurance for FY2015

CITY OF CRAIG  
COUNCIL AGENDA  
June 5, 2014  
COUNCIL CHAMBERS 7:00 P.M

**NEW BUSINESS CONT.**

3. Harbor Write off accounts

**ADJOURNMENT**

RECEIVED

YEAR 2014  
ACCT# 532900

APR 30 2014

PETITION# \_\_\_\_\_  
APPT. TIME \_\_\_\_\_

CITY OF CRAIG  
CRAIG, ALASKA

CITY OF CRAIG

PETITION FOR ADJUSTMENT OF ASSESSED VALUATION OF PROPERTY

Property Description: USS or HS \_\_\_\_\_ Block/Tract \_\_\_\_\_ Lot \_\_\_\_\_

Other R 81E SEC 5 SE 1/4

Physical address of Property Shoon Seet Trailer Court

Current Assessment: Land \$ 1,562,200 Buildings \$ 253,000 Total \$ 1,815,200

The petitioner represents that on January 1, 2014, Shoon-Seet Inc was the owner of the above described property and hereby requests the Assessor to review and adjust the assessment and asks that the assessed value of said property for the current year be fixed as follows:

Land \$ 1,400,000 <sup>of Improvements</sup> Buildings \$ 200,000 Total \$ 1,600,000

**Please answer the following questions:**

What do you consider is the present market value of the property? \$1,400,000

Age of building or trailer? No Buildings

In what year was the property acquired? 1974

What was the purchase price? ANCSA ANCSA

Changes made to property since purchase Water, Sewer and Power installed to 118 lots

Contract cost of improvements \_\_\_\_\_

In what manner was the property acquired?(private sale or otherwise) Transfer

Has the property ever been offered for sale? Yes \_\_\_\_\_ No X

If so, state the asking price and date \_\_\_\_\_

**The petitioner=s request for change must be based on specific reasons:**

There is an error or omission on the assessment of my property for the following reasons:

No major improvements have been made, as time goes on the water & sewer lines continue to deteriorate devaluing the property

(Use back of form or attachments for more room.)

I declare the above statements are true and correct.

JAMES CARRE  
(print name)

\_\_\_\_\_ Date

Home Phone \_\_\_\_\_

Work Phone \_\_\_\_\_

**ASSESSORS USE ONLY**

Action of Assessor

Upon due consideration, I **have/have not** changed the assessed value to:

Land \$ \_\_\_\_\_ Buildings \$ \_\_\_\_\_ Total \$ \_\_\_\_\_

The petitioner was informed of my decision **in person/by phone/by mail** on \_\_\_\_\_, 20\_\_\_\_.

Taxpayer

I **accept** the assessors action \_\_\_\_\_ Date \_\_\_\_\_

Signed: \_\_\_\_\_

I **reject** the assessors action and appeal to the Board of Equalization

\_\_\_\_\_ Date \_\_\_\_\_

Signed: \_\_\_\_\_

DESCRIPTION: acct # 8.329

USE ZONE:

INFLUENCE	%	(+) or [-]	SIZE: 259,182 ± (5.95 acres)
Topography			ASSESSOR CALCULATES 1BAC @ 20.000/AC 360,000
Drainage			AREA CHANGES: Add 1 acre for Rocky Mountain Aviation "Bunkhouse" See BACK of folder for sketch

RECALCULATIONS					USE WITH BUILDING		
YR.	APPR.	REASON FOR RECALCULATIONS	SF AREA	SF VALUE/COST	RCN	NET COND. %	VALUE

		ASSESSED VALUATION			
YR.	OWNER	LAND	IMP.	TOTAL	REASON FOR CHANGE
1998	SHAAN SEET	1,578,400	697,100	2,275,500	L+10% B+5%
1999		1,578,400	732,000	2,310,400	
2000		1,578,400	732,000	2,310,400	
2001		1,578,400	732,000	2,310,400	
2002		1,578,400	732,000	2,310,400	
2003/04		1,578,400	583,500	2,161,900	-25% B
06		1,578,400	572,400	2,150,800	removed cookhouse

YR.	OWNER	LAND	IMP.	TOTAL	REASON FOR CHANGE
06		1,578,400	572,400	2,150,800	
07		1,578,400	530,300	2,108,700	Bunkhouse on R.V. move
08		1,578,400	530,300	2,108,700	
09		1,578,400	530,300	2,108,700	imp = hook up, ponds, roads, etc
2010		1,578,400	530,300	2,108,700	
2010		1,578,400	255,500	1,833,900	Adj BOE
2011		1,420,600	230,000	1,650,600	-10% commercial use

		ASSESSED VALUATION			
YR.	OWNER	LAND	IMP.	TOTAL	REASON FOR CHANGE
12		1,420,600	230,000	1,650,600	
13		1,420,600	23,000	1,650,600	NCIV
14		1,562,700	253,000	1,815,700	+10% L+10%

SHAAN SEET TRZL COAST

Owner Shaan SEET 1997 ROLL  
 Mailing Address POB 690 Craig Property Address \_\_\_\_\_  
 Permits \_\_\_\_\_ Date Built \_\_\_\_\_  
Trailer COURT

11 S.E. 1/4 Sec 5  
 TSS 174 S, R 81 E  
 Subdivision

BUILDING TYPE AND USE	FRAME	INTERIOR (CONTINUED)	PLUMBING		% COMPLETION
CATEGORY _____	WALLS _____	NO. BED-RM'S. _____	TUBS _____ W/SHOWER _____		
STORIES _____	FLOORS _____	NO. BATH-RM'S. _____	TOILETS _____		
ATTIC FIN. _____	ROOF _____	CEILING HGT. _____	BASINS _____		
BASEMENT _____	CEILING _____	BASEMENT _____	SHOWER STALLS _____		
FRAME _____	EXTERIOR _____	1ST FLOOR _____	KITCHEN SINKS _____		
CONCRETE _____	CONCRETE _____	2ND FLOOR _____	WATER SOURCE _____		
LOG _____	SHEATHING _____	3RD FLOOR _____	SEWER SOURCE _____		
OTHER _____	INSULATION _____	ATTIC _____	GRADE PER LEVEL		
	SIDING _____	FLOORS _____	BASEMENT _____		
FOUNDATION	SHAKES _____	SUB-FLOOR _____	1ST FLOOR _____		FOUNDATION
CONCRETE _____	LOG _____	KITCHEN _____	2ND FLOOR _____		BASEMENT
CONCRETE BLK. _____	OTHER _____	DINING _____	ELECTRICAL		SUB-FLOOR
WOOD POST _____	ROOF _____	LIVING RM. _____	WIRED _____		FRAMING
WOOD SILLS _____	GAB _____ FLAT _____ SHED _____	BED-ROOMS _____	AMPS 100 _____ 200 _____		SUB-ROOF
OTHER _____	"A" FRAME _____ GAM _____ HIP _____	BATH _____	OUTLETS P. A. G. _____		ROOF ON
	OTHER _____	HEAT	LIGHTING P. A. G. _____		EXT. PAINT
BASEMENT	SHAKES _____	STOVE _____	GARAGE		EXT. SIDING
PARTIAL _____	COMP _____ SHINGLE _____	OIL FURNACE _____			INSULATION
FULL _____	INSULATION _____	GAS FURNACE _____			PLUMB. RUF-IN
WOOD _____	TAR PAPER _____	COAL FURNACE _____			PLUMB. FINISH
CONCRETE _____	METAL _____	COMB. FURNACE _____			ELECTRIC RUF-IN
OUTSIDE ENT. _____	BUILD-UP _____	ELECTRIC _____			ELECTRIC FINISH
REC. ROOM _____	OTHER _____	SPACE HEAT _____			INTERIOR DECOR
LIVING ROOM _____	INTERIOR	OTHER _____			INTERIOR FINISH
FIN. WALLS _____	OPEN STUDS _____	FIREPLACE			BLT-IN/INT. TRIM
FIN. CEILING _____	INSULATION _____	1ST FLOOR _____			SASH/ DOORS
FIN. FLOORS _____	WALL BOARD _____	2ND FLOOR _____			FLOOR FINISH
HEATED _____	MASONRY _____	BASEMENT _____			HEAT
NO. OF ROOMS _____	WOOD PANELING _____				
OTHER _____	LOG _____				
	OTHER _____				

3200 LF WATER SWR  
 2300 LF ROADWAY (POLES AND CANT)  
 SAY 3000 LF O.A. DATE STAKE ROAD

1997 ROLL  
 PHASE I+II 24, 2 AC @ \$32,100/AC \$776,820  
 70% DEVELOPED, 16.94 AC @ 27,720 469,577  
 '96 MPD SA 3.8 AC @ 32,100 121,980  
 DEVS. 2.4 AC @ 66,477  
 LAND \$1,434,854

IMPROVE RIGHTS  
 92 OLD SPACES @ 1,500 EACH \$138,000  
 28 NEW SPACES @ 14,000 \$392,000

BUNKHOUSE 1996 VALUE  
 1996 96,500 @ 1.10  
 00001425 14x60 = 840 @ 33

\*\* 2005 - REMOVE 11,100 BUNKHOUSE

2003 NET COSTS  
 106,150 } 40% = 53,500  
 27,720 }  
 133,870  
 663,89  
 583,500  
 1% 106 LOT SUBDVC 38,000 EACH  
 3,180,000 x .60% = 1,908,000  
 1,908,000 + 53,500 = 1,961,500  
 1,961,500 / 1.13 = 1,735,832  
 1,735,832 + 222,600 = 1,958,432  
 1,958,432 / 1.13 = 1,732,245

OST	AGE	CONDITION	BUILDING COST
			92,000
			96,500
		GRADING	230,000
			188,500
AREA CALCULATION			418,500

NET - GROUND AREA		
TH	LENGTH	AREA

TOTAL REPLACEMENT COST		TOTAL
COST CONVERSION FACTOR		A.V.
ADJUSTED REPLACEMENT COST		

1997 TOTAL Hook ups = 120

SCALE = 1/4" = \_\_\_\_\_ FT.

CITY OF CRAIG  
COUNCIL MEETING  
THURSDAY MAY 1, 2014

---

**ROLL CALL**

Mayor Dennis Watson called the meeting to order at 7:00 p.m. and the roll was taken. Present were, Jim See, Jan Storbakken, Joni Kuntz, Don Pierce and Greg Head. Absent excused was Mike Douville.

