

CITY OF CRAIG
COUNCIL AGENDA
NOVEMBER 6, 2014
COUNCIL CHAMBERS 7:00 P.M

ROLL CALL

Mayor Dennis Watson, Joni Kuntz, Jim See, Don Pierce, Hannah Bazinet, Mike Douville and Jan Storbakken

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.

HEARING FROM THE PUBLIC

- Open for public comment
- Resolution 14-20, Two-year access permit for Seafood Producers Cooperative

REPORTS FROM CITY OFFICIALS

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

READING OF CORRESPONDENCE

- APCM Report
- APCM Newsletter
- Public Protection Classification Survey
- Annual Tongass National Forest Monitoring and Evaluation Report
- Department of Transportation Regions
- Income Threshold for CDBG
- Board of Directors for Catholic Community Services

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Resolution 14-20, Two-year access permit for Seafood Producers Cooperative

UNFINISHED BUSINESS

- Final approval, modification of lease between the City of Craig and Silver Bay Seafoods

NEW BUSINESS

- Consider Contract Extension for Port St. Nicholas King Salmon Cost Recovery
- Consider Seafood Producers Cooperative Proposal on Ice House Operation
- Consideration of Termination of Lease with Promech Air

EXECUTIVE SESSION

- Discussion of matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City of Craig: Proposed settlement of appeal of electrical rate increased proposed by Alaska Power Company.
- Discussion of matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City of Craig: Contract negotiations with the State of Alaska.

ADJOURNMENT

**CITY OF CRAIG
RESOLUTION 14-20**

A RESOLUTION AUTHORIZING CITY STAFF TO ISSUE AN ACCESS PERMIT TO SEAFOOD PRODUCERS COOPERATIVE FOR USE OF THE CRAIG CITY DOCK AS A FISH BUYING STATION IN 2014 AND 2015

WHEREAS, Seafood Producers Cooperative has requested use of the City Dock as a fish buying station in 2015 and 2016; and,

WHEREAS, Section 16.04.020.B of the Craig Municipal Code provides for the Craig City Council to issue, by resolution, an access permit for a period of between one and two years for any purpose compatible with the land use classification or zoning of such lands, and on such terms for such use as the council determines; and,

NOW, THEREFORE, BE IT RESOLVED that the City of Craig hereby directs city staff to negotiate an access permit with Seafood Producers Cooperative to occupy City Dock for approximately four months in 2015, and for approximately four months in 2016.

Adopted this 6th day of November, 2014.

Mayor Dennis Watson

ATTEST _____
Kassi Bateman, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 27, 2014
RE: Resolution 14-20

Attached you will find Resolution 14-20. The resolution authorizes staff to issue a City of Craig access permit to Seafood Producers Cooperative to use the City Dock from the end of June to the beginning of September in 2015 and 2016.

As the council is aware, Seafood Producers Cooperative (SPC), based in Sitka, has operated a fish buying station at the City Dock for the past several summers. In each of those summers, SPC occupied the dock under the terms of an access permit. Section 16.04.020 of the Craig Municipal Code authorizes staff to issue access permits without city council approval for non-destructive uses of city property, the duration of which is less than one year. However, the city council may issue an access permit for a period of up to two years if the council adopts a resolution authorizing issue of the permit.

SPC officials contacted me recently to ask if the organization can secure use of the City Dock for two additional summer seasons. They understand that the decision as to whether to issue the access permit for more than one year is at the discretion of the city council.

A copy of a draft access permit for the 2015-2016 seasons is attached. I increased the fee for use of the dock by ten percent for 2016. 2015 terms remain the same as 2014, except that I increased the fee for use of the City Dock crane. The proposed 2016 terms include a ten percent increase in the fee to use the dock.

In my conversations with the Craig Harbormaster, SPC's use of the City Dock over the past several years, between the end of June and the first week of September, has not created a hardship or difficulty on the downtown waterfront. What's more, SPC is prompt with its utility, ice, and permit fee payments to the city for activities at the dock. Even so, the City Dock is not a long-term solution to SPC's need for a local buying station. SPC staff told me during my October 14 meeting with them that they intend to have a permanent buying station in Craig by the time the proposed 2015-2016 access permit expires. Exactly where the station will be has yet to be determined, and I expect SPC representatives will continue to talk with city staff on options for a permanent Craig buying station.

Recommendation

Approve Resolution 14-20.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 31, 2014
RE: November Staff Report

1. Staff Recruitment

- a. Harbormaster. Assistant Harbormaster Michael Peel agreed to fill in as Acting Harbormaster until about February, at which time he and I will discuss how to proceed with filling the Harbormaster position.
- b. Parks and Public Facilities. Otis Gibbons has given his notice. His last day of work is set for February 20, 2015. I will begin recruitment for this position right away.
- c. Fire Chief. Paul Coffey has given notice that he will step down from the Fire Chief position in November. Paul has served on the Craig Volunteer Fire Department for more than 30 years. I will seek a replacement for this position beginning this month.
- d. Police Officer. As Chief RJ Ely has reported recently, Officer Mark Harreas has left Craig for a job in the Lower 48. RJ has already started recruitment efforts to replace the position.

2. Craig Aquatic Center

City Treasurer Joyce Mason continues to work with staff at the Alaska Municipal Bond Bank on getting them information they need to approve Craig for an upcoming bond sale. In the meantime City Planner Brian Templin is in touch with the architectural firm that completed the condition assessment to finalize that document as we prepare to further define the list of prioritized improvements and plan for the work financed by the bond sale.

3. Craig Cannery Property Update

Contaminated Soil

When the city sold property at the cannery site to First Bank we had to excavate oil-contaminated soil and remediate the soil. That work is now done and the Alaska Department of Environmental Conservation is ready to release the city from further remediation efforts. The DEC does have conditions attached to release, including periodic reporting to the department on land uses at the cannery property. The conditions appear to me to be standard conditions that the department uses in other letters of release. My intention is to concur with the release letter with my signature and return the document to the DEC.

US Army Corps of Engineers Review – Archeological Review

The Army Corps of Engineers copied the city on e-mails recently regarding the proper extent of an archeological review of the cannery site as part of the harbor project there. The Craig Tribal Association apparently commented that the entire 4.5 acre cannery site merits an archeological review as part of the cannery property harbor project. The Army Corps is at this point, citing the \$500,000 estimated cost to complete such a review and the fact that the project does not impact the portion of the cannery property that may have

some archeological value, more inclined to limit the archeological review to the area of the property actually occupied by the proposed harbor. All the parties are now waiting for a concurrence of the Corps' recommendation from the State Historic Preservation Office.

4. Craig Public Ice House

Work progresses slowly on the ice bin expansion project at the ice house. The new ice rake and delivery system is still not on site. The contractor tells me that he continues to press his supplier for completion of the equipment and its delivery to the barge lines in Seattle. The most recent deliver date of October 29 passed without the equipment arriving in Craig. The contractor now tells us that the equipment is set for delivery to the barge lines in Seattle in time for this week's sailing. I will check with the barge lines on Monday, November 3 to determine if the equipment is in route. In the meantime the contractor has had his staff working through leaks and other unresolved maintenance items in the ice house.

5. Wood Boiler

The wood boiler has not yet restarted. Otis Gibbons has been spending much of his time completing the hydronic system heating rebuild project at city hall. However his attention will now turn to getting the boiler up and running for the winter.

6. Wood Dryer project

Staff at Viking Lumber tells me that the wood dryer project is scheduled for start up the week of November 10. If the start up is successful, the city will start taking delivery of dried wood chips to the boiler. In addition, Viking Lumber will begin to produce and sell bio-bricks. The bricks are wood fuel made from dried and pressed sawdust and other mill byproduct for use in wood stoves and fireplaces.

7. North Fork Lake Dam

Construction work on this project will finally begin in spring, 2015.

8. Update on Big Thorne Timber Sale

The list of those joining the City of Craig as intervenors defending the Big Thorne Timber Sale continues to grow. The participants now include, in addition to Craig, the Alaska Miners Association, Alaska Electric Light and Power, Alaska Marine Lines, Alaska Power and Telephone, Boyer Towing Inc., City and Borough of Wrangell, City of Ketchikan, Federal Forest Resources Council, First Bank, First Things First Foundation, Icy Straits Lumber, Ketchikan Gateway Borough, Resource Development Council for Alaska Inc., Samson Tug and Barge, Southeast Roadbuilders Inc., Southeast Stevedoring, and Tyler Rental. This is a diverse private and public sector group that I hope will demonstrate to the court the broad based support for the timber sale.

I have access to the motions and responses filed so far with the court, and would be happy to share these with the council if any of you are interested in reading them. The US Forest Service expects the litigation to run its course by April 2015.

9. Craig Air Traffic

As the council may be aware ProMech Air recently halted its scheduled air service to Craig and other communities on POW. The company provides charter-only air service now. Another air taxi company notified me recently that with a recent and unannounced change in the US Postal Service's policy on air mail delivery to Craig and Klawock, the company will likely reduce or eliminate float plane service to Craig. Still a third float plane company that serves Craig tells me that loss of the mail contract adversely affects their business model that include stops in Craig. Each of these companies tell me that after 20-plus years of the US Postal Service distributing the mail volume evenly among the eligible air carriers that the post office, without notice or explanation, awarded the sole mail contract to Island Air. Because this change has already adversely affected Craig, and may well cause further reduction in air travel options from the community, I plan to contact the US Postal Service office in Anchorage to ask about the justification for the change in their air mail carrier practices and emphasize the negative impact to our community.

I expect that part of the postal services justification for this change is the IFR rating that Island Air uses to provide its reliable service to Peratrovich Airport. Still, I intend to find out more about the postal service's decision and make sure the agency understands the impact of that decision on Craig.

10. Port St. Nicholas Road

The Craig Tribal Association, using transportation and other funds allocated to them as a federally recognized tribe, continues work on the Port St. Nicholas Road. CTA staff restarted work at the current end of pavement of the PSN Road, and will clear the roadway in preparation for the designed drainage, subexcavation, and other improvements. CTA also continues to work on funding the installation of guardrail (or, alternatively, jersey barriers) along the already-paved portion of the road. Two attempts to solicit bids to install the guardrail did not result in proposals acceptable to the CTA or the city. CTA will continue its procurement efforts to complete this task.

In August I sent CTA a proposed contract governing construction activities at the PSN Road. I think the lack of such an agreement in the past has led to uncertainties as to which entity is responsible for what when it comes to construction. The City of Craig owns the PSN road, and the CTA is essentially the contractor completing work on the road. While the city is not paying the CTA, as contractor, to complete the PSN Road improvements, the relationship is otherwise exactly a conventional owner/contractor relationship. As such the city should have the usual liability protections that come with a construction contract, and CTA should have the knowledge that the city does not expect more from the project than CTA is prepared to complete. CTA staff responded this week that they want to meet to negotiate the contract terms. The tribe has expressed some misgivings about the proposed contract. I have an appointment set with them to go over the contract on November 8.

The CTA has been a good partner on the PSN Road project. I expect we will be able to settle on contract terms so that the tribe can continue its construction work on the road.

11. Travel Schedule

November-December: One or two trips to Juneau, mostly at CCS expense.

March 2015: To Juneau for SE Conference Mid-Winter meeting.

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



Finance Department Staff Report

To: Mayor and City Council

From: Joyce Mason, Treasurer

Date: October 31, 2014

The three months of fiscal year 2015 revenue and expenditures report is attached.

The city has received the payment in lieu of taxes payment and revenue sharing from the state. The revenues for the Enterprise fund are at or above budget.

The expenditures for the general fund are normal for the first quarter. Departments tend to spend more the first quarter as activity in the summer is greater.

Please review the attached pages and if you have any questions or concerns please contact me by email at finance@craigak.com or stop by my office.

