

CITY OF CRAIG  
COUNCIL AGENDA  
DECEMBER 3, 2015  
COUNCIL CHAMBERS 7:00 P.M

**ROLL CALL**

Mayor Dennis Watson, Hannah Bazinet, Greg Dahl, Jim See, Don Pierce, Mike Douville,  
Jan Trojan

**CONSENT AGENDA**

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

- City Council Meeting Minutes of November 5, 2015

**HEARING FROM THE PUBLIC**

- Open for public comment

**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
- Report on Coho and Chinook Values 2013-2015

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**UNFINISHED BUSINESS**

1. Update on state marijuana regulations

**NEW BUSINESS**

1. Consider approval of Craig Police Department purchases
2. Update on cannery property harbor project
3. Consider Deductive Change Order: Craig Aquatic Center Renovation Project
4. Consider additional equipment acquisition- Public Works

**ADJOURNMENT**

**ROLL CALL**

Mayor Dennis Watson called the meeting to order at 7:00 p.m. and the roll was taken. Present were, Jim See, Hannah Bazinet, Jan Trojan, Don Pierce, Greg Dahl and Mike Douville.

**Staff present:** Jon Bolling, City Administrator; Jessica Holloway, Aquatic Center Manager; Brian Templin, City Planner; Kassi Bateman, City Clerk; Mike Peel, Harbormaster; Kim Baxter, Library Director; RJ Ely, Police Chief; Ron McIntosh, Public Works Director; Victoria Merrit, Parks and Recreation Manager; Doug Ward, Parks and Public Facilities Manager.

**Audience present:** Andy Deering, Lisa Radke, Brent Cole, Leonard Williams, Paul Dawson, Margaret Dawson, Jeff Lundberg, Troy Pennock, Annette Cole.

**CONSENT AGENDA**

PIERCE/DAHL

moved to place the Approval of Vehicle for Hire Application to New Business on the agenda and approve the consent agenda.

MOTION CARRIED UNANIMOUSLY

**HEARING FROM THE PUBLIC**

Andy Deering questioned whether or not the council had planned to vote on any items in regards to the POWCAC (Prince of Wales Community Action Council) meeting and potential borough formation. Mayor Watson explained that there has been no direction from the council or administration to move forward on the formation of the borough. Mayor Watson has been fielding questions regarding the assumption of POWCAC moving forward on a borough formation and directed the public to reference Title 29 of Alaska State Statutes regarding the borough formation process. Mayor Watson went on to explain that POWCAC has been working for years on a borough feasibility study, and more recently, a draft charter in order to consider what formation of a borough would mean for Prince of Wales Island, however it was not drafted for the intent of the formation of a borough at this point or in the foreseeable future. Andy Deering voiced concern about the need to draft a charter if POWCAC and POW Island communities don't plan to move forward with the formation of a borough any time in the near future. Mr. Deering was curious whether or not the Craig council supported POWCAC's decision to move forward on the formation of a borough. Mayor Watson explained that the Craig council had not taken any action or had any discussions regarding POWCAC's recent meeting topics. Mayor Watson also mentioned that the formation of a draft charter does not in any way mean that the communities on POW Island are in the final phases of borough formation. Mayor Watson did reiterate that the formation of a borough would also require an affirmative vote on a ballot measure from the residents within to pass. Andy Deering commented that the beginning stages of borough formation should have been with each individual community council to deem there a need for moving forward with the process for borough formation. Mayor Watson explained that the City of Craig did facilitate the administration of the grant that funded the Borough Feasibility Study in order to look at the possibility of formation of a borough to

consider the future of Prince of Wales Island as well as different options of funding for schools, roads etc..

Lisa Radke was present to voice concerns in regards to the draft charter. Lisa believes that the movements of POWCAC in the recent future do give the public the impression that the formation of a borough is imminent. Lisa would like to put a copy of HB133 that changed some of the policies for annexation in to Reading of Correspondence for the next council meeting. Andy Deering and Lisa Radke are looking to continue working on a petition to prevent any kind of borough formation here on Prince of Wales Island.

Brent Cole mentioned some of the other instances of annexation around Alaska, and his concern for the formation of a borough here on Prince of Wales Island.

Paul Dawson commented that the population does not support a borough, and will vote against the ballot measure should it transpire. Mr. Dawson believes that this issue should come to a vote prior to it moving forward.

## **REPORTS FROM CITY OFFICIALS**

**Mayor/IFA-** Mayor Watson will be traveling to the Alaska Municipal League Conference mid-November where he will get a glimpse of the projected budget for the State. Mayor Watson is concerned about funding for the Alaska Marine Highway. The month of October was the best in many years for IFA. There's some work to do on the Stikine, so it will be out for repairs. The IFA will be doing the Metlakatla run for a few months while the vessel that usually makes the run is out for repairs. The IFA will also be running an earlier schedule on November 22<sup>nd</sup> in order to coordinate travel for students with the Alaska Marine Highway. The IFA will be contracting for an Economic Impact Study which is beneficial for funding requests.

**Administrator-** Provided a written report. Jim See asked about the lease with Phoenix Logging in regards to the Camp Bear barge at the dock near the web loft. Jim is unhappy with the lack of parking guidelines, and the logging trucks that are blocking the way near the web loft. Brian had discussed the parking with Dave Creighton, but will contact him again.

**Treasurer-** Joyce Mason provided monthly financial reports for the Council, and reported her travel schedule for the upcoming month.

**Aquatic Manager-** Provided a written report. Jessica Holloway also reported that the fire alarm should be fixed now.

**City Clerk-** Provided a written report. Kassi also added that the next council meeting is scheduled for December 3<sup>rd</sup>, but pending non-conflict with the Craig Christmas program, would request it be moved to December 10<sup>th</sup>.

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

**EMS Coordinator-** Absent excused.

**Harbormaster-** Provided a written report. Mike Peel thanked the council for allowing his attendance to the Harbormaster's Conference. Mike reported that the ice house needed some repairs, but for the most part has been functioning well. Mike Douville requested a copy of the assessment of damages to the city dock. Mike Peel will send the assessment to the council upon receipt. Mike Douville asked about the evaluation on the ice house system. Mike Peel replied that the ice delivery system that the city received this year wasn't exactly what was needed for Craig. Mike expects the repairs to take place in January or February. Mayor Watson requested that the repairs not take place during the winter fishing season.

**Library-** Provided a written report.

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

**Public Works-** Provided a written report. Ron presented a video illustrating the dam improvements.

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

**Parks and Public Facilities-** Provided a written report.

#### **READING OF CORRESPONDENCE**

Jeff Lundberg was present to discuss the Port St. Nicholas hatchery. Jeff reported that the reduction in production by 50% has allowed for less dense habitation for the fish. This change has been beneficial for the fish. Jeff reported preparation for a spring release. Jeff explained that the amount of fish released is not as important as the number of fish returning.

#### **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Resolution 15-17, Supporting Coordinated Public Transit Plan for Prince of Wales Island**

PIERCE/DAHL

moved to approve Resolution 15-17.

MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

**Ordinance 677, Craig Emergency Services Department**

PIERCE/TROJAN

moved to approve Ordinance 677.

MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

#### **UNFINISHED BUSINESS**

**Consider comments on proposed State of Alaska marijuana regulations**

PIERCE/DAHL

moved to direct staff to submit comments to the Marijuana Control Board.

MOTION CARRIED UNANIMOUSLY

**Marijuana license discussion**

This item was discussed in the work session prior to the meeting, and did not need any action to be taken.

## NEW BUSINESS

### **Consider Award of Bid, Craig Aquatic Center**

PIERCE/DOUVILLE

moved to award the Craig Aquatic Center Renovation project to CBC Construction in the amount of \$2,081,604 to complete the scope of work identified for the base bid work and additive alternate 1. Further, authorize city staff to draw from the Craig Endowment Fund the amount \$280,161 for this project, to be drawn from the fund over the course of Fiscal Year 2016 and 2017.  
MOTION CARRIED UNANIMOUSLY

### **Consider Change Order, North Fork Lake Dam Project**

PIERCE/DAHL

moved to approve Change Order No. 2 to the North Fork Lake Dam project and appropriate up to \$15,843.27 from the City of Craig Capital Projects Fund to meet project costs.  
MOTION CARRIED UNANIMOUSLY

### **Consider Final Change Order for DOWL HKM Water/Wastewater Master Plan**

PIERCE/DAHL

moved to approve final Change Order to DOWL HKM for the City of Craig Water and Wastewater Master Plan Contract in the amount of \$3,714.00  
MOTION CARRIED UNANIMOUSLY

### **Consider Equipment Purchase for Public Works Department**

SEE/PIERCE

moved to approve the purchase of Public Works Equipment out of the State Equipment Grant and additional garbage containers for the community as needed.

Greg Dahl asked if the garbage containers could be weighted down somehow to prevent blowing away in the wind. Ron McIntosh replied that Public Works has retrofitted the containers upon request, with weights.

MOTION CARRIED UNANIMOUSLY

### **Consider Approval of Sale of a Portion of Tract A to John and Teresa McCallum**

PIERCE/DAHL

moved to approve the terms of the sale of a portion of Tract A, ATS 1410 to John and Teresa McCallum for \$125,043.75 and that the proceeds of the sale are placed in Craig's Land Development Fund.  
MOTION CARRIED UNANIMOUSLY

**Consider Approval of Vehicle for Hire Application from Michael Blair, POW Cab**  
PIERCE/DOUVILLE moved to approve the Vehicle for Hire application from Michael Blair, DBA POW Cab with the requirement that the company is available 365 days a year 24 hours a day.  
MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

DAHL/DOUVILLE moved to adjourn at 8:54 p.m.  
MOTION CARRIED

APPROVED \_\_\_\_\_

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

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

# CITY OF CRAIG MEMORANDUM

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: November 25, 2015  
RE: December Staff Report

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## **1. Washington DC Trip Report**

As the council is aware, the City of Craig is working toward development of a boat harbor at the old cannery site downtown. Because of its exposure to southwest and northerly wave action, large breakwaters are required to protect the proposed harbor area. To address this need, the city began working with the US Army Corps of Engineers through its Small Boat Harbor Program (SBHP) to design, permit, and provide some funding for the breakwaters. The SBHP can provide, depending on the merits of a project, up to eighty percent of the cost of what the Corps calls navigational improvements for the project, primarily breakwaters and dredging. Because the breakwaters are high dollar cost items, the city chose to pursue the project through the SBHP, even though the up-front costs to the city for the design and review process are challenging to meet. Part of the SBHP is a review by the US Army Corps of Engineers Civil Works Review Board (CWRB). This board, made up mostly of Corps of Engineers officials, has the authority to advance or to stop a SBHP at this stage in the process. The Army Corps requests that the sponsor of a SBHP, in this case the City of Craig, attend the CWRB meeting and participate in the presentation made to the board. Attendance at the CWRB meeting was the primary purpose of the trip to Washington DC.

