

**CITY OF CRAIG  
COUNCIL AGENDA  
JUNE 1, 2017  
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 May 18, 2017
- Introduction and First Reading of Ordinance 696, Sales Tax on Marijuana and Marijuana Products
- Introduction and First Reading of Ordinance 697, Bed Tax
- Introduction and First Reading of Ordinance 698, Changes to Title 3- Revenue and Finance
- Introduction and First Reading of Ordinance 699, Utility Rate Change

**HEARING FROM THE PUBLIC**

- Open for public comment
- Resolution 17-07, Payment in Lieu of Health Insurance
- Final Reading and Public Hearing of Ordinance 695, FY18 Operating Budget

**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**

- Hydaburg Culture Camp
- Haida Wild Alaska Seafood Processing Plant
- State of Alaska Draft Forest Land Use Plan
- Letter from Viking Lumber

**CITY OF CRAIG  
COUNCIL AGENDA  
JUNE 1, 2017  
COUNCIL CHAMBERS 7:00 P.M**

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Resolution 17-07, Payment in Lieu of Health Insurance
- Ordinance 695, FY18 Operating Budget

**UNFINISHED BUSINESS**

**NEW BUSINESS**

- Approval of Sale of Lot 3, Ptarmigan Subdivision
- Consider approval of Lynn Jones senior property tax exemption

**ADJOURNMENT**

CITY OF CRAIG  
COUNCIL MEETING  
THURSDAY MAY 18, 2017

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**ROLL CALL**

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

**Staff present:** Jon Bolling, City Administrator; Kassi Mackie, City Clerk; Jessica Holloway, Aquatic Center Manager; Brian Templin, City Planner; Chaundell Piburn, EMS Coordinator; Hans Hjort, Harbormaster; Kim Baxter, Librarian; Rj Ely, Police Chief; Ron McIntosh, Public Works Director; Victoria Merritt, Parks and Recreation Director; Doug Ward, Parks and Public Facilities Manager

**Audience present:** Jack Walsh, Rick Seal, Troy Thain, Cindy Bennett,

**BOARD OF EQUALIZATION**

TROJAN/DOUVILLE

moved to recess the regular council meeting and call to order the Board of Equalization meeting.

Charles Horan of Horan & Co. gave a short presentation on the market trends and assessments for the 2017 property tax year. Mr. Horan had two unresolved property assessment appeals that the council will act on.

SEE/DAHL

moved to accept the recommendation by the assessor and reject Gary Ellison's appeal.  
MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

SEE/DOUVILLE

moved to accept the assessor's recommendation and reject Roxanne Demmert's appeal.  
MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

DOUVILLE/SEE

moved to adjourn as the board of equalization and reconvene the regular meeting.

**CONSENT AGENDA**

DAHL/BAZINET

moved to pull the vehicle for hire agenda item for further discussion under new business and approve the consent agenda with the amendment.  
MOTION CARRIED UNANIMOUSLY

## **HEARING FROM THE PUBLIC**

Rick Seal was present to voice concerns about the Yield sign on Sunnyside Drive. Mr. Seal believes it would be beneficial to replace the yield sign with a stop sign. Mr. Seal would also like to see a skate park installed, since the traffic on the streets has been picking up, and there have been a few minor accidents involving skateboarding.

Kassi commented that Richard Trojan had called prior to the meeting and wanted the council to be aware that taxing work done outside of Craig, when the business is within the city limits would encourage Mr. Trojan to move the business elsewhere.

## **REPORTS FROM CITY OFFICIALS**

**Mayor/IFA-** Mayor Watson was absent.

**Administrator-** Jon provided a written report. Jim See commented with concern about creating a new full-time position and a part time position. Jon commented that the accounts receivable clerk was previously a full-time position, and it would be beneficial to the city hall staff to have an additional person to cover the front office and handle all of the billing and in person traffic.

**Treasurer-** Joyce provided a written report and was excused.

**Aquatic Manager-** Jessica provided a written report and was excused.

**City Clerk-** Kassi reported that the next meeting is scheduled for June 1.

**City Planner-** Brian provided a written report.

**EMS Coordinator-** Chaundell reported that the EMS department received a \$5000 grant to help supplement the cost of the OMNILERT system.

**Harbormaster-** Hans Hjort reported replacing planks and getting a feel for the harbor here in Craig. The City contacted a gentleman from Hollis to use the boat trailer that was able to get some of the boats back in the water. Mike Douville commented on the parking, and limiting hours differently at different sections. Hans reported that the harbor advisory committee has discussed some parking options and will be implementing a new system for parking. Jim See is concerned about the dog droppings on the docks. Hans will be working on this as well.

**Library-** Kim provided a written report.

**Police Chief-** RJ provided a written report. Rj also commented that the PD has been issuing warnings for the past few weeks at the harbor for parking. The PD will be issuing citations in the future.

**Public Works-** Ron provided a written report.

**Parks and Rec-** Victoria provided a written report. The after-school program will continue limited hours and days all summer long. Blessing of the Fleet will be part of the Memorial Day Weekend

**Parks and Public Facilities-** Doug reported that the PPF department lost their part time worker, Nick Brazille. Nick had been with the city for years, and was a great asset to the department. Doug has been working weed eating, mowing, and working on the cemetery clean-up for Memorial Day.

#### **READING OF CORRESPONDENCE**

Nothing to discuss.

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

##### **Resolution 17-05, City of Craig Social Media Policy**

PIERCE/DAHL

moved to adopt Resolution 17-05.

MOTION CARRIED UNANIMOUSLY BY  
ROLL CALL VOTE

##### **Resolution 17-06, Mill Levy 2017**

PIERCE/DAHL

moved to adopt Resolution 17-06.

MOTION CARRIED UNANIMOUSLY BY  
ROLL CALL VOTE

#### **UNFINISHED BUSINESS**

##### **Municipal residential land sale**

Brian reported that one of the lots on Ptarmigan and two at Salmonberry Subdivisions haven't sold. Even though staff has marketed the lots as far as possible with the resources available, Brian recommends that the Ptarmigan lot be put back up for sale at the current price, and the Salmonberry lots be marketed through a realtor.

DAHL/BAZINET

moved to continue the sale of Lot 3,  
Ptarmigan Subdivision under the current  
terms and to modify the sale of Lots 3A and  
4A, Salmonberry Subdivision following  
staff's recommendations.

MOTION CARRIED UNANIMOUSLY

##### **Approval of final terms of the sale of a portion of Lots 2C and 2E USS 3857 to Troy and Di Thain**

DAHL/TROJAN

moved to approve the final terms of the sale  
of city owned property to Troy and Di Thain  
and authorize staff to execute all documents  
related to the sale.

Mike Douville wanted to express disagreement with selling recreational property that the city possesses.

MOTION CARRIED UNANIMOUSLY

##### **Consider Adoption of Craig Comprehensive Plan Issues, Goals, and Objectives**

Jan Trojan would like to look ahead and make a plan for economic development. Jan asked about the Community Economic Development Strategy (CEDS) process and when that committee would meet again. Brian explained that the planning commission would like to see the committee meeting annually.

DAHL/BAZINET

moved to adopt the Craig Comprehensive Plan Update Section 1.  
MOTION CARRIED UNANIMOUSLY

**NEW BUSINESS**

**Consideration of FY 2018 Appropriation to Craig City School District**

DAHL/DOUVILLE

moved to approve the city's contribution towards the Craig City School District FY18 budget.  
MOTION CARRIED UNANIMOUSLY

**Consider Approval, Fred Hamilton Jr Property Tax Exemption**

DOUVILLE/DAHL

moved to approve Fred Hamilton Jr's senior property tax exemption application.  
MOTION CARRIED UNANIMOUSLY

**Consider approval, Phase 4 Paving Change Order's 1, 2, and 3**

PIERCE/DAHL

moved to approve change orders 1, 2 and 3 for the City of Craig Phase 4 for \$309,828.24 to construct improvements on Willow Ct., Windy Loop and Windy Way/Night Ct.  
MOTION CARRIED UNANIMOUSLY

**Consider approval of Vehicle for Hire Application from Janet Manning, Get a Cab**

Jim See is concerned that there may be an outstanding debt on Janet Manning's city account. Staff will look in the accounting system, and the application will be pending until the debt is paid.

TROJAN/DAHL

moved to approve Janet Manning's vehicle for hire application.  
MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

DOUVILLE/DAHL

moved to adjourn at 8:24 p.m.  
MOTION CARRIED

APPROVED \_\_\_\_\_

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

ATTEST \_\_\_\_\_  
KASSI MACKIE, CITY CLERK

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 26, 2017  
RE: Ordinance No. 696

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Attached you will find Ordinance No. 696.

Members of the Craig Budget Committee asked that this measure be brought to the council for consideration. With the noticeable decline in sales tax revenues for the first half of Fiscal Year 2017, the uncertainties surrounding state and federal revenue programs that benefit municipalities, and with expenditure cuts made to the city's operating budget, the Budget Committee discussed new revenue options at some length at both last year's and this year's budget process.

The ordinance, if adopted by the council and approved by voters in Craig, will tax commercial marijuana sales at a rate of ten percent. Because the ordinance implements a higher sales tax rate for marijuana than the rate already set for general sales tax in Craig, Alaska Statute 29.45.670 requires that the proposed rate be approved by Craig voters at an election. The next municipal election is set for Tuesday, October 3, 2017.

Even if the measure achieves its required approvals, staff expects no revenue from this source in the coming fiscal year. Tax revenue from marijuana sales will occur only after a licensed marijuana retail store locates within the city's municipal boundaries. As of today's date, city staff is not aware of any applications to establish commercial marijuana retail stores in Craig. Given the long lead time required to establish a licensed marijuana retail store, I do not anticipate one being in place in the near future, although it is possible for a store to be up and running in Craig before the end of Fiscal Year 2018.

The ordinance does not designate receipts from the proposed tax for any particular use. If approved as presented here, revenues from commercial sales of marijuana products will go into the city's General Fund for appropriation by the council.

**Recommendation**

Approve Ordinance No. 696 at first reading.

**CITY OF CRAIG  
ORDINANCE No. 696**

**AMENDING CHAPTER 3.08, SALES TAX, TO LEVY A SALES TAX OF AN ADDITIONAL FIVE PERCENT ON THE SALE OF MARIJUANA AND MARIJUANA PRODUCTS AND PROVIDING FOR A BALLOT QUESTION RATIFYING THE LEVY OF THE TAX AND THE RATE OF LEVY.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CRAIG, ALASKA:**

Section 1. Classification. Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Craig Municipal Code (CMC).

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

Section 3. Effective Date. (a) Section 4 of this ordinance amending CMC 3.08.010 Definitions; and CMC 3.08.020 Levy of sales tax – Rate, shall become effective on January 1, 2018, if the proposition required by Section 5 of this ordinance is approved by a majority of the qualified voters of the City and Borough voting on the proposition at the regular municipal election scheduled for October 3, 2017.

(b) Section 5 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City of Craig, shall be effective immediately upon adoption of this ordinance.

Section 4. Action. (a) Section 3.80.010 of the CMC is amended by adding new definitions to be incorporated in alphabetical order, to read:

“Marijuana and Marijuana products” has the meaning provided in CMC 5.10.800.

(b) Section 3.80.020 is amended by adding a new subsection F to read:

F. In addition to the tax levied and collected under subsection B of this section, there shall be levied and collected a tax equal to five percent of the selling price on the retail sale of marijuana and marijuana products sold within the City of Craig.

Section 5. Election. At the regular election to be held on October 3, 2017, the following question shall be placed before the qualified voters of the City of Craig:



PROPOSITION NO. \_\_

TAX ON SALE OF MARIJUANA AND MARIJUANA PRODUCTS

Shall the City of Craig, Alaska levy and collect an additional tax equal to five percent of the selling price on retail sales of marijuana and marijuana products?

YES [ ]

NO [ ]

Passed and approved on \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor Dennis Watson

Attest

\_\_\_\_\_  
Kassi Mackie, City Clerk

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 26, 2017  
RE: Ordinance No. 697

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Attached you will find Ordinance No. 697. Members of the Craig Budget Committee asked that this measure be brought to the council for consideration. With the noticeable decline in sales tax revenues for the first half of Fiscal Year 2017, the uncertainties surrounding state and federal revenue programs that benefit municipalities, and with expenditure cuts made to the city's operating budget, the Budget Committee discussed new revenue options at some length at both last year's and this year's budget process.

The ordinance, if adopted by the council and approved by voters in Craig, creates what is commonly known as a "bed tax" in Craig, and officially titled a transient room tax in the ordinance. The room tax, like the general sales tax, is applied to the total room rental cost. The rate in the ordinance is set at ten percent. If adopted, that means that a rental room customer would pay the city's five percent sales tax, plus the ten percent transient room tax. The ordinance is based on one in place in Petersburg.

Because the ordinance implements a new tax in Craig, Alaska Statute 29.45.670 requires that the proposed rate be approved by Craig voters at an election. The next municipal election is set for Tuesday, October 3, 2017.

Even if the measure achieves its required approvals, the proposed FY 18 budget does not count on revenue from a bed tax. Staff did not want to assume revenue from this source given the uncertainty of its approval. However, if the tax is approved and becomes effective January 1, 2018, the subsequent revenue generated will be logged in FY2018.

I called most of the local vendors about this topic a week or so ago. Some had no immediate response/reaction. Two others, both charter boat operators, reported that they do not support the tax. One told me that the tax is ill-thought out. He thinks the voters would likely approve the measure if given the chance, given that the tax will fall largely on non-residents. However he added that the council should keep in mind the businesses in Craig, as well as the residents. He went on to say that he cannot think of an advantage to having a charter business in Craig versus at Port St. Nicholas, where the tax would not apply. That, he maintains, is a disincentive to starting a charter business in town. When asked if he thought a better approach is to annex the PSN area, he added doing so would be a step in the right direction, after which a bed tax would not be needed given the sales tax windfall that would occur with annexation. I had mentioned to this vendor that the city may choose to use the receipts to offset costs that benefit the visitor industry, such as the Port St. Nicholas king salmon hatchery. The vendor responded that the commercial gear groups also benefit from those king salmon, and that a surcharge on moorage rates would be a better target for raising revenue.

The other vendor I spoke with who voiced immediate opposition to a bed tax also told me that he is at a competitive disadvantage already with the PSN charter operators, and a transient room tax will only increase that disadvantage. Like the first commenter, the second believes that his existing tax and other payments to the city are already a significant business expense, and that there is a danger of in town businesses moving elsewhere in response to high operating costs.

A third vendor, among his other initial thoughts on this topic, was uncertain about how he would apply a percent based tax on a charter package, the payment for which includes the charter fishing time and other services. I should note here for the council that the draft ordinance addresses this concern by defining the room cost as fifteen percent of the charter package cost.

I let all the vendors I called know that the first reading of this ordinance is set for June 1.

Bed taxes are a common revenue source in Southeast Alaska. According to a 2017 publication, the following communities implement a bed tax, the rates of which are shown.

Community	Bed Tax
	Rate
Juneau	7%
Ketchikan	7%
Klawock	6%
Petersburg	4%
Skagway	8%
Sitka	6%
Thorne Bay	4%
Wrangell	6%

The tax rate set in the attached ordinance is ten percent. That rate is and ought to be subject to review by the council as a starting point for discussion of the merits of the measure. The rate can be adjusted to any amount chosen by the council.

Of course, implementing a given tax because some other community does so is not a sufficient justification. As noted on page 1, the Craig Budget Committee proposes this item for council consideration given the uncertainty of other revenue sources, and after reviewing reductions in city services and expenditures.

The ordinance does not designate receipts from the proposed tax for any particular use. If approved as presented here, revenues from the transient room tax will go into the city's General Fund for appropriation by the council.

**Recommendation**

Approve Ordinance No. 697 at first reading.

**CITY OF CRAIG  
ORDINANCE No. 697**

**ADDING TO TITLE 3, REVENUE AND FINANCE, A NEW CHAPTER 3.09,  
TRANSIENT ROOM TAX AND PROVIDING FOR A BALLOT QUESTION  
RATIFYING THE LEVY OF THE TAX AND THE RATE OF LEVY**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CRAIG, ALASKA:**

Section 1. Classification. Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Craig Municipal Code (CMC).

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

Section 3. Effective Date. (a) Section 4 of this ordinance amending Title 3, Revenue and Finance, of the CMC to add a new Chapter 3.09, Transient Room Tax, shall become effective on January 1, 2018, if the proposition required by Section 5 of this ordinance is approved by a majority of the qualified voters of the City voting on the proposition at the regular municipal election scheduled for October 3, 2017.

(b) Section 5 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City of Craig, shall be effective immediately upon adoption of this ordinance.

Section 4. Action. (a) Title 3 of the CMC is amended by adding a new Chapter 3.09 to read:

**Chapter 3.09 - TRANSIENT ROOM TAX**

**Sections:**

3.09.010 - Definitions.

3.09.020 - Levied.

3.09.030 - Rate.

3.09.040 - Exemptions.

3.09.050 - Collection and accrual.

3.09.010 - Definitions.

For purposes of this chapter the following words shall have the meanings ascribed to them.

- A. "Combined-price package" means 1) a combination of services, or services and goods, provided by a hotel operator for a single flat rate, or a rate which otherwise combines the cost of services and goods provided, or 2) where overnight accommodations are only made available by the operator on condition that the guest purchase other services or goods in connection therewith. This includes any package where all or any part of the overnight accommodations utilized in the package are located within the city.
- B. "Guest" means an individual, corporation, partnership or association paying monetary or other consideration for the use of a sleeping room or rooms in a hotel. This is specifically intended to include any guest who has overnight accommodations as part of a combined-price package.

- C. "Hotel" means a structure or portion of a structure which is occupied or intended and designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any hotel, motel, inn, lodge, cabin or bed and breakfast.
- D. "Rent" or "rents" means the amount paid or promised, in terms of money, as consideration for the use by a transient of a room or rooms in a hotel; it does not include the cost of food or entertainment, nor does it include the cost of banquet or other facilities not intended for use as overnight accommodations.
- E. "Transient" means a person who occupies a suite, room or rooms in a hotel for fewer than thirty consecutive days. An employee who occupies a suite, room or rooms rented or leased by an employer for more than thirty days, for use on a rotating basis by employees, is not a transient.

**3.09.020 - Levied.**

There is hereby levied a tax on hotel room rentals to transients.

**3.09.030 - Rate.**

- A. The rate of the transient room tax is established at ten percent of the room rent.
- B. For a combined-price package, the tax shall be computed by charging the transient room tax on fifteen percent of the total cost of the combined-price package.
- C. This tax shall be in addition to the general sales tax in CMC Chapter 3.08. This tax shall not be levied on the sales tax portion of the rental bill. Neither shall the general sales tax be levied on this transient room tax. Both taxes shall be computed individually on the room rent, or the combined-price package as appropriate.

**3.09.040 - Exemptions.**

- A. No tax shall be imposed where the rental is less than five dollars per day.

**3.09.050 - Collection and accrual.**

- A. Every hotel operator renting rooms subject to taxation under this chapter shall collect the taxes imposed by this chapter from the transient guest at the time of collection of charge for the room, or for the combined-price package if applicable, and shall transmit the same, with appropriate form provided by the finance director, to the city. The tax imposed shall be shown on the billing to the guest as a separate and distinct item.
- B. This tax accrues each day of occupancy and shall be paid by the hotel operator to the city on or before the close of the following month, and shall be delinquent unless so paid.
- C. Each transient guest is responsible for the room rental tax imposed by this chapter and the tax shall be due and payable to the hotel operator at the time the rent is paid.
- D. Enforcement and collection of this tax shall be according to the provisions of the city's sales tax code, CMC Chapter 3.08.

Section 5. Election. At the regular election to be held on October 3, 2017, the following question shall be placed before the qualified voters of the City of Craig:

PROPOSITION NO. \_\_

TRANSIENT ROOM TAX

Shall the City of Craig, Alaska levy and collect a tax equal to ten percent of the room rate rental price for hotel rooms?

YES [ ]

NO [ ]

Passed and approved on \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor Dennis Watson

Attest \_\_\_\_\_  
Kassi Mackie, City Clerk

CITY OF CRAIG  
MEMORANDUM

To: City Council  
From: Joyce Mason, Treasurer  
Date: May 25, 2017  
Re: Ordinance No. 698

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Attached you will find Ordinance No. 698. The ordinance implements changes to the sales tax code.

The following changes were introduced to the budget committee to help increase revenue for the general fund. The budget committee agreed to these changes. We have estimated the changes will generate approximately \$112,000 additional revenue for fiscal year 2018.

3.08.020 Levy of sales tax

1. Disallow the exemption for sales tax for goods and materials delivered outside of the city limits. Removing this exemption corrects the inequity of residents of Craig paying sales taxes and non-residents being exempt from the tax.
2. Remove Section E, Membership fees to a nonprofit cable television service. The city currently has no cable service. If in the future a new service is provided the company would likely be a for profit entity.
3. Add to Section 22, nonprofit organizations would need to be licensed in Alaska to receive the exemption of the tax.

3.08.30 Exemption for the elderly

1. Change the age to qualify for a senior card from 60 to 65. Currently the property tax exemption and the one free garbage can pick up is 65, so changing the senior card would allow the codes to be consistent and easier for the residents to understand. The current residents between the age of 60 and 65 who have a valid card at July 1 will be able to renew his/her card. It will take five years for the city to realize the full benefit of changing the age.
2. Change the fee for the senior card from \$10.00 to \$75.00 for Craig residents and \$150 for nonresidents. The cards are renewed every three years so this would be \$25(resident) and \$75(nonresident) a year. The city would prorate the fee to \$50.00 (\$100, nonresident) the second year and \$25.00 (\$50 nonresident) for the third year of the three year cycle. The fee would be set each January and be valid for that year. The current cards expire June 30, 2018 and the staff would like to change it to calendar year with the next cycle to start January 1, 2018. The cards will be color coded and the merchants will be notified of the changes. It is our understanding Thorne Bay and Klawock's councils are adopting the same policy. Klawock is not allowing current card holders under the age of 65 to renew until they reach 65 therefore some cardholders will lose the exemption for a short time period.
3. A section will be added to disallow the senior exemption for alcoholic beverages, tobacco products, and marijuana products. Currently senior card holders pay sales tax on alcoholic beverages. Adding this section will codify a current administrative procedure.

3.08.150 Violations and penalty

1. Change the penalty for not filing and remitting sales tax from \$300.00 to \$1000.00 in section 3.08.150 A. Increasing the fee will be consistent with the amount section 3.08.150 B.

**Recommendation**

Move to accept first reading of Ordinance No. 698 at the June 1, 2017 meeting.

CITY OF CRAIG  
ORDINANCE NO. 698

MAKING CHANGES TO THE CRAIG MUNICIPAL CODE, TITLE 3.08 SALES TAX  
BY AMENDING 3.08.020, LEVY OF SALES TAX – RATE; 3.08.030, EXEMPTON  
FOR THE ELDERLY; AMENDING 3.08.150, VIOLATIONS AND PENALTY

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

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

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

Section 3. Effective Date. This ordinance shall become effective July 1, 2017 upon adoption.

Section 4. Action. This ordinance amends Sections 3.08.020, Levy of sales tax – Rate by removing the last sentence of paragraph A. ~~Sales of goods and materials delivered by the vendor itself to a location outside the city limits are considered nontaxable for the purpose of this chapter.~~

This ordinance amends Section 3.08.020 E by removing ~~20. Membership fees to a nonprofit community cable television service.~~

This ordinance adds wording to line 22. Sales, services and rental made by a buyer that is organized as and has obtained a 501(c)(3) or 501(c) (4) exemption ruling from the Internal Revenue Service, licensed in Alaska and an exemption certificate from the city.

This ordinance amends Section 3.08.030 A. by changing the first sentence from 60 years of age or older to 65 years of age or older. The section shall read: Any one ~~60~~ 65 years of age or older who is a resident of the state of Alaska may apply for and be issued a senior citizen's sales tax exemption card subject to the limitations in subsections (B) through (F) of this section. Any person holding a valid card as of June 30, 2017 may renew after July 1, 2017.