City of Craig
Statement of Revenue and Expenditures
For the Three Months Ending September 30, 2014

General Fund	YTD Actual	YTD Budget	% Budget
Revenues			
Property tax	596,797	604,000	99%
Sales Tax	445,372	1,553,000	29%
Liquor Sales Tax	30,087	120,000	25%
<i>Total Local Taxes</i>	<i>1,072,256</i>	<i>2,277,000</i>	
PILT State Funding	306,644	220,000	139%
State Revenue Sharing	153,064	152,154	101%
Liquor Revenue Sharing	0	10,000	0%
Fish Tax - DEC	0	200,000	0%
Shared Fish Tax	0	7,000	0%
National Forest Receipts	0	0	
<i>Total State Revenue</i>	<i>459,708</i>	<i>589,154</i>	
EMS Service Fees	15,602	55,000	28%
Aquatic Center	23,531	72,000	33%
Recreation Programs	2,230	10,000	22%
Library Fees	289	1,000	0%
Seniors Card Fees	270	1,000	
Property Leases	21,725	60,000	36%
Equipment Sales	0	1,000	0%
Waste Material Fees	0	0	
Taxi Permits	0	50	0%
Building & Access Permits	295	8,000	4%
<i>Total Local Fees & Leases</i>	<i>63,942</i>	<i>208,050</i>	
Police Fines	3,381	7,000	48%
State Jail Contract	100,851	377,760	27%
State Trooper Dispatch	0	10,000	0%
Klawock Dispatch	12,621	50,000	25%
DMV Commission	16,461	57,000	29%
Forest Service Dispatch	3,000	3,000	
<i>Total Public Safety Revenue</i>	<i>136,314</i>	<i>504,760</i>	
Interest Income	444	4,500	10%
Donations	0	500	0%
Misc. Income	859	5,000	
<i>Total Other Revenue</i>	<i>1,303</i>	<i>10,000</i>	
Total Revenue	1,733,523	3,588,964	48%
Expenditures			
Administration	178,995	756,085	24%
Aquatic Center	146,452	559,664	26%
Council	17,713	77,590	23%
EMS	47,588	179,884	26%
Facilities & Parks	58,175	211,303	28%
Fire	3,958	22,588	18%
Library	32,103	124,828	26%
Planning	25,062	80,420	31%
PS Hatchery	75	35,000	0%
Police	254,153	942,893	27%
Public Works	58,344	270,405	22%
Recreation	20,607	98,040	21%
Total General Fund Expenditures	843,225	3,358,700	25%
Excess Revenue Over Expenditures	890,298	230,264	
Transfer Funds:			
Transfer to/from Enterprise Funds	16,209	14956	
Transfer to School Fund	0	(350000)	
Transfer from Endowment	0	120000	
PERS Unfunded Liability	0	0	
Transfer to Equipment Reserves		(15220)	
Total Transfers	16,209	(230264)	
Net Change in Assets	906,507	0	

City of Craig
Statement of Revenue and Expenditures
For the Three Months Ending September 30, 2014

	<u>Year to Date</u>	<u>Budget</u>	<u>% Budget</u>
<u>Administration</u>			
Personnel Expenses	83,427	305,555	27.30%
Personnel Benefits Expenses	44,391	190,702	23.28%
Contract Expenses	25,998	169,300	15.36%
Personnel Misc. Expenses	2,659	26,120	10.18%
Material & Supplies Expenses	4,165	11,450	36.38%
Utilities Expenses	2,509	16,900	14.85%
Maintenance Expenses	540	3,808	14.18%
Misc. Expenses	15,089	30,250	49.88%
Capital Expenses	217	2,000	10.85%
Total Expenditures	<u>178,995</u>	<u>756,085</u>	<u>23.67%</u>
<u>Aquatic Center</u>			
Personnel Expenses	36,406	153,244	23.76%
Personnel Benefits Expenses	20,233	95,245	21.24%
Contract Expenses	1,107	4,000	27.68%
Personnel Misc. Expenses	3,169	7,900	40.11%
Material & Supplies	6,321	22,800	27.72%
Utilities Expenses	24,174	134,700	17.95%
Maintenance Expenses	50,619	10,500	482.09%
Misc. Expenses	2,123	7,365	28.83%
Debt Expense	2,300	123,910	1.86%
Total Expenditures	<u>146,452</u>	<u>559,664</u>	<u>26.17%</u>
<u>Council</u>			
Personnel Expenses	2,471	14,700	16.81%
Personnel Benefits Expenses	13,995	51,600	27.12%
Contract Expenses	22	2,500	0.88%
Personnel Misc. Expenses	1,204	7,925	15.19%
Material & Supplies Expenses	0	150	0.00%
Utilities Expenses	0	0	
Maintenance Expenses	0	0	
Misc. Expenses	21	715	2.94%
Capital Expenses	0	0	
Total Expenditures	<u>17,713</u>	<u>77,590</u>	<u>22.83%</u>
<u>EMS</u>			
Personnel Expenses	24,468	92,640	26.41%
Personnel Benefits Expenses	11,806	51,834	22.78%
Contract Expenses	1,063	3,700	28.73%
Personnel Misc. Expenses	455	3,250	14.00%
Material & Supplies	4,736	15,900	29.79%
Utilities Expenses	879	6,300	13.95%
Maintenance Expenses	111	3,000	3.70%
Misc. Expenses	777	3,260	23.83%
Capital Expenses	3,293	0	0.00
Total Expenditures	<u>47,588</u>	<u>179,884</u>	<u>26.45%</u>

City of Craig
Statement of Revenue and Expenditures
For the Three Months Ending September 30, 2014

Facilities & Parks

Personnel Expenses	31,301	110,831	28.24%
Personnel Benefits Expenses	13,692	52,139	26.26%
Contract Expenses	1,133	7,200	15.74%
Personnel Misc. Expenses	0	0	0.00%
Material & Supplies Expenses	1,870	7,800	23.97%
Utilities Expenses	1,979	12,700	15.58%
Maintenance Expenses	6,130	5,000	122.60%
Misc. Expenses	2,070	10,133	20.43%
Capital Expenses	0	5,500	0.00%
Total Expenditures	58,175	211,303	27.53%

Fire Department

Personnel Expenses	0	0	
Personnel Benefits Expenses	285	4,788	5.95%
Contract Expenses	1,050	4,500	23.33%
Personnel Misc. Expenses	375	2,100	
Material & Supplies Expenses	488	1,400	34.86%
Utilities Expenses	738	3,800	19.42%
Maintenance Expenses	25	2,000	1.25%
Misc. Expenses	997	4,000	24.93%
Capital Expenses	0	0	
Total Expenditures	3,958	22,588	17.52%

Library

Personnel Expenses	21,222	62,620	33.89%
Personnel Benefits Expenses	3,895	42,260	9.22%
Contract Expenses	73	0	
Personnel Misc. Expenses	-47	235	-20.00%
Material & Supplies Expenses	5,001	9,150	54.66%
Utilities Expenses	1,106	8,760	12.63%
Maintenance Expenses	700	1,000	70.00%
Misc. Expenses	153	803	19.05%
Capital Expenses	0	0	
Total Expenditures	32,103	124,828	25.72%

Planning

Personnel Expenses	15,214	43,776	34.75%
Personnel Benefits Expenses	8,866	35,174	25.21%
Contract Expenses	0	0	
Personnel Misc. Expenses	313	500	62.60%
	34	550	
Material & Supplies Expenses			6.18%
Utilities Expenses		0	
Maintenance Expenses		0	
Misc. Expenses	24	420	5.71%
Capital Expenses	611	0	
Total Expenditures	25,062	80,420	31.16%

City of Craig
Statement of Revenue and Expenditures
For the Three Months Ending September 30, 2014

PSN Hatchery

Contract Expenses		35,000	0.00%
Personnel Misc. Expenses			
Material & Supplies Expenses			
Utilities Expenses	75	0	
Maintenance Expenses		0	
Misc. Expenses			
Capital Expenses			
Total Expenditures	75	35,000	0.21%

16 Police

Personnel Expenses	141,862	518,194	27.38%
Personnel Benefits Expenses	84,007	339,094	24.77%
Contract Expenses	488	1,000	48.80%
Personnel Misc. Expenses	1,558	2,000	77.90%
Material & Supplies Expenses	15,887	39,300	40.42%
Utilities Expenses	3,759	24,500	15.34%
Maintenance Expenses	1,377	1,000	137.70%
Misc. Expenses	5,215	16,805	31.03%
Capital Expenses	0	1,000	0.00
Total Expenditures	254,153	942,893	26.95%

15 Public Works

Personnel Expenses	27,166	125,431	22%
Personnel Benefits Expenses	16,687	81,409	20%
Contract Expenses	330	500	66%
Personnel Misc. Expenses	0	1,675	0%
Material & Supplies Expenses	6,907	18,740	37%
Utilities Expenses	3,057	18,600	16%
Maintenance Expenses	2,298	17,000	14%
Misc. Expenses	1,769	5,050	35%
Capital Expenses	130	2,000	7%
Total Expenditures	58,344	270,405	21.58%

Recreation

Personnel Expenses	10,489	43,224	24.27%
Personnel Benefits Expenses	7,391	29,905	24.71%
Contract Expenses	200	2,500	0.00
Personnel Misc. Expenses	0	0	0.00
Material & Supplies Expenses	532	1,000	53.20%
Utilities Expenses	1,107	17,000	6.51%
Maintenance Expenses	0	1,000	0.00
Misc. Expenses	888	3,411	0.00
Capital Expenses	0	0	0.00
Total Expenditures	20,607	98,040	21.02%

City of Craig
Statement of Revenue and Expenditures
For the Three Months Ending September 30, 2014

Enterprise Fund

Revenue

	YTD Actual	YTD Budget	% Budget
Sewer Fees	78,309	314,000	25%
Water Sales	91,153	330,000	28%
Garbage Fees	86,637	330,000	26%
Harbor Services	71,022	243,500	29%
JTB Industrial Services	76,970	353,956	22%
Cannery Revenue	800	6,500	12%
Total Revenue	404,891	1,577,956	26%

Expenses

Sewer Expenses	110,261	316,746	35%
Water Expenses	85,754	328,524	26%
Garbage Expenses	95,981	328,839	29%
Harbor Expenses	79,608	316,577	25%
JTB Industrial Park Expenses	15,316	262,854	6%
Cannery Expenses	1,762	9,460	19%

Total Fund Expenses

388,682 1,563,000

Net Revenue Over Expenses

16,209 14,956

Transfer from General Fund

(16,209) 0

Change in Net Assets

0 14,956

City of Craig
Statement of Revenue and Expenditures
For the Three Months Ending September 30, 2014

Enterprise Fund By Department	Year to Date	Budget	% Budget
Sewer Department			
Sewer Fees	78,309	314,000	24.94%
Personnel Expenses	19,498	91,745	21.25%
Personnel Benefits Expenses	10,267	49,174	20.88%
Contract Expenses	2,771	6,700	41.36%
Personnel Misc. Expenses	50	1,725	2.90%
Material & Supplies Expenses	2,803	13,900	20.16%
Utilities Expenses	6,199	39,700	15.61%
Maintenance Expenses	4,903	33,500	14.64%
Misc. Expenses	2,190	6,806	32.18%
Debt Expenses	61,581	73,496	83.79%
Sewer Expenses	110,261	316,746	34.81%
Net Revenue over Expenses	(31,952)	(2,746)	
Water Department			
Water Sales	91,153	330,000	27.62%
Personnel Expenses	33,767	115,513	29.23%
Personnel Benefits Expenses	16,647	57,699	28.85%
Contract Expenses	2,817	6,500	43.35%
Personnel Misc. Expenses	330	2,190	15.07%
Material & Supplies Expenses	11,187	43,700	25.60%
Utilities Expenses	9,499	59,800	15.88%
Maintenance Expenses	384	9,200	4.18%
Misc. Expenses	2,235	7,585	29.46%
Debt Service	8,888	26,337	0.00%
Water Expenses	85,754	328,524	26.10%
Net Revenue over Expenses	5,399	1,476	
Garbage Department			
Garbage Fees	86,637	330,000	26.25%
Personnel Expenses	16,219	49,007	33.10%
Personnel Benefits Expenses	9,037	35,397	25.53%
Contract Expenses	68,024	226,500	30.03%
Personnel Misc. Expenses	0	1,500	
Material & Supplies Expenses	1,720	10,700	16.07%
Fuel Expenses	0	0	
Maintenance Expenses	0	2,500	0.00%
Misc. Expenses	981	3,235	30.32%
Equipment Expenses	0	0	
Garbage Expenses	95,981	328,839	29.19%
Net Revenue over Expenses	(9,344)	1,161	

City of Craig
Statement of Revenue and Expenditures
For the Three Months Ending September 30, 2014

Harbor Department			
Harbor Moorage	48,242	165,000	29.24%
Boat Haul out	6,207	28,000	22.17%
Other Harbor Services	16,573	50,500	32.82%
Total Revenue	71,022	243,500	
Personnel Expenses	25,369	115,813	21.91%
Personnel Benefits Expenses	21,546	72,100	29.88%
Contract Expenses	25	23,485	0.00%
Personnel Misc. Expenses	190	2,895	6.56%
Material & Supplies Expenses	4,940	19,455	25.39%
Utilities Expenses	4,905	29,100	16.86%
Maintenance Expenses	1,674	26,604	6.29%
Misc. Expenses	20,409	24,475	83.39%
Capital Expenses	550	2,650	20.75%
Harbor Expenses	79,608	316,577	25.15%
Net Revenue over Expenses	(8,586)	(73,077)	
JTB Industrial Park Department			
JTB Industrial Park Leases	23,472	249,956	9.39%
Ice House sales	49,029	65,000	75.43%
Boat Storage & Other	4,469	39,000	11.46%
Total Revenue	76,970	353,956	
Personnel Expenses	15,882	51,137	31.06%
Personnel Benefits Expenses	9,655	27,696	34.86%
Contract Expenses	0	0	
Material & Supplies Expenses	50	8,923	0.56%
Utilities Expenses	1,106	55,000	2.01%
Maintenance Expenses	16,959	5,000	339.18%
Misc. Expenses	749,667	11,564	6482.77%
Debt Service	2,647	103,534	2.56%
JTB Industrial Park Expenses	15,316	262,854	5.83%
Net Revenue over Expenses	61,654	91,102	
Ward Cove Cannery Department			
Cannery Revenue	800	6,500	12.31%
Transfer from Endowment Fund		0	
Personnel Expenses	0	0	
Personnel Benefits Expenses	0	0	
Contract Expenses	0	2,000	0.00%
Material & Supplies Expenses	0	300	0.00%
Utilities Expenses	0	2,100	
Maintenance Expenses	727	2,725	
Misc. Expenses	1,035	335	308.96%
Debt Service & Equipment	0	2,000	0.00%
Cannery Expenses	1,762	9,460	18.63%
Net Revenue over Expenses	(962)	(2,960)	
Total Fund Revenue over Expenses	16,209	14,956	

City Of Craig Memorandum

To: Mayor Watson & Craig City Council

From: Jessica Holloway, Aquatic Center Manager

Date: October 30, 2014

RE: October monthly report

October has been slow as usual. We have continued to provide swim lessons to the Craig School district and P.E. for P.A.C.E. Craig Middle School will be starting there P.E Classes on November 4th as well. The Wave Runners Swim clubs have been going strong and are looking into adding a couple more features to their program. I have permanently changed evening lap swim from 4:30pm-6:00pm to 5:00pm-6:00pm for the wave runners. They do have a contract with the City of Craig for two hours of pool rental a day. Changing lap swim has opened up those two hours for them.