**Staff present:** Jon Bolling, City Administrator; Joyce Mason, Treasurer; Jessica Holloway, Aquatic Manager; Kassi Bateman, City Clerk; Chaundell Piburn, EMS Coordinator; Daniel Nelson, Harbormaster; Ron McIntosh, Public Works Director; Victoria Merritt, Parks and Recreation; Amy Marshall, Librarian; Otis Gibbons, Parks and Public Facilities

**Audience present:**

**CONSENT AGENDA**

The consent agenda was presented, it contained:

- City Council Minutes of April 3, 2014
- City Council Minutes of April 17, 2014
- Introduction and First Reading of Ordinance 660, FY15 Operational Budget

PIERCE/KUNTZ

moved to approve the consent agenda as written.  
MOTION CARRIED

**HEARING FROM THE PUBLIC**

**REPORTS FROM CITY OFFICIALS**

**Mayor/IFA-** The IFA staff have been busy in Hollis. The IFA made the Governor's supplemental budget for \$500,000. Senator Steadman also requested a \$500,000 appropriation which made it in the budget as well. The IFA may request a bridge loan from the City of Craig in order to bridge the gap between the last portion of this fiscal year and the time that the appropriated funds are released to the IFA's staff. Mayor Watson went to the wolf meeting this week, and it was a positive meeting.

**Administrator-** Provided a written report. Mayor Watson and Jon will be traveling to Washington DC later this month to meet with Steve Silver and officials in DC to discuss mining on POW, Capital Projects, Harbor expansion, timber sales, and other issues.

**Treasurer-** Sales tax will be down this quarter from the previous. Staff is working on the new health care plan options and may check other healthcare companies.

**Aquatic Manager-** Provided a written report.

**City Clerk-** Provided a written report.

**City Planner-** Absent excused.

**EMS Coordinator-** Regional EMS Symposium was this month, and the EMS department had a visit from Dr. Bott.

**Harbormaster-** Working on the North Cove Harbor parking.

**Police Chief-** Provided a written report.

**Public Works-** Provided a written report. Next week is clean up week.

**Parks and Rec-** Provided a written report.

**Library-** Provided a written report.

**Parks and Public Facilities-** Nothing new to report.

## **READING OF CORRESPONDENCE**

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

### **Resolution 14-10, Loan Payoff**

PIERCE/KUNTZ

moved to adopt Resolution 14-10.

Greg is concerned about “borrowing” funds from the Endowment Fund, as it would be favorable to leave the Endowment fund money in the account to increase the earnings off the account. Jim mentioned that the Endowment fund is for economic development, catastrophic events and etc. Jon explained that this option is based on the assumption that Silver Bay will continue to make their lease payment which will replenish the borrowed sum from the Endowment Fund. The City currently faces the same risk, although the funds are owed to the bank instead of to ourselves.

MOTION CARRIED UNANIMOUSLY

### **Resolution 14-11, Mil Levy**

KUNTZ/STORBAKKEN

moved to postpone Resolution 14-11 to the next regular meeting.

Jan mentioned that she has heard a lot of comments about the increase in assessments this year as well as the mil rate staying the same would create hardship on residents in Craig. Jim would rather wait until we hear what the cost for the health insurance policy will be this year.

MOTION CARRIED UNANIMOUSLY

### **Resolution 14-12, Reserve Accounts**

SEE/KUNTZ

moved to approve Resolution 14-12.

MOTION CARRIED UNANIMOUSLY

## **UNFINISHED BUSINESS**

### **1. Ford Property**

Nothing new to report.



**NEW BUSINESS**

**1. Craig City School District Budget**

Superintendent Jack Walsh was unable to present at this meeting. Jon requested for someone from the School District to be present at the May 15<sup>th</sup> meeting. The Council will reschedule this agenda item for the May 15<sup>th</sup> meeting.

**2. Award of Bid False Island Fill Project**

PIERCE/HEAD

moved to direct staff to award a contract to Trojan and Sons in an amount not to exceed \$92,785.00 to complete rock fill as outlined in the invitation for bids.

Jan Storbakken declared a conflict of interest and abstained from voting.

MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

HEAD/STORBAKKEN:

moved to adjourn at 8:03 p.m.

MOTION CARRIED

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR DENNIS WATSON

ATTEST \_\_\_\_\_  
KASSI BATEMAN, CITY CLERK

**CITY OF CRAIG  
MEMORANDUM**

To: Mayor and City Council  
From: Kassi Bateman, City Clerk  
Date: May 30, 2014  
RE: Resolution 14-14, Appointing Kassi Knock City Clerk

---

With Vicki Hamilton's resignation, Craig Municipal Code requires that a city clerk must be appointed by resolution as outlined in Section 2.04.020 Officers designated.

"The officers of the city are the mayor, six councilmen, the city attorney, the city administrator, the city clerk, the city treasurer (whose functions may be combined with that of the clerk), the chief of police and the fire chief. The mayor and members of the council shall be elected by direct vote of the electors of the city. All other officers shall be appointed by resolution of the council and may be removed only by such resolution. "

Recommendation: Approve Craig Resolution 14-14, accepting Vicki Hamilton's resignation and appointing Kassi Knock as City Clerk for the City of Craig.

**CITY OF CRAIG**

**RESOLUTION 14-14**

**APPOINTMENT OF KASSI KNOCK AS CITY CLERK**

WHEREAS, the position of City Clerk has become vacant per Vicki Hamilton's resignation, and;

WHEREAS, it has been determined by the Mayor, in accordance with 2.04.040 (C), of the Craig Municipal Code (CMC) that it is in the city's interest to hire Kassi Knock as the new City Clerk, and;

WHEREAS, Section 2.04.020 of the CMC provides that a city officer position must be appointed by resolution of the Craig City Council, and;

NOW, THEREFORE, BE IT RESOLVED, that the Council for the City of Craig hereby accepts Vicki Hamilton's resignation and appoints Kassi Knock as the Craig City Clerk, effective November 5, 2012

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR, DENNIS WATSON

ATTEST \_\_\_\_\_  
KASSI BATEMAN, CITY CLERK

## City of Craig Memorandum

Date: May 26, 2014

To: Mayor & City Council

From: Joyce Mason

Re: FY15 PILT Funding

---

Resolution 14-15 requests Payment in Lieu of Taxes funding for FY 15. 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. As a reminder, the PILT program was reauthorized for one more year. If Congress fails to reauthorize PILT the payment we receive this summer will be our last payment under this program. Currently the city receives approximately \$220,000 each year.

Recommendation:

Approve Resolution 114-15, Requesting FY15- Payment in Lieu of Taxes funding.

**CITY OF CRAIG  
RESOLUTION NO. 14-15**

**F/Y 2015 PAYMENT IN LIEU OF TAXES  
FUNDING RESOLUTION**

A RESOLUTION REQUESTING FY 15 PAYMENT IN LIEU OF TAXES FUNDING FROM THE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

WHEREAS, 3 AAC 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 Commerce, 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 maintained; and

WHEREAS, ordinances adopted by the city have been codified in accordance with AS 29.25.05;

NOW THEREFORE BE IT RESOLVED THAT: The Craig city council by this resolution hereby requests distribution from the FY 15 Payment in Lieu Program by the Department of Commerce, Community, and Economic Development on the date required by law.

PASSED AND APPROVED by a duly constituted quorum of the city council June 5, 2014.

\_\_\_\_\_  
MAYOR DENNIS WATSON

ATTEST \_\_\_\_\_  
KASSI BATEMAN, CITY CLERK

# **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 30, 2014  
RE: June Staff Report

---

## **1. Craig Aquatic Center**

Work by Jensen, Yorba, Lott and its subcontractors continue to work on the council-approved condition assessment contract at the aquatic center. The contractor will send staff to Craig again when the pool is drained for its annual maintenance shutdown that begins next week. The shutdown will allow the pool specialist to closely inspect the dry pool basins. The subsequent condition assessment report will provide direction to council and staff on how to proceed with maintenance and repairs to the building.

Recruitment efforts continue for the vacant lifeguard/swim coach position.

## **2. POWCAC Update**

POWCAC met in Coffman Cove on May 27. The agenda included a brief report of the legislative session from Rep. Kreiss-Tomkins, an update on development of a POW borough charter, emergency communications on POW, POW Watershed Association watershed assessment project, discussion of the USFS recreation funding, pending action by US Fish and Wildlife Service on local wolf populations, and a report from Alaska Power and Telephone on Reynolds Creek and their proposed electrical rate increase. As to the wolf issue, POWCAC members are very concerned about how federal action regarding wolf populations will negatively impact POW residents. The group directed me, as POWCAC chair, to write comments supporting state management of the species and discourage direct federal action on wolf management.

The next POWCAC meeting is set for July 22 in Whale Pass.

## **3. Appeal of AP&T Rate Increase Request**

I spoke recently with city attorney Bob Blasco on the appeal. Bob has offered the Regulatory Affairs and Public Advocacy (RAPA) Section of the Alaska Department of Law his services to assist the section in its review of the proposed rate increase. At this point I think this approach is the best for Craig because it has us working closely with the RAPA Section, which has extensive experience in public utility rate setting cases, and as such better access to legal experts and utility information than does the City of Craig. I continue to stay in touch with the other municipalities that filed appeals with us on the proposed rate change.

## **4. Replacement of Float at False Island Boat Launch Ramp**

The contractor has largely finished his work on this project. Harbor Department staff will now restart this week on the project to replace the floats at the boat launch ramp at the JT Brown Industrial Park. This week's work will include demolition and replacement of the concrete abutment at the site. During the week of May 5 the contractor will mobilize his tug and barge to the site to begin in water work. The ramp will be closed frequently to small boat use. The contractor has agreed to maintain the

ramp in usable condition for boat hauls using the hydraulic boat trailer at times agreed to with the Harbor Department staff to accommodate the busy season for hauling commercial boats for annual maintenance work. All work on the project is set for completion by May 22.

## **5. Washington DC Trip**

### Monday, May 19.

Met with Steve Silver at 5 p.m. over dinner to prepare for next two day's meetings. Reviewed briefing papers and talked about areas of emphasis with the various meeting groups.

### Meetings on Tuesday, May 20.

- US Army Corps of Engineers Civil Works Division staff.

We discussed Craig Cannery property project. I summarized the need for the project to COE staff, and our participation in the Corps' Small Boat Harbor Program. Dennis added comments about the demand for harbor space, including commercial and sport fishing use. Steve Silver added comments about Craig being the commercial center of POW Island, and tied in waterfront use to timber harvest.

Corps staff noted the connection between their reporting and subsequent authorization for projects in the Water Resources Development Act (WRDA), the current version of which is pending approval in the US Senate.

COE staff summarized the process for projects in the program. Once the first stage of the work is done the projects end up in Washington DC for review in what is called a chief's report. Based on the information in the report, including the project's calculated cost to benefit ratio, a given project may be forwarded to the federal Office of Management and Budget for inclusion in the president's budget, typically through the WRDA bill, which Congress considers periodically. The city should aim to be in a position for consideration in the next WRDA bill. While our project preliminarily has a good cost to benefit ratio, we need to continue to work to improve that score as the project proceeds through the Corps' review process. Corps staff emphasized the need for the city to show financial capability to construct its match portion of the project after the feasibility study is complete.