### Sunday, November 15, 2015

Brian Templin and I left POW at 7:00 a.m. We arrived at Washington DC at 11:00 p.m. local time the same day.

### Monday, November 16, 2015

Brian and I met staff from the Army Corps of Engineers in the lobby of the hotel at 8:00 a.m. and walked ten blocks to the building where Tuesday's meeting of the Civil Works Review Board is to take place. With us was the Colonel of the Alaska District of the Army Corps of Engineers and two staff members. Upon arriving in the conference room we reviewed the seating arrangements set up for the next day, and discussed some logistical issues regarding managing video files that are part of Tuesday's presentation. We made a practice run through the presentations, which included a summary of the project by the Alaska District Colonel and the project sponsor presentation made by Brian. During and after the practice run the group made modifications to the presentations at the suggestion of other Corps of Engineer staff members.

Apart from a half hour or so for a lunch break we worked on making modifications to the presentation until about 4:30 p.m., at which point we walked back to the hotel.

### Tuesday, November 17

At 10 a.m. we met with Nathan Butzlaff at the Alaska Governor's office in Washington DC. Tuesday was Mr. Butzlaff's third day on the job as head of the DC office, although he has worked in the office as staff prior to his new assignment. We briefed Mr. Butzlaff

about our meeting later that day with the CWRB and the long term plans for development of a harbor at the old cannery property. We also discussed a number of Southeast Alaska resource issues, including wolf management, where we encouraged the State of Alaska to focus its efforts on finding ways to better estimate the island's wolf population. I described problems with the existing federal fisheries observer program, and we also talked about the status of the Big Thorne timber sale, and our pending meeting with officials from the US Postal Service. We gave Mr. Butzlaff a clear picture of what is happening in Craig and told him we would follow up with him after the CWRB meeting.

Following the meeting with Mr. Butzlaff we walked to the General Accountability Office building to prepare for the CWRB meeting. We arrived at about 11:30 a.m. and cleared through security and were escorted to the conference room. The Army Corps of Engineers staff was busy setting up for the meeting. We took our place at the meeting table and over the course of the next hour double checked our materials and the video/slides application on the computer. Meeting attendees began to file in, both civilian and military. The CWRB meeting included attendance by three generals, a colonel, a recent West Point graduate, and several high placed civilian members. About twenty others were present, mostly civilian staff of the Army Corps of Engineers. The meeting started on time at 1:00 p.m. with introductions. The meeting chairman, General Jackson, called in the general of the Pacific Ocean Division of the Corps to begin his presentation. He was followed by the colonel of the Alaska District, who provided more detail about our project. The colonel in turn was followed by Brian Templin, who presented to the group a video and then still slides about Craig and the importance of the city's maritime infrastructure to its economy and the need to continue planning and design efforts for the proposed downtown harbor. Additional presentations from Corps staff followed Brian. The members of the CWRB then had an opportunity for questions, and asked quite a few of both the Corps staff and of Brian and me. In the end the board voted unanimously to approve the project, and the meeting ended at around 3:30 p.m.

Later that evening we joined the colonel who commands the Alaska District and two of his staff for dinner, where we talked about the project and the next steps on the Corps' small boat harbor project.

#### Wednesday, November 18.

The first meeting of the day was with officials from the US Postal Service. The city has for some time asked the US Postal Service to return to its decades long practice of sharing transport of first class and expedited US Mail from Ketchikan to the Craig-Klawock area between the air carriers eligible to carry the mail. The Postal Service abruptly changed this practice about two years ago when it decided to consolidate all the mail transport to one carrier. From a financial standpoint the Postal Service had good reason to make the change: it costs less to fly mail from Ketchikan to Craig/Klawock on a wheel plane than it does to fly it on a float plane. One effect of this change, however, as staff has reported recently to the council, is that during winter months Craig is likely to see reduced air service from the float plane companies serving our community. The purpose of the meeting in Washington DC was to offer the Postal Service a suggestion on how to use all the eligible air carriers to transport mail without having it cost the Postal Service any more than it pays now to fly the mail on a wheel plane. Unfortunately the



Postal Service rejected our proposed solution and essentially stated that so long as they were satisfied with the performance of the existing single carrier they have no interest in considering other transport methods. I expressed our disappointment at the end of meeting. I have another thought about how to continue to pursue this matter and will spend time talking with our Washington DC contact Steve Silver about next steps.

Thursday afternoon was spent meeting with the Alaska congressional delegation. We were able to spend time meeting in person with Senator Lisa Murkowski, Senator Dan Sullivan, and Congressman Don Young. We began each of the three meetings with a summary of the results from the Civil Works Review Board meeting from the day before, and then discussed the timing of the Corps' Chief's Report with the Water Resources Development Act legislation that Congress takes up every 2-3 years to fund harbor and navigation projects around the country. The delegation and their staff members are all familiar with the WRDA process and understood the significance of the timing of Craig's project approval with work on the next WRDA bill that Congress is tentatively scheduled to begin next spring.

All three meetings also included discussion of the following topics.

- Roadless Rule in the Tongass National Forest.
- Roads to Mines (Niblack and Bokan Mountain).
- Review of status of POW wolf populations for possible listing under the Endangered Species Act.
- Big Thorne Timber Sale.
- NOAA fisheries observer program.
- Wetland Mitigation/Waters of the US Rule.
- Heating with Wood.
- Meeting with US Postal Service Staff.

Senator Murkowski's office expressed an interest in following up discussion from last summer's luncheon meeting here in Craig as to having an official from the National Marine Fisheries Service get a first-hand look at the difficulties encountered by the local fishing fleet in trying to meet the requirements of the NMFS Observer Program. Each of the delegation members and their staff were accommodating and interested in discussing these points. We also thanked each of the delegation offices for the joint letter of support they wrote to the Army Corps. The letter was read aloud at the CWRB meeting by a member of Sen. Sullivan's staff.

We finished the last of these three meetings at about 6:15 p.m., and then walked back to our hotel. We had dinner with a Corps of Engineers staff member and spent part of that time discussing the harbor project.

#### Thursday, November 19

We caught an 8:00 a.m. flight from Washington DC and returned to Craig at about 5:30 p.m. the same day

## **2. POWCAC Meeting**

The Prince of Wales Community Advisory Council met in Klawock on November 17. I was not able to attend the meeting due to the Washington DC trip that same week. Upon my return to Craig it was reported to me that POWCAC chose to delay further action on its borough study work for a couple of months to provide time for members of the public who have recently become concerned about the topic to provide input on the draft charter and other matters related to the borough study. Incoming POWCAC chair Misty Fitzpatrick of Coffman Cove will apparently work with a volunteer in her community to organize a method of posting information on the borough study and also posting questions about the study.

POWCAC also adopted a resolution prioritizing transportation projects on POW Island, as it does every year. City staff will bring the resolution to the Craig City Council for its consideration, consistent with our long-established practice.

## **3. Craig Aquatic Center Renovation**

On November 20, City staff met via teleconference with Mr. Chris Balovich from CBC Construction, the project's general contractor, and with staff from the project architect in Juneau for a preconstruction meeting for this project. The meeting agenda included settling on logistical details (access to the site by the contractor for storage, office space, equipment placement, site security), as well as timing of the work, review of project submittals, method of payment, and other details. The project contractor still has ample lead time for purchase and shipment of building materials to the site to meet the May 1 construction start date.

CBC Construction intends to replace the roof panels as its first order of business beginning May 1. All the other project components, including replacement of the pool water heaters, air handler, control systems, lighting upgrades, and other project components will follow.

Pool manager Jessica Holloway has a number of painting and other routine maintenance tasks to complete before the pool reopens in September. City staff asked Mr. Balovich to coordinate his activities late in the project timeline with Jessica's need to be in the building to work on her list of items, which he agreed to do.

Jessica has already begun to coordinate the closing date of May 1 with Craig City School District, the Craig Wave Runners Swim Club, and other pool users.

## **4. Travel Schedule**

December 18-22: Personal travel.

# City Of Craig

## Memorandum

To: May Dennis Watson and the Craig City Council

From: Jessica Holloway, Aquatic Manager

RE: November Report

Date: November 23, 2015

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AHHHH November..... It seems that always around this time of year is when we have the most difficulty with staffing. That has been by far the biggest challenge so far to date. Right at this moment I have three employees not including myself. As of the 20<sup>th</sup> Mitchell Reeves is done working. He is leaving for Basic training for the Air Force on December 1<sup>st</sup>. He was an asset and will be missed. We wish him the best of luck. Mellissa (Kristy) McKenzie has decided that she would rather be at home with her children than return to work. She held the Lifeguard III (head guard) position. That position is now vacant and we are looking for a replacement for her. Nicole Robison has started working part time for the winter but has shown interest in the head lifeguard position. I will update you after I have posted the job opening and have interview for that position. Matt Tipton is still working for us in a temp full time position. I am happy to say that Shanna Weaver is back from her 6 week honeymoon and is back to work as of today. Unfortunately we will be also losing her as of December 10<sup>th</sup>. I have two applicants for part time positions and am waiting for the drug test to come back to be able to finish the hiring process.

Unfortunately last week the kiddie pool pump seized up and we have not had a kiddie pool for all of last week and it is looking to be all of this week as well. I am hoping to get the pool back up and running as soon as possible. Doug tried to fix it with parts that we had but was unable to. A new pump was ordered at the beginning of last week.