This ordinance amends Section 3.08.030 B by changing the administrative fee for exemption card from \$10.00 to \$75.00(\$25.00 yearly). The section shall read: An administrative fee for the sales tax exemption card shall be ~~\$10.00~~ \$75.00 (\$25.00 yearly) for Craig residents and \$150.00(\$50.00 yearly) for non residents.

This ordinance amends Section 3.08.030 by adding section H, which will read: The senior citizen sales tax emption does not apply to alcoholic beverages, tobacco products, or marijuana products.



This ordinance amends Section 3.08.150 A. by changing the maximum penalty from \$300.00 to \$1000.00. This section shall read: Any person obligated to collect sales taxes under this chapter who fails, neglects or refuses to collect the taxes imposed by this chapter, or who fails to make a return and remit such taxes to the city when due, or who forgives, remits or rebates to this purchaser or tenant, either directly or indirectly, any part of the tax levied hereunder, shall have committed a violation of this chapter, punishable by a maximum of ~~\$300.00~~ \$1000.00.

APPROVED \_\_\_\_\_

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

ATTEST \_\_\_\_\_  
KASSI MACKIE, CITY CLERK

CITY OF CRAIG  
MEMORANDUM

To: City Council

From: Joyce Mason, Treasurer

Date: May 24, 2017

Re: Ordinance No. 699

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Attached you will find Ordinance No. 699. The ordinance adopts the utility rate change for garbage, water and wastewater services for all structures hooked up to city utilities.

The water rates are based on water consumption. The base rate is \$15.80 which was increased from \$14.30. Customers will be charged per 1000 gallons used at a rate of \$3.60 per 1000 gallons. Customers outside the city (Pt. St. Nick road) will be charged a base rate of \$40.00 per hookup and a water rate of \$9.05 per 1000 gallons used. The sales tax was removed from the billings and the rates were raised 5% to offset this removal. The water department has struggled for many years to generate enough revenue to meet expenses so the staff is recommending raising the rates an additional 6% for a total increase of 11%.

The water rates will be increased 2% each year for the next two years to allow for inflation and maintenance for the treatment plant and water lines.

The wastewater rates will be on a per unit basis and charged a unit amount of \$30.00. The unit charge will not change with occupancy. If a structure has two units such as a home with an apartment the base unit charge will be billed even if the either units is occupied. Customers will be charged per 1000 gallons used at a rate of \$3.60 per 1000 gallons. The city currently is charging per unit for wastewater service to generate revenue to meet the debt obligation.

The sales tax was removed from the billings and the rates were raised 5% to offset this removal.

The garbage rates have also raised to offset the removal of the sales tax. The basic 48 gallon can was increased to \$30 per month from \$28.00. The other garbage collection options are listed on schedule A of the ordinance.

With the removal of the sales tax and offsetting increases and the 6% water increase, an average in-town customer's utility bill, with the use of 4000 gallons of water, will increase \$2.74 (2.7%) per month. The out of town customers, with the use of 4000 gallons of water, will increase \$4.67 per month.

**Recommendation**

Move to accept first reading of Ordinance No. 699 at the June 1, 2017 meeting.

CITY OF CRAIG  
ORDINANCE NO. 699

ADOPTING UTILITIES RATES FOR WATER AND SEWER

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

Section 1. Classification. This is a non-code ordinance.

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

Section 3. Effective Date. This ordinance shall be effective July 1, 2017.

Section 4. Repeal. This ordinance repeals Schedule "A" of Ordinance No. 666, which Schedule is incorporated by reference in Craig Municipal Code Section 8.04.040, Schedule "B" of Ordinance No. 654, which Schedule is incorporated by reference in Craig Municipal Code Section 15.16.010 and Schedule "C" of Ordinance No. 654 which Schedule is incorporated by reference in Craig Municipal Code Section 15.48.010.

Section 5. Action. (a) The Schedule "A", Garbage Rates; The Schedule "B," Sewage Service Rates and Schedule "C" Water Rates, is hereby adopted and incorporated by reference in Craig Municipal Code Sections 8.04.040, 15.16.010 and 15.48.010.

APPROVED \_\_\_\_\_

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

ATTEST \_\_\_\_\_  
KASSI MACKIE, CITY CLERK

SCHEDULE "A"  
(Incorporated by reference in 8.04.040)

**GARBAGE RATES**

The following rates per month are adopted effective July 1, 2017.

I. SERVICE WITHIN CITY LIMITS

# Pick-up per week	48 Gal Can	64 Gal Can	Multi-unit Dumpster	Business Dumpster
One (1)	\$30/can	\$60 /can	\$50/unit	\$112.00/dumpster
Two (2)	\$60/can	\$120/Can	\$100/unit	\$224.00/dumpster
Three (3)	\$90/can	\$180/can	\$150/unit	\$336.00/dumpster

II. SERVICE OUTSIDE CITY LIMITS

# Pick-up per week	48 Gal Can	64 Gal Can	Dumpster
One(1)	\$42.00/can	\$84.00/can	\$158.00/dumpster

III. NOTES

- (1) Garbage service outside municipal boundaries will be provided at the discretion of the Director of Public Works. Charges will be on a case-by-case basis.
- (2) Arrangements may be made for regular pick-up of garbage in cartons, boxes, bales, or other non-standard units at a rate of \$55.00 per cubic yard subject to the approval of the City.
- (3) The minimum sanitation charge for residential, commercial and industrial customers shall be the rate for one pick-up per week. All locations in the City of Craig that receive water and sewer services will be charged garbage pick up fees at least at the minimum charge.
- (4) Multiple family dwelling units and mobile home parks will be charged for residential service per unit regardless of the use of dumpsters or cans. However, the per-unit residential service charge for multiple family residential developments of three (3) or more dwelling units and mobile home parks that use dumpsters shall be reduced by ten percent (10%) per unit. Multiple family residential and mobile home parks that fall under this provision will be billed at the "Multi-unit Dumpster" rate in the schedule above.
- (5) The City of Craig will provide residential garbage pick-up services free of charge, one 48 Gal. can per week, to residents who are 65 or older. This exemption applies only to the address at which the customer resides.
- (6) Charges for additional cans and pick-up services will be charged at \$7.50 per additional can per pick up for residential customers and \$112.00 per pick up for dumpsters.
- (7) Sales Tax will not be charged on the garbage rates

SCHEDULE "B"  
(Incorporated by reference in 15.16.010)

**SEWER RATES**

The following rates are adopted effective July 1, 2017.

I. **UNMETERED SERVICE**

One equivalent dwelling unit (EDU) shall be \$66.40. EDUs shall be calculated for uses as shown in Schedule "C."

Processing, industrial, cold storage, and electrical generation plant rates shall be set by individual agreement approved by the City Council and shall be structured to follow the \$66.40 per EDU for wastes discharged into the sewerage system.

Multiple service EDUs shall be 81% of the first EDU, i.e., for multiple services, as defined in Schedule "C," the rate shall be 81% of \$66.40, or \$53.78, for each additional EDU above the first EDU.

II. **METERED SERVICE**

All service except mobile home parks- \$30.00 per unit of the physical structure, unoccupied or occupied.

Mobile Home Parks- under 10 units, base unit price is \$214.00.  
10 to 25 units, base unit price is \$428.00  
26-50 units, base unit price is \$1,071.00  
Over 50 units, base unit price is \$2142.00

All units with a meter will be charged a base unit prices and \$3.60 per 1000 gallons consumption.

The wastewater rates (base rate and usage rate) will increase 2% each year for the next two (2) years.

Sales Tax will not be charged on the sewer rates

SCHEDULE "C"  
(Incorporated by reference in 15.48.010)

**WATER RATES**

The following monthly rate is adopted effective July 1, 2017:

I. UNMETERED SERVICE

One Equivalent Dwelling Unit (EDU) shall be \$48.20.

Section A.

USER TYPE	MONTHLY RATE
Single family residence	\$48.20
Multiple family	48.20
Trailer park	48.20
Restaurant	48.20/ per 6 seats
Delicatessen, bar, tavern, lounge	48.20/ per 30 seats
Hospital/clinic	48.20/ per 3 beds
Auto service station	48.20/ per 4 fuel pumps
Theater, meeting hall, church	48.20/ per 200 seats
Hotel	48.20/ per 16 occupant beds
Laundry, laundromat	48.20/ per 2 washing machines
School, elementary	48.20/ per 20 students
School, high	48.20/ per 15 students
Store, other retail or service commercial activity	48.20/ per 9 employees

Section B.

LINE SIZE	EDU		RATE		MONTHLY CHARGE
5/8" - 3/4"	1.0	x	\$48.20	=	\$ 48.20
1"	2.5	x	48.20	=	120.50
1 1/4"	3.5	x	48.20	=	168.70
1 1/2"	5.0	x	48.20	=	241.00
2"	8.0	x	48.20	=	385.60
3"	16.0	x	48.20	=	771.20
4"	25.0	x	48.20	=	1205.00
6"	50.0	x	48.20	=	2410.00
8"	80.0	x	48.20	=	3856.00

These charges are monthly and may be adjusted to a single EDU or multiple-user EDU rate off-season when requested by the customer and approved by the City.

Section C.

Multiple-user EDU: For each EDU after the initial first EDU, the rate shall be 81% of the first EDU, i.e., for multiple services, as defined in Section A, the rate shall be 81% of \$48.20, or \$39.04. A multiple-user EDU rate is applied to commercial or commercial and residential users where two or more separate services receive water through a standard 3/4 inch service tap.

Section D.

As referenced in Section 15.40.080, the City does not charge for standby water service on fire protection systems, metered or unmetered.

II. METERED SERVICE

Effective January 1, 1994 all commercial users and mobile home parks as defined in Title 18, Craig Land Development Code will be required to install metered water service. Exceptions to this provision will be on a case-by-case basis.

**Section A**

**Within City Limits Rate:**

Except as provided below in Section B, the monthly base rate per meter except mobile home parks- \$15.80 per meter.

Mobile Home Parks base rate under 10 units- \$113.00  
Base rate 10 to 25 units- \$226.00  
Base Rate 26-50 units- \$566.00  
Base rate over 50 units- \$1,132.00

All units with a meter will be charged a base rate and \$3.60 per 1000 gallons consumption.

**Outside City Limits Rate:**

Base rate per meter- \$40.00  
All services outside city limits will be charged a base rate plus \$9.05 per 1000 gallons consumption.

Section B.

Seafood processing plants that exceed one million (1,000,000) gallons monthly will be charged \$3.60 per thousand for the first one million gallons and \$3.05 per 1000 gallons for the gallons over one million.

Where monthly water usage does not exceed one million gallons, the rate established in Section A of "II METERED SERVICE" shall apply.

The water rates (base rate and usage rate) will increase 2% each year for the next two(2) years.

Sales Tax will not be charged on the water rates.

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 26, 2017  
RE: Resolution 17-07

---

Attached you will find Resolution 17-07. The resolution establishes an employee benefit that allows a qualifying employee to take a cash payment instead of the city's employee health insurance benefit. This measure, called "Payment in Lieu of Employee Health Insurance" is proposed as a means to reduce staffing costs.

In short, the proposed benefit provides for a cash payment to an employee in FY 2018 equal to about one half of the city's cost of the health insurance benefit that the employee took in FY 2017. In order to qualify for the payment in lieu benefit in FY 2018, the employee must work full time, and must have taken the employee health insurance benefit in FY 2017.

The payment in lieu of health insurance benefit is a common offering made by employers to employees. For those employers that fall under the employer mandate of the Affordable Care Act, there are a number of regulations governing cash offers in lieu of health insurance. The City of Craig is not subject to the ACA's employer mandate, and as such the city has more latitude in setting terms of an in lieu payment.

The theory behind this payment in lieu practice is that an employee who may have chosen to receive the health insurance offered through the workplace may choose to accept instead a cash payment that is a fraction of the employer's cost to insure the employee.

There are some important details for the employee to think about when considering a cash in lieu offer. Among them

1. Unlike the value of the employee health insurance benefit, the cash in lieu of benefit payment is subject to federal income tax, and possibly to a PERS deduction.
2. An employee that declines an employer's offer of group health coverage is not eligible for a subsidy from the Exchange system set up in the ACA. The employee can still buy health insurance from the Exchange, but must do so at full price.
3. The payment in lieu program proposed in Resolution 17-07 is unconditional, meaning that it is not intended to reimburse employees for purchasing other insurance. Employees receiving the payment are free to use the payment for whatever use they see fit.
4. Employees who accept the cash payment are still bound by the ACA to carry medial insurance or pay a penalty at tax time.

The benefit consultant experts the city hired to provide advice in setting up the in lieu payment advise that the city amend its "cafeteria plan" document to explicitly add the benefit. Attachment A to Resolution 17-07, if approved by the council, amends the document to include the program.



Those employees who choose this payment will receive a cash amount at each of the 26 payroll periods during the fiscal year. An employee who experiences a qualifying event during the fiscal year can choose to drop the payment in lieu of benefit in favor of the city's medical insurance benefit. Employees may also change benefits during the annual open enrollment period.

For every employee who accepts the payment, the city will reduce its medical benefit cost by one half. In addition, the city avoids reimbursing the employee's deductible above \$500 through the health reimbursement account that is part of the health insurance benefit.

It is important to note here that the choice to participate in the city's health insurance benefit or accept the cash payment is entirely up to the employee. I do not know how many, if any, of the city's full time employees will choose the payment option. It costs nothing for the city to test the program in the coming fiscal year. If the program does not work out, or becomes problematic due to changes in law or regulation at the federal level, the council can always choose to end the program.

**Recommendation**

Adopt Resolution 17-07.

**CITY OF CRAIG  
RESOLUTION 17-07**

**ESTABLISHING A SCHEDULE OF PAYMENTS FOR THE CITY'S  
PAYMENT IN LIEU OF EMPLOYEE HEALTH INSURANCE BENEFIT**

**WHEREAS**, the City of Craig offers its employees compensation through wages and benefits; and,

**WHEREAS**, among the benefits typically offered is employee health insurance; and,

**WHEREAS**, beginning in Fiscal Year 2018, the City of Craig will offer its eligible employees an option to accept the employee health insurance benefit, or a cash payment in lieu of accepting the employee health insurance benefit; and,

**WHEREAS**, eligibility for the payment in lieu benefit is set out in Attachment A to this Resolution; and,

**WHEREAS**, employee Payments in Lieu of Health Insurance Benefit will be made in approximately equal amounts over each of the 26 pay periods in the city's fiscal year; and,

**WHEREAS**, payments made per pay period to those employees who accept the payment in lieu of health insurance benefit are set out in the schedule below.

<b>Schedule of Payments in Lieu of Health Insurance Benefit - FY 2018</b>		
<b>FY 2017 Coverage Type</b>	<b>FY 2018 Payment per pay period</b>	
Employee only	\$162.66	
Employee & Spouse	\$332.31	
Employee & Dependents	\$288.73	
Employee & Family	\$451.03	

**NOW, THEREFORE, BE IT RESOVED** that the Craig City Council directs city staff to implement the Payment in Lieu of Employee Health Insurance Benefit for the City of Craig's 2018 Fiscal Year, beginning July 1, 2017, and modify the city's "cafeteria plan" consistent with the terms set in this resolution.

PASSED AND APPROVED this \_\_\_\_\_ day of June, 2017.

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

\_\_\_\_\_  
KASSI MACKIE, CITY CLERK

**RESOLUTION 17-07  
ATTACHMENT A**

**CITY OF CRAIG  
Payment in Lieu of Employee Health Insurance Benefit**

Payment In Lieu of Health Insurance Benefit. Any Participant who accepted employee health insurance coverage during Employer Fiscal Year 2017 (July 1, 2016 through June 30, 2017), and who remains eligible for the city's employee health insurance benefit, may choose to receive a cash payment in lieu of the employee health insurance coverage during Employer Fiscal Year 2018 (July 1, 2017 through June 30, 2018). The amount of the cash payment is set from time to time by the Craig City Council.

Employee Payments in Lieu of Health Insurance Benefit will be made in approximately equal amounts over each of the 26 pay periods in the city's fiscal year.

The payment in lieu of health insurance benefit is not conditional on Participants showing proof of other health insurance coverage. This policy is not intended to, and does not in fact, reimburse employees for purchasing other health insurance coverage. Payments based on this policy are subject to state and/or federal taxes and other deductions as required by law or agreement including, if applicable, payments to the Public Employee Retirement System. If Participant chooses to receive payments in lieu of the employee health insurance benefit, the Participant is not eligible to receive employee medical insurance benefits from the city, which may include health insurance, dental insurance, vision insurance, and health reimbursement account payments.

Employees may change their benefit status from in-lieu payment to enrolling in the city's employee health insurance benefit during open enrollment or upon experience a qualifying event.

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 12, 2017  
RE: Proposed FY 2018 City of Craig Operating Budget

---

Attached is a lengthy cover memo regarding the proposed FY 2018 City of Craig operating budget. A much more abbreviated version of that memo is set out on this page.

1. The FY18 budget proposes reduced spending from the current year by approximately \$117,000.
2. Adoption of the budget reduces city services.
3. The budget proposes implementation of new taxes in the form of a tax on marijuana sales and a tax on short term rentals of rooms, also known as a "bed tax". Implementation of these two taxes requires approval of voters in Craig.
4. The budget assumes changes to the city's sales tax code, particularly as to what are now certain exempt sales. The sales tax changes will be presented to the council in separate ordinances.
5. Two significant changes to the city's employee health insurance benefit are proposed.
6. The city's proposed cash contribution to the school district remains unchanged from the current year.
7. The city has adequate cash reserves.
8. Extraordinary efforts by city department heads to reduce expenditures contributed in no small part to balancing operating revenues with expenditures. This effort cannot be continued without further reducing service levels to the public.

See attached memo and budget document for details.



# **Budget Fiscal Year 2018**



**City Council  
May 2017**



CITY OF CRAIG

ORDINANCE NO. 695

PROVIDING FOR THE ADOPTION OF THE FISCAL YEAR 2018 OPERATING BUDGET

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

Section 1. Classification. This ordinance is a non-code ordinance and is not of a general and permanent nature and shall not become a part of the code of the City of Craig, Alaska.

Section 2. Effective Date. This ordinance shall become effective July 1, 2017.

Section 3. Authorization and Appropriation. The appropriations identified in "Attachment A" hereto are adopted and authorized for the period of July 1, 2017 through June 30, 2018 and are the budget for that period. The Administrator may modify line item expenditures within an authorized appropriation to another line item in any amount which would not annually exceed ten (10) percent or \$10,000, whichever is more.

Section 4. Unexpended Balances. All unexpended balances lapse as of June 30, 2018.

APPROVED this \_\_\_\_\_ day of June, 2017.

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

\_\_\_\_\_  
ATTEST: KASSI MACKIE - CITY CLERK

Ordinance No. 695

ORDINANCE 695  
FY2018 OPERATING BUDGET APPROPRIATION

ATTACHMENT A

General Fund Revenues	\$ 3,257,026	
Transfer in: Endowment Fund	135,000	
Prior Year Fund Balance	0	
Total		\$ 3,392,026
General Fund Expenditures		
Administration	668,859	
Aquatic Center	498,091	
Council	100,741	
EMS	172,931	
Facilities & Parks	252,933	
Fire	29,195	
Library	125,293	
Planning	84,848	
Police	899,300	
Public Works	282,245	
Recreation	99,368	
Pt. St. Nick Hatchery	9,000	
Total Expenditures		3,222,804
Operating Transfer Out		
Enterprise Fund	(30,778)	
School Financing	200,000	
Total		169,222
Total General Fund Expenditures & Transfers		3,392,026
Excess of Revenues/Transfers over Expenditures		\$ 0
Enterprise Fund Revenues		
Cannery	6,000	
Harbor	249,000	
JTB Industrial Park	409,031	
Garbage	303,000	
Wastewater	276,000	
Water	301,300	
Total		\$1,544,331
Transfer In From General Fund	(30,778)	
Total		\$ (30,778)
Enterprise Fund Expenses		
Cannery	6264	
Harbor	261867	
JTB Industrial Park	259804	
Garbage	298243	
Wastewater	278600	
Water	408774	
Total		\$1,513,553
Excess of Revenue/Transfers over Expenditures		\$ -



**City of Craig**  
**Fiscal Year 2018 Budget**  
**Table of Contents**

	<u>Page</u>
Administrator Memo	1
Financial Summary	13
General Fund Revenues	20
General Fund Departments	
Administration	21
Aquatic Center	25
Council	28
Emergency Medical Services	30
Facilities & Parks	33
Fire	36
Library	39
Planning	42
Police	45
Public Works	51
Recreation	48
Enterprise Fund Departments	
Cannery Ward Cove	68
Harbors & Ports	62
JTB. Industrial Park	66
Garbage Collection	56
Wastewater	58
Water	60
Special Revenue Funds	72





# **Financial Summary Fiscal Year 2018**

**May 2017**



# CITY OF CRAIG MEMORANDUM

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 12, 2017  
RE: Proposed FY 2018 City of Craig Operating Budget

Attached you will find the proposed City of Craig operating budget for FY 2018. A summary of the budget is provided below.

## A. Revenues

### Sales Tax

As the council is aware, sales tax revenues make up the bulk of locally generated tax receipts. The estimated amount of sales tax receipts is one of the variables in the budget that staff must pay close attention to when planning the coming year's budget.

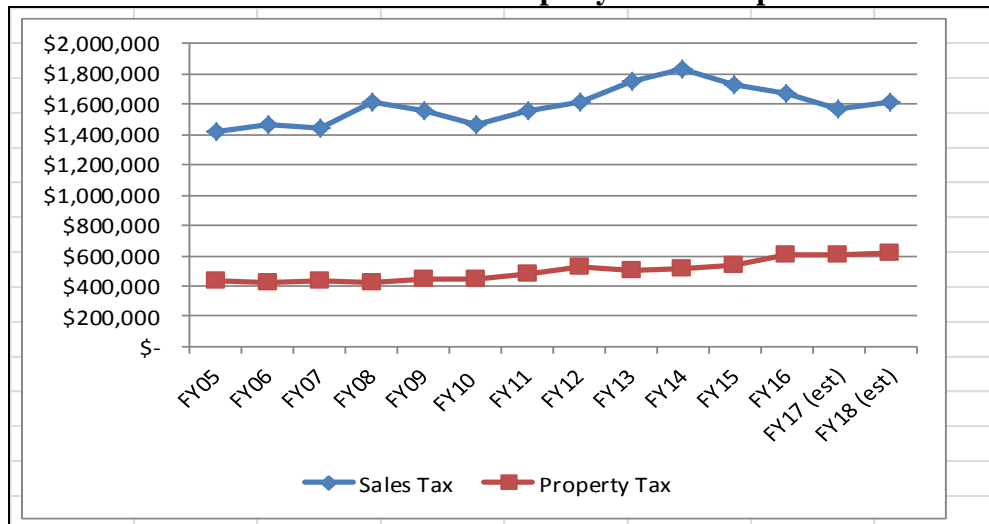
The city has seen decreasing sales tax receipts since FY 2014. For the purposes of budgeting, the city has consistently assumed a slight drop in sales tax receipts each year. To date for the current fiscal year sales tax receipts are trending slightly behind the prior. With the Silver Bay plant set to reopen in 2017, and with a higher run of seine fish expected relative to 2016, and with anecdotal reports from a few merchants reporting an uptick in sales in the current year, the attached budget projects a slight increase in sales tax receipts, to \$1,619,000, about equal to the total sales tax receipts received in FY2012 and FY2016.

### Property Tax

Staff expects another slight increase in property tax receipts for the coming fiscal year. Property tax receipts have climbed about \$180,000 in the past ten years due to new construction and property value appreciation. The property tax rate of six mills has not changed in more than twenty five years.

Taken together, staff estimates that sales and property tax revenues for FY 2018 will amount to \$2.241 million, or about 68 percent of all expected revenues for the coming year. The table below shows past actual and next fiscal year's estimated receipts.

**Total Sales Tax and Property Tax Receipts**



## Other Sources

The city typically receives a substantial amount of transfer payments from the US Government and the State of Alaska each year. The projected amount of state payments for FY 2018 is \$414,342. These payments come mostly from the following sources.