- Robert Bonney, USDA Undersecretary

We met with Robert Bonney to discuss several national forest issues. We began by reminding the undersecretary of the Craig wood boiler project, and the newer wood drying project. Included with this summary is the fact that we rely on Viking Lumber to supply wood chips for the wood boiler project, and Viking in turn needs logs from the timber sale program to stay in business. Dennis provided a history of the workings at the Klawock mill back to the 1970s. Dennis added that with regard to the Big Thorne timber sale that the USFS should move quickly to release it and emphasized that the agency should not drop units from the sale due to concerns about the wolf population on POW. Dennis added that wolf management issues can easily be addressed by the State of Alaska. He added that the USFS should not drop timber sale units now, before the Big Thorne sale is appealed, and if court does find some

shortcoming in the USFS NEPA review then the Forest Service can look to adjusting cutting units if needed.

Undersecretary Bonney stated that the Department of Agriculture is committed to the Big Thorne sale and understands that the local mill desperately needs the timber volume. His agency sees removing units from the Big Thorne sale as a means to make the sale less of a target for environmental groups and hope that in so doing the sale will not be delayed. We noted there is lots of anecdotal evidence of a healthy wolf population on POW.

Discussion then turned to the proposed Tongass Resource Advisory Committee (RAC). The RAC is intended to provide input to the USFS as it prepares to undertake a five-year review of the Tongass Land Use Management Plan. Mr. Bonney told us that the announcement of the RAC membership is imminent, and the RAC will follow the format in the Federal Advisory Committee Act as it makes recommendations to Forest Service staff. Dennis is among those who have applied for membership in the RAC.

Mr. Bonney then said that the Department of Agriculture has eliminated its practice of having high level USDA staff review permits for activities in roadless areas on the Tongass. I asked if that means that the level of review for permits for activities on roadless areas is now at the forest or ranger district level. Mr. Bonney stated he does not know the level of review now required, but that the USFS chief, who we would meet with next, does know.

We concluded our meeting with a discussion of road access to POW mines. I noted that the State of Alaska recently completed LIDAR mapping of a road corridor from the Polk Inlet road system to a point at or near the Niblack and Bokan Mountain mine. Dennis and I made clear to Mr. Bonney that the road is a local initiative seen as having great benefits for POW Island to support mine operations. The discussion also noted the challenges of getting a road to the mines given the terrain between the existing road system and the prospective mines.

- USFS Chief Tidwell

Dennis, Steve, and I then walked to the office of Mr. Tom Tidwell, Chief of the Forest Service and met with the chief and his staff: Ms. Emily Blount, Mr. John Exline, and Mr. Robert Harper. We discussed with this group essentially the same topics we spoke about with Mr. Bonney: Big Thorne timber sale, Tongass RAC, and road to mines. We also talked about Craig's biomass project, and the likelihood of a similar project at Craig High School.

The chief did elaborate on the change to permitting process in roadless areas. He said that while review by US Department of Agriculture management is no longer required for such projects, his authorization is still needed. He added that his practice is to make a decision on permits in roadless areas in a matter of hours, if not minutes.

Despite our statements that the USFS should not withdraw cutting units from the NEPA approved Big Thorne sale, the chief made it clear that the Forest Service is



likely to drop units from the sale in hopes of getting uncontested wood released for Viking to bid on. As we did with Mr. Bonney we expressed our doubts that such an approach is practical given the likelihood that the sale will be litigated. However, I think it is fair to say that the chief has his mind made up on the matter. He guessed that the volume of timber released will be somewhere between 80 and 120 million board feet, down substantially from the volume approved in the sale's record of decision. The chief added that even if some units are withheld from release due to concerns about the wolf, those units can be released later on if wolf issues are resolved. The chief said that once cleared through NEPA that the units can be offered within five years. He added that the Forest Service knows that the mills need the wood and that the service is committed to a release of the sale very soon.

With regard to the Tongass RAC, the chief said that the RAC appointments will be announced soon. He cited for us his experience with a forest-wide RAC experience in Idaho that he says was very successful in addressing land use controversies there, and hopes that the experience can be repeated in the Tongass. He stated that the Tongass Futures Roundtable came close to succeeding and he wants to try the Forest Service committee model to work through the five-year review.

In addition, the chief talked a bit about the transition of the Tongass timber program to young growth trees by changing some of what are currently standard forest service practices, including no longer using the standard of culmination of mean annual incremental (CMAI) growth before harvesting young growth. That potential change is now part of the Sealaska lands bill pending in the US Congress. In response to my question as to what will trigger eligible sale of young growth without CMAI, the chief responded that the Forest Service will use criteria such as sale economics, restoration, and access.

With regard to road access to the mines, the chief stated that he flew a prospective road route and made it a point to say how difficult the terrain along that route is for road building. In response to our comments that we hear from industry how difficult it is to obtain permission to work on tasks in roadless areas, the chief replied that the process is not so onerous.

- Senator Murkowski

Our next appointment was with Sen. Murkowski and staff. We started the meeting with staff Chuck Kleeschulte, Allison Nyholm, and Jay Sterne. Senator Murkowski joined us a few minutes later. Much of the discussion revolved around wolf management and the Big Thorne timber sale and our earlier meetings with Department of Agriculture staff. Mr. Kleeschulte also gave us an overview of the status of the PILT and Secure Rural Schools programs; his view is that the future of both programs is uncertain. I responded that currently Craig is better served through the PILT program than Secure Rural Schools. I added that if Congress wants to reduce the cost of the Secure Rural Schools program it could eliminate the Title II and Title III components of the program and lower the program's cost by 15 percent.

We also discussed the penalty imposed by the regulatory branch of the US Army Corps of Engineers when wetlands are developed in Southeast Alaska. I cited as an

example the fact that the Craig Tribal Association paid about \$45,000 to the Southeast Alaska Land Trust for the development work the tribe recently completed for their subdivision on East Hamilton Drive. I told the senator's staff that the penalty is an enormous disincentive for development for essential community needs—like housing—and that the cost does not seem to bring a proportional benefit. The senator's staff asked for information on the tribe's project here.

We also talked about the road to POW mines bill pending in the US Senate. Sen. Murkowski and her staff talked about the backup of public lands bills in the US Senate and the dynamics of the Senate Energy and Natural Resources Committee, where public lands bills must pass through before they can advance. It's fair to say that the POW road to mines bill faces an uncertain future in the US Senate, but Sen. Murkowski continues to include the bill in the list of

- Senator Begich

After our meeting with Senator Murkowski we walked to Sen. Begich's office and met with staff chief Michael Johnson, and with Legislative Assistant Steph Claus, and were joined a few minutes later by Sen. Begich. We began with a discussion about harbor development on the old cannery property. After describing where the city is with the US Army Corps of Engineers Civil Works Division on the project, discussion turned to the Water Resources Development Act bill, which provides direction to the Corps of Engineers for harbor projects around the country. The consensus is that we would like the cannery project to be ready for an authorization in the next WRDA bill, which may occur in 2017.

Discussion then turned to the Big Thorne Timber Sale and our concerns that the sale will be reduced in size due to concerns about wolf populations. Sen. Begich asked for a report from us after our meeting scheduled the next day with US Fish and Wildlife Service on wolf management.

We also talked about sea otter management problems in Southeast Alaska. Senator Begich stated that a change to sea otter rules, perhaps based on the upcoming reauthorization of the Magnuson/Stevens Act.

I asked if the senator's staff know of any funding programs through FEMA to assist us in construction of a new fire/EMS building. Mr. Johnson stated that he would follow up to find out.

Finally, we talked about the road to mines bill. Mr. Johnson stated that he would talk with Energy and Natural Resources Committee staff about moving the bill. Similar to input we received from Sen. Murkowski's staff, Mr. Johnson cautioned that the path ahead for the bill would be difficult given resistance to the bill from the staff on the majority side of the committee.

#### Meetings on Wednesday, May 21.

- Office of Governor Sean Parnell.

The Alaska Governor's office maintains staff in Washington DC. Mayor Watson, Steve Silver, and I met with Tom Crawford and Kate Wolgemuth at the office

Wednesday morning. The office director, Mr. Kip Knudson, was not available that morning; however we were able to meet with him that afternoon.

We began the meeting with a discussion of the Big Thorne sale. Mayor Watson summarized our meeting with the Chief of the Forest Service the previous day and expressed our concern that uncertainties over wolf management will lead the Forest Service to reduce the timber volume released through Big Thorne. We emphasized the merits of releasing the timber sale in full. As we did the day before with Senators Murkowski and Begich, I tied the timber sale to our need for wood fuel for the Craig wood boiler project, and to the pending wood dryer project.

We also discussed the road to mines legislation. Mr. Knudson's staff asked for additional information on the proposed road route

We also talked about the wetlands impact fee paid by the Craig Tribal Association for their subdivision development. The state staff stated that the Corps does have published guidance on wetland mitigation, dated from about 1994, that would be useful for us to read when discussing wetland development with the Army Corps. Mr. Crawford offered to provide that document to us.

- Congressman Don Young

We met at Rep. Young's office with the congressman and staff member Mr. Eric Elam. We recapped our earlier discussions with Senators Murkowski and Begich, including Big Thorne sale, wolf management, and IFA. We asked the Congressman to follow up on the road to mines bill pending in the House of Representatives.

- US Fish and Wildlife Service

We drove to the Department of the Interior building for meeting with USFWS staff. After being turned away at the building's front door by security, who told us that no entry was allowed there at the moment because of a visit from a "special guest" (apparently they were not referring to us), we entered through another door around the block and were subsequently escorted to a meeting that included Mr. Michael Bean, Mr. Stephen Guertin, Mr. Don Morgan, Ms. Rachel Jacobson, Ms. Diane Bowen, and Mr. Gary Frazer. In addition, Mr. Jeff Haskett, Ms. Jennifer Cohat, and Mr. Pete Probasco joined in by telephone from USFWS offices in Anchorage. We asked for the meeting with USFWS staff to talk about management of wolves and sea otters.

We began by expressing our concerns over the USFWS decision to consider a 90-day review of wolf populations in Southeast Alaska, particularly on POW Island. We added that one result of this is that the Forest Service giving consideration to reducing the size of the Big Thorne sale due to perceived uncertainty over wolf populations.

USFWS staff replied that their agency funding for consideration of wildlife populations under the Endangered Species Act. The staff said that there are already about 250 species that are pending a listing decision under the act, three of which are in Alaska. The priority currently is on adjudicating those petitions by September 30, 2016. USFWS staff added that work on the wolf is likely to wait until after the 2016 date. The staff added that an interagency group worked on wolf management as part of the Big Thorne NEPA

review, and that agency staff was transparent about their views of POW wolf populations, although the staff did not elaborate on what those views are. I told the group that the State of Alaska is better able to affect changes to wolf populations than is the federal government and suggested that the feds defer to the state management on the matter.

As to sea otters, Dennis asked about implementation of the 1994 sea otter conservation plan published by USFWS. Dennis stated that the plan has some good goals that seem to have gone unrealized, and wanted to know if the USFWS is bound to meet these goals, especially given the serious negative impacts expanding otter populations have had on commercial and subsistence fisheries. Essentially, USFWS staff stated that the 1994 conservation plan is not actively implemented. We were told that staff is looking into some of the management measures but it appears that the goals of the conservation plan are not a priority with the agency. The staff added, to use their words, that the Marine Mammal Protection Act “ties our hands” as to affecting increases in sea otter take as a means to better control the impacts of the mammal’s predation on commercial and subsistence resources. The staff also noted that sea otter take has climbed substantially in the past two years.