Last week Jon, Doug, Brian, Joyce and I attended a pre-construction meeting concerning these next summer's renovations. I was able to set out some pretty clear shut down dates. Re-open dates are still a little foggy but I am hoping to have a better idea as we go forward. What I am looking at is to shut down the fitness room the week ahead, so this would be Monday April 25<sup>th</sup> 2016 I would like to do this so there will be plenty of time to remove all equipment so there isn't a chance of accidental damage. This will also give me the opportunity to remove the carpet and preplace the floor in the fitness room.....hopefully. Details on that are not yet specific. The last day that the pool will be open for use will be Thursday April 28<sup>th</sup>, 2016 we will remain open for the full working day. On Friday April 29<sup>th</sup> I will come in and begin the process of draining all three pools. If everything works correctly I will be ready to turn the building over to the contractors on May 1<sup>st</sup> as scheduled.

Hope everyone had a great Thanksgiving!!! I will be happy to answer any questions if need be. Feel free to email me at [pool@craigak.com](mailto:pool@craigak.com) or give me a call at 826-2794

Happy Holidays

Jessica Holloway

# City of Craig Memorandum

Date: November 24, 2015  
To: Mayor Watson and Craig City Council  
From: Kassi Bateman, City Clerk  
Re: Clerks Travel Report

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The Alaska Association of Municipal Clerks Conference in Anchorage was held November 15<sup>th</sup>-17<sup>th</sup> this year. This conference was held prior to the Alaska Municipal League Annual Conference. There were many presenters from out of state, as well as opportunities to “meet and greet” various entities that assist with many of the Clerk’s duties.

### Sunday: Advanced Academy-Leadership Lessons of Dr. Seuss

This course highlighted a broad spectrum of leadership lessons with the help of many literary aids provided by Dr. Seuss. The course material covered ways to “Build a Culture of Courage” and “Commitment, Consistency and Compassion”. The instructor lead exercises to reveal what kind of personality styles the attendees have, and how to best handle conflict management. Pieces of this course can be applied to everyday life, however, without a deputy clerk or staff working underneath the city clerk here in Craig, many of the lessons weren’t applicable in my position.

### Monday: How Win-Win Negotiations Can Increase Your Effectiveness

Frank Jeffries instructed the course on Monday morning, and was successful in conveying the importance of using the right strategy for “winning” negotiations. Mr. Jeffries pointed out frequently that often times there are unrealized potential value after a settlement point in a negotiation, and if the host of the negotiations does their job properly, both sides should come to a mutual agreement, that is overall beneficial to both bodies. Mr. Jeffries also covered topics such as clearly stating expectations, integrative negotiations, mutually beneficial trade-offs and others.

### Tuesday: Written Communication & Public Speaking

Kathleen Vogel, a professor at the University of Alaska Anchorage instructed the attendees on the importance of good communication skills. This included:

- 1) Understanding Communication Fundamentals
  - a. This portion of the course is pretty self-explanatory. Mrs. Vogel largely emphasized the importance of knowing who you are communicating with, and if possible to tailor your interaction with said person to fit their communication style.
- 2) Planning Effective Messages
  - a. This portion of the course was important because often times the workforce is in such a hurry to communicate, there is a tendency to overlook the importance of intended audiences, relationships, timing, channels of communication and more. This is something that staff will continue to work on.
- 3) Developing Written Communication
  - a. Written communication is a prominent means of communication today. This portion of the course was informative for my position in the City of Craig. I will

## City of Craig Memorandum

be evaluating my processes for producing written communication and fine-tuning my skills to improve my professionalism through written communications.

#### 4) Designing and Delivering Presentations

- a. This portion of the course included information beneficial to the use of Microsoft programs and other presentation software. However, in the position as City Clerk, thus far presenting has not been a large part of the job description. The information contained in this portion of the course will be beneficial for future reference, or should the duties of City Clerk take on a broader spectrum to include designing and delivering presentations.

#### Tuesday: Social Media and Government

Luke Stowe was the presenter for this course. Mr. Stowe works for Government Social Media, and has assisted many municipalities in refinement of social media policies and procedures. The course covered the steps to creating a successful page for social media content for government, community engagement, creating a social media policy, records retention, emergency social platforms and social media security. This course was very informative, and I hope to transfer knowledge obtained to the City of Craig website, Facebook and Twitter accounts.

As with most conferences, the most beneficial portion was the networking opportunities with the various clerks around Alaska. During the AAMC Business Meeting Luncheon I was able to sign up for committee work through the AAMC, and help other clerks with ideas for obtaining the prestigious CMC designation. There are some amazing clerks in Alaska, and I have no doubt that many municipalities are successful due to the dedication of their one or many clerks. Thank you for the opportunity to attend this conference.

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: November 24, 2015  
RE: Planning Department Staff Report – December 2015

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1. Marijuana Issues.
  - a. Comments to Draft Regulations. Comments to the draft regulations were submitted to the Marijuana Control Board prior to the November 11<sup>th</sup> deadline. The MCB met on November 20<sup>th</sup> and mad a number of amendments to the proposed regulations and issued a final set. As of November 24<sup>th</sup> that set of regulations had not been posted at the MCB web site. I will download them when they are available and prepare a memo for the council outlining any significant changes made since the draft review set. The regulations as adopted will be sent to the Lt. Governor for signature.
  - b. Marijuana Regulations Ordinance. I have completed the draft of Title 5 and Title 18 to the Craig Municipal Code. The Craig Planning Commission will meet on December 28<sup>th</sup> to hear any public hearing and to consider a resolution recommending adoption of the ordinance by the Craig City Council. I anticipate that the ordinance will be presented to the city council for first reading at the January 7, 2016 council meeting. The ordinance could be adopted as early as January 21, 2016 but I have scheduled the public notice and planning commission review early enough that the council can continue discussion on any ordinance into February. This will still allow the city to address any license applications that are submitted after the state begins accepting them on February 24<sup>th</sup>.
2. USACE Harbor Study. The presentation to the US Army Corps of Engineers Civil Works Review Board in Washington DC on November 17<sup>th</sup> went well. The CWRB approved the study for signature by the Chief of Engineers for the USACE. The Alaska District will now send the report out for agency review and ultimately for signature by the Chief of Engineers. It is expected that the report will be signed early next year. We addressed the issue with our congressman and senators during the visit to DC and expect funding for the federal share of the project to be included in a Water Resources Development Act (WRDA) bill in 2016 or 2016. More information on the CWRB and discussions with the delegation are included in the attached trip report.
3. City Hall/Library Parking Lot and Firehall Annex. Work is complete on the expansion of the parking lot for city hall and the library. This project will help relieve parking and traffic at the back of the library. As part of the project a new pad was constructed behind the existing fire hall. We will work to procure a metal building to place on this site which will house the second ambulance.

4. Tongass Proposed Land and Resource Management Plan Update. The USFS has released the DRAFT Proposed Land and Resource Management Plan Update and the DRAFT EIS associated with the Plan Amendment. I will be going through the proposed update and will bring any pertinent information to the council. There is a 90 day public comment period which started about November 20<sup>th</sup>.
5. Travel Status. I will be in the office all of December. I will be on vacation and out of the office from January 4 – January 18, 2016.

November 15 – 19 Washington DC  
Trip Report  
Brian Templin, Craig City Planner

On 11/15 Jon and I traveled to Washington DC to participate in the US Army Corps of Engineers Civil Works Review Board. While on the trip we also visited with the Alaska Governor's DC Office, US Postal Service, Congressman Don Young, Senator Lisa Murkowski and Senator Dan Sullivan about several other issues important to the city.

On 11/16 we met with USACE officials from the Alaska District Staff, Pacific Ocean Division and USACE Headquarters in preparation for the Civil Works Review Board (CWRB) meeting on 11/17. Throughout the day we met with various staff members including Jason Norris (the AK District planner that we have been working with), COL Michael Brooks (AK District Commander), Brigadier General Jeff Milhorn (USACE Pacific Ocean Division). The purpose of the meetings on Monday were to work through all technical details regarding the CWRB presentation on Tuesday. There appeared to be some issues that the headquarters staff had not adequately resolved with the USACE leadership. AK District senior staff spent much of the day meeting with senior USACE HQ officials to resolve these issues. Jon and I spent the day providing additional information to the AK District and Pacific Ocean Division staff related to these issues.

On 11/17 we met with Nathan Butzlaff, AK Governor's DC Office. The office had just gone through some staff restructuring. We discussed a number of issues with Nathan including:

1. Harbor Project. We shared with Nathan the purpose of our trip to DC and where we were with the USACE process. We had some discussion of future funding for construction and acknowledged that we would keep working that issue since the states capital funding position was unclear for the next couple of years. It will be helpful to send some photos of the harbor and rafted vessels.
2. Roadless Rule. We shared with Nathan that the city is currently involved in the roadless litigation as an intervenor. We talked about the impact of the rule on the potential mine development on POW and the timetable, particularly for UCORE at Bokan Mountain. It would be helpful to send Nathan some information on the mines. Nathan asked how specialized the mine jobs would be. Jon told Nathan that it was our understanding that many jobs would require some special training but that many locals would be qualified to work at the mines. The Klawock Voc-Tec center would be key to offering mine safety and other training that would prepare locals for work at the mine. Jon explained to Nathan that the roads to the mines would extend from the existing road system at Polk Inlet.
3. Wolf Review. Jon shared the issues surrounding the litigation by environmental groups to list the wolves on POW under the ESA. Jon shared that there are major uncertainties about the population and that additional study is needed. He also assured Nathan that local hunters and trappers were good with management steps but that listing on the ESA was overkill at this time that would cause major problems.
4. Big Thorne Timber. Jon talked to Nathan about the litigation surrounding the Big Thorne sale and that it was routine for FS timber sales to be litigated by environmental groups. The litigation on the Big Thorne sale is still moving through the courts. We shared with Nathan that



the city is actively involved in seeing sales continue on POW and that we had filed an amicus brief for the Big Thorne sale. We shared with Nathan that the Klawock mill not only provided jobs but also provided chips for our wood boiler, were producing marketable bio-bricks from waste sawdust and would provide chips to the CHS if a wood boiler were constructed there.