We have started a few new programs/ activities this month. On Saturday and Sundays, Allison is teaching adult beginner swim lessons and adult stroke refinement course. During the week days we now have a game night where the staff picks a game such as basketball or volleyball to play on Tuesday nights. On Wednesday and Thursdays we have a Mommy and Me class. It has started out slow with both the two new classes but is expected to pick up each week.

If you have any questions or concerns please feel free to call or e-mail us at pool@craigak.com

Have a safe Halloween

Jessica Holloway

City of Craig Memorandum

Date: October 27, 2014
To: Mayor Watson, Craig City Council
From: Kassi Bateman, City Clerk
Re: Clerk's Report

Elections

It is election season, which has kept me busy. As I mentioned at the last meeting, the Municipal election went smoothly, due to the wonderful help I received from the election workers. Absentee voting for the General Election began October 20, and will run up until Election Day. The General Election is November 4th.

Vehicle for Hire Renewals

The renewal letter for our VFH business went out earlier in October outlining the recurring paperwork needed to continue operations in Craig. I am confident that all paperwork will be turned in on time and complete.

Utility Billing

As I had mentioned before, I am still learning the ropes of the AR Clerk position covering utility billing, late cards, entering changes to services, garbage collection charges, as well as working on my proficiency of customer lookups and bill payments in our Accu-fund system. This has kept me busy, but I feel that things are going great.

Council Changes

At the last regular meeting the Council said goodbye to Greg Head, long time councilmember and welcomed Hannah Bazinet in his place. Hannah will be traveling to the Newly Elected Officials training in Anchorage this month, and I have been working with Joyce, Anjuli and Jon to prep Hannah for her term on Council.

These are just a few of the main tasks I have been working on this month. Along with these are my usual tasks which include but are not limited to safety meetings, council meetings/packets, minutes, front office work, travel arrangements, city cemetery work, website revisions, postings ect..

I will be traveling January 9-18, 2015.

Please feel free to contact me with any questions or comments.

CITY OF CRAIG MEMORANDUM

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

1. Pool Improvements. Staff has finalized the condition assessment with JYL. With the recent approval of the bond issue staff will start the process of moving forward with project planning for use of the bond funds.
2. Emergency Warning Siren. A live test of the Tsunami Warning Sirens was conducted on October 16th. There were some minor glitches but we are continuing to work through those issues. We are looking at additional equipment to install at the Craig High School related to the system. The siren was heard well throughout Craig outdoors. Several residents reported not hearing the sirens well while indoors. Tsunami evacuation route signs have been delivered to the city. Public works will begin installing these over the next several weeks. I am continuing to work with the State of Alaska to produce a public pamphlet with additional information for residents. Siren tests will be conducted on the first Wednesday of each month at noon with the next test scheduled for November 5, 2014 at noon.
3. Promech Air Lease. Recently we contacted Promech Air regarding their occupation of the Craig Seaplane Terminal. Promech recently laid off Craig employees and ceased scheduled flight operations into and out of Craig. Based on a telephone conversation with Promech management they are transitioning to charter services only. The company is currently discussing their use of the Craig terminal. The existing lease allows for cancellation of the lease upon written agreement by the lessee and the city. Promech will have to request early termination of the lease and the council will have the opportunity to discuss and take action on that request at a future meeting. In the meantime Promech is still liable for the monthly lease fee of \$930 per month. In addition the lease specifies that if they discontinue the allowed for more than six months that the lease may be cancelled by the city. To date Promech has not contacted the city with their intent. As of 10/30/14 the Craig Promech phone number had been disconnected and the Ketchikan number was “not accepting calls from unidentified callers” so I was unable to get current information on Promech’s intentions.
4. False Island LED Lights. Channel electric has installed all lights but was delivered the wrong wire from their supplier. They have ordered the correct wire from their supplier and will work with the city on when the lights will be operational.



Craig Emergency Medical Services Report.

- The island Mini symposium we hosted was wonderful. Entire squads from around the island came to get training and supplies. We had 15 classes, 4 off-island instructors and more than 40 medics come from around POW.
- Dr. Vaught came up with his wife (both taught classes) and spent the night with our squad. We are on track for submitting new paperwork to the state EMS office for certification, we are waiting for the Fire & EMS Name change to be completed.
- Bobbi Liechty came down for the symposium, she was thrilled at all the work we have done in our classroom and firehall.
- Our call volume is normal for October, 16 calls. Year total is 204 as of October 23, 2014
- We continue to offer weekly training from 4-8 for our volunteers
- We are hosting our annual Haunted House in the web loft.
- We have a new paramedic in town that is working part time for us. It is wonderful to have an enthusiastic member on the squad.
- We are looking forward to November and December this year, to get reorganized for 2015.

Craig Public Library Report To City Council October 2014



Submitted by: Amy K. Marshall, Library Director

Numbers are reflective of 10/1/2014 – 10/27/2014

Patron Visits: 1,193
Circulations: 1,963
Computer Use: 463
Program Attendance: 238
Reference Questions: 389

The library received seven (73) new AWE-enabled tablets from The AlaskaOWL Project. These tablets are for checkout by adults for their children. The AWE software is an early literacy-based software that teaches skills to children ages 4-8. I briefly demonstrated the AWE at the last City Council Meeting (they had arrived that day).

The library is partnering with the US Forest Service and CILC to create a video conference program featuring El Capitan Cave. The director met with Tory Houser, CILC President Pam Lloyd, Dr. Mark Standley of UAS, and representatives from GCI School Access and The AlaskaOWL Project to collaborate on the project. The plan is to script a virtual tour of the cave and also involve local youth for collaborative classroom programs with schools around the world.

The director is working on the library's required 3-year Technology Plan and has been busy with the changes FCC is proposing for e-Rate. The library relies on e-Rate to fund telecommunications and some of our broadband costs. The proposed changes include the definition of an "urban cluster," which might affect Craig and Prince of Wales Island.

Craig Public Library Report To City Council

October 2014

The library's broadband was increased from a 1.5 Mbps T-1 connection to a 3 Mbps managed broadband connection. This effectively doubles the speed of the internet at the library (both on dedicated computers and the Wi-Fi). GCI also sent a tech to the library to install a new APC unit as ours had malfunctioned nearly a month ago.

The director attended the Reuben E. Crossett Fund meeting in Ketchikan on October 1st. In the past, the library has directly benefited from Crossett grants, and the informational meeting this year was to identify new projects and partnerships and celebrate the 25th year of Crossett's support of Southeast Alaskan non-profits serving children. The writer-editor of the group was keenly interested in the library's LapSit Bags – a direct benefit of Crossett funding back in 2006. The group will be using Craig Public Library as a case study for success in their upcoming 25th Anniversary publication. I should also note that I will be working with Chaundell to secure funds to help establish a Youth First Responder course for Middle and High School students in Craig using a grant from Crossett.

The 2nd Annual Family Halloween Story Walk is up on Cemetery Island. The walk, featuring *Room on the Broom* and *Ten Timid Ghosts* will be open from October 25th – November 3rd (wind willing, but the walk is being monitored for damage and repaired as needed. I am also picking up litter).

Programs:

- Minecraft Mondays 3pm – 5pm
- Robotics & LEGOs (Every Tuesday) 2pm – 4pm
- Afternoon Craft 2pm – 4pm
- Toddler-Preschool Story Time (Every Friday) 10am
- Biofuels in Alaska 10/7
- Mass Extinction (Smithsonian) 10/8
- NASA's Earth Science Week 10/12-18
- Small Scale Hydro in Alaska 10/14
- The BIG Library Read 10/13 – 10/28
- Alzheimer's Series: Communicating with our Elders 10/18
- Goosebumps Marathon 10/18
- Tea & Lemon Cake Book Club 10/18
- Astronomy Day with the McDonald Observatory 10/20
- 2nd Annual Halloween Family Story Walk 10/25 – 11/3
- Service Members Civil Relief Act; A Free CLE 10/22
- Health Happy Hour: Winter Exercise With Your Pet 10/27
- National Archives Virtual Genealogy Fair 10/28-10/30
- Hank The Cowdog 10/29
- Study Abroad Information Session 10/30
- Toddler-Preschool Halloween Party! 10/31

Craig Public Library Report To City Council

October 2014

Upcoming (highlights):

History In The First Person: World War II 11/5
Discovering Puppetry in Other Cultures 11/7
Alzheimer's Series continues on 11/8 at 10am
The Hidatsa Earthlodge 11/12 (Native American Heritage Month)
International Games Day! 11/15
Travels in Glacier Bay with Miss Elizabeth 11/19
Alaska Suicide Prevention and Intervention Gatekeeper Training 11/22

Awards in process:

The Library Journal awarded The Craig Public Library STAR Library status for a second consecutive year. Details of this year's award will be published in the November issue of *TLJ*. Information about last year's award can be found online here:

<http://lj.libraryjournal.com/2013/11/managing-libraries/lj-index/class-of-2013/all-the-stars-2013-state-by-state>

The library applied for The Institute of Library and Museum Services National Medal for Museum and Library Service. We received word that the library had advanced to the second stage. Winners will be notified in early February 2015.

The library is awaiting word from *The Library Journal* for its decision for the Best Small Library in America Award.

**CITY OF CRAIG
MEMORANDUM**



Date: October 30th, 2014
To: Honorable Dennis Watson, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report

RJ Ely

ACTIVITY

Activity from September 30, 2014 to October 30, 2014. Dispatch Center took the following amount of calls for service:

Craig	832	Down from last month of	995
Klawock	429	Up from last month of	361
AST	18	Up from last month of	14

DEPARTMENT OF MOTOR VEHICLES

Staying busy, drop offs are still being done weekly and waiting line hasn't been bad.

DISPATCHER(S)

Vanessa D.C. Booth has completed training, signed off and will began filling in once a week and during times other dispatchers take leave.

OFFICER(S)

Still down one officer and still advertising. Have had lots of inquiries, but no completed, submitted application(s) as of yet.

OTHER

While attending 2014 Fall Preparedness Conference, made contact(s) to get 100% free, on sight training with FBI, here in Craig – Be first of the new year, looking at having training brought to Craig.

Newest Expedition has been stripped, equipped and fully outfitted and is now in service.

The last Crown Vic has been pulled from the fleet and will now be utilized by the CDL / Motorcycle Testing Instructor.

I'm finishing up on configuring new laptops that will be issued to each officer, installed in each vehicle and officers will then be able to utilize new citation software.

Ofc. D'Amelio is confirmed to attend 2 week re-cert training academy in January 2015. Once completed, he will obtain his Basic Alaska Police Officer's certification(s). He will be eligible to obtain his intermediate and possibly advanced certification(s).

Memo

To: Mr. Mayor, Craig City Council

From: Ron McIntosh, Public Works Director

CC: Jon Bolling, City Administrator

Date: October 31, 2014

Re: Public Works Council Report for November 6, 2014

Activities and status:

1. The Port St. Nicholas Water Main Replacement has been awarded to Southwest Road Builders. Valve construction will start in November with main line to follow.
2. The solid waste collection containers have been ordered..
3. The North Fork Lake Dam Construction is back on schedule for construction in 2015.

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

From Victoria Merritt, City of Craig Recreation Department.

Dear Mayor Watson and Craig City Council,

I missed the Safety meeting due to a fall down slippery stairs at my house. The meeting was all about falls. My advice is to avoid falling as much as possible. After Xrays and an MRI I was told I broke my arm in the shoulder socket and compression fractures to a couple of vertebrae in my back. Still working, just not lifting much.

Since Halloween, was on Friday we cancelled. Saturday November 1st is the first Roller Derby training session! Come see if you'd like to join the team! Waivers must be signed and rules and risks will be explained to all participants. Noon at the Craig City Gym. We have Carol Mahara, USFS Thorne Bay, formerly from the Juneau Roller girls as the organizer of this event.

The last Swap meet was a success. We had 8 vendors and POWER and lots of shoppers. No more until January. Time for Bazaar season. The fall Arts and Crafts Bazaar will be held on November 29th and December 13th for the Holiday Bazaar. This is a great opportunity for unique gifts for the holidays, or just for yourself. Sign up early. We have been selling out! Reserve a space for \$15, wall spaces and electricity are the first to sell out and Wall space only is \$5, with electricity it is \$10, \$5 for a table and chairs are included. We have a 60 space limit, with 40 rectangle and 12 round tables to rent. There is a \$10 extra fee the last week of before the event.

Open Gym Volleyball on Tuesday and Thursday at 7pm is on hiatus for a few weeks. We will start back up in mid November or December. Then get ready for the winter CoEd Volleyball league.

Ballet and Gymnastics classes are Saturday beginners, 10:30 for ages 7 and up with Tori Houser, Gymnastics will be at the Craig City Gym, Mary Huffemeir and Julie McDonald have class at 3pm for beginners and 3:30pm at intermediate students. There are 5 classes left in this session on Saturday afternoons. We have 4-15 students in each class.

Recreation is starting several advisory groups, starting with upper elementary, Middle school and high school students. These groups will advise me on activities and programs they would like to see happen in our community.