By the end of the meeting we had made our point regarding our concerns over federal management of wolves and otters. We also saw that nothing from the federal side is likely to change in the near future.

Dennis and I returned home to Ketchikan the next day, and to Craig on Friday, May 23.

#### **6. Port St. Nicholas King Salmon Cost Recovery**

Mike Bobo contacted me recently to report that cost recovery fishing for Port St. Nicholas king salmon will begin any day now. He reports that he thinks he has local buyers for all the salmon he catches in the terminal harvest area.

#### **7. Travel Schedule - 2014**

June-December: Three to four trips to Juneau, mostly at CCS expense.

August: Personal travel, approximately two weeks.

September 17-19: SE Conference annual meeting in Wrangell.

If the council has questions regarding these items feel free to contact me anytime.

**Memorandum**  
Craig Aquatic Center

To: Craig City Council

From: Jessica Holloway, Aquatic Center Manager

Re: May 2014 report

Date: May 28, 2014

---

As anticipated this month has been slower. With baseball season in full swing along with the nicer weather we have been having our numbers have been down. We have on last swim lesson for the month and that will complete the school years lesson for the 2013-2014 year. This month we have had a few rentals with the schools and with Community Connections, with the bulk of those happening this week. This month alone for rentals, we have had over 200 kids in the pool.

On May 24<sup>th</sup> we held the annual "Splash n' Dash" for the marathon runners. We opened early for them and we had 10 runners participate.

We had a few mechanical issues this month but all has been solved with the help of the maintenance department.

I am pleased to report that Melissa "Kristy" McKenzie was promoted/hired as the full time Head Lifeguard. She has been a valued employee since she started and she is very excited about the new experience. We are still looking to hire a Lifeguard III/Head Coach.

Annual shut down starts June 1, 2014. The facility will re-open on June 19<sup>th</sup> for regular business hours with the addition of our mid-day open swim. During shut down we will be removing grout and re-grouting the kiddy pool, removing old lockers and installing the new ones, among with painting and other mechanical and cosmetic issues.

If there are any questions regarding the pool, please feel free to e-mail us at [pool@craigak.com](mailto:pool@craigak.com) or call us at 826-2794, we would love to assist you.

Best wishes,

Jessica Holloway  
Aquatic Center Manager

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: May 30, 2014  
RE: Planning Department Staff Report

---

1. Firehall Replacement. The architect is currently working on the final design set which will include all drawings, final construction cost estimate for the overall project and information sheets on the components of the building included in the design. I will make those drawings available to the council when they are received. This will complete Jensen Yorba Lott's contract for services.
2. Water/Wastewater Master Planning. DOWL HKM is continuing to work through the master plan updates. DOWL has submitted a number of memos and drawings that will be incorporated into the final master plans. Staff has been working to provide comments and additional data to DOWL. DOWL anticipates that it will send the final draft of the plan to staff by June 13<sup>th</sup> and be available to present to the council on June 19<sup>th</sup> if there is a second meeting in June.
3. Tanner Crab/Salmonberry Subdivision. Work has started on several building pads on Tanner Crab Court and some lot preparation is going on at Salmonberry Subdivision. Due to Lee Zwagerman's stroke the deadline for his payment of Lot 2, Salmonberry Subdivision passed without final payment being made. I worked with his wife and let her know that the council had approved refund of the earnest payment and that letting the sale lapse would not result in any penalties. The refund has been issued and the lot is now available for sale again on June 3<sup>rd</sup>. With the influx of summer residents I will also readvertise the two remaining waterfront lots to see if we can sell them. AP&T has installed utility poles and wires at Tanner Crab and has run underground electrical at Salmonberry.
4. Pool Improvements. Jensen Yorba Lott was awarded the contract to conduct the condition assessment of the pool. They have made two visits to review structural, electrical, mechanical and pool systems and will make one more visit while the pool is shut down and drained. The condition assessment will be available to the council when it is completed.
5. Capital Project Requests. The governor recently signed the state capital budget. The current capital budget contains three line items related to Craig. This includes:
  - a. \$600,000 for Craig Community Streets (paving)
  - b. \$15,000 for freezer/cooler upgrades at the school
  - c. \$55,000 for emergency communications on Prince of Wales Island

As in past years we will work with the Department of Commerce, Community and Economic Development on the grants for these projects. Considering the state budget environment I feel Craig did pretty well this year.

6. Emergency Warning Siren. The siren is in the mail, or at least on the road. Using grant funds from the state we have purchased two warning sirens to be installed in Craig. The sirens have been assembled at the factory in Connecticut and are being shipped to us. They should arrive in two to three weeks. I will start working with AP&T to install poles (one near the pool and one near POWER or the Recreation Center. Once the poles are installed and the sirens installed on them an electrician will wire them. In the meantime I am continuing to work with the state to install Tsunami Evacuation Route and Evacuation Center signs and publish a brochure that will include a map of evacuation routes and Tsunami information (including education about the siren signals). I expect to have the sirens installed by the end of July.
  
7. Emergency Backup Generator. Using grant funds from the state we have purchased a mobile emergency backup generator. This generator will be used to provide power to evacuation or shelter locations in Craig in an emergency. Currently we will use a number of power cables and heavy duty extension cords to provide power to facilities. In the longer term we will work to be able to directly energize portions of the buildings that we want to use with the portable generator. I will work with the school district to determine how this will integrate with other work or upgrades at the high school and elementary school. The generator will be stored by public works who will also be responsible for testing and maintaining it.

# CITY OF CRAIG MEMORANDUM

To: Craig City Council  
From: Daniel Nelson  
Date: June, 5 2014

---

The Harbor Department is staying busy. The traffic is picking up in the harbor and at the boat yard. We were able to have some great days and with help of Public Works we cleaned the parking lot and painted lines.

We are replacing planks on the old fuel dock and have positioned the floats there for the sport fish charters, along with hooking up the water to the city dock and the old fuel dock.

In the boat yard staff has hauled 21 boats and splashed (returned to the water) 19.

The vessel Sea Hawk has been removed from the harbors and Ken Quigley is now in the process of stripping and disposing of the vessel. Jerry Wentworth's sail from north cove was also impounded in May and will be going to auction in the next several weeks.

The new sport dock has been installed over the Memorial Day weekend. They did a great job working around the public and maintaining a safe environment for launching boats.

We are continuing the replacement of decking in north cove and the repair and replacement of the water lines.

We have had some theft in South Cove this past week, so if you see any strange activity please call myself or the police department.

If there are any questions please feel free to call me or stop in my office.



**CITY OF CRAIG  
MEMORANDUM**



**Date:** May 29<sup>th</sup>, 2014  
**To:** Honorable Dennis Watson, Craig City Council  
**Fr:** RJ Ely, Police Chief  
**Re:** Staff Report

*RJ Ely*

**ACTIVITY**

Activity from April 24<sup>th</sup>, 2014 – through May 29<sup>th</sup>, 2014. Dispatch Center took the following amount of calls for service:

Craig	1043
Klawock	436
AST	20

**DEPARTMENT OF MOTOR VEHICLES**

June 13<sup>th</sup>, 2014 Craig DMV is set to have new Camera Equipment installed, for ID's and Drivers Licensing.

**DISPATCHER(S)**

Elizabeth "Liz" Turner has given her resignation, effective June 7<sup>th</sup>, 2014. She has accepted a position with the Alaska Marine Highway System (AMHS). Turner didn't want to leave, but with AMHS she will be getting a very large wage increase.

Part Time / Fill In Dispatcher Kathy Kelley has accepted Turner's vacant full time position. Dispatcher Kelley will start full time on June 8<sup>th</sup>, 2014.

**OFFICER(S)**

Officer Peterson is set to graduate on June 6<sup>th</sup>, 2014. He will be staying an extra week, for additional training that is being offered.

**OTHER**

Funds have been secured / received for repair work in the Craig Jail. Total of \$3,400.00 dollars for repairs and purchasing new items.

FY 2015 Jail Budget has been finalized and increased an extra \$9,501.00 dollars.

People are still flying into Craig, for Hazmat Fingerprinting that is offered. Staff has seen an increase of people coming into PD for TSA Pre Screening and TWIC enrollment and issuing of cards.

A substantial amount of drugs were seized during a drug investigation and a major supplier of said drugs has been arrested.

# Memo

To: Mr. Mayor, Craig City Council

From: Ron McIntosh, Public Works Director

CC: Jon Bolling, City Administrator

Date: May 28, 2014

Re: Public Works Council Report for June 5, 2014

---

## Activities and status:

1. Water and Wastewater Master Planning work is in final stages.
2. Spring Clean up was successful.
3. Pad fill project at False Island almost complete.
4. Resubmittal for North Fork Lake Dam permit confirmed. Waiting on the State.
5. Improper usage of the Burn Pit continues.
6. Water system is in very good shape to start the season with Silver Bay.

Public Works continues to address day to day operations and issues. If you have any questions or any specific issues, please feel free to contact me.

Thank you,

RCMc

Craig Recreation Department [craigrec@aptalaska.net](mailto:craigrec@aptalaska.net) Victoria Merritt  
401-1227

City Council Report, June 5, 2014

Spring is always a busy time for recreation. I will be out of town June 6-20<sup>th</sup> for medical check up and vacation.

The baskets are planted and hung, and are growing and adjusting to life outside of the warm and cozy greenhouse. They will harden and fill in and be beautiful. Thanks to the Craig 7<sup>th</sup> graders for growing 7 flats of plants, planting the baskets and hanging them with me in the rain before the marathon. The stands were painted, but will need some major work soon. So far, they are looking good. Now we need some adoptions!

We have a 4 on 4 volleyball league in progress with 9 teams playing. We play Monday, Tuesday, Wednesday and Thursday. That will be wrapped up the end of June and we will go back to open gym on Tuesday and Thursday at 7pm.

Rollerskating is going well. We have had to cancel due to the floor refinishing and the Quilt show over Memorial Weekend, but have 10 to 25 a night.

After School will have had a Summer Party the last day of school. Held at 2pm at the Craig Youth/Rec Center then to the City Gym or the Beach! Snack and cooking included for \$2 admission. I will start miini camps in July, after the 4<sup>th</sup> of July festivities. I also plan on opening the Youth/Rec Center for open stage nights, and working with the library for the food program.

### **Upcoming Summer events!**

**Roller Skating or Blading** on Friday! 7pm at the Craig City

**Baby Sitting Certification Class!** 4 days! Includes First Aid and CPR \$15, ages 12 and up. Monday and Wednesday June 2, 4, 9 and 11.