### 1. Raw Fish Tax

The council is already well aware of the reduction in raw fish tax receipts expected for the coming fiscal year. Due to the closure of the Silver Bay Seafoods plant in 2016, staff expects a \$200,000 reduction in raw fish tax receipts for the coming fiscal year, from \$250,000 down to \$50,000. The decline in raw fish tax, plus the downward trend in sales tax receipts are the two largest factors driving down General Fund revenue to Craig. As a reminder, prior year council direction to staff requires that any amount in excess of \$250,000 of raw fish tax revenues will go toward specific reserve accounts established by the council. Obviously the city will not add additional dollars to those reserve accounts in FY 2018, given that only \$50,000 in raw fish tax is expected.

### 2. State Revenue Sharing.

The State of Alaska has funded the municipal revenue sharing program the past decade or so. The was recently changed in statute by the Alaska Legislature, and I am uncertain at this point how that change will effect Craig in the long term. For the coming fiscal year, the revised program will generate about \$90,000. We should expect this payment to decrease over the next few years, until the state's financial condition improves.

### 3. Contract Jail Payments

The city holds an agreement with the State of Alaska to operate a contract jail facility at the Craig Police Department. Funding for the program was cut sharply for FY2016, but the high number of man days in the Craig jail resulted in Craig having to endure a much lower cut in payments than a number of other communities, although our own cut was substantial. For FY2018, we are told by the Department of Corrections to expect payments about equal to the current fiscal year, so we anticipate no drop in revenues for contract jail payments.

### 4. Payment in Lieu of Taxes

Staff plans for a \$30,000 reduction in PILT payments for the coming fiscal year from our current fiscal year payment of about \$300,000.

### 5. New Revenue Sources

In response to discussions during Budget Committee process, staff made a number of adjustments as a means to balance the proposed FY 2018 budget. The city's FY2018 general fund revenues in the attached budget are based on the city council making two changes to the city's sales tax code effective July 1, 2017.

- a. Raise the qualifying age for senior sales tax exempt card to 65. The current qualifying age for the sales tax exempt card is 60 years old. Raising the qualifying age to 65 may increase revenues by as much as \$33,000. Note that I expect that seniors who currently hold an exempt card, but are not yet 65 years old, would continue to qualify for the exemption.

- b. Eliminate exemption of sales where the good or service sold is delivered out of town. Currently a sale made in Craig where the good or service is delivered outside of town by the vendor is tax exempt. Changing this exemption to apply only to goods delivered by the vendor to a common carrier still maintains the exemption for some sales but eliminates the exemption for all other out of town deliveries. This change may increase sales tax revenues by \$79,000.

Additional sales tax changes are discussed beginning at Item G at page 6 of this memo.

## **B. Expenditures**

Some details on FY18 expenditures are provided below.

### Cost of Living Adjustment

The proposed FY18 operating budget includes no cost of living adjustment for city employees.

### Health Insurance Costs

The initial input from the city's employee health insurance broker is that the city will see an increase in the cost of this benefit between ten and 28 percent in FY18. Every ten percent increase equals about \$55,000 of additional cost to the city. As of today, staff is still waiting on final quotes from our insurance broker, but the budget anticipates a ten percent cost increase.

Regardless of the cost increase in the program, as a means of reducing the benefit's cost, the budget assumes that the city council will approve item 1 below, and direct staff to implement item 2.

1. Offer Bronze Plan Only. The proposed budget now assumes that the city will offer only the bronze plan as the city's health insurance benefit. The bronze plan is the less costly of the two options that the city now offers. This action will mean that a bit less than half of our employees that now elect the silver plan will instead take coverage under the bronze plan. As I noted at the April 13 meeting, for more than twenty years prior to 2016 the city offered employees only one health care option. The decision to return to stop offering the silver plan returns the city to its prior, long-standing practice. Offering just the bronze plan still provides very good health care coverage for employees and their families. Staff estimates this change will reduce FY 2018 expenditures by about \$22,000.
2. Offer payment in Lieu of Health Insurance Benefit. It appears that offering employees a cash payment equal to a fraction of their current year's health insurance benefit is a permitted practice for employers. If authorized by the council to take this step, staff will finalize the details after consulting with an expert in employee benefits and then set up the in lieu of payment program for council review. Potential cost reductions for every employee that elects the in lieu payment range from around \$4,000 to around \$10,000, depending on how a in lieu payment policy is structured. While this option

should be offered to the qualifying city employees in FY2018, staff does not assume any reduction in expense from this new approach for the coming fiscal year.

### School Support

As the council is well aware, the city had, until the current fiscal year, added general fund dollars to the budget in an attempt to have its general fund contribution to the school reach the \$550,000 cash payment made to the school district each year. We had reached an annual contribution of \$400,000 by FY2016, but scaled that contribution back in FY17 to meet other demands. The city continued to pay the district \$550,000 each year, using general fund dollars, and using funds drawn from the school cash reserve that the city had built up over several prior years. For FY2018, staff proposes a \$550,000 school payment, with \$200,000 financed from FY2018 operating funds, and the balance from the school reserve fund.

For many years, Congress has provided schools and roads funding to communities like Craig from the Secure Rural Schools program. Should Congress continue to fund the program, staff will make the city's payment to the school district using those funds, and place the budgeted general fund contribution in the city's school reserve account.

The city's state-mandated minimum contribution to the school district is about \$428,000 in the current fiscal year. As noted above the city provides the district \$550,000 in cash, and also provides a number of in-kind contributions. The statutory funding cap in school support for Craig is about \$1.63 million.

### **C. Proposed Rate Changes**

#### Monthly Water and Sewer Rates

Staff proposes to increase sewer and garbage charges by five percent in FY2018, but also proposes to eliminate the sale tax charge on utilities, so the net increase to rate payers is zero. Staff will increase the rate for water service in keeping with council direction to raise water rates in an attempt to match the department's expenses.

### **D. Reduction in Service Delivery and Expenditures**

One result of the attached budget is reduced services to the public. In order to save labor costs, the Craig Aquatic Center will close at 5:00 p.m. three nights per week, and will remain closed on Sundays, reducing the pool's open time by 7.5 hours per week. Aquatic Center manager Jessica Holloway plans to remain open later two evenings per week to accommodate pool patrons who tend to use the facility later in the day. The Craig Public Library will offer fewer new circulation materials in response to the lower city budget. Other departments have made reductions as well, often delaying replacement of some items. While the budget will largely work for the coming fiscal year, the low levels of funding for non-staff costs in the city departments will not sustain the level of services that the city delivers. Absent evidence from the public that the city should significantly reduce its service levels, the council should implement new revenue options to maintain existing services. Overall, the city's expenditures are projected to decrease \$117,000 from FY2017 to FY2018, and decrease \$403,000 since FY2016.



**E. Endowment Fund Earnings**

Each year the city may spend up to four percent of the five-year average market value of the Craig Endowment Fund. For FY2018, that four percent amounts to approximately \$370,616. The earnings are typically used to pay the cost of debt service on the pool each year, and the remaining amount for capital improvements across the city. The FY2018 debt service payment for the pool is approximately \$136,500. That leaves a balance of about \$234,000. The proposed budget uses the remaining funding for the projects listed below.

Harbor Office flooring	\$ 2,500
Police Department flooring	\$ 4,500
Build wash down and oil containment areas at Public Works	\$ 20,000
Matching funds to replace roof on POWER Building	\$ 20,000
Wastewater Treatment Plant repairs	\$ 30,000
Replace alum station at Water treatment plant	\$ 40,000
Matching funds to reactivate Spruce Street water tank	\$ 50,000
Vehicles for PPF and Harbors	<u>\$ 60,000</u>
Total	<u>\$227,000</u>

**F. Long-Term Finances**

Long-Term Debt

The city currently holds the following long-term debt.

<u>Debt</u>	<u>Balance*</u>	<u>Annual Payments*</u>
Aquatic Center Bonds	\$1,695,000	\$136,500
Wastewater Treatment Plant	\$ 174,722	\$ 59,997
Water System Improvements	<u>\$ 357,864</u>	<u>\$ 23,834</u>
<b>Total</b>	<b><u>\$2,227,586</u></b>	<b><u>\$220,319</u></b>

\* Approximate

Reserve Funds

The list below provides some information for each fund.

<u>Fund Name</u>	<u>Source of Funds</u>	<u>Current Balance*</u>
1. Craig Endowment	One-time revenues	\$ 9,758,509
2. School Support	Federal & City funds	\$ 3,446,530
3. City General Fund	Multiple sources	\$ 2,668,398
4. Land Development	Sale of city property	\$ 818,119
5. Capital Projects	Endowment Fund	\$ 165,000
6. Harbor Reserve	Raw fish tax, lease pmts.	\$ 148,628
7. Equipment Replacement	Surplus Raw Fish Tax	\$ 39,335
8. Clinic Maintenance	Lease payments	\$ 39,153
9. Police Drug	Court awarded	\$ 15,774
10. Halibut Quota	General Fund	\$ 15,480
11. Bond Sinking	General Fund	\$ 14,973
12. Memorial Park	Hilton Foundation	\$ 12,578

\*Approximate as of April 30, 2017

**G. Other Sales Tax Considerations**

As noted on pages 2 and 3, the revenue estimates are based on the council implementing two changes to the sales tax code effective July 1, 2017. Based on the Budget

Committee's recent revenue discussions, staff has prepared for council review additional changes to the sales tax code. The attached FY18 budget does not anticipate revenues from the sources discussed below. However, if the measures are implemented, staff anticipates an effective date of January 1, 2018, and any revenue generated from these measures would provide supplemental funding for the FY18 operating budget.

1. Tax on Commercial Sales of Marijuana. The Budget Committee directed staff to prepare an ordinance that implements a higher sales tax rate on the purchases of marijuana in Craig.

There is no reasonable way for staff to estimate how much a higher tax rate on marijuana sales may produce. If the city council wishes to implement a higher sales tax rate on marijuana sales, staff can look to what other municipalities around Alaska have done and report back to the council for further direction. Because this option involves an increase in the rate of sale tax, the measure requires voter approval before it can go into effect.

2. Transient Tax. Many cities implement taxes with the thought of having non-residents bear the brunt of the tax. The practice of charging extra taxes on travel industry activities is a common way to compel others to pay local taxes. The practice commonly known as a bed tax imposes a specific tax rate on hotel/motel//B&B rooms for each night the room is occupied. The tax can be a percentage of the room fee, or a fixed dollar amount per night.

As to estimating the revenue a bed tax might generate, if one assumes that Craig has 40 rooms available for rent each day, and a bed tax of \$10 per night, and assuming a vacancy rate of sixty percent, a \$10 per night tax may raise \$58,000 each year. If approved by the council, this revenue source will also first require approval by the electorate in Craig.

Because this revenue source would be paid for largely by visitors to Craig, the council can consider informally earmarking the revenue for projects benefitting the visitor industry, such as supporting the Port St. Nicholas king salmon program, or improvements to the harbors/boat launch facilities, and the like. A transient tax, plus revenue from the salmon derby events, plus the revenue from cost recovery efforts at PSN might just about pay the annual cost of raising the fish, relieving the city's General Fund from financing the bulk of the program.

Ordinances implementing the two taxes detailed above will be brought to the council for first reading at the council's June 1 meeting.

The Budget Committee also discussed the merits of raising the sales tax cap on boats/boat engines and vehicles from \$5,000 to \$10,000, and increasing the general sales tax rate to six percent. These two changes are within the council's authority to initiate; they are also likely to be more controversial than the three changes suggested above. At this point, staff has not prepared ordinances implementing the two changes.

Finally, I will add that there are a number of other provisions in the existing sales tax code that staff have discussed asking the council to change via ordinance. Those items, some of which are housekeeping and some of which are substantive, would also come before the council and will include items 5.a and 5.b at pages 2 and 3 of this memo.

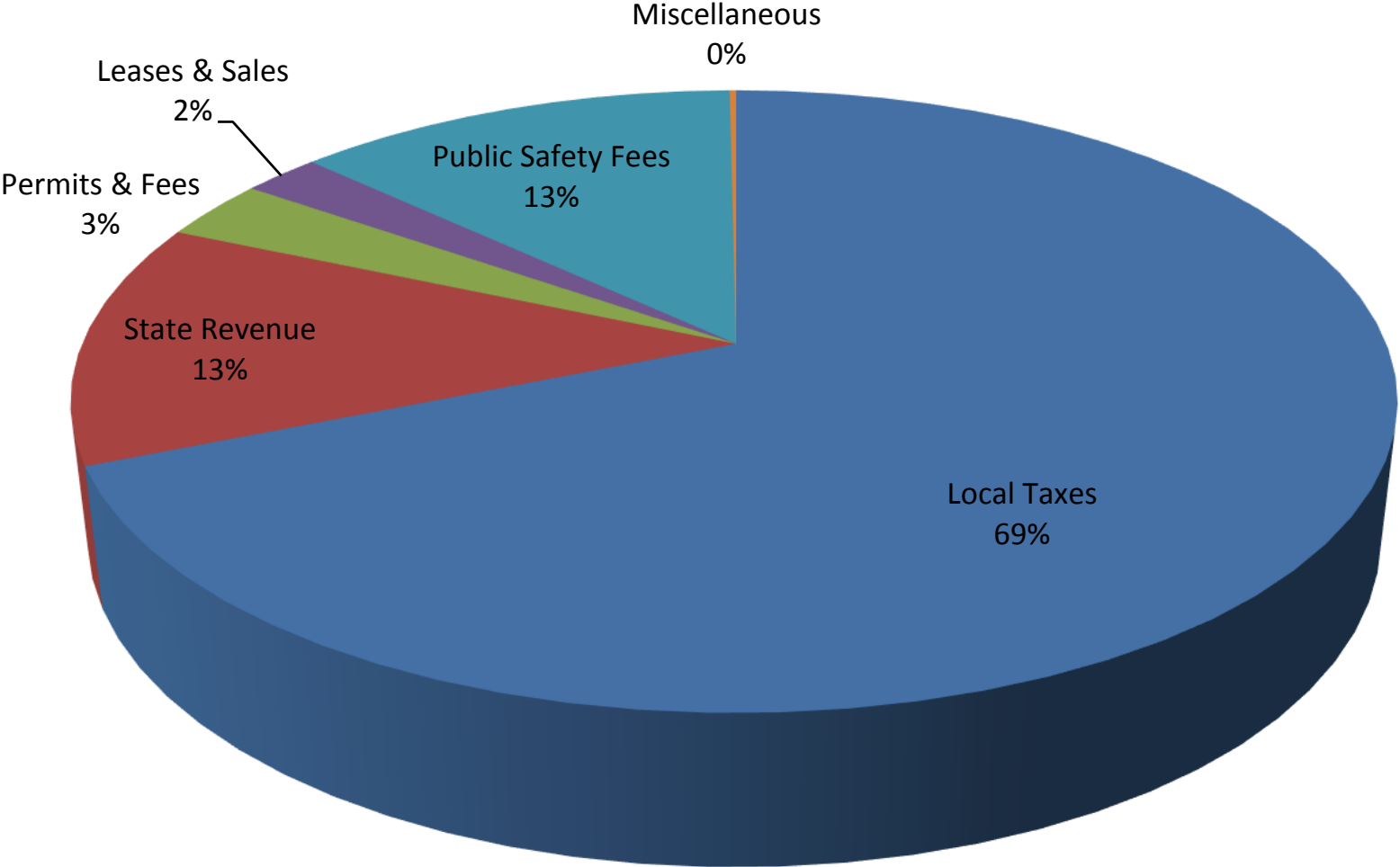
#### **H. Summary**

As I have stated in years past, department heads in the city's enterprise and general fund departments have done good work in controlling their expenditures. They understand the demands placed on the city's General Fund and Enterprise Fund revenues and responded productively again this year when I asked them to further reduce their expenditures from the current fiscal year. It is a pleasure to work with them.

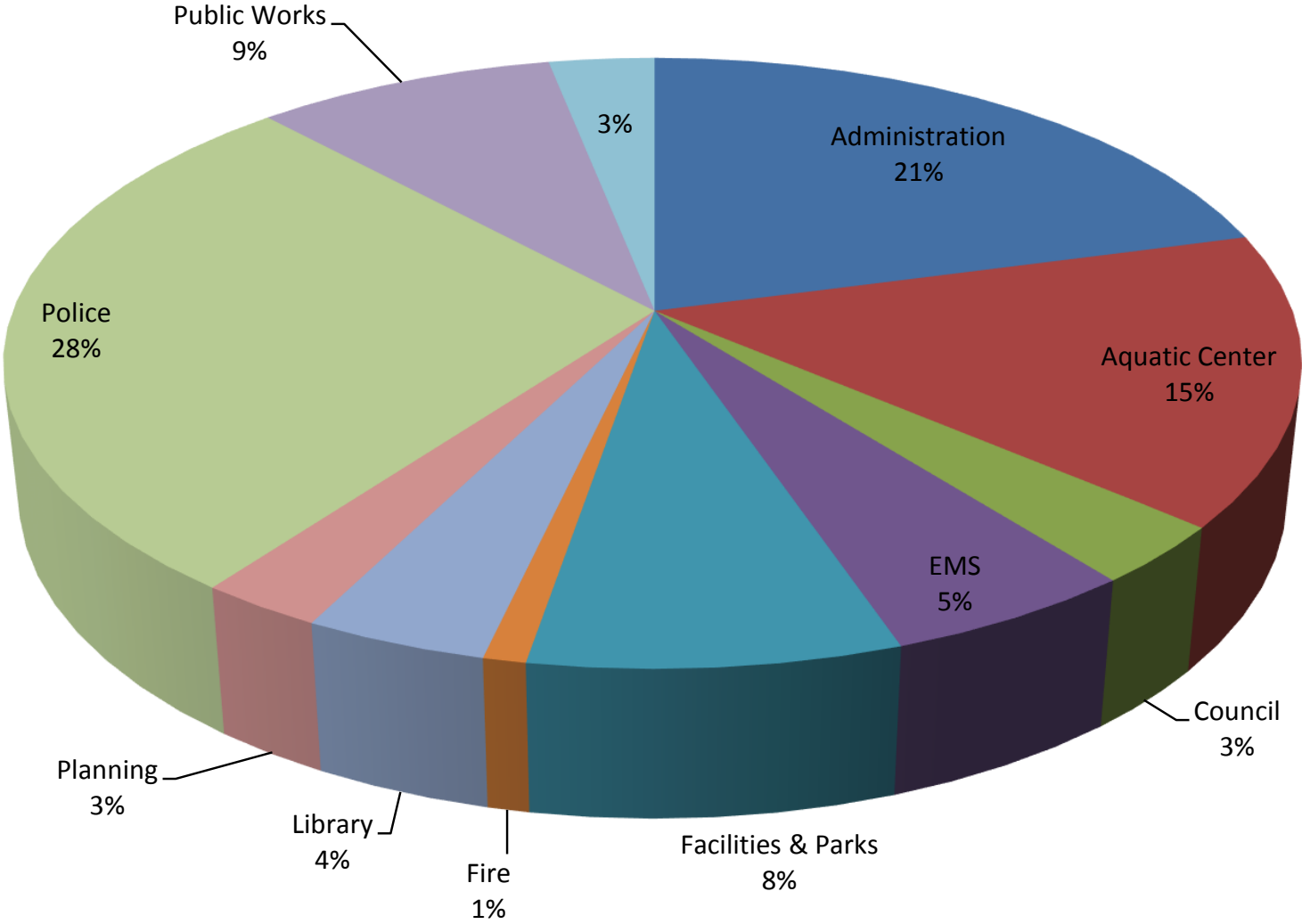
As I have noted in past cover memos to the budget, thanks to thoughtful actions taken by city councils in Craig over the past 15 years or so, pertaining to building capital projects and efforts to build savings, the city is in good financial condition. With lean financial times upon us now and likely for the next few years due to declining sales tax receipts, and transfer payments from the State of Alaska and US Government, the city's good financial position will make dealing with reduced revenues easier. Even so, we should continue to anticipate difficult financial circumstances for our community.

Staff is prepared to address questions from the council regarding the proposed FY 2018 budget.