The Craig Public Library is partnering with Recreation for an After school program with activities at the Craig Youth/Rec Center

and the Craig City Gym. Today we have our 2nd ceramics class with Jeri Rosenthol, Thanks to the Library they bought the clay. The program on Fridays starts at 2 with kids cooking and ends at the Craig City Gym. The rest of the program runs from 3 to 5 On Mondays Minecraft at the Craig Library, Tuesdays Robotics and Legos. Wednesdays, writing and journal making and Thursday at 3pm there is a Movie for Kids or writing , Fridays we cook at 2pm, then play chess and board games, with October featuring a Pottery tile class with Jeri Rosenthol starting today at 3 for ages 8 to 12. We have modeling clay for younger students. We also had Vanessa Pereira from SEARHC Health Educator who did activities with healthy eating and food for 20 kids from 4-11 years old. We have had 20 kids on Fridays, and 4-12 Tuesday thru Thursday. Mondays are a Library event.

DVD Yoga at lunch time in the Youth/Rec center with Mary Murphy. Monday, Wednesday and Friday from noon to 1pm. Just a \$2 donation.

Seibukan Karate is held on Tuesday, Thursday and Friday at 5, you can join at the class. They are fundraising to go to Washington for a special training event in the Spring. Parent Tot time is a free open gym for babies and pre-schoolers and parents at the Craig City Gym weekdays from 11am to 12:30pm. Rollerskating or blading held on Friday night, at 7, At the City Gym admission is \$1 and we have lots of skates and blades to rent for \$2. Paula Price and Barb Moots are frequent volunteer helpers. Enjoy a family night or send the kids if they are over 8. A date night movie planned for one Friday, a month is held at the Craig Rec Center. Scrabble nights and other fun events are in the works.

The City Gym can be rented for \$15 an hour and the Craig Youth/Recreation Center for \$25. The Craig 4th of July committee is renting out the bouncy house for parties for just \$50 an hour and that includes a committee member to run the house.

Questions? Call me at 826-2575 or email craigrec@aptalaska.net or face book at Craig Recreation.

Victoria Merritt, City of Craig Recreation Department.



CITY OF CRAIG

Account Statement - Period Ending September 30, 2014



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

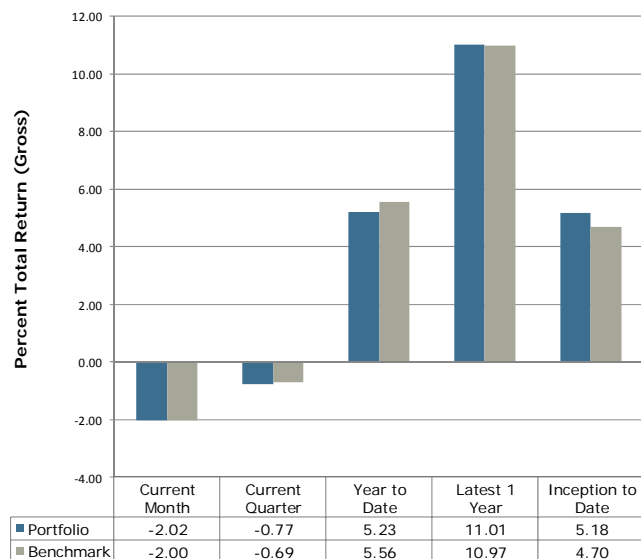
Portfolio Value on 08-31-14	9,109,078
Contributions	0
Withdrawals	-159
Change in Market Value	-224,535
Interest	7,134
Dividends	33,134
Portfolio Value on 09-30-14	8,924,652

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

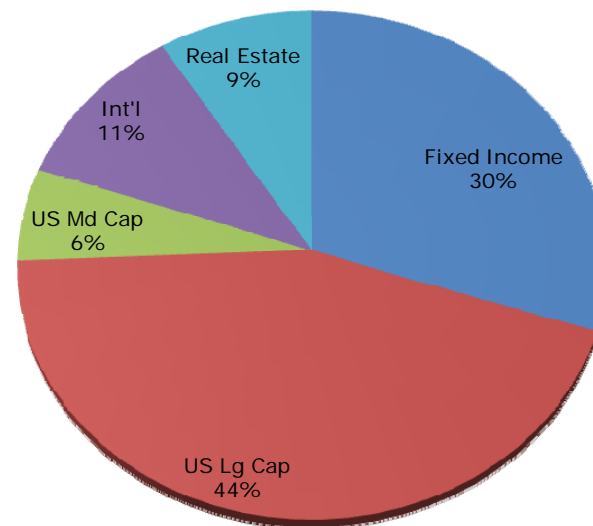
INVESTMENT PERFORMANCE

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
September 30, 2014

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	2,587,009	29.0	20% to 45%
Cash (0.0%)	98,701	1.1	na
Subtotal:	2,685,710	30.1	
EQUITY (66%)			
US Large Cap (40.0%)	3,949,266	44.3	30% to 50%
US Mid Cap (6.0%)	526,859	5.9	0% to 10%
Developed International Equity (10.0%)	959,247	10.7	5% to 15%
Real Estate (10.0%)	803,570	9.0	5% to 15%
Subtotal:	6,238,943	69.9	
TOTAL PORTFOLIO	8,924,652	100	

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

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
125,000	US TREASURY NOTES 0.625% Due 08-31-17	99.79	124,736	98.68	123,350	1.38	781	67	1.09
300,000	US TREASURY NOTES 1.875% Due 09-30-17	102.89	308,672	102.23	306,681	3.44	5,625	15	1.12
100,000	US TREASURY NOTES 3.750% Due 11-15-18	106.48	106,480	108.74	108,742	1.22	3,750	1,416	1.55
50,000	US TREASURY NOTES 1.250% Due 10-31-19	97.43	48,717	97.27	48,636	0.54	625	262	1.81
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	108.37	108,375	1.21	3,500	1,322	1.92
125,000	U S TREASURY NOTES 2.125% Due 08-15-21	98.40	122,998	99.50	124,375	1.39	2,656	339	2.20
50,000	US TREASURY NOTES 1.625% Due 11-15-22	98.79	49,396	94.51	47,254	0.53	812	307	2.37
225,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	222,463	100.59	226,336	2.54	5,625	718	2.43
	Accrued Interest				4,447	0.05			
			1,087,502		1,098,197	12.31		4,447	
AGENCIES									
150,000	FNMA* 0.800% Due 02-28-18	98.26	147,390	99.71	149,571	1.68	1,200	110	0.89
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	108.28	108,284	1.21	3,750	42	1.82
	Accrued Interest				152	0.00			
			248,800		258,007	2.89		152	
FNMA & FHLMC									
14,514	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	15,177	106.78	15,499	0.17	581	48	2.06
	Accrued Interest				48	0.00			
			15,177		15,547	0.17		48	
ASSET-BACKED SECURITIES									
100,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	107,250	100.42	100,419	1.13	3,800	169	0.44
	Accrued Interest				169	0.00			
			107,250		100,588	1.13		169	
CORPORATE BONDS									
100,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	97.18	97,176	101.80	101,798	1.14	4,750	396	0.45

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

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
100,000	HSBC FINANCE CORP 5.500% Due 01-19-16	100.21	100,206	105.85	105,848	1.19	5,500	1,100	0.97
50,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	49,990	102.44	51,220	0.57	1,050	388	0.60
50,000	BANK AMER CORP 5.625% Due 10-14-16	107.18	53,592	108.50	54,248	0.61	2,812	1,305	1.38
50,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	58,955	109.81	54,905	0.62	2,812	1,297	0.77
50,000	STATOIL ASA 3.125% Due 08-17-17	107.07	53,533	104.97	52,487	0.59	1,562	191	1.36
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	112.27	112,274	1.26	5,500	1,161	1.65
100,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	99,572	112.72	112,722	1.26	5,750	958	1.80
75,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	91,093	113.66	85,247	0.96	4,500	575	1.81
75,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	88.27	66,205	113.05	84,790	0.95	4,219	1,758	1.85
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	100.21	50,106	0.56	1,050	216	2.05
100,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	116,514	119.24	119,242	1.34	7,500	958	2.80
100,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	125.02	125,020	116.30	116,304	1.30	6,350	3,175	2.50
	Accrued Interest				13,478	0.15			
			1,083,327		1,114,670	12.49		13,478	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
20,045	SPDR S&P 500 ETF	137.86	2,763,434	197.02	3,949,266	44.25	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
3,853	ISHARES CORE S&P MIDCAP 400 ETF	69.71	268,575	136.74	526,859	5.90	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
24,132	VANGUARD FTSE DEVELOPED MARKETS ETF	37.73	910,436	39.75	959,247	10.75	NA		
REAL ESTATE									
11,184	VANGUARD REIT ETF	56.44	631,270	71.85	803,570	9.00	NA		
CASH AND EQUIVALENTS									
	DIVIDEND ACCRUAL		18,826		18,826	0.21			

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
September 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>
	FEDERATED GOVERNMENT OBLIGATION		79,875		79,875	0.89			
			98,701		98,701	1.11			
TOTAL PORTFOLIO			7,214,470		8,924,652	100	227,456	18,294	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 09-01-14 To 09-30-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
09-30-14	09-30-14	MANAGEMENT FEES		2,231.16
				2,231.16
DIVIDEND				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
09-19-14	10-31-14	SPDR S&P 500 ETF		18,826.06
DOMESTIC MID CAP EQUITY FUNDS/ETF				
09-30-14	09-30-14	ISHARES CORE S&P MIDCAP 400 ETF		1,721.31
INTERNATIONAL EQUITY FUNDS/ETF				
09-30-14	09-30-14	VANGUARD FTSE DEVELOPED MARKETS ETF		5,115.98
REAL ESTATE				
09-30-14	09-30-14	VANGUARD REIT ETF		7,470.91
				33,134.26
INTEREST				
AGENCIES				
09-27-14	09-27-14	FHLMC 3.750% Due 03-27-19		1,875.00
ASSET-BACKED SECURITIES				
09-15-14	09-15-14	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17		316.67

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 09-01-14 To 09-30-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
CASH AND EQUIVALENTS				
09-02-14	09-02-14	FEDERATED GOVERNMENT OBLIGATION		0.45
CORPORATE BONDS				
09-01-14	09-01-14	JP MORGAN CHASE & CO 4.750% Due 03-01-15		2,375.00
FNMA & FHLMC				
09-01-14	09-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		49.27
U.S. TREASURY				
09-30-14	09-30-14	US TREASURY NOTES 1.875% Due 09-30-17		2,812.50
				7,428.89
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
09-01-14	09-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	265.35	265.35
				265.35
WITHDRAW				
CASH AND EQUIVALENTS				
09-02-14	09-02-14	CASH RECEIVABLE		390.62
09-30-14	09-30-14	FEDERATED GOVERNMENT OBLIGATION		158.75
				549.37
				549.37

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 09-01-14 Through 09-30-14

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
09-01-14	265.35	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	277.46	265.35	-12.11
TOTAL GAINS					0.00
TOTAL LOSSES					-12.11
			277.46	265.35	-12.11

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 09-01-14 To 09-30-14

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CASH RECEIVABLE					
09-01-14			Beginning Balance		390.62
09-02-14	09-02-14	wd	Transfer to	FEDERATED GOVERNMENT OBLIGATION	-390.62
09-30-14			Ending Balance		0.00
DIVIDEND ACCRUAL					
09-01-14			Beginning Balance		0.00
09-19-14	10-31-14	dp	Dividend	SPDR S&P 500 ETF	18,826.06
09-30-14			Ending Balance		18,826.06
FEDERATED GOVERNMENT OBLIGATION					
09-01-14			Beginning Balance		57,640.28
09-01-14	09-01-14	dp	Interest	JP MORGAN CHASE & CO 4.750% Due 03-01-15	2,375.00
09-01-14	09-14-14	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	49.27
09-01-14	09-14-14	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	265.35
09-02-14	09-02-14	dp	Transfer from	CASH RECEIVABLE	390.62
09-02-14	09-02-14	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	0.45
09-15-14	09-15-14	dp	Interest	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	316.67
09-27-14	09-27-14	dp	Interest	FHLMC 3.750% Due 03-27-19	1,875.00
09-30-14	09-30-14	dp	Interest	US TREASURY NOTES 1.875% Due 09-30-17	2,812.50

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 09-01-14 To 09-30-14

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
09-30-14	09-30-14	dp	Dividend	ISHARES CORE S&P MIDCAP 400 ETF	1,721.31
09-30-14	09-30-14	dp	Dividend	VANGUARD FTSE DEVELOPED MARKETS ETF	5,115.98
09-30-14	09-30-14	dp	Dividend	VANGUARD REIT ETF	7,470.91
09-30-14	09-30-14	wd	Withdrawal	from Portfolio	-158.75
09-30-14			Ending Balance		79,874.59



ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

OCTOBER 2014

QUARTERLY PERSPECTIVES

ECONOMY & FINANCIAL MARKETS

Slow and Steady Wins the Race?

Economic growth in the U.S. jumped to 4.6% in the second quarter bringing year over year growth to 2.6%. ISI Strategies notes that this expansion has been the “worst” in history, with real GDP growing at 2.2% annually over the past five years. They believe that “slow and steady” increases the odds that the expansion will continue as “imbalances” have not built up. Maybe the slow expansion will turn out to be one of the longest on record?