From 10 to noon next to POWER at Craig EMS Chaundell Piburn, instructor. Sign up at Craig City Hall or the first Class. **Be Royalty!** Sell Raffle Tickets for the Craig 4<sup>th</sup> of July! Win cash and prizes! Tickets are \$2 each; whoever sells the most is the Queen or King or Prince or Princes of the 4<sup>th</sup> of July! Sign up at Craig City Hall.

Thanks to the 4<sup>th</sup> of July Committee! Hannah Bazinet, Betty Kubik and friends.

USFS Kids Fishing Day! June 7<sup>th</sup> at Eagles Nest!

Girl Scout Camp June 22-27 10am Center at the Craig Youth/Rec

Spring Swap Meet 9 am to 1pm Saturday, June 28 and July 19, Craig City Gym. Sign up at Craig City Hall. Look for Soccer July 16<sup>th</sup> and Summer Camp July 8!

Basket Helpers! Marathon Announcing. Boat Blessing, remembering those we have lost and honoring our Veterans, 2014





# Craig Public Library Report To City Council

## May 2014

---

Submitted by: Amy K. Marshall, Library Director

Numbers are reflective of 5/1/14 - 5/29/14

Patron Visits: 1,182

Circulations: 1,782

Computer Use: 417

Program Attendance: 144

Reference Questions: 489

The Library was Closed on Monday, 5/12 to allow staff to work on the DVD Project, The Library was also Closed on Monday, 5,26, for Memorial Day

Proctoring: Proctored tests for Accuplacer

### Programs:

National Preservation Week: April 27 - May 3

Choose Privacy Week May 1 - 7

Health Happy Hour-- Gluten Free: Is it right for me? (4/28)

Low-Cost Ways to Preserve Family Archives (Preservation Week SPECIAL Webinar!) (4/29)

Aging in Alaska- at Home (4/29)

NPS Primary Sources Project: Eisenhower and Khrushchev at Gettysburg (4/30)

Invisible Ancestors: Ideas and Strategies for Recreating Their Stories (4/30)

Defense Against The Digital Dark Arts -- Choose Privacy Week 2014 Event (5/5)

Turning 65? How to navigate the Medicare Maze (5/6)

It's Logical! (5/12)

An Evening With Alaskan Author Dan O'Neill (OWL Presentation originating in Craig for 9 Alaska Libraries) (5/13)

Pushing The Limits -- Knowledge with Author Dan O'Neill (5/14)

An Evening With Author Dan O'Neill (Craig High School Auditorium) (5/15)

Running the Circuit (5/20)

# Craig Public Library Report To City Council

## May 2014

### Upcoming:

Summer Reading Program Begins June 7th

The library will be sponsoring a Summer Food Program (in cooperation with area volunteers) beginning in June. The library will be serving lunch at the Rec Center (food provided by the Food Bank of Alaska) during the summer, and, because the program requires a year-round commitment, a snack and after school program once school begins again in the fall.

### Challenges:

Staffing continues to be a challenge. The library hired Neva Robertson, who will begin work on June 2<sup>nd</sup>, to address this issue. She will be working with the library's ILC grant for programming for children, teens, and adults.

The return of summer visitors has coincided with a rise in incidents of theft in the library's DVD collection. I have been working to remove physical DVDs from the shelves. The physical DVDs will be kept in binders in the back room and patrons will be free to browse empty cases on the shelves. Because of the immensity of this project, there are no plans to put physical DVDs back on the shelves once summer is over. Craig PD and Chief Ely have been apprised of the situation.

People (especially in 3 distinct minivans) have been parked outside the library during and after hours to use the library's wireless to stream Netflix movies, Hulu television, and YouTube videos. The pressure this has exerted on the library's bandwidth is such that the library has now blocked both Netflix and Hulu because such use bogs down the network for every patron trying to use the services. The library is also changing the wireless password at infrequent intervals in order to put a stop to individuals constantly using the wireless without allowing the library to record the use for reporting purposes. Also, the library contacted two individuals who sit outside and smoke in their vehicles while using the wifi. Staff requested that they clean up their mess and refrain from tossing cigarette butts onto the ground next to the library. As of this writing, they have not complied. I would like to request that the City Council consider a smoking ban within a certain number of feet of public buildings. Thank you.

### Grants Received:

FY15 Interlibrary Cooperation Grant (\$6,500)

# Craig Public Library Report To City Council

## May 2014

Grants in process:           Library Pre-Development with Rasmuson  
  Shelving & Circulation Desk, Tier I, with Rasmuson

Grants awaiting decision:   Public Library Assistance Grant (\$7,000)

# CITY OF CRAIG

Account Statement - Period Ending April 30, 2014



## ACCOUNT ACTIVITY

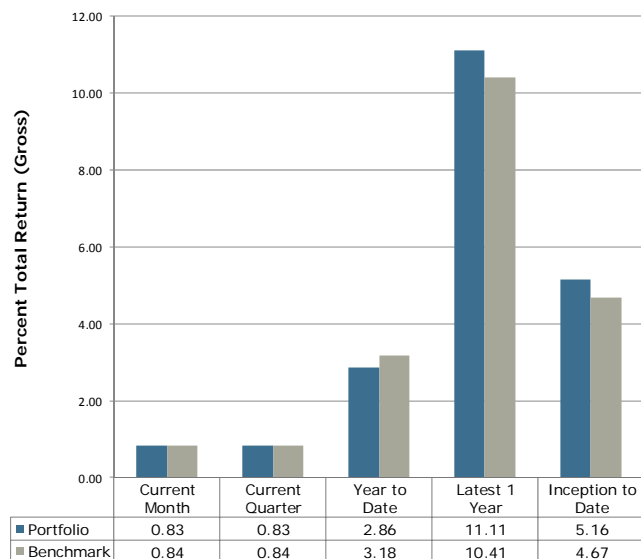
Portfolio Value on 03-31-14	10,052,342
Contributions	0
Withdrawals	-125,224
Change in Market Value	75,040
Interest	7,480
Dividends	0
Portfolio Value on 04-30-14	10,009,638

## MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bert Wagon Jason Roth
Contact Phone Number:	907/272 -7575

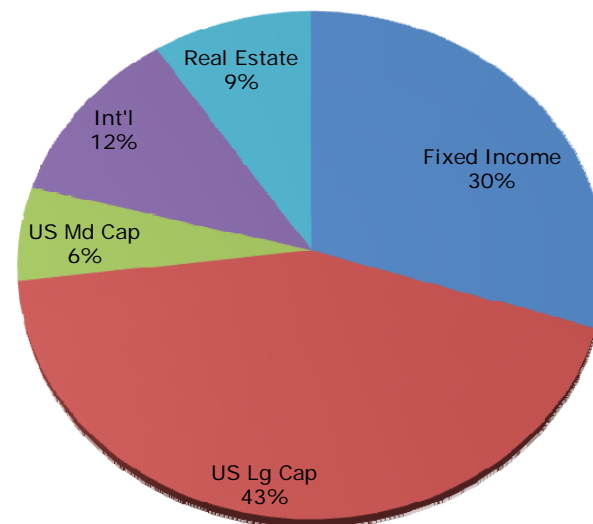
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend



Performance is Annualized for Periods Greater than One Year

## PORTFOLIO COMPOSITION





Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
***CITY OF CRAIG***  
*April 30, 2014*

<b>Asset Class &amp; Target</b>	<b>Market Value</b>	<b>% Assets</b>	<b>Range</b>
<b>FIXED INCOME (34%)</b>			
US Fixed Income (34.0%)	2,966,856	29.6	20% to 45%
Cash (0.0%)	23,925	0.2	na
<b>Subtotal:</b>	<b>2,990,781</b>	<b>29.9</b>	
<b>EQUITY (66%)</b>			
US Large Cap (40.0%)	4,329,247	43.3	30% to 50%
US Mid Cap (6.0%)	593,696	5.9	0% to 10%
Developed International Equity (10.0%)	1,158,124	11.6	5% to 15%
Real Estate (10.0%)	937,790	9.4	5% to 15%
<b>Subtotal:</b>	<b>7,018,857</b>	<b>70.1</b>	
<b>TOTAL PORTFOLIO</b>	<b>10,009,638</b>	<b>100</b>	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*April 30, 2014*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
40,000	US TREASURY NOTES 1.250% Due 10-31-15	98.51	39,405	101.52	40,609	0.41	500	1	0.23
175,000	US TREASURY NOTES 0.625% Due 07-15-16	100.11	175,185	100.23	175,410	1.75	1,094	320	0.52
150,000	US TREASURY NOTES 0.625% Due 08-31-17	99.79	149,684	98.60	147,902	1.48	937	158	1.05
300,000	US TREASURY NOTES 1.875% Due 09-30-17	102.89	308,672	102.65	307,944	3.08	5,625	476	1.08
100,000	US TREASURY NOTES 3.750% Due 11-15-18	106.48	106,480	109.87	109,867	1.10	3,750	1,730	1.49
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	108.75	108,750	1.09	3,500	1,615	1.96
200,000	US TREASURY NOTES 1.375% Due 05-31-20	98.88	197,766	96.35	192,704	1.93	2,750	1,148	2.01
125,000	U S TREASURY NOTES 2.125% Due 08-15-21	98.40	122,998	98.84	123,555	1.23	2,656	550	2.30
50,000	US TREASURY NOTES 1.625% Due 11-15-22	98.79	49,396	93.19	46,594	0.47	812	375	2.52
150,000	US TREASURY NOTES 2.500% Due 08-15-23	97.85	146,777	99.22	148,828	1.49	3,750	777	2.59
	Accrued Interest				7,151	0.07			
			1,400,402		1,409,315	14.08		7,151	
<b>AGENCIES</b>									
50,000	FHLB 5.250% Due 06-18-14	100.80	50,401	100.67	50,336	0.50	2,625	970	0.20
150,000	FNMA* 0.800% Due 02-28-18	98.26	147,390	98.57	147,850	1.48	1,200	210	1.18
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	109.47	109,468	1.09	3,750	354	1.73
	Accrued Interest				1,534	0.02			
			299,201		309,189	3.09		1,534	
<b>FNMA &amp; FHLMC</b>									
15,960	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	16,688	106.34	16,972	0.17	638	53	2.18
	Accrued Interest				53	0.00			
			16,688		17,026	0.17		53	
<b>ASSET-BACKED SECURITIES</b>									
100,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	107,250	101.81	101,814	1.02	3,800	169	0.45