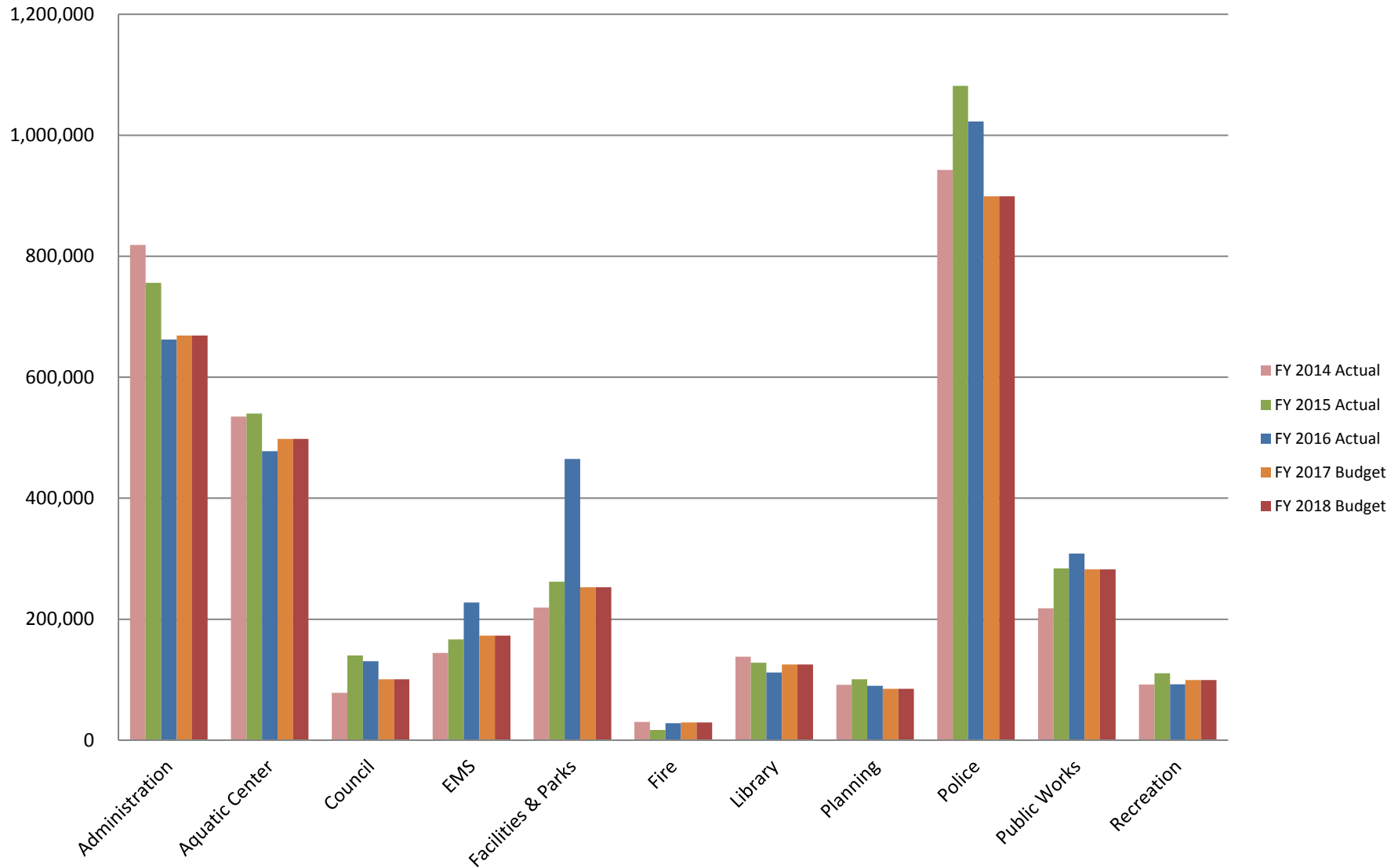
# General Fund Revenue



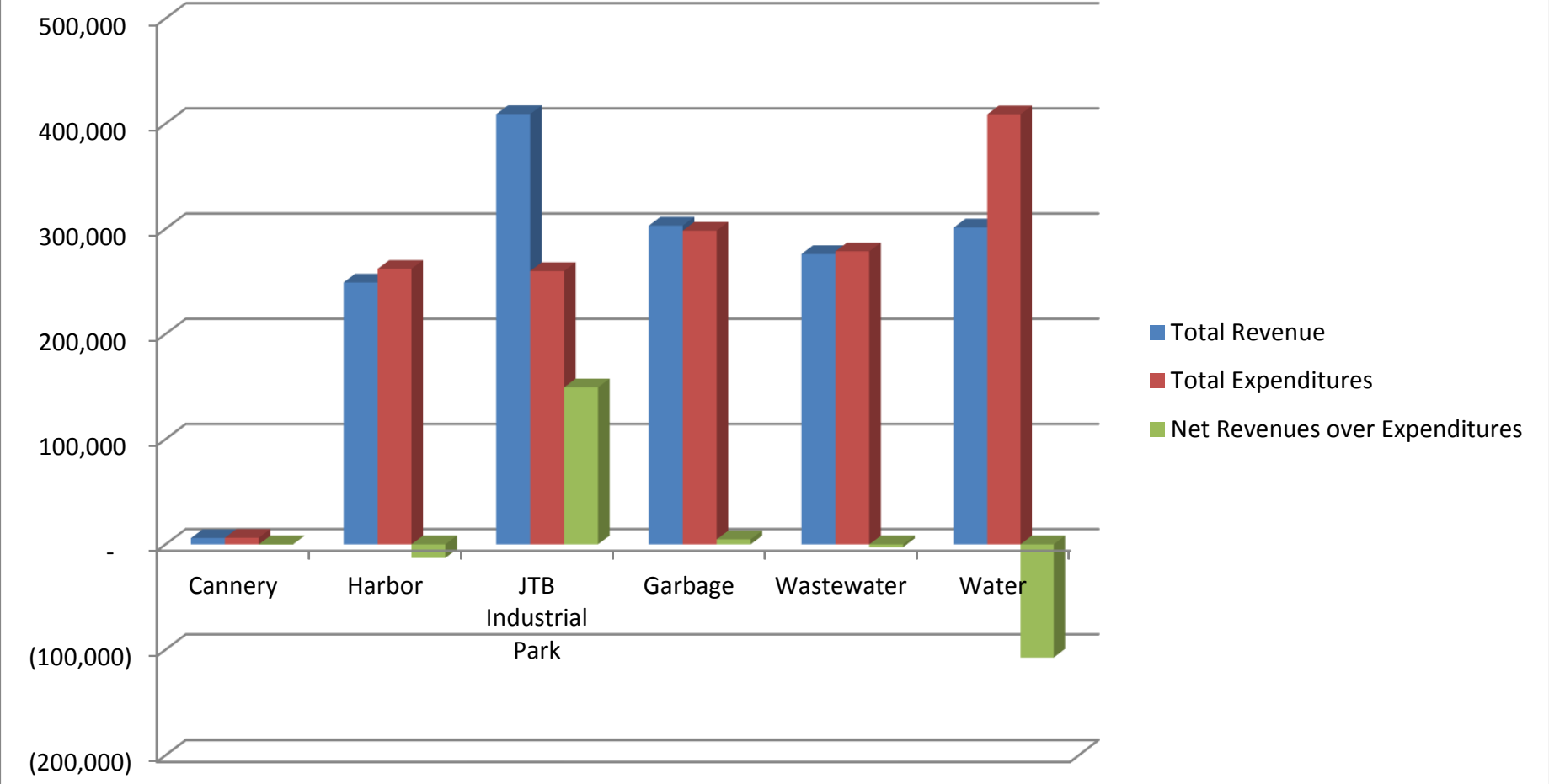
# General Fund Total Expenditures



## General Fund Expenditures



# Enterprise Fund







City of Craig  
 FY2018 Budget  
 General Fund Revenue & Expenditure Recap

	FY 2012 Actual	% Change Prior Yr.	FY 2013 Actual	% Change Prior Yr.	FY 2014 Actual	% Change Prior Yr.	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	% Change Prior Yr.
Total Revenue	\$ 3,169,096	0.0%	\$ 3,958,672	24.9%	\$ 3,859,840	-2.5%	\$ 3,875,090	\$ 3,779,156	\$ 3,402,860	\$ 3,257,026	-4.5%
Required Transfers In/Out											
To Ent Fund - Bal. Budget	(120,914)	178.8%	(101,275)		(90,039)		0	(143,666)	(29,325)	30,778	195.3%
National Forest Receipts									10,000		
Pt St Nick Hatchery			(35,000)		(35,000)		(35,000)	(45,000)	(45,000)	(9,000)	
CD Investment Revenue											
Endowment Fund Transfer In	301,406	22.0%	118,000	-155.4%	120,000	1.7%	120,000	135,000	178,280	370,616	51.9%
Endowment Fund Trf to Enterprise	(120,000)	1									
From Endowment To Capital Fund										(235,616)	
PERS Unfunded Liability	(47,558)	100.0%	(59,874)	20.6%	(24,980)	-139.7%					
From PY reserves								50,000			
To School Financing	(150,000)	33.3%	(250,000)	40.0%	(300,000)	16.7%	(350,000)	(100,000)	(186,000)	(200,000)	7.0%
Total Transfers	(137,066)	243.2%	(328,149)	58.2%	(330,019)	0.6%	(265,000)	(103,666)	(72,045)	(43,222)	-66.7%
Net Revenue Available	<b>3,032,030</b>		<b>3,630,523</b>		<b>3,529,821</b>		<b>3,610,090</b>	<b>3,675,490</b>	<b>3,330,815</b>	<b>3,213,804</b>	
Administration	818,539	18.2%	776,498	-5.4%	818,539	5.1%	756,085	662,177	637,376	668,859	4.7%
Aquatic Center	982,616	24.7%	631,927	-55.5%	534,947	-18.1%	540,111	477,727	544,332	498,091	-9.3%
Council	82,635	0.0%	65,639	-25.9%	78,128	16.0%	139,950	130,419	147,621	100,741	-46.5%
EMS	119,323	0.0%	94,760	-25.9%	144,382	34.4%	166,576	227,812	170,264	172,931	1.5%
Facilities & Parks	214,983	9.9%	202,513	-6.2%	219,329	7.7%	261,943	464,770	276,463	252,933	-9.3%
Fire	26,509	9.3%	21,653	-22.4%	29,990	27.8%	16,968	28,278	15,606	29,195	46.5%
Library	106,209	34.7%	114,178	7.0%	137,929	17.2%	128,248	112,028	129,437	125,293	-3.3%
Planning	95,291	16.3%	86,441	-10.2%	91,375	5.4%	100,843	90,047	91,297	84,848	-7.6%
Police	887,137	1.4%	946,575	6.3%	942,893	-0.4%	1,081,559	1,022,772	930,458	899,300	-3.5%
Public Works	175,267	-11.0%	211,506	17.1%	217,957	3.0%	283,861	308,535	289,110	282,245	-2.4%
Recreation	94,421	5.7%	94,421	0.0%	91,930	-2.7%	110,764	92,379	98,849	99,367	0.5%
Total Expenditures	<b>3,602,930</b>	13.0%	<b>3,246,111</b>	-11.0%	<b>3,307,399</b>	1.9%	<b>3,586,908</b>	<b>3,616,945</b>	<b>3,330,813</b>	<b>3,213,804</b>	-3.6%
Net Revenues over Expenditures	<b>\$ (570,900)</b>		<b>\$ 384,412</b>		<b>\$ 222,423</b>		<b>\$ 23,182</b>	<b>\$ 58,545</b>	<b>\$ 2</b>	<b>\$ (0)</b>	

City of Craig  
 FY2018 Budget  
 Enterprise Fund Revenue & Expenditure Recap

	FY 2012	% Change Prior Yr	FY 2013 Budget	% Change Prior Yr	FY 2014	% Change Prior Yr	FY 2015	% Change	FY 2016	FY 2017	FY 2018	% Change
<b>Total Revenue</b>												
Cannery	337,326	12629.3%	4,825	-98.6%	2,050	-57.5%	8,575	318.3%	3,505	2,000	6,000	66.7%
Harbor	224,656	-37.8%	276,543	23.1%	237,550	-14.1%	270,666	13.9%	229,453	268,500	249,000	7.2%
JTB Industrial Park	326,819	-5.1%	238,265	-27.1%	380,154	59.6%	446,490	17.4%	446,490	409,031	409,031	-8.4%
Garbage	320,024	-7.4%	316,304	-1.2%	325,391	2.9%	309,531	-4.9%	292,297	290,000	303,000	3.5%
Wastewater	306,140	-23.1%	256,250	-16.3%	296,491	15.7%	280,879	-5.3%	269,006	275,000	276,000	2.5%
Water	264,164	-2.0%	254,041	-3.8%	324,930	27.9%	287,489	-11.5%	276,270	260,500	301,300	8.7%
Total Revenue	1,779,129		1,346,228	-24.3%	1,566,566	16.4%	1,603,630	2.4%	1,517,021	1,505,031	1,544,331	1.7%
<b>Total Expenditures</b>												
Cannery	1,306	-79.18%	2,469	89.1%	14,020	467.8%	6,264	-55.3%	4,124	5,181	6,264	17.3%
Harbor	266,035	10.31%	273,799	2.9%	311,624	13.8%	319,656	2.6%	388,344	248,342	261,867	5.2%
JTB Industrial Park	694,924	58.66%	330,192	-52.5%	322,034	-2.5%	424,632	31.9%	267,654	328,275	259,804	-26.4%
Garbage	348,560	2.29%	327,233	-6.1%	320,953	-1.9%	360,578	12.3%	304,171	309,057	298,243	-3.6%
Wastewater	290,618	2.30%	232,292	-20.1%	331,458	42.7%	310,467	-6.3%	287,381	315,469	278,600	-13.2%
Water	298,599	-5.49%	281,518	-5.7%	356,516	26.6%	433,540	21.6%	409,013	323,226	408,774	20.9%
Total Expenditures	1,900,043		1,447,503	-23.8%	1,656,605	14.4%	1,855,137	12.0%	1,660,687	1,529,550	1,513,553	-1.1%
<b>Net Revenues over Expenditures</b>												
Cannery	336,020	0.00%	2,356	-99.3%	(11,970)	-608.1%	2,311	-119.3%	(619)	(3,181)	(264)	-1104.9%
Harbor	(41,379)	-134.41%	2,744	-106.6%	(74,074)	-2799.5%	(48,990)	-33.9%	(158,891)	20,158	(12,867)	256.7%
JTB Industrial Park	(368,105)	293.33%	(91,927)	-75.0%	58,120	-163.2%	21,858	-62.4%	178,836	80,756	149,227	45.9%
Garbage	(28,536)	-710.92%	(10,929)	-61.7%	4,438	-140.6%	(51,047)	-1250.2%	(11,874)	(19,057)	4,757	500.6%
Wastewater	15,522	-86.38%	23,958	54.4%	(34,967)	-246.0%	(29,588)	-15.4%	(18,375)	(40,469)	(2,600)	-1456.2%
Water	(34,435)	-25.85%	(27,477)	-20.2%	(31,586)	15.0%	(146,051)	362.4%	(132,743)	(62,726)	(107,474)	41.6%
	<b>\$ (120,914)</b>		<b>\$ (101,275)</b>		<b>\$ (90,039)</b>		<b>\$ (251,507)</b>		<b>\$ (143,666)</b>	<b>\$ (24,519)</b>	<b>\$ 30,778</b>	179.7%

## City of Craig Summary - FY 2018

	GF FY 2018	GF FY 2017	GF Incr(Decr)	EF FY 2018	EF FY 2017	EF Incr(Decr)	FY 2018 Total	FY17 Total	FY 2018 Incr(Decr)	% Change
Salary	501,479	581,873	(80,394)	114,120	88,388	25,732	615,599	670,261	(54,662)	-8.88%
Hourly Wages	847,051	835,612	11,439	358,023	324,419	33,604	1,205,074	1,160,031	45,043	3.74%
Overtime Wages	31,656	31,332	324	11,598	11,608	(10)	43,254	42,940	314	0.73%
On-call Wages	17,400	17,400	0	10,500	10,700	(200)	27,900	28,100	(200)	-0.72%
<b>Total Wages</b>	<b>1,397,586</b>	<b>1,466,217</b>	<b>(68,631)</b>	<b>494,241</b>	<b>435,115</b>	<b>59,126</b>	<b>1,891,827</b>	<b>1,901,332</b>	<b>(9,505)</b>	<b>-0.50%</b>
FICA	87,369	91,137	(3,768)	30,792	27,131	3,661	118,161	118,268	(107)	-0.09%
Medicare	20,434	21,315	(881)	7,201	6,345	856	27,635	27,660	(25)	-0.09%
Workers' Comp	50,751	55,733	(4,982)	24,641	21,725	2,916	75,392	77,458	(2,066)	-2.74%
PERS (DB & DC)	286,905	282,204	4,701	100,031	90,489	9,542	386,936	372,693	14,243	3.68%
Medical Insurance	468,741	496,607	(27,866)	117,420	87,730	29,690	586,161	584,337	1,824	0.31%
HRA	124,846	104,478	20,368	22,818	18,723	4,095	147,664	123,201	24,463	16.57%
Other Benefits	5,000	5,635	(635)	1,990	2,179	(189)	6,990	7,814	(824)	-11.79%
<b>Total Benefits</b>	<b>1,044,046</b>	<b>1,057,109</b>	<b>(13,063)</b>	<b>304,893</b>	<b>254,322</b>	<b>50,571</b>	<b>1,348,939</b>	<b>1,311,431</b>	<b>37,508</b>	<b>2.78%</b>
<b>GRAND TOTAL</b>	<b>2,441,632</b>	<b>2,523,326</b>	<b>(81,694)</b>	<b>799,134</b>	<b>689,437</b>	<b>109,697</b>	<b>3,240,766</b>	<b>3,212,763</b>	<b>28,003</b>	<b>0.86%</b>

# General Fund Summary - FY 2018

## Wages & Benefits

	Admin	Aquatic Center	Council	EMS	Facilities	Fire	Library	Planning	Police	Public Works	Recreation	TOTAL
Salary	164,000	45,582	14,700	54,746	65,000	3,500	0	41,619	70,104	42,228	0	501,479
Hourly Wages	147,555	82,985		30,876	51,986		56,685	0	364,532	67,711	44,720	847,051
Overtime Wages		0							30,541	1,115		31,656
On-call Wages									17,400			17,400
<b>Total Wages</b>	<b>311,555</b>	<b>128,567</b>	<b>14,700</b>	<b>85,622</b>	<b>116,986</b>	<b>3,500</b>	<b>56,685</b>	<b>41,619</b>	<b>482,578</b>	<b>111,054</b>	<b>44,720</b>	<b>1,397,586</b>
FICA	19,316	7,971	911	5,309	7,253	0	3,514	3,510	29,920	6,891	2,773	87,369
Medicare	4,518	1,864	213	1,242	1,696	0	822	822	6,997	1,612	648	20,434
Workers' Comp	1,487	7,507	70	5,860	6,273	4,186	271	270	16,726	7,889	213	50,751
PERS (DB & DC)	62,964	25,586	2,970	12,044	23,447		8,580	12,456	106,167	24,453	8,237	286,905
Medical Insurance	62,414	42,712	57,342	19,661	46,263		28,381	17,881	140,946	38,215	14,925	468,741
HRA	16,350	10,900	21,350	5,450	10,900		5,450	5,450	35,425	8,121	5,450	124,846
Other Benefits	300	315	385	30	110		80	55	2,970	595	160	5,000
<b>Total Benefits</b>	<b>167,349</b>	<b>96,856</b>	<b>83,241</b>	<b>49,595</b>	<b>95,942</b>	<b>4,186</b>	<b>47,098</b>	<b>40,445</b>	<b>339,151</b>	<b>87,775</b>	<b>32,407</b>	<b>1,044,046</b>
<b>GRAND TOTAL</b>	<b>478,904</b>	<b>225,423</b>	<b>97,941</b>	<b>135,217</b>	<b>212,928</b>	<b>7,686</b>	<b>103,783</b>	<b>82,064</b>	<b>821,729</b>	<b>198,830</b>	<b>77,127</b>	<b>2,441,632</b>
GRAND TOTAL FY 17	424,075	235,347	136,676	130,438	215,765	8,386	107,085	88,662	836,657	213,052	76,232	2,472,375
Change	54,829	(9,924)	(38,735)	4,779	(2,837)	(700)	(3,302)	(6,598)	(14,928)	(14,222)	895	(30,743)
	5	3.54		1.55	2.31		1.57	1	10	7	1.25	

33.22  
3.72  
36.94

# Enterprise Fund Summary - FY 2018

## Wages & Benefits

	Wastewater	Water	Garbage	Harbor	JTB Park	TOTAL
Salary	19,550	11,730	4,692	31,574	46,574	114,120
Hourly Wages	65,075	156,358	31,051	75,421	30,118	358,023
Overtime Wages	1,877	4,510	210	5,000	0	11,598
On-call Wages	300	300	0	9,900	0	10,500
<b>Total Wages</b>	<b>86,802</b>	<b>172,898</b>	<b>35,953</b>	<b>121,895</b>	<b>76,692</b>	<b>494,241</b>
FICA	5,373	10,722	2,230	7,713	4,755	30,792
Medicare	1,257	2,507	522	1,804	1,112	7,201
Workers' Comp	2,503	5,911	3,841	8,170	4,216	24,641
PERS (DB & DC)	19,065	38,044	7,914	24,402	10,607	100,031
Medical Insurance	18,698	31,074	15,843	27,853	23,952	117,420
HRA	4,905	4,905	3,188	5,995	3,825	22,818
Other Benefits	488	599	208	531	164	1,990
<b>Total Benefits</b>	<b>52,288</b>	<b>93,761</b>	<b>33,746</b>	<b>76,467</b>	<b>48,631</b>	<b>304,893</b>
<b>GRAND TOTAL</b>	<b>139,090</b>	<b>266,659</b>	<b>69,699</b>	<b>198,362</b>	<b>125,323</b>	<b>799,134</b>
GRAND TOTAL FY017	174,819	177,416	66,474	164,319	84,685	667,713
Change	(35,729)	89,243	3,225	34,043	40,638	131,421





# **General Fund Fiscal Year 2018**

## **May 2017**

# City of Craig

General Fund Revenues	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 YTD	FY 2017 Budget	FY 2018 Budget	Change 2018/2017
Property Tax	506,924	514,832	536,179	596,544	597,787	613,557	610,000	620,000	10,000
Property Tax Penalties	7,007	3,137	2,719	4,497	4,669	6,359	2,000	2,000	0
Sales Tax	1,556,372	1,562,640	1,665,747	1,588,675	1,534,263	1,231,955	1,450,000	1,497,000	47,000
Sales Tax Penalties & Delinquencies	34,908	73,050	43,614	18,426	18,266	5,863	2,000	2,000	0
Sales Tax Liquor	110,389	115,149	120,433	121,554	115,238	92,660	120,000	120,000	0
<b>Total Local Taxes</b>	<b>2,215,600</b>	<b>2,268,808</b>	<b>2,368,692</b>	<b>2,329,696</b>	<b>2,270,223</b>	<b>1,950,394</b>	<b>2,184,000</b>	<b>2,241,000</b>	<b>57,000</b>
PILT	260,411	261,795	258,086	308,000	298,338	295,383	270,000	265,500	(4,500)
State Revenue Sharing	207,611	221,713	155,320	153,064	146,041	96,626	96,661	89,842	(6,819)
Liquor Revenue Sharing	1,800	10,100	10,200	7,700	7,700	6,100	5,000	5,000	0
Raw Fish Tax	158,364	258,534	282,111	314,704	342,739	150,045	250,000	50,000	(200,000)
Shared Fisheries Tax	8,914	8,417	7,153	9,694	4,965		4,000	4,000	0
National Forest Receipts	25,000	25,000	10,000	10,000	10,000		10,000		(10,000)
State Grant		161,172			0				0
<b>Total State Revenue</b>	<b>662,100</b>	<b>946,731</b>	<b>722,870</b>	<b>803,162</b>	<b>809,783</b>	<b>548,154</b>	<b>635,661</b>	<b>414,342</b>	<b>(221,319)</b>
EMS Service Fees	21,410	37,832	49,036	34,535	34,535	31,495	30,000	30,000	0
EMS Training Fees	275	3,936	3,208	3,619	3,619	7,760	1,000	1,000	0
Pool Admissions	64,881	64,043	65,605	49,917	49,917	24,666	50,000	50,000	0
Library Fees	1,013	1,452	1,406	2,557	2,557	1,496	1,000	1,000	0
Recreation Fees	14,932	11,753	17,469	11,647	11,647	10,540	12,000	12,000	0
Senior Card Fees		3,915	860	3,905	3,905	580	1,000	1,000	0
Itinerant Merchant Permit		0							0
Taxi Permit	30	0	90	0	50		100	100	0
Building Permit	2,390	2,055	1,345	1,110	1,110	740	1,515	1,000	(515)
Land Equity Pmt									0
Access Permit Fees	350	8,827	14,147	15,897	15,897	5,650	7,000	7,000	0
Subdivision Permit		283	90	115	115				0
<b>Total Permits &amp; Fees</b>	<b>105,281</b>	<b>134,096</b>	<b>153,256</b>	<b>123,302</b>	<b>123,352</b>	<b>82,927</b>	<b>103,615</b>	<b>103,100</b>	<b>(515)</b>
Property Leases	59,520	58,975	79,878	65,809	89,850	34,842	53,000	72,000	19,000
Dump Waste	3,150	5,640			568	2,446			0
Material Sales	1,369	7,702	1,032	1,880	3,165		1,000	1,000	0
Equipment Rentals			2,601		1,175				0
<b>Total Local Revenue</b>	<b>64,039</b>	<b>72,317</b>	<b>83,511</b>	<b>67,689</b>	<b>94,758</b>	<b>37,288</b>	<b>54,000</b>	<b>73,000</b>	<b>19,000</b>
Police Fines	6,620	9,587	5,253	13,288	12,077	4,838	10,000	10,000	0
DMV Commissions	57,765	60,165	59,730	60,041	65,843	41,333	60,000	60,000	0
Trooper Dispatch Service	10,000	10,000	10,000	10,000	10,000	2,500	10,000	10,000	0
Contract Jail Service	393,904	393,904	397,304	403,405	322,724	242,043	286,584	286,584	0
Klawock Dispatch Service	50,485	50,486	50,485	52,905	52,879	35,392	50,000	50,000	0
USDA Forest Service Dispatch		3,000	0	3,000	3,000	3,000	3,000	3,000	0
<b>Total Public Safety Revenue</b>	<b>518,774</b>	<b>527,142</b>	<b>522,772</b>	<b>542,639</b>	<b>466,523</b>	<b>329,106</b>	<b>419,584</b>	<b>419,584</b>	<b>0</b>
Misc Revenue						1,101			0
Parks Donations (Flwr Baskets)	0	300	0	0	35				0
Interest Income (ckng & CD)	0	8	13	0		9			0
Interest Income (A/R)	3,576	5,341	4,537	4,130	5,321	2,583	1,000	1,000	0
Misc. Other	12,324	3,929	4,189	4,472	9,161		5,000	5,000	0
<b>Total Other Revenue</b>	<b>15,900</b>	<b>9,578</b>	<b>8,739</b>	<b>8,602</b>	<b>14,517</b>	<b>3,693</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>
<b>Total GF Revenues</b>	<b>3,581,694</b>	<b>3,958,672</b>	<b>3,859,840</b>	<b>3,875,090</b>	<b>3,779,156</b>	<b>2,951,562</b>	<b>3,402,860</b>	<b>3,257,026</b>	<b>(145,834)</b>



Administration Department: The City Administrator is responsible for the overall management, administration and direction of the city operations; the hiring, disciplining and terminating of City employees; the negotiation, execution and administration of City contracts within budget appropriations, policy advice to elected officials and open communication with the community.

The City Clerk is responsible for recording and maintaining the official records of the city, preparing agendas and transcribing minutes of the City Council meetings.