The Federal Reserve is doing all it can to help by keeping short rates near zero. That will likely end by next summer. However it looks to be ending its monthly bond buying QE program this October. Most central banks throughout the world remain dovish; especially Europe and Japan, where some analysts believe rates will stay at rock bottom levels for the next five years.

Given soft global growth and well known geopolitical disturbances it's not surprising that market performance was lackluster in the third quarter. Yes, the U.S. stock market hit new highs, but after all was said and done the S&P 500 closed at 1,972, up 1.1% for the quarter and 8.3% year to date. Smaller stocks in the S&P 600 lost 6.7% in Q3 and are down 3.7% year to date.

After trading sideways for the first half of the year the U.S. dollar gained roughly 7% against a basket of foreign currencies (DXY) last quarter. That suppressed the dollar returns of foreign stocks and bonds. For example the Japanese Nikkei 225 stock index gained 7.3% in yen, but -0.9% in dollars. The Euro Stoxx 600 index was up 0.9% in euros but down 6.9% in dollars.

Bond markets in the U.S. tread water with the 10 year Treasury trading in a narrow range around 2.5%. Recall it was just over 3% at year end. The Barclays U.S. Aggregate Bond Index posted a 0.2% total return over the quarter. However, high yield junk bonds were particularly volatile. The Merrill Lynch high yield index lost 1.9% and now yields

6.2%. That's a spread of more than 4% over comparable Treasury notes.

Inflation: Missing In Action

Inflation has been remarkably tame here in the U.S. and around the world. The CPI inflation rate is 1.7% year over year. It's 0.3% in Europe, and only 2.0% in China. Sluggish growth and slack in the labor markets are the main factors, but there are other reasons.

Bumper crops around the world have driven agricultural prices lower – especially grains like corn, wheat, and soybeans. Corn prices have fallen over 60% in two years and wheat prices are at a four year low.

Oil prices have reached their lowest levels in two years despite various civil wars and violence in the Middle East. The domestic shale boom is part of the answer – increasing supply, but demand has been soft owing to more fuel efficient cars and slowing economic growth out of China and Europe.

A stronger dollar has also kept a lid on import prices. That dollar trend may continue given the favorable interest rate differentials towards the U.S. For example, the ten year Treasury yields 2.5% and looks to be a relative bargain compared to 0.5% in Japan and 0.9% in Germany.

In addition many commodities are priced in dollars on global markets, so a rising dollar makes them more expensive for foreign buyers - lowering quantity demanded and ultimately prices.

APCM bond manager, Bill Lierman, notes that Wall Street economists have been revising their inflation forecasts down and that inflation expectations embedded in the bond markets have softened with inflation protected TIPS underperforming nominal Treasury bonds. The “market” expects 1.7% annual inflation over the next five years.

(Continued on page 2)

(Continued from page 1)

The Role of International Bonds in Portfolios

APCM includes international bonds in many portfolios. The rationale is straightforward as foreign bonds are imperfectly correlated with domestic bonds and improve portfolio diversification. They also represent an astonishing 35% of the world's investable assets!

In the past, we purchased BWX, a broadly diversified ETF that consists of *government* bonds issued in local currencies by countries outside the United States. All underlying holdings in the ETF are rated investment grade. The expense ratio is 50 basis points per year.

However, new research from Vanguard, and the availability of currency hedging techniques, suggests a better way to get foreign bond exposure.

What they (and others) have recently found is that the currency exposure inherent in international bonds dominates their volatility, somewhat negating the expected

diversification benefits. That is, while low correlation is still present (that's good for diversification) the extra volatility from unhedged bonds detracts from this positive effect. The solution is to hedge away the currency risk so that international bonds behave much more like bonds – not foreign currencies.

If you are thinking “why not hedge the currency risk in our equity allocations,” then we're impressed! Vanguard answers “In the case of bonds, currency exposure adds significant volatility to an asset that is relatively stable in price. Stocks, on the other hand already have high volatility, so the effect of adding currency volatility is much less pronounced.”

As a result of this analysis, we are in the process of switching clients out of SPDR BWX and into Vanguard BNDX. The latter invests in international government *and* corporate bonds that are rated investment grade and hedges to offset currency fluctuations. There are over 2,700 bonds in the fund. The average maturity is about 8 years. The lower expense ratio of only 20 basis points is icing on the cake.

Jeff Pantages, CFA®
Chief Investment Officer

APCM Staff Spotlight

APCM's Chief Compliance Officer, Julee Duhrsen, was featured in *The Journal of Performance Measurement* — *Who's Who in Performance and Risk Measurement*. Below is an excerpt from the interview.

How long have you been in performance and risk measurement?

I have been in performance in risk management for 10 years.

How did you arrive here?

I have taken a roundabout circuit to get into the niche profession of performance accounting. I started with an undergraduate degree in math, then continued my education by becoming a CPA. After that, I happened upon the business valuation field and started to work towards a CFA designation. I have worked on the investment side valuing privately held businesses, and then as a credit analyst with my current employer. After finding I enjoyed it, I became the go-to person on investment performance questions.

What do you like best about our profession?

I have always enjoyed problem solving and realized there was a need in my firm to help people understand the complex nuances of portfolio and security investment performance. Although portfolio accounting software can easily do the calculations, there is another level of expertise needed to understand and evaluate the results.

What advice would you give to other performance and risk professionals?

I would encourage anyone who wants to advance in this profession to really understand the math that underlies performance calculations. It is complex, but is an area of expertise that will be much appreciated. Having reliable and accurate performance software is important, but understanding the output is where the challenge and fun is!

What does the future look like for performance and risk measurement?

The future of the profession is great for individuals with analytical skills and enthusiasm for performance logic and problem solving skills.

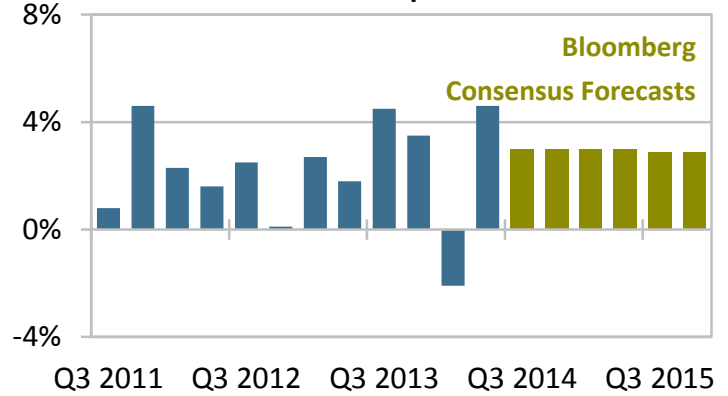


Julee Duhrsen, CPA, CFA®

Bloomberg Consensus Year-End Forecasts

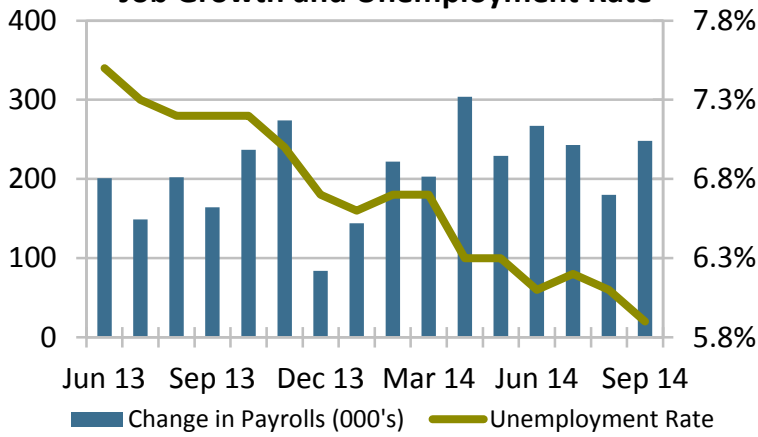
Data as of 10/10/2014	2013	2014	2015	2016
Real GDP (% YoY)	2.20	2.20	3.00	2.90
CPI Inflation (% YoY)	1.48	1.80	2.00	2.20
Unemployment (%)	7.40	6.20	5.70	5.40
Fed Funds (%)	0.25	0.25	0.95	-
10-Yr Note (%)	3.03	2.71	3.40	-

Modest GDP Growth Expected to Continue



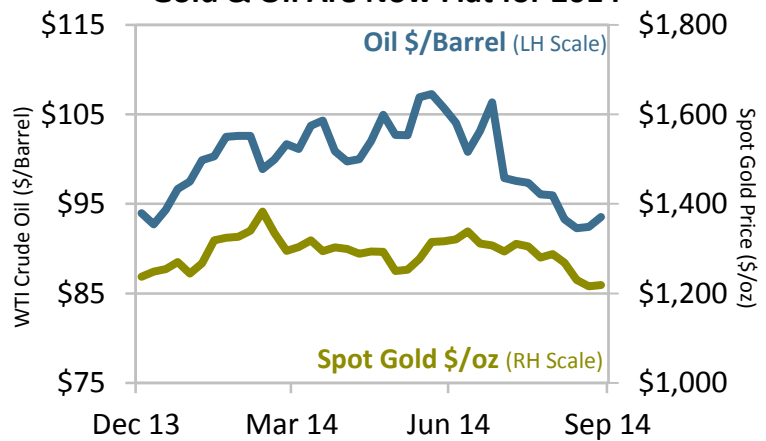
Actual GDP data from the Bureau of Economic Analysis through 6/30/2014
Bloomberg Consensus Forecasts as of 10/10/2014

Job Growth and Unemployment Rate



Data: Bureau of Labor Statistics

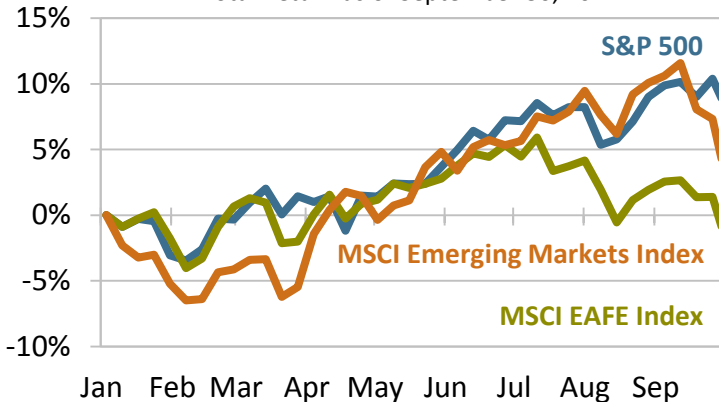
Gold & Oil Are Now Flat for 2014



Data: Bloomberg

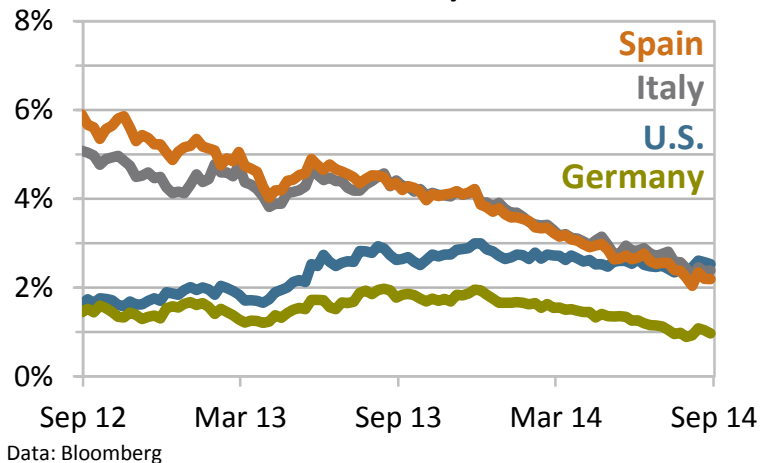
Global Stock Returns Mixed in 2014

YTD Total Return as of September 30, 2014



Data: Bloomberg

10 Year Global Treasury Note Yields



Data: Bloomberg



Bill Lierman, CFA®
Portfolio Manager

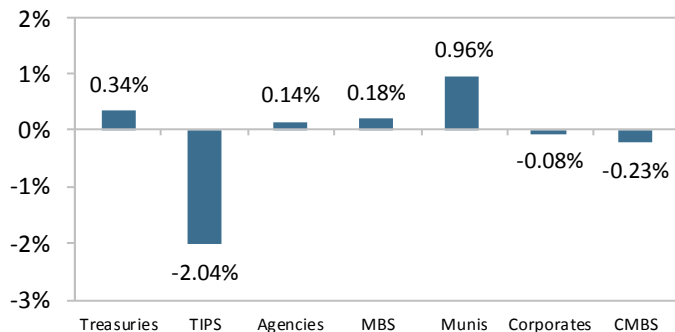
■ The U.S. Aggregate Index returned 0.17% for the quarter. Spread product had negative excess return (vs. Treasuries) as ebbs and flows of the market leaned toward taking off risk in anticipation of increasing rates.

■ Increasing real rates and slowing inflation drove TIPS to be the worst performing assets as they lost 2.04%. Year over year CPI is now at 1.7%. Inflation expectations measured by 2 and 10 year break-evens decreased

68 and 27 basis points (bps), respectively.

■ Corporate bonds re-priced risk as spreads widened. The BofA Merrill Lynch BBB US Corporate Index widened 16 bps, ending at a spread of 159 bps to Treasuries. Issuance remains high as corporations are taking advantage of low rates.

Q3 2014 Bond Total Return



Barclays

■ ABS held pat for the quarter returning 0.01%. Investors in the front end of the curve continue to demand yield and buy ABS. The FICO scores in newly originated automobile loans have been declining. Market participants will monitor stress in the product by seeing if these loans will be securitized into ABS.