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*April 30, 2014*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
	Accrued Interest				169	0.00			
			107,250		101,983	1.02		169	
<b>CORPORATE BONDS</b>									
100,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	97.18	97,176	103.50	103,500	1.03	4,750	792	0.55
100,000	HSBC FINANCE CORP 5.500% Due 01-19-16	100.21	100,206	107.70	107,699	1.08	5,500	1,558	0.97
50,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	49,990	103.16	51,582	0.52	1,050	475	0.55
50,000	BANK AMER CORP 5.625% Due 10-14-16	107.18	53,592	110.29	55,144	0.55	2,812	133	1.35
50,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	58,955	111.82	55,908	0.56	2,812	125	0.76
50,000	STATOIL ASA 3.125% Due 08-17-17	107.07	53,533	105.40	52,702	0.53	1,562	321	1.44
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	113.74	113,739	1.14	5,500	1,619	1.66
100,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	99,572	114.80	114,804	1.15	5,750	1,437	1.66
75,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	91,093	115.15	86,361	0.86	4,500	950	1.84
75,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	88.27	66,205	114.61	85,961	0.86	4,219	2,109	1.82
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	100.62	50,311	0.50	1,050	303	1.96
100,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	116,514	121.42	121,421	1.21	7,500	1,583	2.70
100,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	125.02	125,020	118.27	118,273	1.18	6,350	529	2.39
	Accrued Interest				11,937	0.12			
			1,083,327		1,129,343	11.28		11,937	
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
22,990	SPDR S&P 500 ETF TRUST	137.86	3,169,436	188.31	4,329,247	43.25	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
4,388	ISHARES S&P MIDCAP 400	69.71	305,867	135.30	593,696	5.93	NA		
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>									
27,627	VANGUARD MSCI EAFE ETF	37.73	1,042,293	41.92	1,158,124	11.57	NA		

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***CITY OF CRAIG***  
*April 30, 2014*

<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>
<b>REAL ESTATE</b>									
12,857	VANGUARD REIT ETF	56.44	725,700	72.94	937,790	9.37	NA		
<b>CASH AND EQUIVALENTS</b>									
	FEDERATED GOVERNMENT OBLIGATION		23,925		23,925	0.24			
<b>TOTAL PORTFOLIO</b>			<b>8,174,089</b>		<b>10,009,638</b>	<b>100</b>	<b>90,745</b>	<b>20,844</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 04-01-14 To 04-30-14*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
U.S. TREASURY				
04-22-14	04-23-14	U S TREASURY NOTES 2.125% Due 08-15-21	50,000	49,128.91
				<b>49,128.91</b>
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
04-30-14	04-30-14	MANAGEMENT FEES		2,502.41
				<b>2,502.41</b>
<b>INTEREST</b>				
ASSET-BACKED SECURITIES				
04-15-14	04-15-14	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17		316.67
CASH AND EQUIVALENTS				
04-01-14	04-01-14	FEDERATED GOVERNMENT OBLIGATION		1.66
CORPORATE BONDS				
04-01-14	04-01-14	VERIZON COMMUNICATIONS 6.350% Due 04-01-19		3,175.00
04-14-14	04-14-14	BANK AMER CORP 5.625% Due 10-14-16		1,406.25
04-15-14	04-15-14	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16		1,406.25
				<hr/> 5,987.50

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 04-01-14 To 04-30-14*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>FNMA &amp; FHLMC</b>				
04-01-14	04-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		54.32
<b>U.S. TREASURY</b>				
04-30-14	04-30-14	US TREASURY NOTES 1.250% Due 10-31-15		250.00
				<b>6,610.15</b>
<b>PRINCIPAL PAYDOWNS</b>				
<b>FNMA &amp; FHLMC</b>				
04-01-14	04-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	335.07	335.07
				<b>335.07</b>
<b>PURCHASED ACCRUED INTEREST</b>				
<b>U.S. TREASURY</b>				
04-22-14	04-23-14	U S TREASURY NOTES 2.125% Due 08-15-21		196.65
				<b>196.65</b>
<b>WITHDRAW</b>				
<b>CASH AND EQUIVALENTS</b>				
04-01-14	04-01-14	FEDERATED GOVERNMENT OBLIGATION		300.00
04-01-14	04-01-14	FEDERATED GOVERNMENT OBLIGATION		2,410.45
04-01-14	04-01-14	FEDERATED GOVERNMENT OBLIGATION		120,000.00

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 04-01-14 To 04-30-14*

Trade Date	Settle Date	Security	Quantity	Trade Amount
04-15-14	04-15-14	FEDERATED GOVERNMENT OBLIGATION		2,513.09
04-30-14	04-30-14	DIVIDEND ACCRUAL		18,957.78
				144,181.32
				<b>144,181.32</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG***  
*From 04-01-14 Through 04-30-14*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
04-01-14	335.07	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	350.36	335.07	-15.29
TOTAL GAINS					0.00
TOTAL LOSSES					-15.29
			<b>350.36</b>	<b>335.07</b>	<b>-15.29</b>



Alaska Permanent Capital Management Co.

**CASH LEDGER**

**CITY OF CRAIG**

From 04-01-14 To 04-30-14

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>DIVIDEND ACCRUAL</b>					
04-01-14			Beginning Balance		18,957.78
04-30-14	04-30-14	wd	Transfer to	FEDERATED GOVERNMENT OBLIGATION	-18,957.78
<b>04-30-14</b>			<b>Ending Balance</b>		<b>0.00</b>
<b>FEDERATED GOVERNMENT OBLIGATION</b>					
04-01-14			Beginning Balance		172,571.36
04-01-14	04-01-14	dp	Interest	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	3,175.00
04-01-14	04-01-14	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	1.66
04-01-14	04-01-14	wd	Withdrawal	from Portfolio	-300.00
04-01-14	04-01-14	wd	Withdrawal	from Portfolio	-2,410.45
04-01-14	04-01-14	wd	Withdrawal	from Portfolio	-120,000.00
04-01-14	04-14-14	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	54.32
04-01-14	04-14-14	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	335.07
04-14-14	04-14-14	dp	Interest	BANK AMER CORP 5.625% Due 10-14-16	1,406.25
04-15-14	04-15-14	dp	Interest	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	1,406.25
04-15-14	04-15-14	dp	Interest	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	316.67
04-15-14	04-15-14	wd	Withdrawal	from Portfolio	-2,513.09
04-22-14	04-23-14	wd	Purchase	U S TREASURY NOTES 2.125% Due 08-15-21	-49,128.91

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 04-01-14 To 04-30-14*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
04-22-14	04-23-14	wd	Accrued Interest	U S TREASURY NOTES 2.125% Due 08-15-21	-196.65
04-30-14	04-30-14	dp	Transfer from	DIVIDEND ACCRUAL	18,957.78
04-30-14	04-30-14	dp	Interest	US TREASURY NOTES 1.250% Due 10-31-15	250.00
<b>04-30-14</b>			<b>Ending Balance</b>		<b>23,925.26</b>

# Prince of Wales Health Network



**WHAT:** The Prince of Wales Health Network is a collaborative effort between Southeast Alaska Regional Health Consortium (SEARHC) Alicia Roberts Medical Center, State of Alaska Craig Public Health Center, Community Connections, Alaska Island Community Services (AICS) and PeaceHealth Medical Group Prince of Wales.

The mission of the Prince of Wales Health Network (POWHN) is to build a strong and sustainable network of healthcare organizations collaborating to strengthen the healthcare system on Prince of Wales Island and increase access to quality healthcare for all island residents far into the future.

**WHY:** Since the start of the POW Health Network's efforts on the Island, the collaboration in healthcare has increase substantially and many important needs have begun to be discussed and met by the partners. Resources have been combined for a number of effective initiatives and partnerships including: immunization initiative; the Green Dot campaign; annual health fair in Craig, ETC. The Network also gives healthcare systems on the island a joint voice at the state and regional level through advocacy and the supportive nature of the partnership.

**WHY NOW:** For the past six years, the POW Health Network has been funded in large part through a generous grant from the Health Resources Administration. Grant funding ran out as of May 2014 and the Network is required to be self-sufficient as of May 2014. If the network also wants to apply for future grants, a local match is necessary for grant applications.

**WHO:** Looking to participating agencies and community members, the Network must raise the funding necessary to continue it healthcare collaboration efforts:

- Five key partners in the Network have collectively committed to \$36,000 in cash funding and \$71,000 of in-kind support.
- PeaceHealth will be the Host Organization of the POW Health Network, helping keep the overhead expenses very low.
- POW Health Network fund was established at the Alaska Community Foundation (ACF) to accept donations from individuals and businesses.

**HOW MUCH:** An additional \$24,900 is necessary to keep the network operating with a part-time person helping to coordinate, plan, and orchestra many of the population health initiatives, Behavioral Health Coalition, and outreach throughout Prince of Wales. The total amount of

\$60,900 cash will keep the network staffed July 2014- July 2015.

The POW Health Network is calling on individuals, tribes, and businesses to help the Network continue this extraordinary work by helping to raise the remaining \$24,000 necessary to enable the Network to become self-sustaining and continue its work for POW.

**WHERE:** Tax-deductible donations can be written directly to the POW Health Network fund at the Alaska Community Foundation at [www.alaskacf.org](http://www.alaskacf.org) or by mail to ACF, 3201 C Street, Suite 110, Anchorage, Alaska 99503. A tax deduction letter is received from the donation. All donations to this fund directly support the POW Health Network. Donors will be recognized on the POW Health Network website, Facebook, and on Alaska Community Foundation Circle of donors during the year the donation was made.

**GOALS FOR 2014-2015 WITH YOUR DONATION:** With adequate funding, POW Health Network will be able to improve awareness of services and enhance the connectivity of Behavioral Health with outreach in rural areas of POW. Work will continue regarding improving the immunization rates and support will be given to the Suicide Prevention Task Force, SART team, Green Dot Initiative, and Veterans Service Representatives. Additionally, efforts to integrate Behavioral Health into the Primary Care setting will be improved with this collaborative partnership.

Thank you.

**Gretchen M. Klein**

Network Director

Prince of Wales Health Network

PO Box 812 Craig, AK 99921

Cell: (907) 617-7635

Email: [info@powhealthnetwork.org](mailto:info@powhealthnetwork.org)

Website: <http://www.powhealthnetwork.org>

**facebook**

Prince of Wales Health Network: Collaborating to Improve Healthcare on Prince of Wales Island



REPLY TO  
ATTENTION OF:

**DEPARTMENT OF THE ARMY**  
U.S. ARMY ENGINEER DISTRICT, ALASKA  
P.O. BOX 6898  
ELMENDORF AFB, ALASKA 99506-6898

Civil Project Management Branch

Brian Templin  
Planning Department  
Office of the City of Craig  
P.O. Box 725  
Craig, Alaska 99921

Dear Mr. Templin:

In accordance with the Craig Navigation Improvements Feasibility Study Cost Sharing Agreement dated July 11, 2012, Article IV, here is the status report through May 20, 2014.

Attached is a budget update through May 20, 2014. To date we have expended \$304,054.23 on the study, with the cost share at 50% Federal and 50% Local sponsor. Each party's share of the expense is \$152,010.62. I know you have the work-in-kind submittal in progress and hopefully Joyce can help you pull that together soon. When you are ready to submit, I'll make sure it goes through the right people here at the Corps for credit. I'd like to encourage you to do this quickly as we have not received any work-in-kind documentation from you to date and it will be important to make sure we have that in place and provide the City with the appropriate credit as we move along with this process.