5. We had a short discussion with Nathan about our issues with the current wetland mitigation requirements. It would be helpful to send Nathan some information on the SE AK Land Trust.
6. USPS Meeting. We talked to Nathan about the meeting that we had scheduled with the USPS and the problems that we were having with all mail consolidated to a single carrier. Jon shared the history of mail service and shared his suggested solution to the problem. Nathan suggested that we concentrate on the cost issue with the USPS since they would likely be less sympathetic to other effects like the impact to passenger service.
7. Nathan shared with us that the issue of Section 4407 easements (USFS easements on state land) was being resolved. Nathan also shared with us that there had been some recent changes to the funding formula for ferry systems in the federal budget. The end result for the AMHS was about the same with a minor bump in federal funding.

On 11/17 we attended the CWRB. This board is chaired by Major General Ed Jackson Jr., Deputy Commanding General for Civil and Emergency Operations. The board consists of MG Jackson and five board members, all senior USACE staff. The meeting was also attended by representatives from several other government agencies and offices involved in the project including the Office of the Assistant Secretary of the Army for Civil Works, Office of Counsel, Office of Water Project Review, Pacific Ocean Division, National Deep Draft Navigation Planning Center of Expertise and Cost Engineering Center of Expertise. Senators Murkowski and Sullivan had staff members attend the meeting. Alex Schenk from Sen. Sullivan's office read a letter of support signed by all three members of the delegation into the record.

The meeting started with a presentation by BG Milhorn, Pacific Ocean Division Commander giving an overview of the project and its national significance. COL Brooks, Alaska District Commander followed BG Milhorn and walked the board through the USACE study process and the results of the project and highlighting the importance to the community. BG Milhorn added comments of support for the project from the Pacific Ocean Division. I gave a short presentation on the local importance of the project. USACE senior staff members also presented on the technical review by the agency and the policy review by the agency. The presentations took about an hour and a half.

After a short break the board reconvened and board members all made comments on the project and took the opportunity to ask questions of the district and the city. After several questions by the board and senior staff the board moved to approve the project and forward it to the USACE Chief for signature.

It is likely that the chief's report will be signed this spring (March or April). When the chief's report is signed we will start the preconstruction engineering and design phase. Once the chief's report is signed this will also start the legislative process to include funding in a Water Resources Development Act (WRDA) bill in 2016 or 2017.

On 11/18 Jon and I met with Mary Ann Simpson, Tom Ware and Jodi McDermott from the USPS. The purpose of the meeting was to talk to them about mail service on POW. Since the USPS has consolidated mail delivery to Island Air, mail service at the Post Office has had some problems. We shared a brief discussion with the USPS about how mail moves in SE Alaska and the problems that we have seen since they consolidated all mail from Ketchikan to a single carrier. Jon shared with them our desire to see mail offered to all of the carriers, even the VFR/Floatplane carriers at the wheel plane rate. This solution would improve end service without raising the cost to the USPS. Tom Ware told us that the USPS was happy with the Island Air contract and performance and did not intend to change contracts at this point.

On 11/18 we met with Congressman Don Young and two of his staff members. We discussed a number of issues with Cong. Young.

1. Harbor Project. We shared with Cong. Young that the main reason we were in DC was to attend the CWRB. We shared that the board had approved the project for signature by the Chief of Engineers. Cong. Young talked about the timing of the next WRDA bill and said that a reauthorization of the bill would likely occur in 2016 or 2017 and he would work on funding for our harbor project in that bill.
2. Resource Issues. We talked to Cong. Young about the importance of the Big Thorne timber sale and some of the repercussions of the current litigation against the sale. Jon told him that it is likely that the sale will not supply timber for the 8-10 years that the USFS intends. Cong. Young talked about the upcoming amendment to the TLMP. We also talked about the roadless rule and the roads to the mines on POW.
3. Wetland Permitting Issues. Jon talked about the limited options, high cost and unfairness of the USACE wetlands mitigation. Cong. Young said that one of the challenges was educating representatives in congress, most of who are from large communities that don't understand wetland issues. Jon suggested that if there was a required land set aside in some legislation or administrative action in Alaska that it should be considered set aside mitigation in order to meet the USACE mitigation requirements without costing local developers significant compensatory mitigation monies.
4. Fisheries Observer. Jon shared that onboard observers were problematic for small vessels. Jon also said that commercial fishing groups had offered electronic style monitoring as an alternative but that NMFS was dragging its feet on allowing electronic monitoring. Cong. Young agreed that the observer rule was a problem and that current technology should allow for sufficient, or better monitoring by electronic means. Cong. Young said that we would likely see some relief through the Magnuson Act.
5. After the meeting with Cong. Young we met with staffer Bruce Newman to discuss the USPS issue. Jon told Bruce that we would do some additional work with Steve Silver and the USPS directly but may enlist the delegations help later on.

On 11/18 we met with Senator Lisa Murkowski and some of her staff members and discussed several issues.

1. Harbor Project. We talked about our meeting with the CWRB and the Craig harbor project. We discussed the time table and inclusion into the next WRDA bill. The staff shared that they expected hearings in the senate early next year so the timing seemed to be working well.

2. NMFS Observer Program. We talked about the problems we see with the onboard observer requirement for small fishing vessels. Jon discussed the option of electronic monitoring in lieu of onboard observers. Senator Murkowski suggested that Mike Douville send a formal invitation to Dr. Kathy Sullivan (NOAA Administrator) to make a black cod trip to see what effect the observers would have on vessels.
3. Big Thorne Timber Sale. We discussed the importance of this timber sale to the island, including to our chip boiler. We discussed the current litigation of the sale. Staff told us that the update to the TLMP was due out on November 20<sup>th</sup> and that it should include a new 5-year schedule of sales. Staff said that the USFS may not be able to update the available sale quantity until the full revision of TLMP.
4. Roads to Mines. We talked to staff about the road to mines on POW. Chuck Kleshulte told us that an exemption to the roadless rule for Niblack was unlikely. Staff told us that it would be best to work on the roads both from the legislative side and the state side. They said it would be helpful if we could get the road on the STIP.
5. Wolf Listing. Jon talked to staff about the impact of listing the Alexander Archipelago Wolf as threatened or endangered. We discussed with the staff that the science was not accurate and that trappers and hunters were willing to accept the reduced limits and seasons. Jon suggested that funding be made available for the USFWS to expand the population study throughout the island. Staff suggested that if necessary that the Interior budget bill would be the best legislative tool available to work with the USFWS.
6. Chip Boiler. There was some discussion about expanding the wood boiler to include other buildings. We shared with staff that we had considered connecting CTA and had even installed cross pipes when the highway was renovated to allow for lines to CTA. Staff suggested that there may be funding in the Indian Energy Bill to connect CTA. Staff was going to follow up on that option.
7. PILT and Forest Receipts. There was some discussion about the future of PILT and Forest Receipt Payments. Jon said that PILT was a lower amount, but was more flexible and that if one of the programs did not get reauthorized he would like to see PILT continue. Jon also suggested that removing Title II and Title III projects from Forest Receipts would reduce the cost by 15% without any major impact on the program to communities.
8. Waters of the US – Wetlands. Staff told us that a Resolution of Disapproval to the expansion of the USACE's jurisdiction had passed the senate and was likely to pass the house but would likely be vetoed by the President. Jon talked about the onerous compensatory mitigation and the fact that the SE AK Land Trust was not very transparent in how the mitigation funds were being used.
9. We talked to staffer Karen McCarthy regarding our meeting with the USPS. We agreed to contact her after Jon met with Steve Silver about the best way to move forward with them. Karen asked us to monitor the quality of service in Craig in the meantime.

On 11/18 we met with Senator Sullivan's staff (Erik Elam and Alex Schenk). Senator Sullivan was on the floor of the senate. We met with the senator for a few minutes at the end of the meeting. We discussed a number of issues with the staff.

1. Harbor Project. We shared with the staff the reason for our visit to DC and the results of the CWRB meeting. We discussed funding in the WRDA bill for the project. Staff told us that there

was movement on the WRDA bill and that Sen. Sullivan was a member of the Environment and Public Works Committee and would have a great deal of input on the bill.

2. Onboard Observer. Jon shared with the staff the problems with the NMFS observer program. He suggested to staff that electronic observation would be preferable. Erik shared that Senator Sullivan was also pushing for electronic monitoring in lieu of observers.
3. Roads to Mines. Jon shared that Craig is supportive of the mines on POW and that it would be beneficial to the island residents and the mines to connect them to POW communities by road.
4. Wolf Review. We discussed the wolf listing and the negative impacts that it would have on POW. Jon said that better tracking and research is needed before taking the drastic step of listing the wolves as threatened or endangered. Jon also shared that reducing trapping and hunting limits was the right tool to help manage populations and that step had already been taken.
5. Big Thorne. We told staff that we support the Big Thorne sale and timber sales in general. Jon commented that the appeal is still pending on litigation against the sale and that Viking is expediting cutting because of the pending litigation. We discussed the TLMP update and asked that the delegation support timber sales in general.
6. Wetland Mitigation. We talked to the staff regarding the wetland compensatory mitigation. Jon shared that the compensatory mitigation was disproportionate to the impacts in SE Alaska. Jon also shared that if any land set aside requirements comes up at the federal level the delegation should try to get those set asides used as mitigation for wetlands projects.
7. PILT and Secure Rural Schools. Jon emphasized that these programs are important to the community with the PILT payment having more flexibility and use to the community. Jon also suggested that eliminating Title II and Title III from SRS would reduce the program cost.

Jon and I returned to Craig on 11/19.

November 24, 2015

#### TRAINING

We have conducted 2 full days of training this month during the island wide symposium. We had a great turn out. Nearly all communities participated in either the day of Fire Training, or the 2 days of EMS training. We received many thank you notes, saying they would not have an EMS squad without our support and training to keep them certified.

We will resume training December 3<sup>rd</sup> via Zoom platform provided by the Health Network, for island wide training.

#### GRANT FUNDING

In November, I attended Alaska Shield Exercise planning / training. We have a fantastic exercise planned for Police, EMS, Fire, City School District, our Public Information officer, and CTA or volunteers. We will line out more of the exercise as the planning continues with each department. All of our state funds are dependent on this exercise or the Alaska Assessment. We chose to do this exercise.