The finance department is responsible for all accounting, budgeting and financial information services for the City of Craig. These services include procurement, accounts payable, property and sales tax collection, water, wastewater, and sanitation utility billing and collection. The finance department collects city leases and other fees such as harbor moorage, ambulance, and pool passes.

Personnel: City Administrator, City Clerk, City Treasurer, three accounting clerks (5.5 FTE)

### Mission

To ensure that all financial transactions are processed and recorded in a timely manner consistent with Generally Accepted Accounting Principles and sound financial management techniques. The department continually monitors and evaluates the condition of all City Funds and account groups, and to provide for high returns on investments while minimizing risk. Improve internal systems to maximize efficiency and deliver quality customer service. Provide a uniform method for the management, preservation, retention, and disposal of City records.

### **2015-2016 Accomplishments**

- Maintained service levels to citizen with reduced revenues.
- Held King Salmon Derby to fund Pt. St. Nick Hatchery.
- Coordinated with harbor department for extensive boat haul out repairs.
- Participated in USFS Landscape Assessment Project

### **2015-2016 Goals**

- Continue completion of unqualified opinions of financial audits
- Continue to seek funding for Capital Improvements
- Continue to improve customer service for Craig citizens

FY2016 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES

<i>Administration Expenses</i>	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Budget	FY 2018 Budget	% Change
Salaries	306,053	307,713	279,606	301,131	305,555	291,700	298,250	311,555	4%
Benefits & Unemployment	186,369	237,337	265,411	255,106	190,702	151,362	127,248	167,349	24%
Professional Services	87,445	125,589	120,573	129,469	159,300	130,279	132,200	127,000	4%
Employee Travel, Education, & Dues	16,124	10,458	10,715	15,994	26,120	16,998	16,995	8,745	49%
Materials & Supplies	10,862	14,787	17,696	15,035	11,450	12,842	13,540	12,700	6%
Utilities	15,040	19,073	17,762	14,989	16,900	17,687	17,500	16,850	4%
Repairs & Maintenance	5,860	3,127	3,955	4,413	3,808	2,500	4,308	2,308	46%
Notices	699	713	2,704	3,567	4,360	4,297	2,200	200	91%
Insurance	6,560	4,208	2,958	1,203	3,600	5,454	5,345	5,345	0%
Contributions	10,941	13,109	15,382	12,342	13,290	17,350	11,290	12,790	12%
Bank Fees	5,270	6,159	6,697	5,642	7,000	6,749	5,000	17	100%
Bad Debt Write-Off	12,430	6,631	2,287	35,923	1,000	0	1,000	0	100%
Safety				0	10,000			2,000	100%
Miscellaneous	5,538	1,668	1,717	2,688	1,000	974	500	0	100%
Small Equipment		1,664	6,738	7,837	2,000	3,985	2,000	2,000	0%
Equipment > \$5000		5,695	17,562	12,001			0		
Capital Improvement		0	4,735	1,199				0	
<b>Total Administration Expenses</b>	<b>669,191</b>	<b>757,931</b>	<b>776,498</b>	<b>818,539</b>	<b>756,085</b>	<b>662,177</b>	<b>637,376</b>	<b>668,859</b>	<b>13%</b>

# Administration

# FY 2018

	<u>Acct #</u>	<u>Amount</u>	
<b>Salaries</b>	11-5100	\$	<b>311,555</b>
<b>Benefits</b>	11-5200	<b>167,349</b>	<b>167,349</b>
Unemployment	11-5250		<b>0</b>
<b>Professional Services</b>	11-5310		<b>111,000</b>
Property Assessment (includes Bd of Equalization)		23,000	
Audit (FY2016 & sales tax)		40,000	
Legal Fees		12,000	
Lobbyist		36,000	
<b>Contract Services</b>	11-5320		<b>16,000</b>
IT Support		2,000	
AccuFund Support		12,000	
Cleaning		1,500	
Newsletter Publishing		500	
<b>Travel</b>	11-5410		<b>4,000</b>
SE Conference		2000	
City Clerk Conference		1000	
Misc Travel			
Finance Travel		1000	
<b>Education &amp; Training</b>			
Education & Training - SE Conference	11-5420	300	<b>900</b>
City Clerk Conference		300	
Finance Conferences		300	
<b>Dues</b>	11-5430		<b>3,845</b>
SE Conference		870	
AK Municipal League		1,770	
AK Assoc of City Clerks		195	
National & AK Government Finance Assoc		255	
Chamber of Commerce		400	
Public Retirement Dues		105	
Misc Dues		250	
<b>Materials and Supplies</b>	11-5510		<b>12,700</b>
Office Supplies		8,000	
Misc Supplies			
Ketchikan Daily News		200	
Postage	11-5520	4,000	
Freight	11-5525		
Vehicle fuel	11-5652	500	

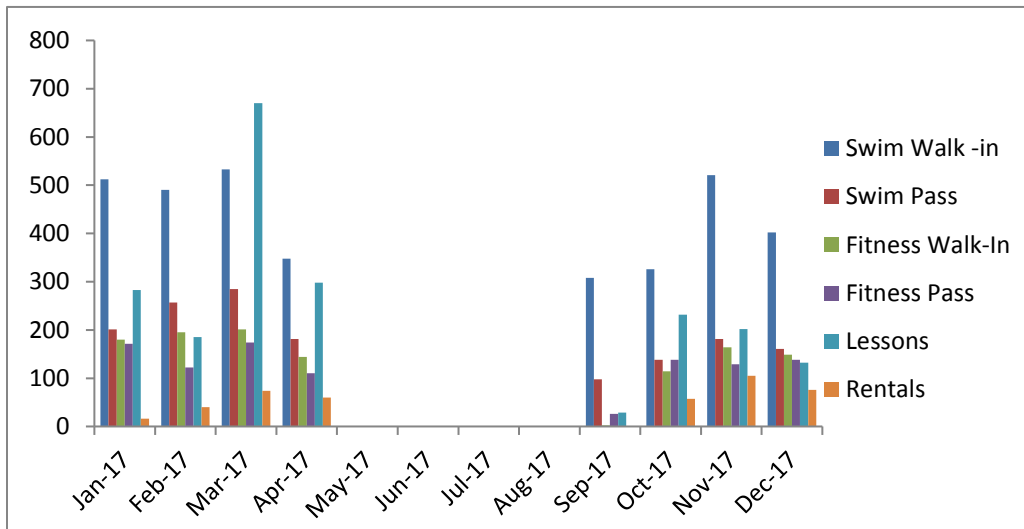
# Administration

# FY 2018

	<u>Acct #</u>		<u>Amount</u>
<b>Utilities</b>			<b>16,850</b>
Electric	11-5610	5,850	
Heating Fuel	11-5620	4,000	
Telephone	11-5630	7,000	
<b>Repairs &amp; Maintenance</b>			<b>2,308</b>
Equipment Repairs	11-5710	1,000	
Equipment Maint Agreement	5730		
Postage Meter Lease	11-5740	1,308	
Building - Annual Flowers	11-5750		
<b>Other Expenditures</b>			<b>7,545</b>
Notice & Advertising			
Recording Fees Vehicle License		200	
Insurance	11-5850	5,345	
General Liability			
Property			
Safety		<b>2,000</b>	
<b>Contributions</b>			<b>12,790</b>
Catholic Community Service (Senior Services)	11-5910	6,790	
4th of July Celebration		500	
POW Marathon		500	
KRBD		500	
Power		3,000	
POW Health Network		1,500	
Misc Contributions		0	
Credit Card Fees	11-5925		<b>17</b>
Bad Debts for Property tax, sales tax,	11-5930		<b>0</b>
Miscellaneous Expenses	11-5990		<b>0</b>
<b>Misc Small Office Equipment</b>	11-6200		<b>2,000</b>
Computer upgrades		2,000	
<b>Capital Improvement</b>			<b>0</b>
	11-6206		<b>0</b>
	<b>TOTAL</b>		<b>\$ 668,859</b>

Personnel: Director, Lifeguards (3 FTE)

The Aquatic Center provides for very large range users from daily exercise, complete sports and leisure to physical therapy. The Aquatic center provides an “out of the weather” activity for children, adults and seniors for the entire island. One of the major services the Aquatic center provides is the “learn to Swim” program. The Aquatic center provides swim lessons to almost every school yearly. Since we are surrounded by water it is with utmost importance that we provide for our youth with the understanding of water safety. For the fiscal year of 2015 the Aquatic Center provided lessons to over 375 infant, youth and adults. There was a decline in youth due to smaller school sizes. The Aquatic center also has a land fitness area and fitness room. The Aquatic center has seen over 4,500 visits over the last fiscal year. This number includes punch pass, pass, and cash visits. In the coming years we would like to see a larger fitness area with more equipment. This year we are expecting to be able to put a few new pieces of equipment in the fitness room.



**2016-2017 Accomplishments**

- Complete the construction and shut down and be open in September
- Hired for full time swim coach position
- Provide additional public swim lessons monthly
- Provide public lifeguard course as needed or demanded quarterly
- Provide each school with lessons

**2017-2018 Goals**

- Transition to reduced hours to save costs
- Start quarterly Aqua Aerobics class
- Pool Manager obtain LGIT certification

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT REVENUES**

<b><i>Aquatic Center Expenses</i></b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	159,603	164,322	139,452	90,625	136,898	112,954	139,452	128,567	-8%
Benefits & Unemployment	94,448	99,070	104,038	48,643	114,608	75,654	104,038	96,856	-7%
Professional Services	7,891	5,408	5,000	3,262	11,189	4,318	4,000	4,000	0%
Employee Travel, Education, & Dues	32	345	1,000	1,524	3,706	272	5,020	2,525	-50%
Materials & Supplies	23,591	21,823	15,100	24,087	19,392	17,734	21,720	18,660	-14%
Utilities	140,418	127,874	120,200	105,939	107,010	113,720	115,700	98,500	-15%
Repairs & Maintenance	13,806	22,652	12,000	11,228	8,908	5,373	5,674	4,820	-15%
Recording				1,712	172				
Insurance	11,813	1,670	11,000	4,283	4,632	5,436	6,300	6,300	0%
Credit Card Fees	0		250	0	582	709	250	250	0%
Bad Debt Write-Off	911								
Other					450				
Equipment Purchase			7,525	22,102	12,964	5,567	5,690	1,125	-80%
Debt Service	159,167	450,376	127,936	123,913	119,600	135,990	136,500	136,488	0%
Capital Improvement	39,877		13,055			0		0	
<b>Total Swimming Pool Expenses</b>	<b>651,557</b>	<b>893,540</b>	<b>556,556</b>	<b>437,318</b>	<b>540,111</b>	<b>477,727</b>	<b>544,344</b>	<b>498,091</b>	<b>-8%</b>

# Aquatic Center

# FY 2018

	<u>Acct #</u>	<u>Amount</u>	
<b>Salaries</b>	25-5100	\$	128,567
<b>Benefits</b>	25-5200	96,856	96,856
<b>Contract Services</b>			
Class Instructors	25-5350	0	4,000
Water Sample Testing	25-5320	4,000	
<b>Employee Travel, Education, &amp; Dues</b>			2,525
Travel (CPO Training Anchorage & Lifeguard instructor)	25-5410	2,000	
Training	25-5420		
Lifequarding Certifications		525	
<b>Materials</b>	25-5510		18,660
Safety Equipment & First Aid Supplies		525	
Office & Cleaning Supplies		3,200	
Chemical Pool Cover		2,000	
Chemicals	25-5515	7,000	
Paint & Painting Supplies		1,935	
Freight	25-5525	4,000	
<b>Utilities</b>			98,500
Electricity	25-5610	40,000	
Heating Fuel (Propane)	25-5620	20,000	
Telephone DSL	25-5630	3,500	
Wood Chips	25-5510.01	35,000	
<b>Maintenance</b>			4,820
Misc Repairs	25-5700	2,000	
Stenner Pumps & toy repair & misc		2,070	
Ciruculation Pump Pentair		750	
Building & Grounds Maintenance			
<b>Insurance</b>			6,300
General Liability	25-5850	6,300	
Property			
CC Fees	25-5925	250	250
<b>Equipment Purchases</b>	25-6200		1,125
Storage Caddies		1,125	
<b>Capital Improvement</b>	25-6500	0	
<b>Debt Payments</b>			
Bond Pmt	25-7100	136,488	136,488
<b>TOTAL</b>		<b>\$</b>	<b>498,091</b>

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<b><i>Council Expenses</i></b>	<b>FY 2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>\$ Change</b>
Salaries	10,978	14,700	15,825	14,709	16,251	15,153	14,289	14,700	14,700	0%
Benefits	59,404	60,019	51,661	45,795	47,984	114,392	103,535	122,046	83,241	-32%
Council Elections	2,041	2,698	1,847	965	528	745	564	2,500	2,500	0%
Employee Travel, Education,	7,651	4,913	3,515	3,788	12,546	8,509	11,736	7,925	0	-100%
Materials & Supplies	645	51	313	0	755	436	214	150	0	-100%
Telecommunications										
Insurance	541	254	86	382	64	715	81	300	300	0%
Contributions										
New Equipment										
Other-(SE Conf)	-110									
<b>Total Council Expenses</b>	<b>81,150</b>	<b>82,635</b>	<b>73,247</b>	<b>65,639</b>	<b>78,128</b>	<b>139,950</b>	<b>130,419</b>	<b>147,621</b>	<b>100,741</b>	<b>-32%</b>





Emergency Medical Services are provided by the City with two equipped ambulances.

Personnel: Director, EMT I and volunteers. FTE: 2.75

### **2016-2017 Accomplishments**

- New 2017 sprinter ambulance project, design, build and secure majority of funding.
- Secured a donor to gift over 15,000 worth of new waterproof, mold proof storage container gifted to all EMS teams on POW.
- Secured funding to support the 2017EMS symposium for training and organization.
- Expanded our Craig mass notification system, Omnilert to include the other community's Fire & EMS teams with grant funding
- Partnered with two funding sources to develop an island wide training initiative that would help sustain our volunteer ems team, invested over 15,000 into equipment and resources, including Providing over 360 hours of training to island EMS Volunteers.
- Expanded our island supply cabinet, which helps teams and cuts down on expired waste.
- Started an online didactic training program to generate revenue.
- Worked with Island ferry directors and KTN mortuary to provide unaccompanied deceased transports to KTN with casket only within DOT regulations.
- Taught over 10,000 worth of classes to the public this year.
- Secured small funding donations to pay for small equipment like AED's and two lifesaving IO intraosseous guns and classes to children like wilderness first aid and babysitting skills.
- Worked with Tribal transportation safety team to develop a transportation priority list of community needs, thus they went after dispatch and radio equipment funds.
- Taught Emergency Trauma Technician (ETT) in the high school, certified 12 students.
- Partnered with the High school and Middle school to teach students CPR in May 2017.

### **2017-2018 Goals**

- Secure funding for EMS/Fire Hall.
- Either secure funding or a grant source to purchase a small chilled container to be plugged in as needed for our deceased.
- Complete our online training program.
- Maximize revenue from insurance claims.
- Work with SEARHC native health program staff, state troopers, and department of corrections to recover costs on miscellaneous calls that don't fall in billing categories such as blood draws or treat and release calls.
- Develop regional EMS data that can be used to go after grants.
- Support projects of the Fire Department.

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<i>Emergency Medical Services</i>	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Budget	FY 2018 Budget	% Change
Salaries	32,919	18,175	33,328	45,870	75,413	84,333	92,847	88,196	85,622	-3%
Benefits & Unemployment	37,633	58,887	13,099	46,612	54,598	41,475	45,958	48,278	49,899	3%
Contracted Services	3,200	5,238	7,238	10,878	6,444	4,614	3,058	2,500	3,950	58%
Employee Travel, Education, & Due	391	1,183	8,938	5,370	10,489	4,122	4,085	6,320	3,240	-49%
Materials & Supplies	6,750	7,730	8,986	17,488	13,631	17,677	20,261	13,900	18,400	32%
Utilities	1,183	1,640	1,575	1,575	5,373	5,405	5,537	4,300	4,300	0%
Repairs & Maintenance	637	1,335	356	356	6,352	3,524	4,723	750	1,000	33%
Recording/Permits	10	10	150	150	10	0	0	650	650	0%
Insurance	2,861	2,447	635	635	1,361	2,133	2,712	3,870	3,870	0%
New Equipment					0		10164	1500	0	
Equipment Replacement										
Bad Debt Write-Off	0	22,678	17,500	12,494	19,564		38,467		0	
Capital Improvement			2955	2954	0	3293	0	0	2,000	
Total EMS Expenses	85,584	119,323	94,760	144,382	193,235	166,576	227,812	170,264	172,931	-24%

# Emergency Medical Services

2018

	<u>Acct #</u>	<u>Amount</u>	
<b>Salaries</b>	17-5100	\$	85,622
<b>Benefits</b>	17-5200		49,899
<b>Contract Services Software</b>	17-5340		3,950
Systems Design		2,300	
E Dispatches		1,650	
<b>Employee Travel, Education, &amp; Dues</b>			3,240
Travel	17-5410		
EMT		1,120	
DR		1,500	
Symposium		620	
Education & Training			
Webinars - ETT, EMTII, EMT III, CPR	17-5420		
<b>Materials &amp; Supplies</b>			18,400
Office supplies	17-5510	500	
Medical Supplies		8,500	
Equipment Supplies		3,500	
Class Materials	17-5530	4,000	
Postage	17-5520	300	
Freight	17-5525	600	
Vehicle Fuel (250gal @ \$4.00)	17-5650	1,000	
<b>Utilities</b>			4,300
Telephone	17-5630	2,200	
Old Clinic Fuel		1,100	
Old Clinic Electric		1,000	
<b>Maintenance &amp; Repairs</b>			1,000
Vehicle Repairs	17-5710	1,000	
Dept Maintenance			
Vehicle Licensing & Permits	17-5845		0
Insurance	17-5850		3,870
General Liability		583	
Property		3,287	
Vehicle			
Permits		650	650
Bad Debts	17-5930		
<b>Small Equipment</b>	17-6200		
<b>Equipment &gt;\$5000</b>	17-6300		
<b>Capital Improvements</b>	17-6500		2,000
Garage Door		2,000	
<b>TOTAL</b>			<b>\$172,931</b>

The facilities and parks department performs maintenance and repairs for the municipal buildings and parks. The city currently has city hall, library, aquatic center, Biomass boiler, wood shop, gymnasium, day care center, fire hall, and three small parks.

Personnel: Director, Maintenance  
Workers FTE: 2.75

### **2016/2017 Accomplishments**

- Lagoon beach cleanup and picnic area upgrades
- Finished Aquatic center upgrade. Made repairs on existing equipment not addressed in construction
- Construct chemical storage shed at Aquatic center
- Paint City Gym
- Annual wood boiler maintenance
- Replace front support columns at childcare center

### **2017-2018 Goals**

- Paint Seaplane building
- Ralph James park playground equipment upgrade
- Annual wood boiler maintenance
- New roof on Ralph James shelter
- Fix & repair gravel on cemetery island trail, Sandy Beach trail, and E. Hamilton path
- City Gym and City Hall roof gutter replacement
- Ralph James bathroom window replacement
- Continue to address maintenance issues throughout city as required
- Continue to build inter-departmental relationships for more efficiency

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<i>Parks/Facilities Expenditures</i>	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Budget	FY 2018 Budget	% Change
Salaries	86,413	105,038	97,748	112,855	104,611	131,952	131,330	116,986	-11%
Benefits & Unemployment	55,078	44,769	62,265	63,945	104,154	81,808	91,477	96,022	17%
Contracted Services	8,191	5,256	5,140	4,995	5,155	5,926	7,200	7,200	0%
Employee Travel, Education, & Du	0	1,275	0	1,827	4,040	0		0	
Materials & Supplies	9,293	10,347	8,363	10,938	7,746	23,763	67,600	7,500	-89%
Utilities	15,175	17,075	12,173	12102	15370	13356	12200	12,200	0%
Repairs & Maintenance	7,765	14,982	11,829	6,437	13,833	6,206	11,900	5,000	-58%
Insurance	10,346	8,484	4,975	6,220	5,321	5,936	8,025	8,025	0%
Recording/Permits & Misc.	20	10	20	10		75	5,000		
Equipment	1,345	1,442	0	0	1,713	66,835	4,070		
Capital Improvement	0	6,305	0	0	0	128913	3500	0	
<b>Total Parks/Facilities Expenses</b>	<b>193,626</b>	<b>214,983</b>	<b>202,513</b>	<b>219,329</b>	<b>261,943</b>	<b>464,770</b>	<b>342,302</b>	<b>252,933</b>	<b>-26%</b>

# Parks & Public Facilities      FY 2018

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	<b>Acct #</b>		<b>Amount</b>
<b>Salaries</b>	14-5100	\$	116,986
<b>Benefits</b>	14-5200	96,022	96,022
<b>Contractor Services</b>	14-5330		7,200
Janitorial - Float Plane		7,200	
New Clinic Alarm			
<b>Education &amp; Training</b>	14-5410		0
<b>Material &amp; Supplies</b>	14-5510		7,500
Parks		5,000	
Freight	14-5525		
Equipment Fuel(1000@2.50)	14-5550	2,500	
<b>Utilities</b>			12,200
Electricity (Shop & POW Health )	14-5610	6,000	
Heating Fuel	14-5620	3,000	
Telephone	14-5630	600	
New Clinic Alarm telephone	14-5630.01	2,600	
<b>Maintenance &amp; Repairs</b>	14-5700		5,000
Building Maintenance	14-5750	5,000	
<b>Insurance</b>	14-5850		8,025
General Liability		933	
Property		7,092	
Vehicle			
<b>Equipment</b>	14-6200		
Small Equipment	14-6300		0
<b>Capital Improvements</b>	14-6500		0
<b>TOTAL</b>			<b>\$252,933</b>

The Craig Fire Department responds to fire calls within the city limits and has memoranda of agreements with area communities. The firemen are an all-volunteer staff of 14.

Craig Volunteer Fire Department is composed of a group of volunteers from a variety of skill backgrounds. We have selected candidates for the department based on their ability to respond to a variety of fire call situations. For example, we recruited auto mechanics to be our motor vehicle extrication specialists, electric company workers to handle electric power issues at the fire scene, harbor department employees to direct activities when boat fires occur, Forest Service employees to handle wildland interface situations, and the local fuel distributor to manage hazmat incidents. Each of these firefighters are trained in their area of expertise by their employer and brings individual, and critical, skills to the fire department.

As a part of our organizational structure we have a ‘first responder’ that always reports directly to the fire scene, while the rest of the firefighters report to the fire hall. The first responder assesses the fire situation, determines if rescue is necessary, locates the nearest hydrant, decides what special equipment may be necessary, and reports this information to the responding apparatus while the fire trucks are en route to the fire. In this way, no time is wasted in scene appraisal when the apparatus arrives. This response structure has resulted in more than a few ‘saves’ and regularly results in less fire damage and suppression damage at fire scenes.

### **2016-2017 Accomplishments**

- Recruited new Fire Chief
- Updated fire equipment
- Continued to provide training

### **2017/2018 Goals**

- To retain and/or recruit a full team of firefighters willing to participate fully in training exercises.
- Maintain fire equipment and replace as needed.