As of May 20, 2014, the sponsor's total cash spent to date is \$136,196.61 with no work-in-kind. Federal expenditures to date are \$167,824.62. The balancing act we try to perform as we move through the study is to keep the expenditures as close to even as possible. As you can see, we are starting to get a bit out of line and submitting your work-in-kind documentation will bring this back to a more even distribution.

If you have questions, please feel free to contact me at (907) 753-2672.

Sincerely,

A handwritten signature in cursive script that reads "Lorraine Cordova".

Lorraine Cordova  
Project Manager

Cc: Jon Bolling  
Mark Viotto

**Craig Navigation Improvements Budget update:**

Total Agreement	Federal		Local Sponsor	
	Cash		Cash	Work-in-Kind
\$2,370,000	\$1,185,000		\$985,000	\$200,000
<b>Contributions received to date:</b>				
	\$359,619		\$350,000	
<b>Expended to date:</b>				
	\$121,149		\$88,119	
<b>Funds remaining (includes undelivered orders)</b>				
	\$230,558		\$221,862	

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 30, 2014  
RE: Request for IFA for Bridge Loan

---

At the council's May 15 meeting, Mayor Watson reported to the council that IFA may request a bridge loan from the city to assist IFA with its operating expenses until pending state aid is available to the authority. The mayor asked me today to prepare a memo on this request for council consideration at the June 5 council meeting.

In short, IFA asks that the city council consider authorizing staff to enter into a loan agreement with IFA to provide up to \$50,000 to replenish the authority's operating reserves until state funding comes available early in the fiscal year that begins July 1, 2014. That pending state funding is now assured to IFA because Governor Sean Parnell yesterday signed the State Fiscal Year 2015 operating and capital budgets, without vetos, approving two \$500,000 operating grants to the authority. The proposed bridge loan would assist the IFA in covering costs between the loan date and the time agreements for the two \$500,000 grants are approved by the State of Alaska.

On two occasions in the past, in 2005 and 2006, the city has loaned funds to IFA. One loan totaled \$48,948. The other loan totaled \$125,000. Both loans were eventually paid back in full to the city. No interest was charged on the loans.

City staff has copies of the loan agreements used in the past on file. Should the council authorize staff to prepare the loan documents, staff will use the prior loan documents as the basis for any subsequent loan to the authority.

IFA is not certain that the bridge loan will be needed. However the potential need is likely enough that the authority requests the council consider authorizing the bridge loan.

The city's financial position is strong enough that it can spare the \$50,000 loan amount without negatively impacting its own cash flow needs. Given the recent approval by the governor of the operating and capital budgets, I expect that IFA would be able to repay the city the amount of the loan by August 31, if not sooner.

### **Recommendation**

That the council authorize staff to prepare and execute documents to loan the IFA an amount not to exceed \$50,000, with a full loan repayment date of August 31, 2014.

# City of Craig Memorandum

Date: May 30, 2014

To: Mayor & City Council

From: Joyce Mason

Re: FY15 Employee Health Insurance

---

This past week Nancy Tietje from Davies Barry Insurance visited with the employees about the new health care changes as the result of the Affordable Care Act. All small groups with less than 50 eligible employees are now grouped the same as individual coverage. The city was dropped out of the Alaska Political subdivision because it is now only available for groups over 50 employees. With the new federal laws the definition of an employee is more constrictive and does not include elected officials. At this time Premera cannot offer group health insurance to elected officials. Nancy is continuing to research other options for the council and we will bring the choices when they are available.

We have narrowed the choice to two plans, Silver Select and Bronze Select with a Health Saving Account for the city council to consider. We would like to offer both plans to the employees. The other plans were either very expensive premiums or did not offer services comparable to our current plan. The city will still offer the HRA plan which will pay part of the deductible. I have attached the plan descriptions provided by Premera Blue Cross. The plans are outlined below.

	<u>Silver Plan</u>	<u>Bronze Plan</u>
Deductible	\$2000	\$3850
Out of Pocket	\$6350	\$6350
Office Visits	\$35 co pay	20% of billed amount after deductible
Prescriptions	\$15/\$50/\$100	20% of billed amount after deductible
Preventive Services	Covered in full	Covered in Full
Laboratory	20% deductible waived	20% of billed amount after deductible
Pediatric Services		
Office Visit	\$35	20% of billed amount after deductible
Eye Wear	Covered in Full	Covered in Full
Dental	10%	10%
Orthodontia	50%	50%

All of the following service are paid 80%/20% after deductible unless noted for both plans. The 80%/20% is insurance pays 80% and patient pays 20% of the claim.

- Ambulatory Services out of network
- Emergency Services
- Maternity & Newborn Care
- Mental Health & Substance Use
- Rehabilitative & Habilitative



The Health Saving account is available for high deductible plan by allowing employees to payroll deduct funds tax free to a saving account. These funds can be used for the 20% the employee pays, for deductibles and other medical services not covered by insurance. This saving account belongs to the employee and can accumulate until the employee is 65. As well as a HSA the Bronze plan offers some generic drugs for free. A list is attached.

The FY15 budget for health insurance currently is \$485,719. This is the \$525,894 minus the \$40,175 that is budgeted for council insurance. If all employees choose the Silver plan we will have to adjust the budget and if all employees choose the Bronze plan we will have a surplus. From the feedback I got from the employees many are considering the Bronze plan but we have a few employees that need the Silver plan. I am confident the insurance premiums will be within the budget. I will, as always, continue to monitor it this first year.

As I mentioned at a previous council meeting the cost structure has changed. Each employee and family member is priced per his or her age. This has resulted in a wide range of prices per month anywhere from \$388 for an employee in his or her twenties to \$1464 for an age 65 and older employee. If we price premiums per employee everyone will have a different premium and it will be an accounting nightmare but once the programming is done in the accounting system it will remain constant for the year. The city may also use a tiered fee scale similar to what we have done in the past. The following tiers have been developed for monthly premiums.

	<u>Silver Select</u>	<u>Bronze Select</u>	<u>Current Plan</u>
Employee	\$ 880	\$ 765	\$ 786.11
Employee/Spouse	2010	1730	1797.95
Family	2200	1650	2501.29
Employee/Dependents	1580	1290	1489.45

**Employer 87% & Employee 13%**

Employee	\$756 - \$114	\$666 - \$99	\$684 - \$102
Employee/Spouse	\$1749 - \$261	\$1505 - \$225	\$1564 - \$234
Family	\$1914 - \$286	\$1436 - \$215	\$2176 - \$325
Employee/Dependents	\$1375 - 205	\$1122 - \$168	\$1296 - \$193

The city council should determine which pricing structure to use this year for the health insurance premiums. If the individual premiums are used, employees will pay related to his or her age and the age of the dependents. If the tier structure is used it will be an average of all the ages and the younger employees will contribute to the older employees' premiums. Two recommendations have been given below depending on your decision.

We have put together some examples to help explain the two plans.

**An employee has Diabetes and goes to the doctor twice a year for checkups and lab work. The employee takes four medications.**

	<u>Silver Plan</u>		<u>Bronze Plan</u>	
Premiums		\$1368		\$1188
Doctor Visit	2@ \$35	\$70	2@\$180	\$360
Lab work	2@ \$300	\$600	2@\$300	\$600
Medications	4@\$15 X 12 mos.	<u>\$720</u>	1@\$35 X 12 mos.	<u>\$420 (3 free)</u>
		\$2758		\$2568
80% paid by ins. 20% of labs deductible		(480)		(480)
80% paid by ins. 20% of Office visit deductible				(288)
80% paid by ins. 20% of medication deductible				(336)
City pay deductible over \$250			Deductible \$276	<u>(26)</u>
Total Employee pays		<u>\$2278</u>		\$1438

**Employee suffers from chronic arthritis and visits the doctor monthly and takes Enbrel.**

	<u>Silver Plan</u>		<u>Bronze Plan</u>	
Premiums		\$1368		\$1188
Doctor Visit	12@ \$35	\$420	12@\$180	\$2160
Medications	1@\$15 X 12 mos.	<u>\$180</u>	1@\$3036 X 12 mos.	<u>\$36,432</u>
		\$1968		\$39,780
80% paid by ins. 20% of Office visit deductible				(1728)
80% paid by ins. 20% of medication deductible then 100%				(31,952)
City pay deductible over \$250			Deductible \$3850	(3600)
Total maximum out of pocket			\$6350	
Total Employee pays		<u>\$1968</u>		<u>\$3938</u>

**An employee is hunting and breaks his leg and is medevac to Ketchikan.**

	<u>Silver Plan</u>		<u>Bronze Plan</u>	
Premiums		\$1368		\$1188
Medevac	1@ \$60,000	<u>\$60,000</u>		<u>\$60,000</u>
		\$61,368		\$61,188
80% paid by ins. 20% of medication deductible then 100%		(53,650)		(53,660)
City pay deductible over \$250		(1750)	Deductible \$3850	(3600)
Total maximum out of pocket \$6350				
Total Employee pays		<u>\$5968</u>		<u>\$3938</u>

As you can see it depends on the medical needs of the employees as to what plan is best for them, which is the reason to offer the two plans. The employee will pay the premium matching the plan they choose.

**Recommendation:** Move to offer Premier Silver Select and Bronze Select with a HSA for the employee health insurance benefit.

**Recommendation Option 1:** Move to price the health insurance premiums to employees per his or her age.

**Recommendation Option 2:** Move to price the health insurance premiums using the tier system developed by the finance department.

# Balance Select Silver PPO

The deductible applies whenever there is a coinsurance listed, unless otherwise noted.