#### PHYSICIAN SPONSOR

We are currently working with Dr. Ballard to become our physician sponsor. Dr. Vaught would like to step down. Our hope is to get Dr. Ballard through the state paperwork by January 1<sup>st</sup>. He has requested his assistant check our run sheets and standing orders for the next few months to ensure we are compliant to his requests.

#### EVENTS

Our next event is the Alaska Shield exercise, which will be an Active Shooter Exercise, scheduled for April 7 & 8<sup>th</sup>.

Please contact me if you have any question, suggestions, or ideas for our department.  
Chaundell Piburn  
[ems@craigak.com](mailto:ems@craigak.com)



10/28/15-11/21/15

Submitted by: Kimberly Baxter

Volunteer Hours: 58

Patron Visits: 1,064

Circulation: 1,653

Computer Usage: 408

3D Printer Usage: 7

Tests Proctored: 4

Meetings: 2

Programs:

Minecraft – Every Monday at 3pm

Preschool Storytime - Every Friday at 10 am

Early Literacy Videoconference 11/14/15

Mushrooms! With Naturalist Ellen Minichiello 11/12/15

Minecraft Hunger Games 11/21/15

Book Club 11/14/15

National Novel Writers Month

Maker Camp (with Parks and Rec.) –Every Wednesday at 3pm

VISTA Job Seeker classes- 11/5/15 and 11/12/15

Upcoming Events:

3D Printer class with the J. Rice family, 3:00 pm on 11/25/15

Winter Reading Scavenger Hunt (Will run 12/1/15-1/31/16)

Cookie Swap, 1:30 pm on 11/13/15

Food Manager Workshop, Videoconference 12/3/15

#HackCPL-2<sup>nd</sup> Saturday of each month at 10 am. Technology and gaming focus.

Preschool Storytime parent chat with Brynn Bolling of Community Connections 12/4/15

VISTA Job Seeker Classes:

Students that attended all four sessions of the No Job Seeker Left Behind program showed an increase in their evaluation exam scores. The average student's score increased by 11%. One student was placed in a job during their attendance in the program. Five students attended in total.

**CITY OF CRAIG  
MEMORANDUM**



**Date:** November 25, 2015  
**To:** Honorable Dennis Watson, Craig City Council  
**Fr:** RJ Ely, Police Chief  
**Re:** Staff Report / November 2015

*RJ Ely*

**ACTIVITY**

Activity from October 30, 2015 through November 25, 2015. Dispatch Center took the following amount of calls for service:

Craig	831
Klawock	216
AST	21

**DEPARTMENT OF MOTOR VEHICLES**

Traci McIntire has completed all required training and is now covering DMV Shifts.

**DISPATCHER(S)**

Tamara Meyer has resigned and is no longer working for Craig Police Department.

Bryan Bixler excelled through training, has been signed off to work solo shifts and has been moved to full time position.

Am advertising for Part Time / Fill In Dispatch Position.

**OFFICER(S)**

I will be attending the Alaska Chief's Meetings, Anchorage Alaska from December 1<sup>st</sup> through December 4<sup>th</sup>, 2015. I will also attending other training / meetings, while in Anchorage.

**OTHER**

Steps have been taken to replace the Stencil System. System that records phone lines and radio traffic.

World Eye Cam, Department video/audio recording system had a hard drive failure and am waiting for new parts, to fix. Has to have specialized software loaded onto hard drive, to monitor all existing cameras.

Dodge Durango has been acquired and once out-fitted, it will replace the oldest Expedition (2001) police vehicle.

I've taken steps to acquire a 2010 2500 Dodge pickup truck, to phase out my current 2001 dodge truck. Once completed, the 2001 truck will become the DMV / CDL / Motorcycle Testing Vehicle.

# Memo

To: Mr. Mayor, Craig City Council

From: Ron McIntosh, Public Works Director

CC: Jon Bolling, City Administrator

Date: October 28, 2015

Re: Public Works Council Report for December 3, 2015

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## Activities and status:

1. Final Punch List Items have not been completed due to weather conditions. The project is still in the final completion process with the Contractor and Engineer. I do not have a final report from the State for any outstanding issues at the time I submitted this report.
2. The City Hall Annex Site work has been completed.
3. Phase 4 Paving review has been submitted to the engineer. RP Kinney is beginning the update of the plans and specifications for the 2016 construction season.
4. The City received its first measureable snow fall this year requiring plowing and sanding.

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





# Parks & Public Facilities

11/25/2015

## Staff Report - November 2015

To: Craig Mayor and City Council

From: Douglas Ward and Staff

Projects completed:

- Installed snow guard on New Clinic Building
- Replaced all bulbs in New Clinic parking lots
- Installed new LED light at Police Station parking lot
- Installed temporary lighting on old cannery dock

Projects currently in progress:

- Cemetery Cross replacement. (Material is here and being cut by Red Casteel)
- Removal of "Widow Makers" and leaning trees at Sandy Beach access and trail (weather permitting)
- Continue to spread wood chips around playground equipment.
- Lighting repairs at outdoor ball court.

Our department performed routine maintenance and repairs on city buildings, facilities, and parks including:

- Repaired fan control in furnace at Police Station
- Faucet valve replacement in cell #4 at Police Station
- Automation troubleshooting on wood boiler
- Plumbing repairs at Childcare center
- Multiple lighting repairs throughout city
- Replace pump motor at Aquatic Center
- Various heating repairs and adjustments at several facilities
- Wood boiler training and maintenance

We continue to clean and organizing the facilities shop and yard as time permits.

# CITY OF CRAIG

Account Statement - Period Ending October 31, 2015



## ACCOUNT ACTIVITY

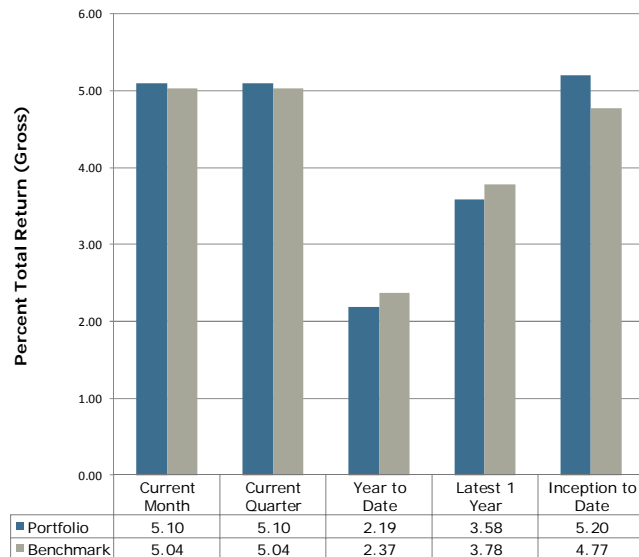
Portfolio Value on 09-30-15	8,822,147
Contributions	0
Withdrawals	-450
Change in Market Value	443,424
Interest	6,194
Dividends	0
Portfolio Value on 10-31-15	9,271,315

## MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA®
Contact Phone Number:	907/272 -7575

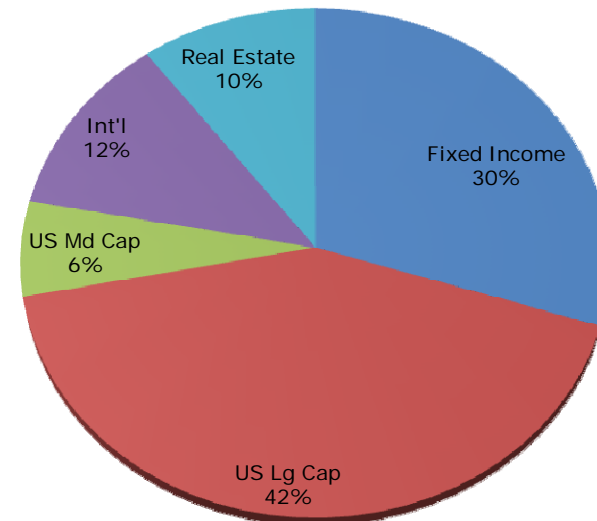
## INVESTMENT PERFORMANCE

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**  
*October 31, 2015*

Asset Class & Target	Market Value	% Assets	Range
<b>FIXED INCOME (34%)</b>			
US Fixed Income (34.0%)	2,712,003	29.3	20% to 45%
Cash (0.0%)	65,021	0.7	na
<b>Subtotal:</b>	<b>2,777,024</b>	<b>30.0</b>	
<b>EQUITY (66%)</b>			
US Large Cap (40.0%)	3,890,162	42.0	30% to 50%
US Mid Cap (6.0%)	557,660	6.0	0% to 10%
Developed International Equity (10.0%)	1,091,063	11.8	5% to 15%
Real Estate (10.0%)	955,405	10.3	5% to 15%
<b>Subtotal:</b>	<b>6,494,290</b>	<b>70.0</b>	
<b>TOTAL PORTFOLIO</b>	<b>9,271,315</b>	<b>100</b>	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*October 31, 2015*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
125,000	US TREASURY NOTES 0.625% Due 08-31-17	99.79	124,736	99.84	124,802	1.35	781	133	0.71
150,000	US TREASURY NOTES 1.875% Due 09-30-17	102.89	154,336	102.15	153,226	1.65	2,812	246	0.74
100,000	US TREASURY NOTES 3.750% Due 11-15-18	106.48	106,480	108.07	108,074	1.17	3,750	1,732	1.05
250,000	US TREASURY NOTES 1.500% Due 12-31-18	100.64	251,602	101.19	252,975	2.73	3,750	1,264	1.12
50,000	US TREASURY NOTES 1.500% Due 10-31-19	99.40	49,701	100.52	50,261	0.54	750	2	1.37
225,000	US TREASURY NOTES 1.250% Due 10-31-19	99.42	223,689	99.64	224,185	2.42	2,812	8	1.34
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	108.77	108,767	1.17	3,500	1,617	1.50
75,000	US TREASURY NOTES 1.375% Due 09-30-20	100.16	75,120	99.31	74,486	0.80	1,031	90	1.52
215,000	U S TREASURY NOTES 2.125% Due 08-15-21	99.29	213,476	102.19	219,704	2.37	4,569	968	1.73
150,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	149,887	101.33	151,996	1.64	3,000	8	1.77
50,000	US TREASURY NOTES 1.625% Due 11-15-22	98.79	49,396	98.21	49,103	0.53	812	375	1.90
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	103.77	129,710	1.40	3,125	662	1.98
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	102.24	102,242	1.10	2,375	503	2.09
	Accrued Interest				7,609	0.08			
			1,726,281		1,757,144	18.95		7,609	
<b>AGENCIES</b>									
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	108.27	108,269	1.17	3,750	354	1.26
	Accrued Interest				354	0.00			
			101,410		108,623	1.17		354	
<b>FNMA &amp; FHLMC</b>									
10,786	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	11,279	106.61	11,499	0.12	431	36	1.47
	Accrued Interest				36	0.00			
			11,279		11,535	0.12		36	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*October 31, 2015*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>CORPORATE BONDS</b>									
50,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	49,990	100.83	50,417	0.54	1,050	475	0.57
50,000	BANK AMER CORP 5.625% Due 10-14-16	107.18	53,592	104.31	52,154	0.56	2,812	133	1.06
50,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	58,955	104.40	52,198	0.56	2,812	125	0.99
50,000	STATOIL ASA 3.125% Due 08-17-17	107.07	53,533	103.50	51,748	0.56	1,562	321	1.15
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	109.43	109,433	1.18	5,500	1,619	1.15
100,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	99,572	108.99	108,990	1.18	5,750	1,437	1.66
75,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	91,093	109.91	82,435	0.89	4,500	950	1.57
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	101.08	50,541	0.55	1,050	303	1.75
100,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	116,514	116.55	116,548	1.26	7,500	1,583	2.25
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	99.83	99,831	1.08	2,375	1,108	2.42
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24 Accrued Interest	105.18	52,590	103.73	51,863	0.56	1,937	484	3.35
			846,919		834,701	9.00		8,541	
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
18,709	SPDR S&P 500 ETF	137.86	2,579,251	207.93	3,890,162	41.96	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
3,867	ISHARES CORE S&P MIDCAP 400 ETF	80.79	312,409	144.21	557,660	6.01	NA		
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>									
28,682	VANGUARD FTSE DEVELOPED MARKETS ETF	37.72	1,081,834	38.04	1,091,063	11.77	NA		
<b>REAL ESTATE</b>									
11,959	VANGUARD REIT ETF	57.70	690,055	79.89	955,405	10.30	NA		
<b>CASH AND EQUIVALENTS</b>									
	CASH RECEIVABLE		3,281		3,281	0.04	NA		
	FEDERATED GOVERNMENT OBLIGATION		61,740		61,740	0.67			
			65,021		65,021	0.70			
<b>TOTAL PORTFOLIO</b>			<b>7,414,458</b>		<b>9,271,315</b>	<b>100</b>	<b>218,888</b>	<b>16,540</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 10-01-15 To 10-31-15*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
U.S. TREASURY				
10-05-15	10-06-15	US TREASURY NOTES 1.375% Due 09-30-20	75,000	75,120.12
				<b>75,120.12</b>
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
10-31-15	10-31-15	MANAGEMENT FEES		2,317.83
				<b>2,317.83</b>
<b>INTEREST</b>				
CASH AND EQUIVALENTS				
10-01-15	10-01-15	FEDERATED GOVERNMENT OBLIGATION		0.15
CORPORATE BONDS				
10-14-15	10-14-15	BANK AMER CORP 5.625% Due 10-14-16		1,406.25
10-15-15	10-15-15	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16		1,406.25
				<u>2,812.50</u>
FNMA & FHLMC				
10-15-15	10-15-15	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		36.97
U.S. TREASURY				
10-31-15	11-02-15	US TREASURY NOTES 1.500% Due 10-31-19		375.00
10-31-15	11-02-15	US TREASURY NOTES 2.000% Due 10-31-21		1,500.00

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 10-01-15 To 10-31-15*

Trade Date	Settle Date	Security	Quantity	Trade Amount
10-31-15	11-02-15	US TREASURY NOTES 1.250% Due 10-31-19		1,406.25
				3,281.25
				<b>6,130.87</b>
<b>PRINCIPAL PAYDOWNS</b>				
FNMA & FHLMC				
10-15-15	10-15-15	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	305.59	305.59
				<b>305.59</b>
<b>PURCHASED ACCRUED INTEREST</b>				
U.S. TREASURY				
10-05-15	10-06-15	US TREASURY NOTES 1.375% Due 09-30-20		16.91
				<b>16.91</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
10-01-15	10-01-15	DIVIDEND ACCRUAL		2,046.90
10-01-15	10-01-15	DIVIDEND ACCRUAL		4,474.39
10-01-15	10-01-15	FEDERATED GOVERNMENT OBLIGATION		450.00
10-30-15	10-30-15	DIVIDEND ACCRUAL		19,334.44
				26,305.73
				<b>26,305.73</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY OF CRAIG***  
*From 10-01-15 Through 10-31-15*

<b>Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Avg. Cost Basis</b>	<b>Proceeds</b>	<b>Gain Or Loss</b>
10-15-15	305.59	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	319.53	305.59	-13.94
<b>TOTAL GAINS</b>					0.00
<b>TOTAL LOSSES</b>					-13.94
			<b>319.53</b>	<b>305.59</b>	<b>-13.94</b>



Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 10-01-15 To 10-31-15*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>CASH RECEIVABLE</b>					
10-01-15			Beginning Balance		0.00
10-31-15	11-02-15	dp	Interest	US TREASURY NOTES 1.500% Due 10-31-19	375.00
10-31-15	11-02-15	dp	Interest	US TREASURY NOTES 2.000% Due 10-31-21	1,500.00
10-31-15	11-02-15	dp	Interest	US TREASURY NOTES 1.250% Due 10-31-19	1,406.25
<b>10-31-15</b>			<b>Ending Balance</b>		<b>3,281.25</b>
<b>DIVIDEND ACCRUAL</b>					
10-01-15			Beginning Balance		25,855.73
10-01-15	10-01-15	wd	Transfer to	FEDERATED GOVERNMENT OBLIGATION	-2,046.90
10-01-15	10-01-15	wd	Transfer to	FEDERATED GOVERNMENT OBLIGATION	-4,474.39
10-30-15	10-30-15	wd	Transfer to	FEDERATED GOVERNMENT OBLIGATION	-19,334.44
<b>10-31-15</b>			<b>Ending Balance</b>		<b>0.00</b>
<b>FEDERATED GOVERNMENT OBLIGATION</b>					
10-01-15			Beginning Balance		108,315.81
10-01-15	10-01-15	dp	Transfer from	DIVIDEND ACCRUAL	2,046.90
10-01-15	10-01-15	dp	Transfer from	DIVIDEND ACCRUAL	4,474.39
10-01-15	10-01-15	wd	Withdrawal	from Portfolio	-450.00
10-01-15	10-01-15	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	0.15
10-05-15	10-06-15	wd	Purchase	US TREASURY NOTES 1.375% Due 09-30-20	-75,120.12

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 10-01-15 To 10-31-15*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
10-05-15	10-06-15	wd	Accrued Interest	US TREASURY NOTES 1.375% Due 09-30-20	-16.91
10-14-15	10-14-15	dp	Interest	BANK AMER CORP 5.625% Due 10-14-16	1,406.25
10-15-15	10-15-15	dp	Interest	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	1,406.25
10-15-15	10-15-15	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	305.59
10-15-15	10-15-15	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	36.97
10-30-15	10-30-15	dp	Transfer from	DIVIDEND ACCRUAL	19,334.44
<b>10-31-15</b>			<b>Ending Balance</b>		<b>61,739.72</b>

**From:** Jeff Lundberg  
**Sent:** Tuesday, November 24, 2015 3:47 PM  
**To:** Jon Bolling; Misty Fitzpatrick  
**Subject:** POWHA Chinook/Coho Values

Jon/Misty,

Attached is a spreadsheet showing the contribution and value to common property fisheries for 2013-2015. Does not include sport catch. Thought you would find it interesting.

Happy Thanksgiving!.....Jeff

Jeff Lundberg  
 Klawock River Hatchery  
 PO Box 554  
 Craig, AK. 99921  
 (907) 755-2231 Phone  
 (907) 755-2440 Fax

POWHA Coho and Chinook Contribution and Value					
Year	Gear Group	Chinook	Value	Coho	Value
2013	Troll	598	\$49,634.00	196,745	\$1,893,074.00
	Seine	7	\$746.00	34,404	\$218,636.00
	Drift	614	\$37,957.00	185	\$1,798.00
<b>Totals</b>		<b>1,219</b>	<b>\$88,337.00</b>	<b>231,334</b>	<b>\$2,113,508.00</b>
2014	Troll	434	\$25,219.00	99,195	\$943,162.00
	Seine	13	\$545.00	26,749	\$174,781.00
	Drift	347	\$12,241.00	91	\$916.00
<b>Totals</b>		<b>794</b>	<b>\$38,005.00</b>	<b>126,035</b>	<b>\$1,118,859.00</b>
2015	Troll	313	\$12,864.00	94,965	\$603,474.00
	Seine	33	\$957.00	28,005	\$153,809.00
	Drift	271	\$6,864.00	167	\$1,612.00
<b>Totals</b>		<b>617</b>	<b>\$20,685.00</b>	<b>123,137</b>	<b>\$758,895.00</b>
<b>Grand Totals</b>		<b>2,630</b>	<b>\$147,027.00</b>	<b>480,506</b>	<b>\$3,991,262.00</b>

## **CITY OF CRAIG MEMORANDUM**

To: Mayor and Craig City Council  
From: Brian Templin, City Planner  
Date: November 25, 2015  
RE: Marijuana Regulations

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Update to the state and local marijuana regulations:

1. **State Regulations.** Staff submitted the comments that were presented to the council on 11/5. The Marijuana Control Board met on November 20<sup>th</sup> and made a number of changes to the draft regulations and adopted a final set. There have been news articles in both the Anchorage Dispatch News and the Juneau Empire that talk about some of the changes. The final regulations are not yet available online so I have not had a chance to see how the city's specific comments were handled. I will provide additional information to the council after the adopted regulations have been made public and I have had a chance to review them. One change of note is that it appears that retail stores can now have a place located in the business where customers can consume marijuana products on-site.
2. **Craig Regulations.** The Craig planning commission approved the start of the public comment period for the changes to Title 5 and Title 18 of the Craig Municipal Code. These code changes deal with local licensing and zoning for commercial marijuana establishments. The set of regulations is largely the same as the draft that was presented to the council and the planning commission for the November 5, 2015 work session. There are two notable differences in the regulations that are currently out for public comment:
  - a. All of the "Permitted" uses located on the table of uses in the draft regulations were changed to "Conditional" uses. This change potentially solves a couple of issues that both the planning commission and the council have discussed. Firstly the change requires all marijuana establishments to go through a local planning commission hearing. This will allow surrounding property owners the opportunity to testify and the commission to set conditions or deny use permits for locations that would be detrimental. Secondly the conditional use permit process allows the planning commission to place specific conditions on permits that are issued. Conditions cannot be arbitrary, capricious or unreasonable and must have some basis. Conditions that the commission could attach may include restrictions on the type of products allowed for sale at retail shops or other conditions that have a documented need.
  - b. Marijuana Brokerages were deleted from the table of allowed uses. This appears to be one of the MCB made to the regulation. The MCB determined that it didn't have the authority to issue this license type so it was deleted from the regulations.