**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<b>Fire Expenses</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries				758	0	0		0	
Benefits & Unemployment	693	1,252	1,780	1,698	998	1,645	4,186	4,186	0%
Contracted Services	7,500	9,000	6,750	4,625	4,369	0	3,600	3,500	-3%
Employee Travel, Education, & Dues	22	50	150	0	375	2,559	2,560	2,700	5%
Materials & Supplies	675	6,380	3,732	1,958	3,526	3,620	3,620	1,379	-62%
Utilities	3,485	5,635	4,864	4,784	5,143	4,493	4,493	2,410	-46%
Repairs & Maintenance	4,365	476	1,937	687	25	448	448	5,000	1016%
Insurance	3,188	3,716	2,298	2,437	0	2,820	4,020	4,020	0%
Recording/Permits & Misc.	35		142						
Equipment	4,085			13,043	2,532	12,693		6,000	
Capital Improvement						0			
<b>Total Fire Expenses</b>	<b>24,048</b>	<b>26,509</b>	<b>21,653</b>	<b>29,990</b>	<b>16,968</b>	<b>28,278</b>	<b>22,927</b>	<b>29,195</b>	<b>27%</b>

# Fire

# FY 2018

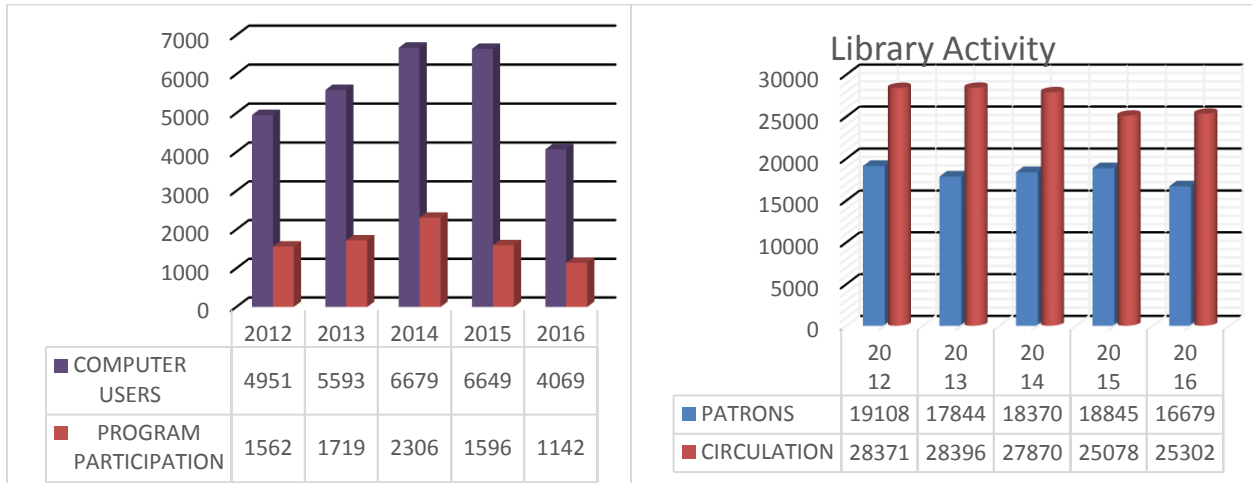
	<u>Acct #</u>		<u>Amount</u>
<b>Volunteers</b>	18-5100		
<b>Work compensation Insurance</b>	18-5200		4,186
<b>Contract Services</b>		3,500	3,500
<b>Employee Travel, Education, &amp; Dues</b>			2,700
Travel	18-5410	2,700	
Education & Training	18-5530		
<b>Materials &amp; Supplies</b>			1,379
Fire Supplies			
Vehicle supplies	18-5510	750	
Postage	18-5520	500	
Freight	18-5525	129	
<b>Utilities</b>			2,410
Electric	18-5610	110	
Heating fuel	18-5620	2,000	
Vehicle Fuel (200gal @ \$3.50)	18-5650	300	
Telephone			
<b>Maintenance &amp; Repairs</b>			5,000
Vehicle Repairs	18-5700		
Dept Maintenance		2,000	
Air refilling		3,000	
Vehicle Licensing & Permits			
<b>Insurance</b>	18-5850		4,020
General Liability		105	
Property		3,915	
Vehicle			
<b>Small Equipment</b>	18-6200		6,000
1 set Turnouts		6,000	
<b>Equipment &gt;\$5000</b>			0
<b>Capital Improvements</b>			
<b>TOTAL</b>			<u><u>\$29,195</u></u>

# LIBRARY

# GENERAL FUND

Personnel: Librarian, PT Library Technician (1.5FTE)

Department Description: Provides to the public a wide selection of nonfiction, fiction, children, and young adult books. The library’s collection emphasizes Alaska nonfiction and fiction. The library also has audio books, magazines, videos, and computers for internet access. The book collection is available for check out by the public who has been issued a library card. The library offers diverse education programs through conferencing. The library is open Monday through Saturday with limited evening hours.



## 2014-2015 Accomplishments

- Supplemented budget with grant resources.
- Updated and revised policy manual.
- Increased Library hours.
- Collection development.
- Increased & supported volunteer staff
- 

## 2015-2016 Goals

- Evaluate current services and make changes to meet the needs of Craig and POW residents and visitors.
- Promote positive public awareness of the library.
- Look for economy in operations.
- Support Library staff.
- Collection development.
- Develop and implement quality programs.

**FY2017 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<i>Library Expenditures</i>	FY 2011	FY 2012	FY2013	FY 2014	FY 2015	FY 2016	FY 2017 Budget	FY 2018 Budget	% Change
Salaries	47,022	50,321	52,216	60,382	68,022	61,405	60,750	56,685	-7%
Benefits & Unemployment	3,777	24,939	41,450	46,016	31,605	34,509	46,335	47,098	2%
Contracted Services	1,615	793	273	401	2,248	939	1,350	3,847	185%
Employee Travel, Education, & [	1,208	1,291	2,603	1,313	1,656	160	234	0	-100%
Materials & Supplies	9,945	12,663	9,560	10,988	17,385	8,671	10,215	6,920	-32%
Utilities	5,183	7,070	6,255	5,190	5,911	5,814	8,460	8,940	6%
Repairs & Maintenance	0	227	296	0	1,033	14	1,000	1,000	0%
Insurance	582	477	406	689	388	516	516	803	56%
Recording/Permits & Misc.	62	65	0	0		0		0	
Equipment	0	0	1,119	0		0		0	
Capital Improvement	0	8,363	0	12,950		0		0	0%
<b>Total Library Expenses</b>	<b>69,394</b>	<b>106,209</b>	<b>114,178</b>	<b>137,929</b>	<b>128,248</b>	<b>112,028</b>	<b>128,860</b>	<b>125,293</b>	<b>-3%</b>

# Library

## FY 2018

	<b>Acct #</b>	<b>Amount</b>	
<b>Salaries</b>	<b>19-5100</b>	\$	56,685
<b>Benefits</b>	<b>19-5200</b>	47,098	47,098
<b>Contract services</b>	<b>19-5330</b>	0	3,847
Computer support		236	
Interlibrary Loan		900	
Follett		850	
Digital Library		1,575	
Moive Licensing		286	
<b>Employee Travel, Education, &amp; Dues</b>			0
Travel	<b>19-5410</b>		
Library Conference			
Education & Training	<b>19-5430</b>		
Dues	<b>19-5430</b>		
American Library Assoc			
AKLA CONFERENCE			
<b>Materials &amp; Supplies</b>			6,920
Materials	<b>19-5510</b>	1,750	
Books	<b>19-5531</b>	2,300	
Audio & Visual	<b>19-5535</b>	1,220	
Subscriptions	<b>19-5532</b>	770	
Postage	<b>19-5520</b>	880	
Freight	<b>19-5525</b>		
<b>Utilities</b>			8,940
Electric	<b>19-5610</b>	4,500	
Heating Fuel (800 gal @ \$3.50)	<b>19-5620</b>	2,000	
Telephone	<b>19-5630</b>	1,000	
DSL Internet		1,440	
<b>Maintenance &amp; Repairs</b>	<b>19-5700</b>		1,000
Repairs		1,000	
Building Maint			
<b>Insurance</b>	<b>19-5800</b>	730	803
<b>Small Equipment Purchases</b>	<b>19-6200</b>		
<b>Equipment &gt;\$5000</b>	<b>19-6300</b>		
<b>Capital Improvements</b>	<b>19-6500</b>		0
			<b>\$125,293</b>

Department Description: The Craig Planning and Zoning Department is responsible for land use issues, building permits, coastal management, emergency planning and economic development. The department reviews development proposals, processes building permits and performs code enforcement for land development issues. The department serves as staff for the five-member Planning Commission. Planning commissioners are appointed by the Mayor. The department manages various land use permits, leases/sales of city land, mapping and capital projects for the city.

Personnel: Planner  
FTE: 1

### **2016/2017 Accomplishments**

- Completed \$2 million Aquatic Center Renovation
- Audited existing city land leases and developed a plan to ensure that all leases are complete and brought up to date.
- Completed development and sales of lots at Ptarmigan Court.
- Updated Craig Comprehensive Plan including land use maps; issues, goals and strategies; and a comprehensive background study.
- Continued to update land information in the Municipal Assessment Records System.
- Completed the economic and environmental feasibility study with the US Army Corps of Engineers on the new harbor.
- Assisted other city departments with planning, design and construction of various projects including harbor haul out trailer building, Craig street improvements, emergency notification system, school district emergency plan, Fire/EMS annex building, increasing city's social media presence, and review of various municipal programs and ordinances.

### **2017/2018 Goals**

- Update leases of city property based on the completed 2017 lease audit.
- Use the updated comprehensive planning goals to complete specific planning goals (including an updated transportation plan and Community Economic Development Strategy planning).
- Update the city's Local Hazard Mitigation Plan.
- Continue to increase the amount of digitized information available in MARS.
- Work to sell the remaining city residential lots in Ptarmigan and Salmonberry Subdivisions.
- Continue to work with the USACE and enter into the Preconstruction Engineering and Design phase of the new harbor project. Also to work with staff and the city council to present options on uses and potential development of the upland property at the Craig Cannery Site.
- Work with the harbor department to present a development plan for ATS 736.
- Work with the Craig Library to move the library renovation/replacement project forward in the planning phase.
- Work with POWER to determine long range plans regarding the POWER building.

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<i>Planning Expenses</i>	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Fy 2017 Budget	FY 2018 Budget	% Change
Salaries	39,374	38,518	48,102	46,128	48,690	50,619	41,619	-18%
Benefits & Unemployment	42,547	45,234	41,388	52,488	35,921	38,313	40,445	6%
Contracted Services	179	179	219	322	1,029	180	0	
Employee Travel, Education,	1,933	1,005	279	313	3,327	0	0	
Materials & Supplies	2,465	1,399	256	337	141	800	1,000	25%
Utilities					0		0	0%
Repairs & Maintenance	0	0			0		0	0%
Insurance	139	6	71	20	204	204	284	39%
Recording/Permits & Misc.	503	100	60	624	735	1100	1,500	36%
Equipment	8,151		1,000	611	0		0	
Capital Improvement	0	0						0%
								0%
<b>Total Planning Expenses</b>	<b>\$95,291</b>	<b>\$86,441</b>	<b>\$91,375</b>	<b>\$100,843</b>	<b>\$90,047</b>	<b>\$91,216</b>	<b>84,848</b>	<b>-7%</b>

## Planning

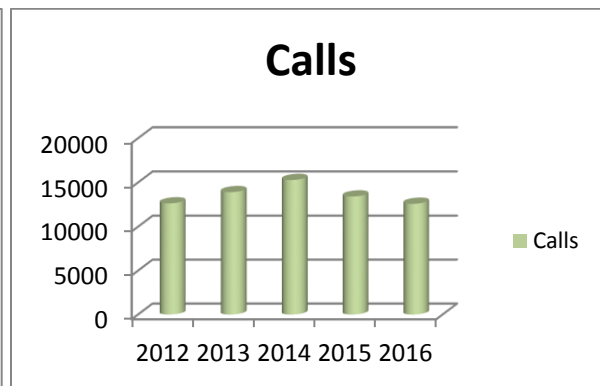
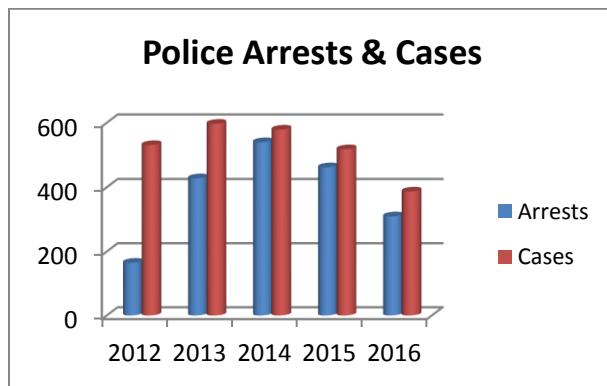
## FY 2018

<b>Salaries</b>	13-5110	\$	41,619
City Planner, (15000 Reimb LEPC Grant)			
<b>Benefits</b>	13-5200	40,445	40,445
<b>Contractual Services</b>	13-5310		
<b>Employee Travel, Education, &amp; Dues</b>			0
Plan Commissioner Training,	13-5410		
Conference	13-5420		
<b>Materials &amp; Supplies</b>	13-5510		1,000
Books, Subscriptions	13-5530		
Postage	13-5520		
Freight	13-5525		
<b>Equipment Repairs</b>	13-5700		0
<b>Advertising - Legal Notices</b>	13-5840		1,000
<b>Recording</b>	13-5845		500
<b>Insurance</b>	13-5850		284
<b>Equipment Purchases</b>	13-6200		0
Total		\$	<u>84,848</u>



The Police Department is responsible for the public safety of the citizens of Craig, AK. The police department provides a secure facility for housing prisoners for Prince of Wales Island.

Personnel: Police Chief, Sergeant, three (3) Officers, Six(6) Dispatchers (10.5 FTE)



Department fully staffed. Arletha Melton took over Linda Arrant’s Dispatch Supervisor Position, has completed DMV Training and Road Testing Certifications. Traci McIntire has also completed the Road Testing Certification.

AST & USFS contracts are in process of renewal and should be the same as last year. AST could be slightly higher, for requested more for use of Polycom System. Klawock agreement increased from last year, as well for Polycom usage.

Completed Radio Upgrades, Gold Elite no longer used and current system is MCC 5500. \$150,000 dollar system upgrade. Am looking at upgrading further, with additional funding that has become available.

All officers are currently certified, Ofc. Bixler being the last remaining officer to complete the academy and obtain basic officer certification.

Upcoming Projects:

- Upgrading Radio System to ALMR
- Sending Dispatch Supervisor Melton to 1<sup>st</sup> line supervisor training
- Dispatch Supervisor Melton to complete Supervisor’s Jail Training Course
- Still working with State DMV for DMV License Testing Computer
- Get Staff Member Certified as Firearm’s Instructor

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<b><i>Police &amp; Jail Expenditures</i></b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	462,566	471,371	499,965	518,194	496,775	553,872	505,810	482,578	-5%
Benefits & Unemployment	306,899	311,614	345,744	339,094	488,067	362,194	330,847	339,151	3%
Contracted Services	2,271	3,027	2,301	1,000	3,851	1,995	1,800	1,800	0%
Employee Travel, Education, & I	4,143	2,886	3,474	2,000	5,045	4,672	2,000	0	-100%
Materials & Supplies	46,736	39,471	42,329	39,300	50,737	50,225	39,000	37,250	-4%
Utilities	22,296	22,165	22,926	24,500	21,905	22,578	25,018	27,000	8%
Repairs & Maintenance	7,044	4,892	6,056	1,000	2,643	553		0	
Insurance	11,401	7,564	10,364	14,705	9,594	6,271	8,571	8,571	0%
Recording/Permits & Misc.	627	2,658	1,867	900	772	8,040	100	1,700	1600%
Credit Card Fees			1,375	1,200	1,641	1,791	800	0	-100%
Equipment	1,178	6,615	10,174	1,000	529	10,581		1,250	25%
Capital Improvement	9,382	14,874				0		0	
<b>Police &amp; Jail Expenses</b>	<b>874,543</b>	<b>887,137</b>	<b>946,575</b>	<b>942,893</b>	<b>1,081,559</b>	<b>1,022,772</b>	<b>913,946</b>	<b>899,300</b>	<b>-2%</b>

# Police

# FY 2018

	<u>Acct #</u>		<u>Amount</u>
<b>Salaries</b>	16-5100		482,578
<b>Benefits</b>	16-5200	339,151	339,151
<b>Contract Services</b>	16-5320		1,800
IT Support		1,800	
<b>Travel &amp; Education</b>			0
Travel	16-5410	0	
Education	16-5420		
<b>Materials &amp; Supplies</b>	16-5510		37,250
Uniforms			
Patrol Officer supplies	16-5515.0	3,000	
Office supplies	16-5510.0	500	
Jail Supplies	16-5519.0	4,000	
Jail Food	16-5519.01	18,000	
Vehicle Fuel (4300 @2.50)	16-5652	10,750	
Postage	16-5520		
Freight	16-5525	1,000	
<b>Utilities</b>			27,000
Electric	16-5610	12,000	
Heating (1600gal @ \$4.00)	16-5620	5,000	
Telephone	16-5630	10,000	
<b>Maintenance &amp; Repairs</b>	16-5710		0
Vehicle Repairs	16-5700	0	
Building & Grounds Maint	16-5750		
Advertising	16-5840		
Licensing Vehicles & Software	16-5845		900
Credit Card Fees			800
<b>Insurance</b>	16-5850		8,571
General Liability		3,124	
Property Liability		1,320	
Vehicle		4,127	
<b>Small Equipment</b>	16-6200	1,250	1,250
<b>Equipment &gt;5000</b>	16-6300		0
<b>Capital Improvements</b>	16-6500		
<b>TOTAL</b>			<b>\$899,300</b>

Personnel: Director (1 FTE)

To enhance the quality of life in our community, to make Craig an even more desirable place to live and have a family. To achieve this goal we will involve youth and families in healthy activities and promote volunteerism and pride in their community. To provide activities for all community members. To promote all Recreation Activities and community events through the weekly radio show, newspaper articles, calendar and Facebook posts, email and posters, interagency meetings, meetings, City Council, POW Health Network. To work with the Craig City School District, Girl Scouts, Boy Scouts and other groups to provide activities

### **2016-2017 Accomplishments**

- Afterschool program with the help of part time employee Kara Cook and volunteers with increased attendance to an average of 10 students daily.
- Cleaned the gym and moved the skates to the room by the front door, which is larger and far more convenient.
- The Youth/Rec Center is open weekdays and on Saturdays from 3pm to 11pm or midnight playing Magic and D and D with Jon Wilburn as the volunteer. The Youth/Rec center is rented for parties.
- Provided many different activities including Karate, Basketball, Soccer, Roller Derby, Gymnastics, and Volleyball

### **2016-2017 Goals**

- To raise the gym rental rates.
- To add more Family game nights, Teen game nights and Dances.
- To continue the After School Program-open 3 to 5 Mon-Thurs. and 2-5 on Friday.
- To continue summer afterschool activities, and to have roller-skating on Tuesday afternoons and dodge-ball on Thursdays, movies and open gym.
- This year it has been suggested we try to have a two day fall bazaar.
- We hope to have a babysitting class and wilderness first aid and some mini camps. Bicycle safety classes will be offered.

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT REVENUES**

<i>Recreation Expense</i>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	35,959	35,959	33,677	37,139	40,206	44,524	44,720	0%
Benefits & Unemployment	32,070	32,070	33,860	48,693	29,348	31,708	32,407	2%
Contracted Services	1,207	1,207	3,118	2,020	3,862	4,900	4,900	0%
Employee Travel, Education, &	28	28	0	2,415				
Materials & Supplies	5,353	5,353	2,559	1,000	3,893	1,665	1,000	-40%
Utilities	17,738	17,738	16,517	11,688	11,013	12,500	13,000	4%
Repairs & Maintenance	176	176	958	0			0	
Insurance	990	990	1,241	2,376	2,340	3,340	3,340	0%
Recording/Permits & Misc.	0		0		25	24	0	
Equipment				0	1,692		0	
Capital Improvement	900	900	0	5,433			0	
<b>Total Recreation Expenses</b>	<b>94,421</b>	<b>94,421</b>	<b>91,930</b>	<b>110,764</b>	<b>92,379</b>	<b>98,661</b>	<b>99,367</b>	<b>1%</b>

# Recreation

# FY 2018

	<u>Acct #</u>	<u>Amount</u>	
<b>Salaries</b>	24-5100	\$	44,720
<b>Benefits</b>	24-5200	32,407	32,407
<b>Contract Services</b>	24-5330		4,900
Classes, Misc. Instructors		2,500	
Janitor		2,400	
<b>Travel</b>	24-5410		
Instructor			
<b>Materials &amp; Supplies</b>	24-5510		1,000
T-Shirts -Soccer, V-Ball, B-Ball		1,000	
Office Supplies			
Postage	24-5520		
<b>Utilities</b>			13,000
Electric	24-5610	3,500	
Heating Fuel/City GYM (2500 gal @ \$4.00)	24-5620	6,000	
Heating Fuel/Youth Center (500GAL @ \$4.00)		2,000	
Telephone	24-5630	1,500	
<b>Maintenance &amp; Repairs</b>			
Equipment Repairs	24-5750		0
Building Maintenance			
<b>Insurance</b>	24-5850	3,340	3,340
<b>Equipment Purchases</b>	24-6200		0
<b>Capital Improvements</b>	<b>24-6500</b>		
<b>TOTAL</b>			<b><u><u>\$99,367</u></u></b>

The Public Works Department operates and maintains the city water and sewer utilities as well as collects garbage and maintains the streets. The Department also services and maintains the City's vehicles.

The Department assists and supports other Departments in the City as needed. The crew supports the Police Department by towing vehicles, the Harbors and Facilities Departments with equipment, materials and manpower.

Personnel: Director,  
Water Treatment  
Operator, Wastewater  
Treatment Operator,  
Mechanic/Garbage,  
Utility Worker  
FTE: 7

**2016-2017 Accomplishments**

- Oversee construction of the City Phase 4 Paving Project
- Participated in planning of City projects/improvements: City Phase 4 Paving Project, Fire hall Annex, Fuel Dock Rebuild.
- Continued operation and maintenance of the City utilities.

**2017-2018 Goals**

- Continue Motor Pool Maintenance Program.
- Continue efficient operation of the City Utilities and services.