PCY = per calendar year

Individual Deductible	PCY Family = 2x individual deductible (In-network only)
Coinsurance	Amount you pay after your deductible is met
Out-of-Pocket Maximum	Includes deductible, coinsurance, and copays Family = 2x Ind. out-of-pocket-max (in-network only)
Office visits	Cost share
Network	Heritage Select

BALANCE SELECT SILVER PPO			
	In-network	NonPreferred	NonParticipating
	\$2,000	2x Individual deductible	
	20%	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network
	\$6,350	Unlimited	
	\$35	Same as in-network	
	Heritage Select	□	

## 10 Essential Benefits Covered Services

Ambulatory Patient Services Office visits	Outpatient Spinal manipulation (12 visits PCY); Acupuncture (12 visits PCY)	20%  Office visit cost share	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network
Emergency Services	Emergency care  Ambulance transportation (air & ground)	20%	20% Emergent: Same as in-network Non-emergent: Air □40% / 60%; Ground □Same as in-network	
Hospitalization	Inpatient Hospice 10 days inpatient Respite care: 240 hours lifetime  Organ and tissue transplants, inpatient unlimited, except \$75,000 donor and \$7,500 travel and lodging per transplant	20%	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network  Not covered
Maternity & New born Care	Prenatal, delivery, postnatal care	20%	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network
Mental Health & Substance Use Disorder Services, including Behavioral Health Treatment	Office visit  Inpatient hospital: mental/behavioral health  Outpatient services	Office visit cost share  20%  Deductible waived, then 20%	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network
Rehabilitative & Habilitative Services & Devices Therapy  Rehabilitative and habilitative benefits have the same number of visits, but are counted separately	Inpatient rehabilitation: 30 days PCY  Physical, speech, occupational, massage therapy: 45 visits PCY  Durable medical equipment Skilled nursing facility: 60 days PCY	20%	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network
Laboratory Services	Includes x-ray, pathology, imaging/diagnostic, CT, PET, MRI	Deductible waived, except on major imaging, then 20%	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network
Preventive/Wellness Services & Chronic Disease Management	Screenings  Exams and immunizations	Covered in full	Hospital: 40% All other facilities & professional: Same as in-network	Hospital: 60% All other facilities & professional: Same as in-network
Pediatric Services, including Vision & Oral Care Under 19 years of age	Eye exam: 1 PCY Eyewear: 1 pair lenses PCY 1 pair frames PCY Dental: preventive/basic/major Orthodontia (medically necessary only)	Office visit cost share  Covered in full  10% / 20% / 50%  50%		
Prescription Drugs 4-Tier: Generic/Brand/ Non-Preferred Brand/Specialty	Retail up to 90-day supply (3x 30 day supply cost) Mail Order 90-day supply; 3x retail Specialty Rx 30-day supply Drug List See X4 formulary	\$15 / \$50 / \$100 / Deductible, then 30%	Retail: Same as in-network; Mail order & specialty: not covered	

## Additional benefits included only if enrolled in Balance Select Silver PPO HMO plan

Adult Vision	Vision exam: 1 PCY  Eyewear: 1 pair lenses PCY; 1 pair frames every 2 calendar years (\$90 retail max); contacts \$170 retail max; \$350 annual max shared with vision exam	Office visit cost share  Covered in full		
Hearing	Hearing exam: 1 per 2 calendar years Hearing aids and hardware: \$1,000/3 cal. yrs	Office visit cost share Deductible waived, then 20%		

A full list of all services is available on [premera.com](http://premera.com)

# Balance Select Bronze HSA

The deductible applies whenever there is a coinsurance listed, unless otherwise noted.

PCY = per calendar year

Aggregate Individual Deductible	PCY (choose one) Family = 2x individual (aggregate)
Employer Contribution	Family = 2x employer contribution
Coinsurance	Amount you pay after your deductible is met
Out-of-Pocket Maximum	Includes deductible, coinsurance, and copays Family = 2x individual (aggregate)
Office visits	Cost share
Network	Heritage Select

BALANCE SELECT BRONZE HSA		
In-network	NonPreferred	NonParticipating
\$3,850 / \$5,250 / \$5,250 High	2x Individual deductible	
\$5,250 High <input type="checkbox"/> \$190	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network	
20% / 0% / 20%	Unlimited	
\$6,350 / \$5,250 / \$6,350	Same as in-network	
20% / 0% / 20%	<input type="checkbox"/>	

## 10 Essential Benefits Covered Services

Ambulatory Patient Services Office visits	Outpatient Spinal manipulation (12 visits PCY); Acupuncture (12 visits PCY)	20% / 0% / 20%	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network
Emergency Services	Emergency care  Ambulance transportation (air & ground)	20% / 0% / 20%	20% / 0% / 20%  Emergent: Same as in-network Non-emergent: Air <input type="checkbox"/> 40% / 60%; Ground <input type="checkbox"/> Same as in-network
Hospitalization	Inpatient Hospice 10 days inpatient Respite care: 240 hours lifetime  Organ and tissue transplants, inpatient unlimited, except \$75,000 donor and \$7,500 travel and lodging per transplant	20% / 0% / 20%	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network  Not covered
Maternity & New born Care	Prenatal, delivery, postnatal care	20% / 0% / 20%	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network
Mental Health & Substance Use Disorder Services, including Behavioral Health Treatment	Office visit Inpatient hospital: mental/behavioral health  Outpatient services	20% / 0% / 20%	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network
Rehabilitative & Habilitative Services & Devices Therapy	Inpatient rehabilitation: 30 days PCY  Physical, speech, occupational, massage therapy: 45 visits PCY  Durable medical equipment Skilled nursing facility: 60 days PCY	20% / 0% / 20%	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network
Rehabilitative and habilitative benefits have the same number of visits, but are counted separately			
Laboratory Services	Includes x-ray, pathology, imaging/diagnostic, CT, PET, MRI	20% / 0% / 20%	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network
Preventive/Wellness Services & Chronic Disease Management	Screenings  Exams and immunizations	Covered in full	Hospital: 40% Hospital: 60% All other facilities & professional: Same as in-network
Pediatric Services, including Vision & Oral Care Under 19 years of age	Eye exam: 1 PCY  Eyewear: 1 pair lenses PCY 1 pair frames PCY  Dental: preventive/basic/major  Orthodontia (medically necessary only)	Deductible waived, then 10%  Covered in full  3850, 5250 High <input type="checkbox"/> 10% / 20% / 50%; 5250 <input type="checkbox"/> 0% / 0% / 0%  3850, 5250 High <input type="checkbox"/> 50%; 5250 <input type="checkbox"/> 0%	
Prescription Drugs	Retail up to 90-day supply Mail Order 90-day supply Specialty Rx 30-day supply Drug List See X1 formulary	20% / 0% / 20%	Retail: Same as in-network; Mail order & specialty: not covered

## Additional Benefits Included Only if Enrolled in Balance Select Bronze HSA FV Plan

Adult Vision	Vision exam: 1 PCY  Eyewear: 1 pair lenses PCY; 1 pair frames every 2 calendar years (\$90 retail max); contacts \$170 retail max; \$350 annual max shared with vision exam	Deductible waived, then 10%  Covered in full	
Hearing	Hearing exam: 1 per 2 calendar years Hearing aids and hardware: \$1,000/3 cal. yrs	20% Deductible waived, then 20%	

A full list of all services is available on [premera.com](http://premera.com)

Health Savings Accounts  
**HSA Generic Preventive Drug List**



These drugs are covered in full for HSA qualifying plans

<p><b>Ace Inhibitors</b>                      (hypertension).....</p> <p>benazepril                      benazepril / amlodipine                      captopril                      enalapril                      fosinopril                      lisinopril                      moexipril                      quinapril                      ramipril                     trandolapril                      benazepril / HCTZ                      captopril / HCTZ                      enalapril / HCTZ                      fosinopril / HCTZ                      lisinopril / HCTZ                      moexipril / HCTZ                      quinapril / HCTZ</p> <p><b>Adrenergic Agents</b>                      (hypertension).....</p> <p>doxazosin                      guanabenz                      guanfacine immediate release                      methyldopa                      prazosin                      reserpine                      terazosin                      methyldopa / HCTZ</p> <p><b>Vasodilators (chest pain)</b>                      .....</p> <p>hydralazine                      isosorbide dinitrate                      isosorbide mononitrate                      nitroglycerin                      nitroglycerin transdermal patch                      hydralazine / HCTZ</p>	<p><b>Antiarrhythmic Agents</b>                      .....</p> <p>amiodarone                      disopyramide                      flecainide                      mexiletine                      propafenone                      quinidine gluconate CR                      quinidine sulfate                      quinidine sulfate CR                      sotalol</p> <p><b>Anti hyperlipidemics</b>                      (high cholesterol)                      .....</p> <p>atorvastatin                      cholestyramine                      cholestyramine light                      colestipol                      fenofibrate                      fluvastatin                      gemfibrozil                      lovastatin                      pravastatin                      simvastatin</p> <p><b>Beta-Blockers</b>                      (hypertension)                      .....</p> <p>acebutolol                      atenolol                      atenolol / chlorthalidone                      betaxolol                      bisoprolol                      carvedilol                      labetalol                      metoprolol succinate                      metoprolol tartrate                      nadolol                      nadolol / bendroflumethiazide                      pindolol                      propranolol                      timolol                      atenolol / HCTZ                      bisoprolol / HCTZ                      metoprolol / HCTZ                      propranolol / HCTZ</p>	<p><b>Blood Thinning Agents</b>                      .....</p> <p>warfarin                      diltiazem                      diltiazem ER                      diltiazem CR                      felodipine                      isradipine                      nisoldipine                      nifedipine                      nifedipine ER                      nimodipine                      verapamil                      verapamil CR</p> <p><b>Calcium Channel Blockers</b>                      (hypertension)                      .....</p> <p>amlodipine                      amlodipine / benazepril                      diltiazem                      diltiazem ER                      diltiazem CR                      felodipine                      isradipine                      nisoldipine                      nifedipine                      nifedipine ER                      nisoldipine                      nimodipine                      verapamil                      verapamil CR</p> <p><b>Diuretics (hypertension)</b>                      .....</p> <p>amiloride                      bumetanide                      chlorothiazide                      chlorthalidone                      eplerenone                      furosemide                      hydrochlorothiazide (HCTZ)                      indapamide                      methyldothiazide                      metolazone                      spironolactone                      torsemide                      amiloride / HCTZ                      spironolactone / HCTZ                      triamterene / HCTZ</p>	<p><b>Oral Antidiabetic Agents</b>                      (diabetes)                      .....</p> <p>acarbose                      chlorpropamide                      glimepiride                      glipizide                      glipizide ER                      glipizide XL                      glipizide / metformin                      glyburide                      glyburide micronized                      glyburide / metformin                      metformin ER                      tolazamide                      tolbutamide</p> <p><b>Miscellaneous</b>                      .....</p> <p>pentoxifylline CR                      digoxin</p>
--	--	---	--

This is not a complete list of medications covered under your plan. This list represents certain common generic medications that are covered in full for HSA-qualified plans and is subject to change without prior notification. Brand name medications are not covered under this HSA Generic Preventive Drug List. If you have questions about your pharmacy benefit, please visit [premera.com/MyPharmacyPlus](http://premera.com/MyPharmacyPlus). If you don't have access to our web site, please call the customer service number listed on the back of your ID card.

# City of Craig Memoranda

Date: May 21, 2014

To: City Mayor & City Council

From: Joyce Mason, Treasurer

Re: Old Harbor accounts

---

Michelle Dahlstrom, Harbor Clerk and Hannah Bazinet, A/R clerk have worked diligently to clean up our accounts receivable. They have made numerous phone calls and sent certified letters to no avail. The following accounts were turned over to Cornerstone Collection over a year ago and we have not received any payments. The accounts have been deemed uncollectible. Please give the finance department the authorization to write off the accounts. These accounts have also been placed on the "no service" list. If they ask for future services they will be responsible for the delinquent amount before services will be granted.

John Banks	\$385.28
Arthur Fisher	296.06
Veron Hanson	439.84
Larry James	382.02
Quent Jones	678.20
Pat McCarty	1,057.29
Chris Petersen	893.41
David Sayer	446.80
Keith Widmyer	340.10

Thank you for your cooperation.

**Recommendation:** Move to write off the old harbor accounts as of May 31, 2014.