■ The Municipal market returned 0.96% for the quarter. Municipals continue to see demand from households. J.P. Morgan points out investors subject to individual tax rates make up 69% of the market.

■ Leading up to quarter end yields on short-term rates dropped below zero. At quarter end there is generally a buying spree of safe haven assets to produce cleaner balance sheets. The problem was exacerbated when the Fed announced a \$300 billion cap on its reserve repo facility creating less supply of high quality assets.

■ Spain was able to borrow one billion euros for 59 years at 4% at the beginning of September. Rates continue to stay low in the face of soft economic data from Europe. Spanish, Italian, and French 10 year rates finished quarter end at 2.14%, 2.33% and 1.28%, respectively. This compares to the U.S. 10 year at 2.49%.

■ Falling oil prices, anticipation of rising rates in the U.S., geopolitics, and uncertainty over both the European and Chinese economies all weighed heavily on the equity markets in the third quarter. U.S. large company stocks were the only exception, the S&P 500 gained 1.1% in Q3. The worst performing sector was energy (-0.9%) as lower demand, a stronger dollar (oil is priced in USD) and plentiful supplies pushed the sector down.

■ U.S. small cap stocks (S&P 600) lost steam declining 6.7% after eight straight quarters of gains. The decline left the index off 3.7% YTD with seven out of ten sectors in the red.

■ The dollar rose more than 8% against the euro and the yen in the third quarter. Investors are convinced that the strengthening U.S. economy will prompt the Fed to raise interest rates which would increase the value of the dollar by making it more attractive to yield seeking investors.

Total Return (%) as of September 30, 2014

	Q3 2014	One Year	Three Years	Five Years
Domestic Equities				
Large Cap S&P 500	1.1	16.7	22.9	15.7
Mid Cap S&P 400	-4.0	11.8	22.4	16.3
Small Cap S&P 600	-6.7	5.7	22.8	16.2
International Equities				
Developed MSCI EAFE	-5.9	4.3	13.6	6.6
Emerging MSCI Emerging Markets	-3.5	4.3	7.2	4.4
Other				
Commercial Property S&P U.S. REIT	-3.2	13.2	16.6	15.9
Commodities Bloomberg Commodity Index	-11.8	-6.6	-5.3	-1.4
Fixed Income				
Total Bond Market Barclays Aggregate	0.2	4.0	2.4	4.1
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.0	0.5	0.5	1.0
Int'l Treasury Barclays Global Tsy ex-US	-5.1	0.4	1.3	2.2

Returns are annualized for periods greater than one year

■ Dollar strength, weak economic data from China, and protests in Hong Kong impacted returns from emerging markets. Currency losses exacerbated the poor performance. The MSCI Emerging Market index lost 3.5% in dollars, but finished up 0.6% in local currency. India and Indonesia have been recent winners both up over 20% YTD, while Russia has lost over 19% YTD.

■ The Bloomberg Commodity Index tumbled 11.8%. Brent crude lost 16% in the third quarter. Excess supply and weakening demand has forced oil producers to cut prices to attract buyers. Soybean futures lost over 30% in Q3 as improving crop conditions bolstered the outlook for a record harvest in the U.S., the world's largest grower.



Brandy Niclai, CFA®
Portfolio Manager

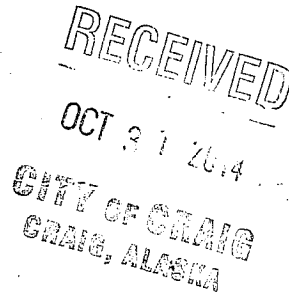


4B Eves Drive, Suite 200
P.O. Box 961
Marlton, NJ 08053-3112

t 856.985.5600
f 856.810.9065

October 27, 2014

Mr. Jon Bolling, Administrator
Craig
P.O. Box 725
Craig, Alaska, 99921



RE: Craig, Prince Of Wales Outer K County, Alaska
Public Protection Classification: 05/5X
Effective Date: February 01, 2015

Dear Mr. Jon Bolling,

We wish to thank you Mr. Ron McIntosh and Mr. Paul Coffey for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

Enclosed is a summary of the ISO analysis of your fire suppression services. If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

ISO's Public Protection Classification Program (PPC) plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision-making when deciding what business to write, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" — formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."
- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."
- Communities graded with single "9" or "8B" classifications will remain intact.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

Dominic Santanna

Dominic Santanna
(800) 444-4554 Option 2

Encl.

cc: Mr. Ron McIntosh, Director of Public Works, Craig City Public Works
Mr. Paul Coffey, Chief, Craig Fire Department
Mr. RJ Ely, Police Chief, Craig PD Dispatch Center



United States
Department of
Agriculture

Forest Service **RECEIVED** Alaska Region
Tongass National Forest

648 Mission Street
Ketchikan, AK 99901
Phone: (907) 225-3101
Fax: (907) 228-6215

OCT 03 2014

**CITY OF CRAIG
CRAIG, ALASKA**

File Code: 1920

Date: September 25, 2014

Dear Reader:

The Tongass National Forest web site contains the 2013 Annual Tongass National Forest Monitoring and Evaluation Report. This report includes an annual written summary of Forest-wide monitoring programs as specified and referenced in Chapter 6 of the Tongass Land and Resource Management Plan (Forest Plan). This report summarizes specific monitoring completed during fiscal year 2013, reports evaluation of the past year of monitoring and provides some information that was not available at the time of print for the 2012 Five Year Tongass Monitoring and Evaluation Report. The Report is on the internet at <http://www.fs.usda.gov/main/tongass/landmanagement/planning> under 2013 Monitoring Report.

The Forest Plan identifies management direction for the Tongass in terms of goals, objectives, and standards and guidelines—based on the underlying assumptions of statute, policy, theory, data, technology, and public needs and interest. Monitoring involves gathering data and information, and observing the results of management activities as a basis for the periodic evaluation of the Forest Plan. Evaluation is a process for interpreting monitoring data and information to determine whether changes in management direction are needed. The Forest Plan incorporates three types of monitoring and evaluation approaches: implementation, effectiveness, and validation.

The monitoring protocols used for the 2013 Monitoring and Evaluation Report reflect the Record of Decision for the 2008 Forest Plan. Protocols continue to evolve as managers receive more information. The Forest monitoring plan was written to monitor impacts to old-growth forests at the highest timber harvest level allowed by the Forest Plan. However, timber harvest since Forest Plan implementation has been significantly below the allowable sale quantity. The Forest is in transition to lower old growth harvest levels and increased young growth harvest. Impacts are well within the thresholds outlined by the Forest Plan. Most of the monitoring described in this report reflects an overview of annual data collection, monitoring pilots, and protocol development. Potential changes to the Forest Plan and monitoring plan were considered in the Five Year Forest Plan Review and a transition to follow up on changes in the monitoring program is ongoing.

If you have questions or comments about this report, please contact Carol Seitz Warmuth at the Ketchikan Forest Supervisor's Office, (907) 228-6341.

Sincerely,

FORREST COLE
Forest Supervisor





THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Transportation and
Public Facilities

OFFICE OF THE COMMISSIONER
Patrick J. Kemp, P.E., Commissioner

3132 Channel Drive
P.O. Box 112500
Juneau, Alaska 99811-2500
Main: 907.465.3900
Fax: 907.586.8365
dot.state.ak.us

September 29, 2014

Mayor Dennis Watson
PO Box 725
Craig, AK 99921

Dear Mayor Watson:

RECEIVED

OCT 03 2014

CITY OF CRAIG
CRAIG, ALASKA

The Department of Transportation and Public Facilities (DOT&PF) is organized into six sectors: one headquarters; two systems (Marine Highways and International Airports); and three regions (Central, Northern, Southeast). Effective this fall, the department is changing the boundaries of the regions. Notably, the Southeast Region will be expanded to include the majority of the coastal communities along the gulf and will be renamed the "Coastal Region." Attached are two maps to help explain the change, one shows the current boundaries and the second shows the revised boundaries. You will notice not all communities situated on the coast will be moved to the Coastal Region, those connected to the state highway system will remain under the Central or Northern Regions.

Population trends and the requirements of the most recent highway bill, MAP-21, are the main drivers for implementing this change. The commonalities shared by coastal communities, which include Alaska Marine Highway service, harbors, ports, and coastal climates also contributed to this decision.

This change will go through a careful transition so that no capital projects are negatively affected and no employees will physically relocate. The changes are fundamentally at the upper management level and you should not notice any change in daily maintenance and operation activities.

If you have any questions or suggestions on how we can make this transition as seamless as possible, please have your staff contact Connie McKenzie at (907) 465-4772.

Sincerely,

Handwritten signature of Patrick J. Kemp.

Patrick J. Kemp, P.E.
Commissioner

Attachment: DOT&PF – Regional Maps

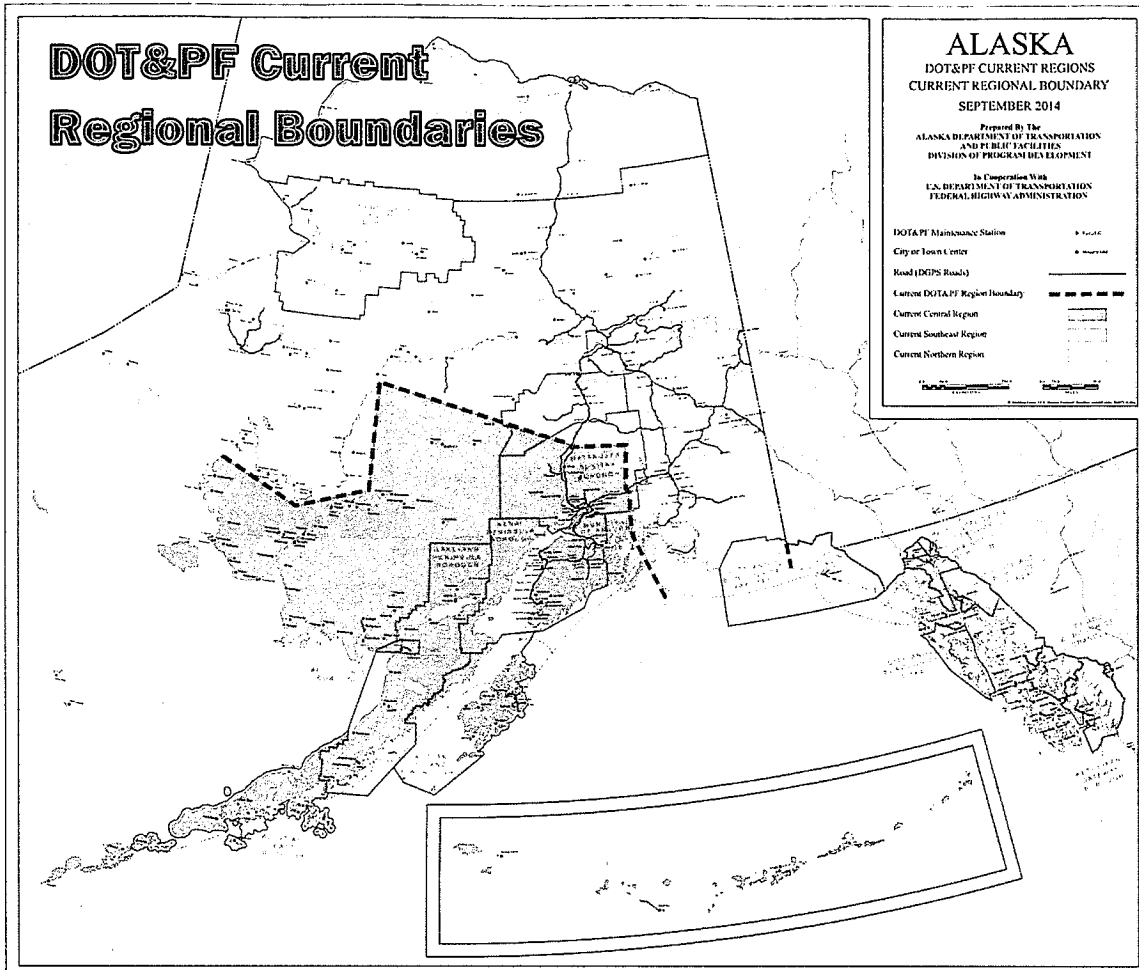
cc: Al Clough, Coastal Region Director, DOT&PF
Rob Campbell, Central Region and acting Northern Region Director, DOT&PF
Connie McKenzie, Legislative Liaison, DOT&PF

DOT&PF Current Regional Boundaries

ALASKA
 DOT&PF CURRENT REGIONS
 CURRENT REGIONAL BOUNDARY
 SEPTEMBER 2014

Prepared By The
 ALASKA DEPARTMENT OF TRANSPORTATION
 AND PUBLIC FACILITIES
 DIVISION OF PROGRAM DEVELOPMENT
 In Cooperation With
 U.S. DEPARTMENT OF TRANSPORTATION
 FEDERAL HIGHWAY ADMINISTRATION

- DOT&PF Maintenance Station ● Station
- City or Town Center ● Station
- Road (DGPS Roads) ——— Road
- Current DOT&PF Region Boundary - - - - - Boundary
- Current Central Region [Pattern]
- Current Southeast Region [Pattern]
- Current Northern Region [Pattern]