The draft regulations are available on the city website and will be out for public comment until December 28<sup>th</sup>. The planning commission will meet on December 28<sup>th</sup> and consider any public comments before making a recommendation to the city council. I expect that the regulations and a recommendation will be forwarded to the council at the January 7, 2016 meeting for first reading and discussion of an ordinance to enact them. This timeline should give the council ample opportunity to discuss the regulations and adopt local regulations before we have to comment on any license applications.

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: November 25, 2015  
RE: Consider Purchase of Equipment for Craig Police Department

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The Craig Police Department proposes the purchase of two items that are not included in the department's FY 2016 city operating budget: a patrol vehicle offered by the US Forest Service; and a computer based system for recording audio and video at the Craig Police Department.

### 1. Stancil Recording System

The Craig Police Department uses a Stancil-brand system to record audio of telephone lines and radio traffic at the Craig Police Department. The hardware used to run the Stancil system abruptly failed recently. Craig PD staff has substituted a different system to record activity at the station, but for the long run the Stancil system must be replaced to properly document activities at the department. Chief Ely has already made arrangements to replace the system.

The cost of the replacement computer hardware and include an upgrade to the Stancil software, at about \$8,200, is large enough to merit a council supplemental appropriation, rather than waiting to budget the item in the fiscal year beginning next July 1. The system is an important risk management tool for the city, and should be operational at all times.

Funding for this item can come from one of the reserve accounts the city has at First Bank that is capitalized by assets awarded by the courts to the city in the course of criminal convictions. One of these accounts, held in a certificate of deposit, has a balance of \$14,678. An appropriation from the city's General Fund is not need to pay for the replacement system.

### 2. Patrol Vehicle

Chief Ely received word recently from the US Forest Service that it has a surplus law enforcement vehicle for sale in Ketchikan. The vehicle is a 2010 model 2500 Dodge pickup truck, with 50,900 miles. The Forest Service is asking \$8,000 for the rig. A photograph of the vehicle is attached. The proposed sales price is comparable with other vehicles we have acquired from the agency in recent years.

If acquired, Chief Ely, who had planned to ask for a replacement vehicle in next year's operating budget, would replace an older patrol vehicle with the USFS pickup. Because the surplus USFS vehicle was used for law enforcement, the unit already has a number of components that the Craig Police Department will be able to put into service, with the avoided cost of having to acquire these items (including light bar, laptop stand, restraints, video equipment) separately.

An existing 2001 Ford Expedition that is part of the Craig PD fleet will be surplus to another city department, or sold at auction. The Dodge Durango that Craig PD recently received from Public Works replaces the 2001 Ford. The Dodge Ram currently used by Chief Ely becomes a vehicle for use by the DMV agent for use in driving to the motorcycle testing area near the high

school, and for trips to the Control Lake Junction to conduct CDL road tests, and as a backup patrol vehicle.

The same reserve account proposed for the purchase of the Stancil system can be drawn on to pay for most of the cost of the vehicle. Because that reserve account has a balance too low to pay for both the Stancil system and the proposed vehicle purchase, the balance of the cost of the replacement vehicle system can come from another police reserve account funded by assets forfeited from those convicted of drug offenses. A general fund appropriation is not needed for the purchase of the vehicle. The sum of \$200 is added to the \$8,000 purchase price to pay for shipment of the vehicle from Ketchikan to POW in the IFA.

### **Recommendation**

1. That the council approve the purchase of a US Forest Service surplus law enforcement vehicle in the amount of \$8,200.
2. That the council approve the purchase of a replacement Stancil recording system in the amount of \$8,200.
3. That the council direct staff to fund these purchases from the Police Special CD Fund, and the Police Drug Reserve Fund.

### **Recommended motions:**

- 1) I move to purchase a surplus US Forest Service law enforcement vehicle in the amount of \$8,200, with funding for the purchase to come from the Police Special CD Fund.
- 2) I move to purchase computer hardware and software to replace the failed Stancil recording system in the amount of \$8,200, with funding for the purchase to come from the Police Special CD Fund and the Police Drug Reserve Fund.

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: November 25, 2015  
RE: Update on Cannery Property Harbor Project

---

As the council is aware staff has been working with the Civil Works Division of the US Army Corps of Engineers in Anchorage toward the establishment of a boat harbor at the old downtown cannery property. Given recent events related to the project, a summary of the project's history, financing, and future direction is timely.

### I. Project History

In 2006, the City of Craig purchased the old cannery property from Wards Cove Packing Company for \$1.75 million. The property had been offered for sale by its prior owner and the city council saw the purchase of the property as the best option to expand the city's harbor capacity. On April 5, 2007, the city council approved phase one the cannery property development plan. A drawing of phase one of the development plan is attached. Essentially, phase one calls for the establishment of a harbor on the property's tidelands, with some of the uplands dedicated for harbor support. Since that time staff has been working through the US Army Corps of Engineers Small Boat Harbor Program to put the city in a position to receive funding for the breakwaters needed to protect the float system of a downtown harbor. The Small Boat Harbor Program requires a project sponsor (in this case, the sponsor is the City of Craig) to providing matching funds for the planning, reports, environmental, and design work related to what the Army Corps of Engineers calls navigational improvements, which in the city's particular case means rubble mound breakwaters. The rock breakwaters are necessary to protect the proposed harbor from damage caused by wave action from both the southwest and from the north.

The current phase of the project has required hundreds of thousands of dollars in match from the city. The process has also taken quite a long time to get to this point. The incentive to the city to participate in this project is that it could lead to the Army Corps of Engineers providing up to 80 percent of the cost of the breakwaters. Because the construction of these breakwaters is costly, the up-front cash match from the city could lead to lower construction costs to the city when the breakwaters are eventually built.

One important step in the Small Boat Harbor Program process is review of a project by the Corps' Civil Works Review Board (CWRB). The CWRB is made up of high ranking military and civilian officials within the Corps whose job is to judge the merits of a given project. Approval by the CWRB is needed for a project to advance to a point where funding can be authorized by Congress for a given project. The CWRB met on November 17 in Washington DC to consider approval of the cannery harbor project. After a presentation by Alaska District Corps of Engineers staff, and by city staff, the CWRB unanimously approved the project.

That CWRB approval clears the way for the issuance of what is called a Chief's Report on the Craig project, which we are told is due this spring. The Chief's Report will allow the Craig project to be eligible for funding through legislation called the Water Resources Development



Act or WRDA. A WRDA bill moves through Congress every few years. The act's purpose is to fund navigation projects around the country. Craig will have to compete with many other projects, almost all of which will be much bigger projects than ours, during the writing of the WRDA bill. While City Planner Brian Templin and I were in Washington DC last week for the CWRB meeting, we also met with each of the members of the Alaska Congressional Delegation and their staff to update them on the cannery harbor project and the approval by the CWRB. We also told the delegation that the project will likely be ready for funding authorization when Congress takes up the next WRDA bill, which we are told may begin in April 2016.

## II. Financing

As noted above, the preliminary work done on this project has required a cost match from the city. When the project is ready for construction, the city must produce a substantial cash match. As noted above the Army Corps of Engineers will provide eighty percent of the cost of the breakwaters needed for the project. The agency funds their eighty percent through the WRDA bill Congress adopts every few years.

The table below shows the dollar match that the city can expect to pay for full development of the harbor project. The city is responsible for the "Non-Federal" portion shown in the table.

Item	Project Costs*		
	Federal(\$)	Non-Federal	Total(\$)
General Navigation Features (including aids to navigation)	\$ 29,062,000	\$ 3,229,000	\$ 32,291,000
Associated costs - local service facilities	\$ 0	\$ 4,128,000	\$ 4,128,000
LERR (GNF) Admin Costs	\$ 9,000	\$ 17,000	\$ 26,000
10% of GNF, Non-Federal**	\$ (3,232,000)	\$ 3,232,000	\$ 3,232,000
Final Initial Cost Requirements	\$ 25,874,000	<b>\$10,589,000</b>	\$ 36,464,000

\*Total Project Costs as defined in Director of Civil Works' Memorandum dated 25 August 2011

\*\*Reflects provisions of the Water Resources Development Act of 1986. Sums may not total due to rounding.

As the table shows upon full build out of the project, including both breakwaters and moorage space for about 145 vessels, the city's cash share is approximately \$10,589,000. The precise cash match will depend on actual construction costs. This ten million dollar figure is obviously an enormous amount of money for Craig. As such it is important to see the match amount in the context of how much is due, and when.

The portion of the match attributable to construction of the breakwaters is \$6,461,000. Of this amount, \$3,229,000 is due at the time of construction. The balance is payable to the Army Corps of Engineers over thirty years, at a rate of interest fixed by the Army Corps.

The portion of the match attributable to construction of the moorage floats is estimated at \$4,128,000. This amount is due at the time of construction of the floats. The float system would undergo construction after placement of the breakwaters.