**FY2018 BUDGET WORKSHEET  
GENERAL FUND  
DEPARTMENT EXPENDITURES**

<i>Public Works Expenditures</i>	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 Budget	FY2017 Budget	FY 2018 Budget	% Change
Salaries	66,989	110,944	98,716	102,875	120,591	128,984	111,054	-14%
Benefits & Unemployment	45,815	51,197	69,421	114,172	84,960	94,598	89,388	-6%
Contracted Services	543	517	440	519	601	500	500	0%
Employee Travel, Education, & Due	1,906	1,922	665	0	1,210	675	0	-100%
Materials & Supplies	6,534	10,379	16,189	20,237	20,230	15,600	13,100	-16%
Utilities	32,256	25,469	19,713	17,017	14,602	18,600	18,100	-3%
Repairs & Maintenance	6,712	6,390	6,142	21,196	35,141	24,500	45,000	84%
Insurance	4,915	2,558	2,944	3,949	3,848	5,053	5,053	0%
Recording/Permits & Misc.	576	50	0	3,896	114	600	50	-92%
Equipment	3,021	2,080	3,727	0	27,238	1,500	0	
Capital Improvement	6,000	0	0		0		0	
<b>Total Public Works Expenses</b>	<b>175,267</b>	<b>211,506</b>	<b>217,957</b>	<b>283,861</b>	<b>308,535</b>	<b>290,610</b>	<b>282,245</b>	<b>-3%</b>



# Public Works

# FY 2018

	<b>Acct #</b>	<b>Amount</b>	
<b>Salaries</b>	15-5100	\$	111,054
<b>Employee Benefits</b>	15-5200	89,388	89,388
<b>Contractual Services</b>	15-5300		500
Drug Testing	15-5350	300	
Equipment Lease	15-5283	200	
<b>Travel &amp; Education</b>			0
Misc Travel	15-5410		
Training	15-5420		
Dues	15-5430		
<b>Material &amp; Supplies</b>			13,100
Misc Supplies	15-5510	2,500	
Office Supplies		1,000	
Shop Supplies		2,000	
Shop Tools		1,500	
Equipment Fuel (1200 @3.00)	15-5650	3,600	
Propane		500	
Postage	15-5520	2,000	
Freight	15-5525		
<b>Utility</b>			18,100
Electricity, Street Lights	15-5612	6,000	
Electricity	15-5610	4,500	
Heating Fuel (1200gal @ \$4.00)	15-5620	4,800	
Telephone/DSL	15-5630	2,800	
<b>Repairs &amp; Maintenance</b>			45,000
Equipment Repairs	15-5700	2,500	
Street Light Maint.		1,000	
Building maint.	15-5750	1,500	
Department Fleet Maint.		40,000	
<b>Miscellaneous</b>			
Advertising	15-5840		0
Vehicle Licensing	15-5845	100	50
Insurance	15-5850		5,053
Property Liability		1,880	
General Liability		921	
Auto		2,252	
<b>Small Equipment</b>	15-6200		
<b>Equipment &gt; \$5000</b>	15-6300		
		0	0
<b>TOTAL</b>			<b>\$282,245</b>





# **Enterprise Fund Fiscal Year 2018**

## **May 2017**

**FY2018 BUDGET WORKSHEET  
ENTERPRISE FUND  
DEPARTMENT REVENUES**

<b><i>Garbage Revenues</i></b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Collection Fees, incl Live Aboard	314,323	309,117	317,082	304,926	288,097	290,000	303,000	5%
Dumpster Rental	7,065	6,810	7,725	4,605			0	0%
Dumpster Sales	-1,364	377	584		4,200			
Equip. Reserve transfer In								
<b><i>Total Garbage Revenues</i></b>	<b>320,024</b>	<b>316,304</b>	<b>325,391</b>	<b>309,531</b>	<b>292,297</b>	<b>290,000</b>	<b>303,000</b>	<b>-2%</b>

<b><i>Garbage Expenses</i></b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	62,553	52,029	47,695	61,903	37,198	38,205	35,953	-6%
Benefits & Unemployment	45,271	39,462	39,233	63,585	52,301	31,248	33,746	8%
Contracted Services	225,894	221,914	218,777	216,680	202,008	221,500	216,500	-2%
Employee Travel, Education, & Dues		650	7	2,166	0		0	
Materials & Supplies	6,361	8,817	9,278	9,122	7,669	9,500	7,500	-21%
Utilities	0	0			0		0	
Repairs & Maintenance	4,696	1,513	2,438	2,176	267	2,500	1,000	-60%
Insurance	1,583	644	851	1,784	2,472	3,524	3,524	0%
Recording/Permits & Misc.	2,178	2,202	2,674	3,162	2,256	2,580	20	-99%
Equipment			0				0	
Capital Improvement	0	0	0				0	
Interest	24	2						
Debt Retirement	0	0	0				0	
<b>Total Garbage Expenses</b>	<b>348,560</b>	<b>327,233</b>	<b>320,953</b>	<b>360,578</b>	<b>304,171</b>	<b>309,057</b>	<b>298,243</b>	<b>-3%</b>
<b><i>Garbage Rev. less Exps.</i></b>	<b>(28,536)</b>	<b>(10,929)</b>	<b>4,438</b>	<b>(51,047)</b>	<b>(11,874)</b>	<b>(19,057)</b>	<b>4,757</b>	<b>-125%</b>
Depreciation				12,513	25,025	25,025		

# Garbage

# FY 2018

	<u>Acct #</u>	<u>Amount</u>	
<b>Salaries</b>	23-5100	\$	35,953
<b>Benefits</b>	23-5200	33,746	33,746
<b>Contract Services</b>	23-5330		216,500
Dump Fees 1000 ton @ \$220/ton	23-5350	210,000	
HHW program	23-5350	6,500	
<b>Travel</b>	23-5410		0
<b>Materials &amp; Supplies</b>			7,500
Misc Supplies	23-5510	1,000	
Postage	23-5520	1,000	
Freight	23-5525	500	
Equipment Fuel	23-5650	5,000	
<b>Utilities</b>			
Telephone	23-5630		0
<b>Maintenance &amp; Repairs</b>			1,000
Equipment Repairs	23-5710		
Dumpster Repair		1,000	
<b>Recording/Permits &amp; Misc.</b>			3,544
Advertising	23-5840	0	
Vehicle Licensing	23-5845	20	
Insurance	23-5850	3,524	
Credit Card Fees	23-5920	0	
Bad Debts	23-5930		
<b>Small Equipment Purchase</b>	23-6200	0	0
<b>Equipment Purchase &gt; \$5000</b>	23-6300	0	
<b>Capital Improvement</b>	23-6500	0	0
<b>Debt Service</b>	23-7100	0	0
			<u>0</u>
<b>TOTAL</b>			<u><u>\$298,243</u></u>

FY2018 BUDGET WORKSHEET  
ENTERPRISE FUND  
DEPARTMENT REVENUES

<b>Wastewater Revenues</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Service fees	259,685	261,526	256,239	296,491	280,879	269,006	275,000	276,000	0%
Material sales	28			0					
Interest	1,871	9	11		0				
Grant Funding for Capital	136,455	44,605							
<b>Total Sewer Revenues</b>	<b>398,039</b>	<b>306,140</b>	<b>256,250</b>	<b>296,491</b>	<b>280,879</b>	<b>269,006</b>	<b>275,000</b>	<b>276,000</b>	<b>-2%</b>
<b>Wastewater Expenses</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	83,733	83,817	48,508	95,150	80,327	84,385	113,430	86,802	-23%
Benefits & Unemployment	36,482	42,600	44,296	45,556	76,266	75,255	64,929	52,288	-19%
Contracted Services	4,598	6,340	5,721	5,000	6,903	4,911	5,100	6,000	18%
Employee Travel, Education, & Dues	190	280	3,270	3,000	300	1,170	825	825	0%
Materials & Supplies	7,916	7,481	5,801	7,556	9,721	6,741	9,900	8,400	-15%
Utilities	38,289	40,777	34,790	42,400	36,803	40,585	39,700	44,700	13%
Repairs & Maintenance	8,272	4,903	5,208	28,000	22,310	5,330	11,000	12,000	9%
Insurance	4,277	3,093	1,635	3,400	3,878	4,293	6,128	6,128	0%
Recording/Permits & Misc.	2,947	3,117	3,017	500	3,938	2,242	4,460	1,460	-67%
Equipment	33,345	36,193	18,631	37,500	9,896	1,114		-	
Capital Improvement	2,191	1,996	1,085	3,400	-				
Interest	8,430	7,549	7,070	5,938	5,256	5,092	3,469	3,469	0%
Debt Retirement	53,403	52,472	53,260	54,058	54,869	56,263	56,528	56,528	0%
<b>Total Sewer Expenses</b>	<b>284,073</b>	<b>290,618</b>	<b>232,292</b>	<b>331,458</b>	<b>310,467</b>	<b>287,381</b>	<b>315,469</b>	<b>278,600</b>	<b>-12%</b>
<b>Excess Sewer Revs. Vs. Exps.</b>	<b>113,966</b>	<b>15,522</b>	<b>23,958</b>	<b>(34,967)</b>	<b>(29,588)</b>	<b>(18,375)</b>	<b>(40,469)</b>	<b>(2,600)</b>	<b>-94%</b>
Depreciation	217,155	227,321	233,396	230,000	233,256	240,032	240,032		

# Wastewater

# FY 2018

	<u>Acct #</u>	<u>Amount</u>	
<b>Salaries</b>	21-5100	\$	86,802
<b>Benefits</b>	21-5200	52,288	52,288
<b>Contractual Services</b>	21-5310		6,000
Laboratory Fees		3,000	
Sludge disposal		2,000	
Boreal Controls		1,000	
Tyler Pump Truck			
<b>Education &amp; Training</b>	21-5420		825
Water/Wastewater CEU		100	
Wastewater cert renewal	21-5430	225	
WEF/AWWMA dues, city-wide share w/water		500	
Other			
<b>Travel</b>	21-5410		
<b>Materials &amp; Supplies</b>	21-5510		8,400
Safety			
Shop Supplies		1,500	
Chemicals		2,500	
Office Supplies		1,000	
Postage	21-5520	500	
Freight	21-5525		
Equipment Fuel	21-5650	2,900	
<b>Utilities</b>	21-5610		44,700
Electricity, treatment plant		30,000	
8 lift stations,		12,000	
Telephone	21-5630	2,700	
<b>Maintenance &amp; Repairs</b>	21-5710		12,000
Repairs		1,000	
Pump Stations		11,000	
Building Maintenance	21-5750		
<b>Recording/Permits &amp; Misc.</b>			7,588
DEC wastewater disposal permit		940	
Vehicle Licensing	21-5845	20	-
Insurance	21-5850	6,128	
Credit card Fees	21-5925		
Bad Debts	21-5930	500	
<b>Equipment Purchase</b>	21-6200		-
<b>Debt Payment</b>	21-7100		59,997
Interest		3,469	
Principal		56,528	
<b>TOTAL</b>		<b>\$</b>	<b>278,600</b>

**FY2018 BUDGET WORKSHEET  
ENTERPRISE FUND DEPARTMENT REVENUES**

<b>Water Revenues</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Metered service	224,471	225,898	287,010	268,760	262,404	253,200	294,000	12%
Non-metered service	27,860	22,012	18,171	9,628	6,197	4,800	4,800	-23%
Meter sales	5,764	4,155	17,964	7,541	7,134	1,000	1,000	-86%
Turnoff notice fee	5,019	900	560	1,460	0	1,000	1,000	
Reconnection fee	1,050	1,076	1,225	100	535	500	500	-7%
Material sales								
Interest								
<b>Total Water Revenues</b>	<b>264,164</b>	<b>254,041</b>	<b>324,930</b>	<b>287,489</b>	<b>276,270</b>	<b>260,500</b>	<b>301,300</b>	<b>5%</b>

<b>Water Expenses</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	123,607	117,764	128,149	133,181	149,826	117,423	172,898	47%
Benefits & Unemployment	63,222	54,051	80,788	123,014	111,410	59,993	97,168	62%
Contracted Services	11,109	15,430	5,277	9,860	12,192	6,100	6,000	-2%
Employee Travel, Education, & Dues	2,211	2,140	4,017	1,200	1,217	1,190	1,190	0%
Materials & Supplies	34,810	30,545	63,997	50,375	54,913	38,650	34,150	-12%
Utilities	51,117	46,331	51,122	55,580	52,802	61,100	61,100	0%
Repairs & Maintenance	5,130	5,130	5,940	8,937	8,834	6,000	6,000	0%
Insurance	4,600	3,174	3,375	3,994	4,440	6,325	6,325	0%
Recording/Permits & Misc.	2,338	2,180	2,808	3,146	2,742	2,610	110	-96%
Equipment	431	-1,517	983	37,643	2,601	-	0	
Capital Improvement	0	0	0			-	0	
Debt Retirement	24	6,290	10,060	6,610	8,036	23,835	23,834	0%
<b>Total Water Expenses</b>	<b>298,599</b>	<b>281,518</b>	<b>356,516</b>	<b>433,540</b>	<b>409,013</b>	<b>323,226</b>	<b>408,774</b>	<b>26%</b>
<b>Excess Water Revs. Vs Exps.</b>	<b>(34,435)</b>	<b>(27,477)</b>	<b>(31,586)</b>	<b>(146,051)</b>	<b>(132,743)</b>	<b>(62,726)</b>	<b>(107,474)</b>	<b>71%</b>
Depreciation	273,154	281,737	283,576	283,655	313,003			



# Water

# FY 2018

	<b>Acct #</b>	<b>Amount</b>	
<b>Salaries</b>	22-5100	\$	172,898
<b>Employee Benefits</b>	22-5200	97,168	97,168
<b>Contract Services</b>	22-5350		6,000
Laboratory testing		5,000	
Boreal Controls		1,000	
<b>Employee Travel, Education, &amp; Dues</b>			1,190
Travel	22-5410	500	
Water/Wastewater CEU	22-5420		
Dues		690	
<b>Material &amp; Supplies</b>			
Misc Supplies	22-5510	4,800	34,150
Chemicals	22-5515	18,000	
Office Supplies			
Postage	22-5520	1,000	
Freight	22-5525	9,000	
Equipment Fuel (450 gal @ 3.00)	22-5650	1,350	
<b>Utilities</b>			61,100
Electric	22-5610	58,300	
Heating Fuel	22-5620	0	
Telephone	22-5630	2,800	
<b>Maintenance &amp; Repairs</b>			6,000
Equipment Repair	22-5700	2,000	
Building & Grounds Maintenance	22-5750	1,000	
Shop Supplies		1,000	
Treatment Plant repairs		2,000	
<b>Recording/Permits &amp; Misc.</b>			6,435
Advertising	22-5440		
Vehicle Licensing	22-5445	10	
Insurance	22-5550	6,325	
Permits		100	
Credit Card Fees	22-5925	0	
	22-5930		
<b>Small Equipment Purchases</b>	22-6200		0
<b>Equipment Purchases &gt;5000</b>	22-6300		0
<b>Capital Improvements</b>	22-6500		0
<b>Debt Service</b>			
Interest			23,834
Water End Connection Loan	22-7100	8,737	
Water Line Loan		15,097	
<b>TOTAL</b>		<b>\$</b>	<b>408,774</b>

Purpose: The city's harbor and ports provide safe and secure boat moorage for permanent commercial and sport fishermen. The harbor also has transient moorage for the summer marine traffic. The harbor provides electrical hookups, cranes for offloading, water, and waste disposal. The harbor department manages the boat haul out and storage at the JT Brown industrial park.

Personnel: Harbor master, Two  
(2) Assistant Harbormasters,  
(3.0 FTE)

### **2016-2017 Accomplishments**

- Replaced planking in harbors
- Ice house delivery system updated
- Established Ice house maintenance schedule
- Repaired South Cove ramp
- Hired new Harbormaster

### **2017-2018 Goals**

- Complete a harbor policy and operations manual.
- Complete a harbor training manual for employees, setting protocols for emergencies, safety, maintenance, and establishing written procedures for all work duties. Provide training for employees in harbor operations through UAS online courses and other available resources.
- Establish and work with a Harbor Advisory Committee to prioritize and plan current and future projects.
- Create a 5+ year plan for harbor improvements and expansion. Include in budget planning an incremental rate increase to accommodate the plan.
- Upgrade to an automated harbor marina software such as what Sitka uses.
- Looks for solutions to running and maintaining the icehouse and boatyard more economically and efficiently.
- Add an employee incentive program such as, rewards, bonuses, prizes. Do employee reviews annually with goals and progress in mind.
- Create a harbor website which would be comparable to other SE Alaska harbors websites. It would include all harbor information, policies and forms, as well as an online pay portal.
- Requirements for derelict boats to be enforced and vessel condition records created and tracked. This will make the process of impounding easier and perhaps cause action to be taken by owners before the vessel becomes a derelict or nuisance.

**FY2018 BUDGET WORKSHEET  
ENTERPRISE FUND**

<b><i>Dock &amp; Harbor Revenues</i></b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Permanent Moorage	72938	71,228	68961	70209	73403	82500	85000	3%
Transient Moorage	90537	93,890	93584	110038	90164	104500	95000	-9%
Container Storage	12850	14,600	14400	23400	14760	14000	14000	0%
Outside Storage Fees	4499	7,375	5664	6406	4748	7000	7000	0%
Equipment Rental	336	380	645	1655	1580	1000	1000	0%
Crane User Fees	4943	3,863	5002	4102	4170	6000	5000	-17%
Shower Fees	2904	2,871	684	493	1606	2000	2000	0%
Wharfage	495	519	1068	1398	1210	2000	2000	0%
Launch Ramp Fees	2028	2,320	2372	2537	2285	2000	2000	0%
Electricity from Moorage	11293	19,107	7750	12016	10108	12500	10000	-20%
Impound Fees	0			831				
Vessel Assist	584	814	1545		645	1000	1000	0%
Haulout Revenue	20258	28,845	25445	27333	24383	28000	24000	-14%
Grant Revenue		25,000						
Other	991	5,731	10430	10248	391	6000	1000	-83%
<b>Total Dock &amp; Harbor Revenues</b>	<b>224,656</b>	<b>276,543</b>	<b>237,550</b>	<b>270,666</b>	<b>229,453</b>	<b>268,500</b>	<b>249,000</b>	<b>-7%</b>

<b><i>Dock &amp; Harbor Expenses</i></b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	107,735	104,148	98,035	108,632	146,044	110,507	121,895	10%
Benefits & Unemployment	64,126	71,365	87,050	100,218	103,066	56,590	76,467	35%
Contracted Services	3,140	2,460	3,925	2,759	3,750	3,750	0	-100%
Employee Travel, Education, & Due	3,576	3,362	2,827	2,824	2,851	470	2,000	326%
Materials & Supplies	16,723	17,669	17,336	16,985	23,182	5,500	7,000	27%
Utilities	26,109	31,419	23,332	27,901	27,901	27,100	22,100	-18%
Repairs & Maintenance	7,839	13,665	42,423	24,219	48,277	16,620	10,000	-40%
Insurance	19,311	17,163	18,425	19,093	18,948	21,330	21,330	0%
Recording/Permits & Misc.	5,410	8,351	17,697	15,725	4,016	3,475	1,075	-69%
Equipment	12,066	3,504	574	1,300	1,102	3,000	0	-100%
Capital Improvement	0	693	0	0	3,450	0	0	
Bad Debts					5,757			
Debt Retirement								
<b>Total Docks/Harbor Expenses</b>	<b>266,035</b>	<b>273,799</b>	<b>311,624</b>	<b>319,656</b>	<b>388,344</b>	<b>248,342</b>	<b>261,867</b>	<b>5%</b>
<b>Docks/Harbors Rev less Exps</b>	<b>(41,379)</b>	<b>2,744</b>	<b>(74,074)</b>	<b>(48,990)</b>	<b>(158,891)</b>	<b>20,158</b>	<b>(12,867)</b>	<b>-164%</b>

Depreciation	102,922	104,787		73,619	50,402			
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# Docks & Harbors

## FY 2018

	<u>Acct #</u>	<u>Harbor</u>	
<b>Salaries</b>	27-5100	\$	121,895
<b>Benefits</b>	24-5200	76,467	76,467
<b>Contract Services</b>	27-5330		0
NC Electrical Engineering			
City Pier & Dock Assessment			
<b>Employee Travel, Education, &amp; Dues</b>	27-5430		2,000
Harbor Master Dues			
Harbor Master Conference	27-5410	2,000	
Misc. Education			
<b>Materials</b>	27-5510		7,000
Misc. Supplies ( Costco & AC)		1,000	
Harbor Office			
Paint			
Office Furniture & racks			
Equipment Fuel		6,000	
<b>Utilities</b>	27-5610		22,100
Electricity (Billable)		12,500	
Electricity (Grid)		1,000	
Electricity (St. Lights)		4,000	
Electricity Harbor Bldg.		3,400	
Heating Fuel			
Telephone		1,200	
<b>Maintenance</b>	27-5700		10,000
North Cove Supplies		2,000	
Electrical	1000		
Decking & Bolts	1000		
Water Pedestals			
freight			
South Cove Supplies		4000	
Electrical	1000		
Approach & gangway	3000		
Water Pedestals			
Misc.			
freight			
City Pier, Dock & Old Fuel Dock		4000	
Decking & Bolts			
freight			
Float Plane Dock		0	
Decking & Bolts			
freight	0		
Boat Hauler			
Advertising	27-5840	250	575
Permits	27-5810	325	
Lease Agreement State	27-5810		
DEC Permit			0

# Docks & Harbors

## FY 2018

	<u>Acct #</u>		<u>Harbor</u>
<b>Insurance</b>			21,330
General Liability	27-5800	21,330	
Credit Card Fees			0
Bad Debts		500	500
<b>Equipment Purchases</b>	27-6200		0
<b>Capital Improvements</b>	27-6300	0	0
			<u>\$ 261,867</u>

**FY2018 BUDGET WORKSHEET  
ENTERPRISE FUND  
DEPARTMENT REVENUES**

<b>Revenues, Marine Ind. Park</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
PMS Lease	\$90,000	\$90,000	\$4,500	\$90,000	90000	90000	90000	\$90,000	0%
Silver Bay Lease	142,000	137,500	137,500	154,000	154000	154000	154000	154,000	0%
Other Leases	21,922	26,422	55,479	14,103	25621	25621	15531	15,531	-39%
Ice Revenue	47,798	34,494	24,540	66,430	133654	133654	110000	85,000	-36%
Storage & Other Revenue	37,978	29,237	13,666	50,406	39919	39919	32000	32,000	-20%
Power Revenue	2,801	9,166	2,580	5,215	3296	3296	7500	7,500	128%
Interest Income	1,911			0				25,000	
<b>Total Marine Ind. Park Revenues</b>	<b>\$344,410</b>	<b>\$326,819</b>	<b>\$238,265</b>	<b>\$380,154</b>	<b>\$446,490</b>	<b>\$446,490</b>	<b>\$409,031</b>	<b>\$409,031</b>	<b>-8%</b>

<b>Marine Ind. Park Expenses</b>	<b>FY 2011</b>	<b>F 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Salaries	41324	38,019	36,283	51,802	62,830	88,531	53,286	76,692	44%
Benefits & Unemployment	42142	18,632	13,818	20,497	40,461	29,417	34,098	48,631	43%
Contracted Services	0	3,818	0	4320	1002	6220	1800	1,800	0%
Employee Travel, Education, & Dues	180	410	1,891	1085	3197	0	0	0	
Materials & Supplies	136	1,268	1,847	5842	3,846	8,307	20,110	9,100	-55%
Utilities	27,385	28,293	33,590	40024	35,918	50,300	45,000	55,000	22%
Repairs & Maintenance	1,593	32,404	9,708	20151	144,110	78,050	7,500	5,000	-33%
Insurance	10,274	8,963	5,667	6831	6,079	6,504	9,281	9,281	0%
Recording/Permits & Misc.	506	325	3,274	670	5,735	325	300	300	0%
Equipment	0	0	2,667	4874	21,454		2,465	0	
Capital Improvement	0	3,951		0	100,000		154,435	54,000	-65%
Interest	60,703	63,943	138,140	112270	-				
Debt Retirement	253,754	494,898	83,307	53668				0	
Capital Reserves									
<b>Total Ind. Park Expenses</b>	<b>437,997</b>	<b>694,924</b>	<b>330,192</b>	<b>\$322,034</b>	<b>\$424,632</b>	<b>\$267,654</b>	<b>\$328,275</b>	<b>259,804</b>	<b>-21%</b>
<b>Total Marine Ind. Rev less Exps.</b>	<b>\$ (93,587)</b>	<b>\$ (368,105)</b>	<b>\$ (91,927)</b>	<b>\$58,120</b>	<b>\$21,858</b>	<b>\$178,836</b>	<b>\$80,756</b>	<b>\$ 149,227</b>	<b>85%</b>
Depreciation	171340	178940	179355		\$205,292	\$234,789			

# JT Brown Industrial Park

FY 2018

	<u>Acct #</u>		
<b>Salaries</b>	28-5100	\$	76,692
<b>Benefits</b>	28-5200	48,631	48,631
<b>Contract Services</b>	28-5330		1,800
Crane Inspection		1,800	
<b>Materials</b>	28-5510		9,100
Boat Yard		5,000	
Misc Tools & Supplies			
Boat Launch			
False Island Pier		0	
Zincs			
Paint & Supplies			
Freight			
Icehouse			
Salt		3400	
Tools			
Lumber			
Pump			
Freight		700	
Misc Postage	28-5520	0	
Misc Freight	28-5525		
<b>Utilities</b>	28-5610		55,000
Electricity		55000	
<b>Maintenance</b>	28-5700		5,000
Ice House Maintenance		5,000	
<b>Insurance</b>			
General Liability	28-5800	1166	9,281
Property Liability		7688	
Vehicle		427	
Permits		300	300
Advertising			
<b>Equipment Purchases</b>	28-6200	0	0
<b>Capital Improvements</b>		54000	54,000
Endowment Fund(\$110,000) & Reserve Fund(44,28-6500)			
		<b>\$</b>	<b>259,804</b>

FY2018 BUDGET WORKSHEET  
ENTERPRISE FUND

<b>Revenues, Cannery</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	<b>% Change</b>
Storage				\$2,050	\$2,475	\$3,505	\$2,000	\$6,000	21%
Other Leases	2,650	4,725	4,725	0	6100			0	
Material Sales		101	100						
CD Interest									
Electricity									
Transfer from Endowment Fund/ Grant Revenue		332,500			0				
<b>Total Craig Cannery Revenues</b>	<b>\$2,650</b>	<b>\$337,326</b>	<b>\$4,825</b>	<b>\$2,050</b>	<b>\$8,575</b>	<b>\$3,505</b>	<b>\$2,000</b>	<b>\$6,000</b>	<b>318%</b>