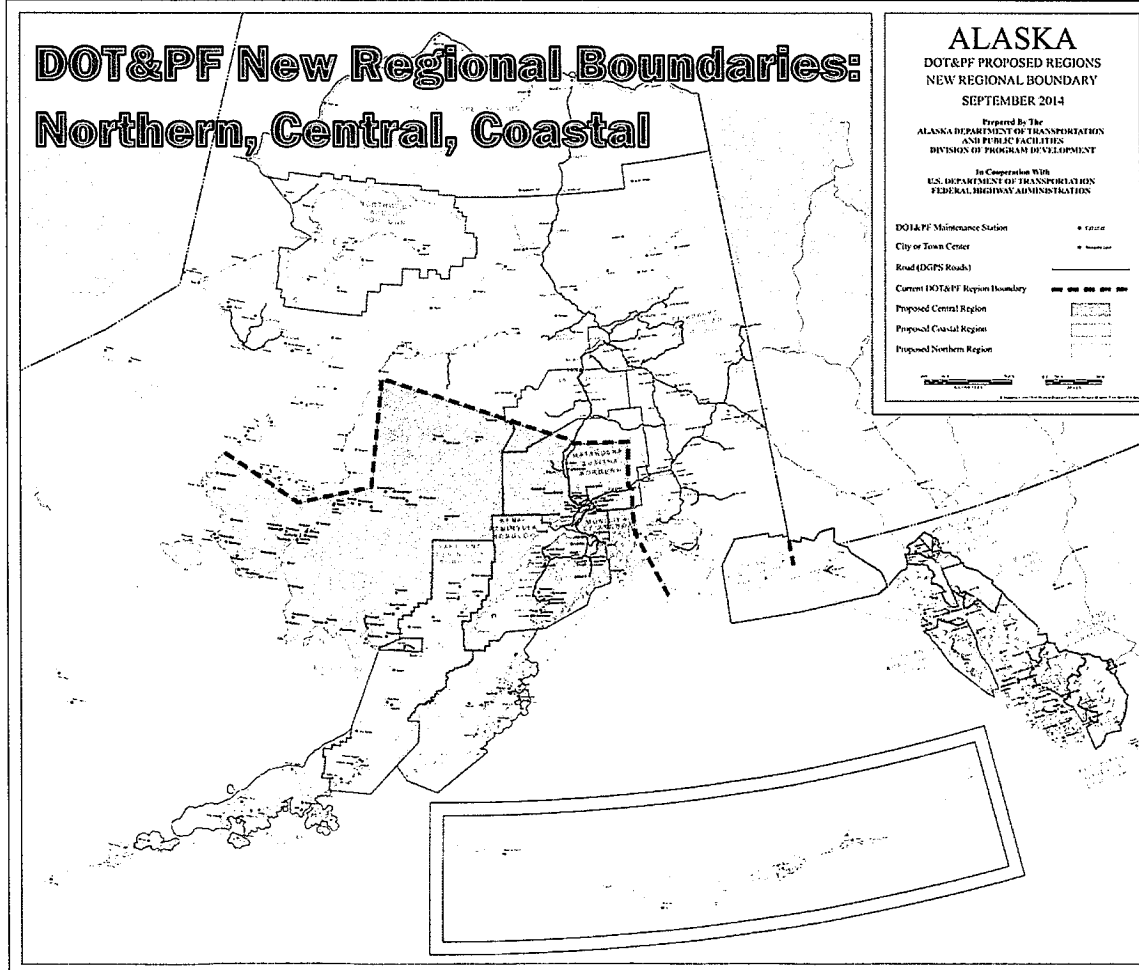


DOT&PF New Regional Boundaries: Northern, Central, Coastal

ALASKA
 DOT&PF PROPOSED REGIONS
 NEW REGIONAL BOUNDARY
 SEPTEMBER 2014

Prepared By The
 ALASKA DEPARTMENT OF TRANSPORTATION
 AND PUBLIC FACILITIES
 DIVISION OF PROGRAM DEVELOPMENT
 In Cooperation With
 U.S. DEPARTMENT OF TRANSPORTATION
 FEDERAL HIGHWAY ADMINISTRATION

- DOT&PF Maintenance Station ● Station
- City or Town Center ● Station
- Road (DGPS Roads) ——— Road
- Current DOT&PF Region Boundary - - - - - Boundary
- Proposed Central Region [Pattern]
- Proposed Coastal Region [Pattern]
- Proposed Northern Region [Pattern]





THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

211 Cushman Street
Fairbanks, Alaska 99701-4639
Main: 907.451.2721
Programs fax: 907.451.2742

October 6, 2014

RE: Change in Low to Moderate Income Thresholds for CDBG Program

To Whom It May Concern:

The U.S. Department of Housing and Urban Development (HUD) recently informed our office that the 2010 United States Census Data must be used for the upcoming Community Development Block Grant (CDBG) funding cycle. In order to qualify under the area-wide benefit category, your community must be 51% low to moderate income or higher.

The new census data has changed eligibility for several communities throughout the state. Please find your community on the enclosed list to see if you are eligible to apply for the CDBG program under the area-wide benefit category. Your status may have changed from the time you requested an application or viewed the application online.

The application deadline for this year's CDBG funding cycle is December 5, 2014 by 4:30 p.m. If you plan to apply, please review the enclosed census data. Please contact me via email at pauletta.bourne@alaska.gov if you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Pauletta Bourne".

Pauletta Bourne
Grants Administrator III

Enclosure

RECEIVED

OCT 09 2014

CITY OF CRAIG
CRAIG, ALASKA

Part 1: LMI Percentages by Community (Updated October 2014)

Community	% LMI	Community	% LMI	Community	% LMI
Aleutians East Borough	47.6%	Aniak city	50.9%	College CDP	36.3%
Aleutians West Census Area	35.7%	Anvik city	75.0%	Cooper Landing CDP	11.1%
Anchorage Municipality	33.5%	Arctic Village CDP	82.4%	Copper Center CDP	53.4%
Bethel Census Area	62.0%	Atka city	16.0%	Cordova city	27.2%
Bristol Bay Borough	33.3%	Atmautluak CDP	88.7%	Covenant Life CDP	6.7%
Denali Borough	30.7%	Atkasuk city	35.5%	Craig city	54.5%
Dillingham Census Area	49.7%	Attu Station CDP	0.0%	Crooked Creek CDP	80.8%
Fairbanks North Star Borough	37.0%			Crown Point CDP	0.0%
Haines Borough	35.2%	Badger CDP	24.3%		
Hoonah-Angoon Census Area	48.8%	Barrow city	42.1%	Deering city	69.2%
Juneau City and Borough	34.3%	Bear Creek CDP	18.1%	Delta Junction city	22.9%
Kenai Peninsula Borough	39.4%	Beaver CDP	68.8%	Deltana CDP	32.1%
Ketchikan Gateway Borough	38.2%	Beluga CDP	0.0%	Diamond Ridge CDP	38.8%
Kodiak Island Borough	41.8%	Bethel city	35.4%	Dillingham city	33.9%
Lake and Peninsula Borough	56.6%	Bettles city	0.0%	Diomedea city	96.0%
Matanuska-Susitna Borough	38.7%	Big Delta CDP	64.5%	Dot Lake CDP	100.0%
Nome Census Area	58.1%	Big Lake CDP	51.7%	Dot Lake Village CDP	64.3%
North Slope Borough	42.4%	Birch Creek CDP	100.0%	Dry Creek CDP	0.0%
Northwest Arctic Borough	59.1%	Brevig Mission city	92.1%		
Petersburg Census Area	44.3%	Buckland city	68.4%	Eagle city	100.0%
Prince of Wales-Hyder Census Area	54.0%	Buffalo Soapstone CDP	36.5%	Eagle Village CDP	100.0%
Sitka City and Borough	39.5%	Butte CDP	35.7%	Edna Bay CDP	33.3%
Skagway Municipality	33.7%			Eek city	92.9%
Southeast Fairbanks Census Area	39.9%	Cantwell CDP	45.8%	Egegik city	62.5%
Valdez-Cordova Census Area	38.6%	Central CDP	61.5%	Eielson AFB CDP	49.1%
Wade Hampton Census Area	73.9%	Chalkyitsik CDP	70.0%	Ekwook city	25.7%
Wrangell City and Borough	46.4%	Chase CDP	0.0%	Elfin Cove CDP	50.0%
Yakutat City and Borough	39.8%	Chefornak city	56.3%	Elim city	59.1%
Yukon-Koyukuk Census Area	62.3%	Chena Ridge CDP	23.6%	Emmonak city	65.7%
		Chenega CDP	61.5%	Ester CDP	46.3%
		Chevak city	74.6%	Eureka Roadhouse CDP	0.0%
Adak city	25.0%	Chickaloon CDP	33.3%	Evansville CDP	16.0%
Akhiok city	90.0%	Chicken CDP	0.0%	Excursion Inlet CDP	0.0%
Akiachak CDP	76.4%	Chignik city	60.6%		
Akiak city	90.2%	Chignik Lagoon CDP	17.7%	Fairbanks city	49.8%
Akutan city	100.0%	Chignik Lake CDP	31.6%	False Pass city	26.7%
Alakanuk city	73.3%	Chiniak CDP	16.0%	Farmers Loop CDP	23.0%
Alatna CDP	100.0%	Chisana CDP	0.0%	Farm Loop CDP	27.6%
Alcan Border CDP	0.0%	Chistochina CDP	68.0%	Ferry CDP	0.0%
Aleknagik city	52.6%	Chitina CDP	95.8%	Fishhook CDP	29.6%
Aleneva CDP	0.0%	Chuathbaluk city	83.3%	Flat CDP	0.0%
Allakaket city	75.0%	Circle CDP	100.0%	Fort Greely CDP	35.4%
Ambler city	85.9%	Clam Gulch CDP	50.0%	Fort Yukon city	61.8%
Anaktuvuk Pass city	85.5%	Clark's Point city	90.9%	Four Mile Road CDP	77.8%
Anchorage municipality	33.5%	Coffman Cove city	83.3%	Fox CDP	28.2%
Anchor Point CDP	46.2%	Cohoe CDP	37.0%	Fox River CDP	73.3%
Anderson city	22.6%	Cold Bay city	42.9%	Fritz Creek CDP	41.9%
Angoon city	71.3%	Coldfoot CDP	0.0%	Funny River CDP	52.5%

Part 1: LMI Percentages (Updated October 2014) by Community (continued)

Community	% LMI	Community	% LMI	Community	%LMI
Gakona CDP	25.6%	Kenny Lake CDP	28.2%	Metlakatla CDP	57.5%
Galena city	47.7%	Ketchikan city	44.4%	Minto CDP	62.5%
Gambell city	68.3%	Kiana city	48.5%	Moose Creek CDP	50.9%
Game Creek CDP	0.0%	King Cove city	40.0%	Moose Pass CDP	9.8%
Gateway CDP	22.4%	King Salmon CDP	32.5%	Mosquito Lake CDP	48.2%
Glacier View CDP	76.9%	Kipnuk CDP	79.8%	Mountain Village city	68.6%
Glennallen CDP	43.6%	Kivalina city	59.2%	Mud Bay CDP	52.6%
Goldstream CDP	22.9%	Klawock city	56.9%		
Golovin city	87.0%	Klukwan CDP	35.7%	Nabesna CDP	0.0%
Goodnews Bay city	86.1%	Knik-Fairview CDP	37.6%	Naknek CDP	31.3%
Grayling city	92.9%	Knik River CDP	49.0%	Nanwalek CDP	84.2%
Gulkana CDP	52.9%	Kobuk city	79.3%	Napakiak city	95.1%
Gustavus city	29.4%	Kodiak city	48.5%	Napaskiak city	53.2%
		Kodiak Station CDP	41.8%	Naukati Bay CDP	50.0%
Haines CDP	35.1%	Kokhanok CDP	84.6%	Nelchina CDP	0.0%
Halibut Cove CDP	0.0%	Koliganek CDP	55.3%	Nelson Lagoon CDP	100.0%
Happy Valley CDP	35.1%	Kongiganak CDP	100.0%	Nenana city	48.9%
Harding-Birch Lakes CDP	51.1%	Kotlik city	81.0%	New Allakaket CDP	35.7%
Healy CDP	22.5%	Kotzebue city	47.0%	Newhalen city	48.5%
Healy Lake CDP	26.7%	Koyuk city	89.4%	New Stuyahok city	59.0%
Hobart Bay CDP	0.0%	Koyukuk city	75.0%	Newtok CDP	71.8%
Hollis CDP	67.9%	Kupreanof city	70.0%	Nightmute city	73.0%
Holy Cross city	71.4%	Kwethluk city	79.8%	Nikiski CDP	36.2%
Homer city	44.1%	Kwigillingok CDP	89.8%	Nikolaevsk CDP	61.2%
Hoonah city	45.6%			Nikolai city	100.0%
Hooper Bay city	81.2%	Lake Louise CDP	0.0%	Nikolski CDP	75.0%
Hope CDP	35.9%	Lake Minchumina CDP	0.0%	Ninilchik CDP	59.2%
Houston city	51.7%	Lakes CDP	26.9%	Noatak CDP	39.2%
Hughes city	56.3%	Larsen Bay city	58.3%	Nome city	28.3%
Huslia city	90.2%	Lazy Mountain CDP	34.9%	Nondalton city	68.9%
Hydaburg city	62.1%	Levelock CDP	74.4%	Noorvik city	74.4%
Hyder CDP	52.0%	Lime Village CDP	20.0%	North Pole city	40.2%
		Livengood CDP	66.7%	Northway CDP	37.8%
Igiugig CDP	100.0%	Loring CDP	0.0%	Northway Junction CDP	0.0%
Iliamna CDP	12.5%	Lowell Point CDP	0.0%	Northway Village CDP	61.1%
Ivanof Bay CDP	0.0%	Lower Kalskag city	93.9%	Nuiqsut city	21.3%
		Lutak CDP	100.0%	Nulato city	68.0%
Juneau city and borough	34.3%			Nunam Iqua city	90.3%
		McCarthy CDP	0.0%	Nunapitchuk city	73.6%
Kachemak city	32.7%	McGrath city	22.4%		
Kake city	68.8%	McKinley Park CDP	53.1%	Old Harbor city	52.9%
Kaktovik city	48.6%	Manley Hot Springs CDP	66.7%	Oscarville CDP	84.2%
Kalifornsky CDP	32.1%	Manokotak city	64.7%	Ouzinkie city	56.9%
Kaltag city	79.4%	Marshall city	67.1%		
Karluk CDP	100.0%	Meadow Lakes CDP	41.8%	Palmer city	42.9%
Kasaan city	50.0%	Mekoryuk city	52.5%	Paxson CDP	0.0%
Kasigluk CDP	71.2%	Mendeltna CDP	100.0%	Pedro Bay CDP	42.9%
Kasilof CDP	41.8%	Mentasta Lake CDP	90.6%	Pelican city	44.4%
Kenai city	42.1%	Mertarvik CDP	0.0%	Perryville CDP	95.0%