If the breakwater portion of the project were to receive funding in the next WRDA bill, it could be ready for construction by 2018. The Army Corps estimates the breakwaters will take two seasons to construct, putting the finish date for that work in late 2019. The float work could begin any time after completion of the breakwaters; that schedule puts float construction in the year 2020. The thirty year financing offered by the Army Corps will require debt service

payments once breakwater construction is complete. In summary, one possible timeline for the local match coming due is below.

<b>Project</b>	<b>Match Amount</b>	<b>Date Due</b>
Breakwater (season 1)	\$1,614,500	2018
Breakwater (season 2)	\$1,614,500	2019
Moorage Floats	\$4,128,000	2020
Breakwater - financing*	\$210,000	Annually

\* Assumes 5% interest rate

Even spread out over several years, securing the cost match is an enormous challenge for Craig. The community will depend upon an outside source to provide at least some of the match requirement. Some possible sources are offered below for council consideration.

#### 1. State of Alaska Capital Budget

As the council is aware the annual State of Alaska capital budget has often provided municipalities with matching funds for prioritized local projects. The prospect of substantial capital funding for communities is very dim currently. The state faces an approximate \$3.5 billion operating budget shortfall. The current year's capital budget is the minimum necessary to secure matching federal funds for state-sponsored projects; that budget has zero discretionary dollars for the types of community-proposed projects that used to be commonplace in the capital budget. It is likely that the next fiscal year's capital budget, which begins in July 2016, will again have zero dollars for community-proposed capital projects.

Eventually, though, the State of Alaska will have to adopt a more conventional capital budget. Projects very much like the one proposed here were funded in recent years in both Wrangell and Haines, and a port project was funded for Hoonah at an amount substantially higher than needed for the cannery property harbor project. The sooner that the Alaska Legislature and Governor can stabilize the state's financial footing, the sooner Craig's chances of securing matching funding for this project. The council has already notified the city's state representatives that the cannery project is an important one for Craig. That message must continue to be presented to the legislature.

#### 2. Local Funding Sources

##### a. Craig Endowment Fund Earnings

The city currently draws only about forty percent of the earnings from the fund that it is allowed to draw based on the formula in the city's municipal code. The sixty percent that remains, amounting to about \$240,000 per year, is eligible for appropriation by the council.

##### b. Redirected School Funding

As the council will recall, the city's annual operating budget sets aside funding for school support. Because the school support fund already holds about five times the amount of cash that the city provides to the district each year, the council this year redirected some of the \$400,000 toward other uses. The council can choose to do so again in the coming year or two.

c. Craig Land Development Fund

This local source of funds, with a balance of about \$500,000, is used to develop city property that will in turn produce revenue to replenish the fund. The city has used this fund in recent years to pay for subdivision improvements for city owned property at Tanner Crab Court and Salmonberry Subdivision, properties that the city later sold and the sales revenues from which went back into the fund.

The harbor project at the cannery property is unlikely to produce revenue sufficient to replace dollars taken from the fund, meaning that if the Land Development Fund is used as a source for the match at the cannery harbor, the land fund would likely end up with too small a balance to be useful for other projects until such time as the council chooses to sell other city-owned property to recapitalize this fund. If the council chooses to appropriate money from this fund for use at the cannery harbor project, a better approach for the long term is to move funds from the Land Development Fund to the Endowment Fund principal, from which earnings can be spent each year.

d. Endowment Fund Principal

The council does have authority to appropriate principal from the Endowment Fund. The council has done so sparingly, and to date it has only done so to pay down long-term debt, with the goal to repay at least part of what is withdrawn from the principal from the city's annual operating budget. Of the local funding source options, this option is one the council should avoid. Reducing the principal leaves fewer earnings available for appropriation in each following year, and the city is dependent upon earnings from the fund to provide financing for other projects, not the least of which is generation of revenue to meet our debt service obligations on the bond that will finance upgrades to the Craig Aquatic Center. Note: The current balance of the fund is about \$9 million.

e. Lease Payments

While still speculative, receipts from payments on leases of property at the cannery harbor site could provide an important revenue source for meeting the portion of the city's match financed by the Army Corps of Engineers.

3. Other State Financing Options

a. AIDEA

The Alaska Industrial Development and Export Authority operates loan programs that finance infrastructure projects like the one proposed for the cannery site. The cannery harbor project would be small by AIDEA standards, but still within the size of projects the entity has helped finance in the past.

b. Alaska Department of Transportation

The Alaska Department of Transportation has a harbor development program, under which the harbor proposed for the old cannery site is eligible. The program does require a match and like the capital budget is subject to the financial health of the State of Alaska. It is possible that funding awarded from this program could be used toward the city's match for any federal funds received for the breakwaters or moorage floats.

c. Alaska Department of Environmental Conservation

ADEC maintains low interest loan programs used for the expansion of a public water system. It is possible that the city could qualify for a low interest loan to install water lines needed for the redevelopment of the cannery upland site and for installation of water services within the float system of the proposed harbor.

4. Federal Funding Options

a. Economic Development Administration

The EDA has participated in a number of successful projects in Craig, including expansion of North Cove Harbor, expansion of the city's ice house, construction of the seafood processing building, acquisition of the hydraulic boat trailer, and paving of the Port St. Nicholas Road. The timing is about right for the city to again approach the EDA about their interest in providing some amount of funding for the cannery harbor project. On a related note, there is an EDA sponsored webinar on about their programs set for December that I plan to dial into.

b. USDA Rural Development

Rural Development routinely provides combination grant and loan funds for projects in rural Alaska. The agency's application process is complex and the application outcome uncertain, but staff can discuss the merits of the cannery project with Rural Development staff.

III. Future Direction

There are a couple of items for council consideration here.

1. Public Notice

The city conducted a number of public meetings and hearings on the cannery property development plan in 2007. With the Army Corps' Chief's Report due this spring, the city should again conduct a public information effort to remind its residents of the scope of the project. This is especially important given that the Army Corps will now turn to actual engineering work on the breakwaters, and also conceptual design work for the moorage float system. Other harbor needs, such as a drive down ramp and float in Craig, should be included in the Corps' conceptual design work.

2. Other Harbor Needs

There are a number of other harbor needs pending, including upgrading the delivery system at the ice house, repairs needed to City Dock, construction of the metal building to house the boat haul out trailer, repairs to the ramp at South Cove, and various repairs needed at North Cove Harbor. In addition the need for cathodic protection for the steel piling at the industrial park dock remains unaddressed.

We are reaching a crossroads point for the cannery harbor project. The council should provide staff with its initial reaction to the financing options above, and provide other financing suggestions. Input on other facets of the project, such as renewing the public notice effort are also timely now. This project presents some obvious challenges for Craig. With those challenges come opportunities as well. A deliberative approach is needed to address the various parts of this project.

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: November 25, 2015  
RE: Consider Deductive Change Order: Craig Aquatic Center Renovation Project

---

At its November 5 meeting, the council approved award of the pool renovation contract to CBC Contractors. In awarding the contract, the council reduced the project cost by eliminating three additive alternates from the scope of the project. The council also adopted four value engineering recommendations approved by the project architect that further reduced the cost of the project.

Another value engineering option suggested by the contractor, but one that staff was not ready to recommend at the November 5 city council meeting, was to change the design of the east wall from a conventional batt insulated design to a design that incorporates a pre-insulated metal sided panel, much like the roof panels that are already part of the project. Since the November 5 council meeting city staff has determined that the total cost savings associated with this change will be \$6,300 versus the current design.

In addition to slightly lowering construction costs, the insulated panel design also brings the advantage of sealing the wall space to eliminate the risk of condensation and corrosion in the wall framing that we have today in both the east wall and the roof of the pool building.

While this item is not a significant savings in and of itself, when considered in combination with the other changes already approved by the council, the value engineering cost savings to date will total about \$44,000.

On a related note, the project contractor and architect are still reviewing options to redesign the building's entryway in an effort to still lower construction costs. Staff should know more in December about the extent of any cost savings resulting from this effort.

### **Recommendation**

That the council approve the deductive change order.

Recommended motion: I move to approve a deductive change order to the Craig Aquatic Center Renovation project to redesign the east wall to a 2-1/2" insulated metal panel structure, resulting in a project cost savings of \$6,300.

# Memo

To: Mr. Mayor, Craig City Council  
From: Ron McIntosh, Public Works Director  
CC: Jon Bolling, City Administrator  
Date: November 25, 2015  
Re: Additional Equipment Acquisition – Public Works - 2015

---

Public Works has been utilizing the Equipment Grant from 2012 to acquire equipment including the backhoe, garbage truck, fork lift, street sweeper, garbage containers and approval for additional equipment

After discussions with facilities and researching price and availability, I request to purchase a used 45' man lift with the available funds of the equipment grant. The City pays rent several times per year for this equipment.

The lift is in Ketchikan which also minimalizes freight costs.

1. Used Genie S45 Man Lift	\$28,900
2. Freight Estimate for Equipment	1,500
Total	\$30,400

#### Recommendation

Approve purchase of Public Works equipment out of the State Equipment Grant.

Attachments  
Man Lift

Expiration Date: 12/19/2015

## 2004 GENIE S45

**Prepared By**

Craig Thomas  
Tyler Rental  
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craigert@tylerrental.com



**Prepared For**

Ron McIntosh  
City of Craig  
PO Box 725  
Craig, AK 99921  
907-826-3405  
publicworks@craigak.com

**Quoted Price \$28,900.00**

Serial Number: S4504-7921, Stock Number: 98-45013,  
45' Platform Height, 8' Basket, Generator, Foam Filled Tires, Deutz Dsl Engine  
Engines, Deutz Diesel  
Platform Basket 8'  
Tires Foam  
4 Wheel Drive

FOB:Ketchikan

FLEET MAINTAINED - RECORDS AVAILABLE ON REQUEST  
PRICE DOES NOT INCLUDE SALES TAX.  
HOUR METER READING MAY VARY DUE TO ACTIVE INVENTORY  
SOLD WHERE IS AS IS NO WARRANTY EXPRESSED OR IMPLIED

**Specifications**

3102 Hours