Part 1: LMI Percentages (Updated October 2014) by Community (continued)

Community	LMI %	Community	LMI %	Community	LMI %
Petersburg city	42.5%	Saxman city	53.1%	Tok CDP	46.0%
Petersville CDP	0.0%	Scammon Bay city	71.9%	Toksook Bay city	63.7%
Pilot Point city	55.6%	Selawik city	84.6%	Tolsona CDP	0.0%
Pilot Station city	69.9%	Seldovia city	36.6%	Tonsina CDP	13.3%
Pitkas Point CDP	67.9%	Seldovia Village CDP	50.0%	Trapper Creek CDP	64.5%
Platinum city	80.0%	Seward city	49.2%	Tuluksak CDP	84.8%
Pleasant Valley CDP	43.6%	Shageluk city	81.0%	Tuntutuliak CDP	76.1%
Point Baker CDP	100.0%	Shaktoolik city	50.9%	Tununak CDP	76.8%
Point Hope city	34.9%	Shishmaref city	79.7%	Twin Hills CDP	62.5%
Point Lay CDP	63.0%	Shungnak city	77.3%	Two Rivers CDP	15.9%
Point MacKenzie CDP	43.3%	Silver Springs CDP	22.7%	Tyonek CDP	54.8%
Point Possession CDP	0.0%	Sitka city and borough	39.5%		
Pope-Vannoy Landing CDP	100.0%	Skagway CDP	31.6%	Ugashik CDP	0.0%
Portage Creek CDP	0.0%	Skwentna CDP	0.0%	Unalakleet city	51.9%
Port Alexander city	53.9%	Slana CDP	75.0%	Unalaska city	25.0%
Port Alsworth CDP	10.0%	Sleetmute CDP	63.2%	Upper Kalskag city	46.3%
Port Clarence CDP	0.0%	Soldotna city	46.8%		
Port Graham CDP	81.5%	South Naknek CDP	50.0%	Valdez city	34.8%
Port Heiden city	35.3%	South Van Horn CDP	83.8%	Venetie CDP	74.1%
Port Lions city	26.4%	Stebbins city	88.6%		
Port Protection CDP	100.0%	Steele Creek CDP	26.4%	Wainwright city	44.0%
Primrose CDP	0.0%	Sterling CDP	38.3%	Wales city	90.5%
Prudhoe Bay CDP	0.0%	Stevens Village CDP	57.1%	Wasilla city	48.0%
		Stony River CDP	100.0%	Whale Pass CDP	66.7%
Quinhagak city	86.2%	Sunrise CDP	0.0%	White Mountain city	91.9%
		Susitna CDP	0.0%	Whitestone CDP	0.0%
Rampart CDP	90.0%	Susitna North CDP	66.1%	Whitestone Logging Camp CDP	100.0%
Red Devil CDP	100.0%	Sutton-Alpine CDP	38.9%	Whittier city	53.9%
Red Dog Mine CDP	0.0%			Willow CDP	45.4%
Ridgeway CDP	29.0%	Takotna CDP	36.4%	Willow Creek CDP	100.0%
Ruby city	80.9%	Talkeetna CDP	63.9%	Wiseman CDP	0.0%
Russian Mission city	64.6%	Tanacross CDP	33.3%	Womens Bay CDP	19.5%
		Tanaina CDP	41.8%	Wrangell city and borough	46.4%
St. George city	61.5%	Tanana city	52.2%		
St. Mary's city	75.6%	Tatitlek CDP	53.3%	Yakutat CDP	38.9%
St. Michael city	77.5%	Tazlina CDP	32.3%		
St. Paul city	70.2%	Teller city	88.7%		
Salamatof CDP	32.1%	Tenakee Springs city	43.8%		
Salcha CDP	45.2%	Tetlin CDP	89.5%		
Sand Point city	46.2%	Thorne Bay city	36.7%		
Savoonga city	79.6%	Togiak city	75.9%		



RECEIVED

SEP 30 2014

CITY OF CRAIG
CRAIG, ALASKA

September 26, 2014

To Whom It May Concern,

Please accept this letter as formal notification from the Board of Directors of Catholic Community Service (CCS) that Larry Bussone will be replacing George Hieronymus as the CCS Interim Executive Director as of October 1, 2014.

If you have questions, please contact Jennifer Carson at 463-6162.

Sincerely,

The CCS Board of Directors

John Greely

Jon Bolling

Lisa Pusich

Tony Yorba

Janet Burke

Jim Carroll

Charles Horan

Dr. Lindy Jones


Kevin Ritchie

Larry Bussone

Patricia Davidson



**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: October 27, 2014
RE: Consider Modification to Silver Bay Seafoods Lease

Attached you will find a proposed amendment to the existing lease agreement between the City of Craig and Silver Bay Seafoods (SBS) for use of the seafood processing building and adjacent city-owned property at the JT Brown Industrial Park at False Island. The amendment adds \$7,667 to the company's annual lease payment to the city.

An amendment to the lease is necessary because earlier this year the city added fill to two previously unfilled areas within the SBS lease area. The city had not charged SBS a lease fee these areas because the areas were unfilled and largely unusable. After soliciting bids last spring to fill the areas with rock, the council authorized a contract with Trojan and Sons to fill the areas at a cost of \$92,785. With that work complete an amendment to the existing lease with SBS is needed to document the improvement and secure the higher lease payment due to the city.

Leases of city property, or modifications to those leases, typically require council approval before staff signs the lease documents. The proposed SBS lease modification is presented here for council review and action consistent with past practice.

Recommendation

Approve, by motion, Amendment No. 4 to the lease between the City of Craig and Silver Bay Seafoods.

Recommended motion: I move to approve Amendment No. 4 to the lease between the City of Craig and Silver Bay Seafoods.

LEASE AGREEMENT – AMENDMENT 4

The lease between the City of Craig and Silver Bay Seafoods, signed by the City of Craig on June 27, 2008, and Silver Bay Seafoods on June 27, 2008, governing the use of the Craig Seafood Processing and Public Cold Storage facility on Lot 2A, False Island Subdivision (Plat 2011-23, Ketchikan Recording District), is hereby amended to modify Section 1. Section 1 of said lease is hereby replaced with the revised Section 1 below:

1. Leased Property. (A) The City hereby leases to Lessee the following city-owned property (hereafter "The Property"):

	<u>Property Name</u>	<u>Area (sq. ft.)</u>	<u>Annual Lease Payment (8% of fair market value)</u>
A.	Portion of Lot 2A, False Is. Subdiv.	124,227	\$ 63,356
B.	Seafood Processing Building	21,600	\$291,582
C.	Tideland property	25,340	<u>\$ 4,054</u>
	Sub Total		\$358,992
	Lease credit per paragraph (B) below		<u>(\$ 13,777)</u>
	Total lease payment, October 1, 2014-September 30, 2017		\$345,215

(B) In consideration of Lessee's costs to clear, grub, and add rock a portion of the lease area, the cost of which equals approximately \$65,000, City grants Lessor a five-year lease credit of \$13,777 per year, beginning October 1, 2012 and ending September 30, 2017.

(C) The leased areas are identified on Attachment A.

City reserves a 50' wide right-of-way running in a northerly/southerly alignment through the property. Lessee may use reserved areas until notified otherwise by City. All other terms found in the original lease document, as amended, remain unchanged.

SILVER BAY SEAFOODS LLC

Dated

10/24/14

By:

[Signature]

CEO
Title


CITY OF CRAIG

Dated _____

By: _____

Jon Bolling, City Administrator

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: October 27, 2014
RE: Consider PSN Chinook Salmon Cost Recovery Contract Extension

Mr. Mike Bobo, who holds the contract to catch chinook salmon in Port St. Nicholas as part of the cost recovery effort to support the local terminal fishery program, has asked that the city extend for one year his contract to catch hatchery-raised king salmon.

Earlier this year the city conducted an open, competitive bid process soliciting proposals to catch chinook salmon in the terminal harvest area within Port St. Nicholas. That procurement process resulted in receipt of only one proposal. That proposal, from Mr. Bobo, was ultimately awarded to him by the council. I reported to the council in September the result of the 2014 cost recovery effort. At the end of the fishery, Mr. Bobo earned \$7,796.61, and the POW Hatchery Association (POWHA) took in \$6,379.04. The council will recall that each dollar raised in the cost recovery effort for POWHA is one dollar less that the city must contribute to pay the operational cost of the king salmon program.

Earlier this month, Mr. Bobo sent me a request (copy attached) asking if the city will extend the cost recovery contract for at least one year. He states that doing so will allow him to purchase another gillnet that he believes will allow him better opportunity to catch PSN kings, and to better market the kings in advance of the fishery in the hope of increasing demand for the fish. 2014 is the second year that Mr. Bobo participated in the cost recovery effort.

Given the low dollar amount generated by this fishery to date, and the receipt of only one proposal from the 2014 cost recovery competitive bidding process, the city council should consider extending the contract for another year. I see the point raised by Mr. Bobo as to marketing and gear acquisition effort that an operator must put forth in an attempt to recover more returning king salmon from PSN. Two of the three years of cost recovery there so far yielded sparse earnings for fishermen and POWHA alike. In addition, the fact that the city has a willing operator for the terminal fishery who has endured two lean years but is ready to continue pursuing the fishery again in 2015 assures us that we will have a cost recovery effort in 2015. If the city enters a more formal bidding process we may receive no bids for this effort. If Mr. Bobo is correct in his view that he may be able to collect more revenue from a modified gillnet and better marketing, the city also benefits by reducing the amount of general fund dollars that would otherwise be paid to POWHA to support the king salmon fishery.

Recommendation

Grant Mr. Bobo's request and direct staff to negotiate a contract for the 2015 cost recovery effort.

Recommended motion: I move to direct staff to negotiate a contract with Mr. Mike Bobo to engage in the 2015 Port St. Nicholas chinook salmon cost recovery effort, with final terms of the contract subject to city council approval.

From: Mike Bobo
To: Jon Bolling
Subject: Cost recovery
Date: Wednesday, October 01, 2014 4:15:29 PM

Hello Jon,

I came by this afternoon to talk about cost recovery, but you were busy so email will have to do.
Is it possible to extend 2014 Port St. Nicholas King cost recovery into a 2 year contract (or longer) to include 2015
? Here is a couple of reasons why this extension would be beneficial :

1. Ordering a new net (shorter/ shallower) to better access the fish in tight areas close to creek. It's hard to invest money in something that May or may not be available and the net has to be ordered soon.
2. Advertising Kings for sale early to get people & lodges to realize the affordable availability of fresh King Salmon. Trying to establish a local market requires some time & effort .

After selling Kings to the independent buyer/processor "Angie", Lars Larsen (the owner) contacted me twice during the summer wanting to discuss fish for next year, I explained how these fish were excellent quality even if they had net marks (not all have net marks), that he could easily expand his market and buy all the early Kings we have during the time he's here and get them fresh daily as there caught. Lars said he wanted to come here next spring instead of going north to Tebenkof area.

Thanks for taking the time to consider this Jon it's important for me when I'm try to plan how to move fish for the best price we can get and also for ordering another net. Thanks

Mike BoBo

Sent on the go from my iPad.=

**CITY OF CRAIG
MEMORANDUM**

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: October 31, 2014
RE: Promech Air Lease

Promech Air currently leases half of the seaplane terminal from the city. Recently Promech laid off local employees and closed their customer service space in Craig. Per CMC 16.02.140 F1, Leases in good standing may be cancelled in whole or in part, at any time, upon mutual written agreement by lessee and the council. Promech has submitted an email stating their intent to terminate the lease. A signed letter will be sent to the city on Monday, November 2, 2014 and will be forwarded to the council. In order for the lease to be terminated the council must take action based on the request from Promech.

The request letter from Promech was not available at the time packets were put together but will be sent out to council members on Monday, November 2, 2014 for review prior to the meeting on Thursday.

The final termination date will be effective when the lessee's improvements are removed from the lease area per item 9 of the lease agreement.

Recommendation: Direct staff to terminate the lease of space at the Craig Seaplane Terminal with Promech Air.