<b>Cannery Expenses</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Budget</b>	<b>FY 2018 Budget</b>	
Salaries				3,121					
Benefits & Unemployment				592					
Contracted Services	\$4,784			\$1,408				\$0	
Employee Travel, Education, & Dues									
Materials & Supplies				106	870	190	300	300	
Utilities				5,996	3335	3100	2100	2,100	
Repairs & Maintenance				2,788	2053	810	2750	2,750	
Insurance		148		9	6	24	31	31	
Recording/Permits & Misc.						0		0	
Equipment	150							2,000	
Capital Improvement									
Interest									
Debt Retirement	1,338	1,158	2,469					0	
<b>Total Craig Cannery Expenses</b>	<b>6,272</b>	<b>1,306</b>	<b>2,469</b>	<b>14,020</b>	<b>6,264</b>	<b>4,124</b>	<b>5,181</b>	<b>6,264</b>	<b>-55%</b>
<b>Total Cannery Rev less Exps.</b>	<b>(\$3,622)</b>	<b>\$336,020</b>	<b>\$2,356</b>	<b>(\$9,195)</b>	<b>(\$4,214)</b>	<b>\$4,451</b>	<b>(\$1,676)</b>	<b>(\$264)</b>	<b>-97%</b>
Deprecitation	15,322	15,322	15,322			15,322			



**Ward Cove Park      FY 2018**

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<b>Contract Services</b>	28-5810	
<b>Ground Maint</b>		2,750
<b>Materials</b>		300
<b>Electric</b>	28-5610	2,100
<b>Insurance</b>	28-5550	31
<b>Equipment Purchase</b>	28-6200	2,000
<b>Capital Improvements</b>	28-6206	
	<b>TOTAL</b>	<b><u><u>\$7,181</u></u></b>





# **Special Revenue Fund Fiscal Year 2018**

## **May 2017**

# RESTRICTED FUNDS FY 2018

## SCHOOL

Net Cash beginning of Year

<b>Secure School Funding</b>	\$	1,956,794
<b>City Appropriation Prior Yr</b>	\$	1,486,000

Revenue

National Forest Receipts	\$	-
<b>City Appropriation FY 2018</b>	\$	200,000
Interest Revenue	\$	2,066

Total \$ 202,066

Expenditures

Electricity St Lights	\$	4,400
School Support	\$	550,600
Craig Booster Club (Gym Ad)	\$	400
Craig Graduation	\$	500
Craig School Trip to College, Tech School	\$	1,500

Total \$ 557,400

Net Cash

\$ 3,087,460

## Roads

National Forest Revenue (Prior Year Balance)	\$	25,349.00
Bridge	\$	19,100

Total \$ 44,449

Gravel	\$	6,749.00
Equipment	\$	8,600.00
Labor	\$	10,000.00

Total \$ 25,349.00

Net Cash

\$ -

## Equipment Acquisition for Governmental Funds

Beginning Balance	\$	29,335
Endowment Earnings		184,000

Total 213,335

Expenditures

Harbor Office flooring	2,500
Police Department flooring	4,500
Build wash down and oil containment areas at Pub	20,000
Matching funds to replace roof on POWER Building	20,000
Wastewater Treatment Plant repairs	30,000
Replace alum station at Water treatment plant	40,000
Vehicles for PPF and Harbors	60,000

Total 177,000

Net Cash

\$ 36,335

## Capital Project Match Funds

Beginning Balance	\$	109,015
FY 2018 Endowment Fund		82,352

Total 191,367

Expenditures

Matching funds to reactivate Spruce Street water tank	50,000
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Total 50,000

Net Cash

\$ 141,367

# CITY OF CRAIG MEMORANDUM

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 26, 2017  
RE: June Staff Report

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## **1. USFS Landscape Assessment Project**

The POW Landscape Assessment Team completed its initial work May 18 and 19. The group adopted a list of projects and a list of recommendations for the US Forest Service to consider including in the Forest Service's subsequent landscape level assessment (LLA) document for POW.

The USFS will now begin its public process to adopt a LLA. The LLA aims to clear through a single environmental review process multiple projects for implementation on national forest lands on POW. Those projects may well include timber sales, stream restoration, recreation, game management, and other activities.

The LAT may well regroup after the US Forest Service issues its draft documents.

## **2. FY 2018 Budget**

The budget process to prepare for FY2018 included much discussion about revenue sources for the city. One outcome from this process is direction from the committee to bring to the full council new revenue options, including proposed taxes on commercial marijuana sales, a bed tax, and changes to the city's sale tax code that include increasing the qualifying age for the senior sales tax exempt card, and changes to the range of sales tax exemptions.

Staff has already started its outreach to the community on these matters and will continue to do so in preparation for council consideration of the ordinances needed to make the change.

## **3. Big Thorne Timber Sale**

A three judge panel from the Ninth Circuit Court of Appeals ruled recently on an appeal of a decision from a lower federal court upholding the Big Thorne Timber Sale. The panel affirmed, on a 2-1 vote, the lower court's decision.

The council may recall that the City of Craig was one of many organizations that participated in the litigation in support of the sale.

## **4. Recruitment**

Recruitment has begun to fill the vacancy that will be left by Craig Public Works Director Ron McIntosh when he leaves his current position later this year. Staff will advertise the position both in state and out of state.

Recruitment continues for the swim coach/lifeguard position at the Craig Aquatic Center.

### **5. PSN Cost Recovery**

Greg McMillan of Keta Seafoods recently started the 2017 king salmon cost recovery effort at Port St. Nicholas. Keta and the City of Craig are operating under a cost recovery agreement approved previously by the city council. As of May 24 Greg has caught 38 king salmon. I expect the cost recovery efforts to continue well into June.

### **6. Alaska Power and Telephone Rate Case**

This matter remains under review at the Regulatory Commission of Alaska.

### **7. Fishermen's Memorial**

Work continues on the purchase of a stone memorial for placement at the point on the cannery property. With the help of two local volunteers on design and layout, Gary McWilliams of Stone Arts of Alaska has a stone prepared for etching. I expect the stone will arrive in Craig in June, at which point I will ask city staff to assist with its placement at the point.

### **8. Travel/Leave Schedule**

July 11-25 – Personal Travel

# City of Craig

## Memorandum

To: Mayor Dennis Watson, Craig City Council

From: Jessica Holloway, Aquatic Manager

RE: May/June 2017 report

Date: May 24, 2017

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The last swim Lesson for the school year is this Friday! WOOHOO! It seems that they went on for forever this year. 😊

We have already received next year's class list so I can begin to work out next school years lessons.

Swim team will finish practicing at the end of this week on the 26<sup>th</sup>. They seemed to have a really great year and had a lot of fun.

We decided to cancel the big toy for the next little while due to low participation. The last few weeks we have only seen a few people come in that have actually wanted to be on the toy. This normally happens about this time of year.

We are still recruiting for a couple of positions, I have had a couple of inquiries for the lifeguarding but nothing concrete.

I will be out of town for train July 5<sup>th</sup> – July 8<sup>th</sup> and will be taking vacation time from July 17<sup>th</sup> – July 25<sup>th</sup>.

There wasn't much that happened this month.

Have a great summer and a great season

# City of Craig Memorandum

Date: May 26, 2017

To: Mayor Watson and Craig City Council

From: Kassi Mackie, City Clerk

Re: Clerk's Report

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## Council Chamber Update

Chaundell, Doug, Trampus and I worked to update the council chambers over the last month. As you may know, the public and staff utilize the council chambers frequently for meetings, interviews, trainings and more. The update included staining the walls and council table, updating the paint, and moving and hanging pictures. There will be a flat screen tv installed on the back wall for presentations as well. Doug generously donated his time to construct a new council packet table for the public packets. This project was funded through a grant Chaundell had received to update training spaces.

## Social media policy/web maintenance

The social media policy is now available on our webpage and disclaimers have been posted on the social media accounts city-wide.

## Records Retention

This month I am focusing on destroying old records at the clinic. This is an ongoing project.

## Safety

The OSHA consultation for city hall found a few minor issues that have been resolved between the admin and parks and public facilities staff.

Our premium credit application numbers should be in by the next council meeting.

## Newsletter

There will be a newsletter mailing the end of August. This newsletter will include election information. Please let me know if you would like to see something specific included.

## Schedule

As you may know, my schedule will be changing in the upcoming month or so to allow for more time for caregiving a family member. I enjoy my clerk duties and am happy to have the support of the council and administration to continue my work in a career I am passionate about.

\*\*\*\*\* There will be an update to the municipal code books in the upcoming weeks. Many of the council codebooks have not been updated with the previous supplement. Please bring in your codebook as soon as possible for updating. \*\*\*\*\*



## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: May 25, 2017  
RE: Planning Department Staff Report – June 2017

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1. Pending Land Leases/Land Sales
  - a. Land Sale to Tyler Rental. This land sale is temporarily on hold pending Tyler looking at other alternatives.
  - b. Trojan Lease. This lease is temporarily on hold pending Richard looking at other alternatives. Staff will work with Richard to ensure that an access permit or some other mechanism is in place for the existing placement of the landing craft at Crab Bay. I have asked Richard to let us know whether he is proceeding with the lease by July 1<sup>st</sup>.
  - c. Land Sale to Troy and Di Thain. I have drafted a sales agreement based on the council's recent approval of the final terms of the sale.
  - d. Radio Site Lease. No further action has been taken on this lease.
  - e. Tract 15 Development. Development on the lots continues. Lot 3 has been advertised for sale and we will open bids or begin the over the counter process on May 31<sup>st</sup>.
2. Lease Updates. Based on a recent audit of city leases I am working on getting a cost proposal to update some of the JT Brown and floatplane terminal leases. I will be working with the leaseholders and starting the public notice process on the JT Brown and floatplane terminal leases as soon as I have the cost estimate from Horan and Company.
3. Comprehensive Plan Update. Section 1 has been adopted by the council. I am working to complete the background study and maps for approval by the planning commission and submittal to the council.
4. Tract 18 Housing Project. Public Works continues to work with CTA as they work to complete the project at Tract 18. They have handed the road off to SE Roadbuilders for concrete and road paving on Windy. Staff recently agreed to include Windy Loop in the paving contract with SE Roadbuilders. CTA will process payment of this portion of the road contract work to the city for the full amount so it will not add to the amount that the city will ultimately spend from other sources on the project.
5. Access Road on Tract P, USS 2327. The city provides access across Tract P, USS 2327 (Public Work shop yard). Currently this road winds across Tract P and accesses a couple of floathouses and the rear of CTA's building on Tract Q3. Staff continues to meet with CTA and their contract engineer on the project to review the road design. CTA recently presented information on the project to the planning commission. A formal public hearing will be scheduled at the June 22, 2017 planning commission meeting.
6. Community Garden. Staff has completed all work and expended all grant funds from the POW Health Network grant funding.
7. Capital Projects. As part of the capital projects process this year we identified a few projects that required some additional planning and decision making that we

- could do in house with limited funds. These included planning for library expansion/renovation, POWER buildings, and access to the seaplane terminal.
- a. Library Planning. We have had an item on the capital projects resolution for several years and the library has been working through the state's construction matrix. Survey data was presented to the library board at their May 20, 2017 meeting. The library is working to compile other available library data. The library's new VISTA volunteer will be working on strategic planning for the library over the next year. This planning process will dovetail nicely with the facility planning project that we are working on.
  - b. POWER Building. Improvements/renovation of the POWER building has been on the capital projects list for a number of years. This year the city planner and the POWER board will go through a process to identify services and needs in order to make some facility decisions and direction for future grant applications. One of the primary goals will be to determine the long term feasibility of the current POWER building.
  - c. Floatplane Terminal Access. This project has been on various capital lists for several years. The goal of the project would be to look at the need to develop access from Water Street to the seaplane terminal that would bypass some of the residential neighborhood and have fewer sharp corners. The USFS has been working on the sale process but currently no action is required by the city.
8. Sidewalk Development. CTA has been working on a project to provide funding initially for design and ultimately for construction of pedestrian improvements (sidewalks) on several streets in Craig. Staff has been working with CTA to identify potential sidewalk locations. It is likely that CTA will work on areas nearest the elementary/middle school campus and work out to other areas as funding comes available. Staff will work with CTA to develop requests for proposals for engineering/design and construction.
  9. Travel Schedule. I do not currently have any travel planned for June or July.

Craig EMS  
PO Box 331  
Craig, AK 99921



## CITY COUNCIL REPORT

MAY 28, 2017

### PROJECT SUMMARY

REPORT DATE	PROJECT NAME	PREPARED BY
May 25, 2017	Monthly Report	Chaundell Piburn

### TRAINING AND EVENTS

- EMT 2 classes being June 3<sup>rd</sup>. I have 11 in the class. 4 from Klawock, 2 from Whale Pass, 2 from Craig, 3 from Thorne Bay.
- EMS training: We are meeting on Monday nights

### SIGNIFICANT CALLS / CALL VOLUME

- We assisted with Harbor Boat fires last weekend. Overall good response from everyone. We followed it up with a debriefing. We are all on the same page for a more efficient response in the future. ( Fire, EMS , Harbor, Police)
- We were called to 11 mile port St nick for a multisystem trauma response. I would like the council's direction on rates for going out of town, which include the Pt. St. Nick corridor.
- In April we saw our highest numbers all year. May has been in normal rages. We are still seeing 2 & 3 calls every Sunday and Thursdays.

Submitted by Kimberly Baxter

5/1/17-5/23/17

Volunteer Hours: 66

Patron Visits: 1187

Circulation: 2159

Computer Usage: 480

Tests Proctored: 2

Meetings: 1

OWL Video Conferences: 0

Alaska Digital Library Usage: 42

Upcoming Programs/Events:

- 5/24/17-9:00- OWL video conference, Spy Science
- 5/24/17 – 12:00-2:00- OWL video conference- Understanding Supplemental Security Income
- 5/29/17- Closed for Memorial Day
- 5/31/17-9:00 – Mrs. Anderson's 2<sup>nd</sup> Grade Class visits
- 6/5/17- 6:00pm- Author visit- Cathy Callen reads excerpts from her book Words in Rows, Poetry and Prose. She will be sharing a story about her VISTA year in Goodnews Bay, AK, in 1967-1968.
- 6/5/17-8/18/17 Summer Reading Program
- 6/5: Balloon Cars- 10:30-11:30 (Limit 12 participants)
- 6/12: Build a parachute- 10:30-11:30 (Limit 12 participants)
- 6/19: 90 Second Invention Challenges- 10:30-11:30 (Limit 12)
- 6/26: Confetti Launchers-10:30-11:30 (Limit 12 participants)
- 7/10: Reading Party- Read and earn tickets- 10:00-12:00
- 7/17: Finger Knitting- 10:30-11:30
- 7/31: Scavenger Hunt -Bring a tablet/smart phone if you have one- 10:00-12:00. Scavenger hunt includes off-site areas, with no supervision.
- 8/14: Unexpected Art Supplies- 10:30-11:30

Every week:

Preschool Story Time: Every Friday, 10:00am

Read 1000 Books Before Kindergarten: Ongoing

Dolly Parton Imagination Library Registration: Ongoing

Inventory has started and it is progressing quickly.

**CITY OF CRAIG  
MEMORANDUM**



**Date:** May 25, 2017  
**To:** Honorable Dennis Watson, Craig City Council  
**Fr:** RJ Ely, Police Chief  
**Re:** Staff Report / May 2017

*RJ Ely*

**ACTIVITY**

Activity from May 1, 2017 through May 24, 2017. Dispatch Center took the following amount of calls for service:

Craig	719
Klawock	183
AST	7

**DEPARTMENT OF MOTOR VEHICLES**

Working on setting up different credit card processing system for DMV Transactions.

Alaska will be conforming with Federal ID Act and two types of ID's / Driver's Licenses will be offered, first of next year. One, same as being currently issued, which will not be accepted by TSA for getting through security. The other, will be Enhanced, which will be accepted by TSA for air travel, access to military bases, etc. There were be an extra \$20.00 dollar fee, for the Enhanced Driver's License or ID.

**DISPATCHER(S)**

Fully staffed, doing well and nothing new to report.

**OFFICER(S)**

Fully staffed, doing well and nothing to report.

**OTHER**

Had Apsin audit, went well, minor issues discovered to become compliant with new regulations and policy changes state has implemented.

Met with Dean Williams, DOC Commissioner and discussed Jail Contracts, EM and SB91. Possibility of additional funding for contract jail, if you participate with EM, screening and evaluations.

Met with Geri Fox, Director of Pretrial Services, due to become effective January 2018. New division within DOC, to comply with SB91.

Assisted DOC / Probations with checks of offenders, which resulted in multiply arrests and new charge(s).

# Memo

To: Mr. Mayor, Craig City Council  
From: Ron McIntosh, Public Works Director  
CC: Jon Bolling, City Administrator  
Date: May 25, 2017  
Re: Public Works Council Report for June 1, 2017

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## Activities and status:

1. The Request for Proposal needs to be solicited for the repair of the Road Failure on Port St. Nicholas Road.
2. Construction of the haul out building foundation is complete. Coordination is being developed to erect the previously acquired metal building.
3. Southeast Road Builders is currently scheduled to start paving on June 4<sup>th</sup> pending weather for Phase 4 Paving. In a cooperative effort, the improvements for Tract 18 are currently being added to the contract scope. Also, Windy Way and Night Ct. have been added back to the project scope, connecting Tract 18. The tentative schedule is to begin paving June 4<sup>th</sup> at the pool. Then to Oceanview, Water Tower, Ninth and Main, Ptarmigan, Eagle Tree, Thomas Ct. and JS North and South. A second round of paving to complete Park Place, Sunnehae, Achten Windy Loop, Windy Way and Night Ct after concrete is completed on Windy Loop and Night Ct..
4. No Update - The Alum Station has failed at the Water Treatment Plant. Les and David Nelson have installed parts from other chemical pump equipment to keep the plant running and also worked with Boreal Controls to maintain the plant automation to run 24 hours a day. A new station has been designed and proposed to the City and we are looking for other pricing for replacement. Current lead time is 14 weeks.

Alternative ways to operate are available which would require manning the plant 24 hours a day if there are further failures.

Public Works continues to address day to day operations and issues. It isn't practical to list all of the activities that occur on a monthly basis. If you have any questions or any specific issues, please feel free to contact me.

Thank you,

RCMc

## Craig Recreation Report to City Council, June 1, 2017

By the time the meeting is held we will have had the Marathon, the Blessing of the Fleet and honoring of our veterans and graduation. The flower baskets are up. Thanks to Doug and crew for fixing the hangers. Greg Dahl and I will have announced all the runners at the marathon. School will be out tomorrow and the afterschool program will be over and modified for the summer months. We have lots of fun to look forward to this summer.

A Swap meet will be held on June 3<sup>rd</sup> at the Craig City Gym. A couple of the afterschool activities will continue throughout the summer, we will have open gym on Wednesday and Friday from 3 to 5pm with Skating on Wednesday and Dodgeball with the Craig Police on Thursday at 4pm. That is such a successful and popular program that builds such good community bridges. And, I found a bunch of great new versions to try! If the weather is great we will head to the beach. Hope to have a couple of mini camps for kids. I am trying to add a teen and adult night after skating and see if that works. The police will be invited. The Magic players are looking at adding an additional afternoon or two for the summer. Adult supervision will be required. They play on Saturday afternoons in the Youth/Rec center from 3 to about midnight with Jon Wilburn supervising. Regular activities continue. Skating, Karate, Volleyball, Roller Derby, Parent tot time and 5:30am Tabata Aerobics classes. Soccer will be held the end of July and August.

AA used the Youth/Rec center for a meeting. I hope they will consider continuing. The Swim team was also there for an awards ceremony. Rentals continue. A Girl Scout camp will be at the Youth/Rec Center June 19 to 23 for a week.

4<sup>th</sup> of July preparations are underway. Salmon Derby tickets are on sale. The social is being planned. I am looking for parttime help, just 10 hours a week for afterschool and other fun activities.

Thank you!  
Victoria Merritt,  
Craig Recreation





# Parks & Public Facilities

5/26/2017

## Staff Report – May 2017

To: Craig Mayor and City Council

From: Douglas Ward

### **Projects completed:**

- Completed construction of chemical storage building at Aquatic Center.
- Finished installation of wood columns at Craig Child Care Center.
- Finished greenhouse construction at community garden.
- Annual cemetery clean up.
- Install surveillance camera system in Public Works building.

### **Projects currently in progress:**

- Playground equipment installation Ralph James Park
- Clean out N.E. corner of Facilities yard.

























### **Work Orders Completed This Month:**





## Parks & Public Facilities

5/26/2017

-  1017 Change Exterior Light.xlsm
-  1021 Replace Front Porch Posts.xlsm
-  High-1306-Put Telspar post at front gate as anchor to chain gate to.xls
-  High-1394-Design and install chemical storage area outside mechanical room.xls
-  High-1396-Relocate oxtgen sensor control unit from cyclone.xls
-  High-1449-Repair air compressor. Needs motor.xls
-  High-1454-Repair lighting first floor .xls
-  High-1493-Replace faucet on bathroom sink.xls
-  High-1495-Repair leaking spots on rain gutter.xls
-  High-1497-Put ant traps in kitchen.xls
-  High-1498-Furnace tripped out.xls
-  High-1500-Replace 4ft. Flourescent tubes with LED in Restrooms.xls
-  High-1502-Deliver and pickup manlift to PD for radio upgrade.xls
-  High-1503-Make repairs to flower stands around city.xls
-  High-1505-Add light switches downstairs.xls
-  High-1506-repair lawnmower deck.xls
-  High-1509-Deliver new washing machine. Remove old one.xls
-  High-1510-Install new washer and dryer. Replace control board in dryer.xls
-  High-1511-Install door closer on main shop door.xls
-  High-1512-Overhaul back door lock on Public Health.xls
-  High-1513-Adjust water pressure on hot water line. Install new shower head. Fix toilet leak.xls
-  High-1514-Test wireless camera for security system.xls
-  Medium-1377-Repair mower deck on 445 JD.xls
-  Medium-1501-Open bathrooms for season.xls



## *Culture Camp*

### *Classes*

*Monday July 24th ~*

*Thursday July 27th*

*Classes Start at*

*10:00am ~ 4:00pm*

### *Blessing:*

*Naa Shunans*

*Friday July 28th ~*

*at 10am*

*at the Naa Shunans Site*

*Celebration Feast: 4pm*

*Naida Memorial*

*Dynastium*

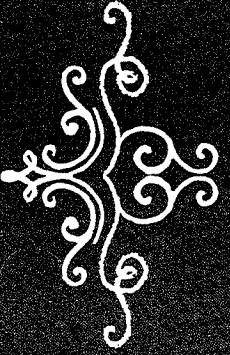
## *Naida Festival*

### *Day:*

*Saturday July 29th*

*At the Tokem Park*

*Starting at 11am*





# HAIDA

## WILD ALASKA SEAFOOD!

RECEIVED  
MAY 26 2017

Healthy • Sustainable • Wild  
[www.haidawildalaskaseafood.com](http://www.haidawildalaskaseafood.com)

Hydaburg Cooperative Association and the  
City of Hydaburg would like to invite you  
to the Grand Opening of the  
**“Haida Wild Alaska Seafood Processing  
Plant”**

on Friday, June 16, 2017  
from 2:00-5:00 pm.

Come tour the new plant and enjoy some  
lunch and a chance to win door prizes.

POSTED: MAY 23, 2017

State of Alaska  
Department of Natural Resources  
Division of Forestry  
Southeast Area Office  
Draft Forest Land Use Plan

RECEIVED  
MAY 26 2017

The Alaska Department of Natural Resources, Division of Forestry (DOF), gives formal notice per AS 38.05.945 that the Division proposes to adopt a site-specific Forest Land Use Plan (FLUP) under AS 38.05.112 and the administrative standards of AS 41.17.060 for the commercial timber sale: North Hollis Timber Sale (SSE-1346-K).

This timber sale is located on Prince of Wales Island, approximately one-mile north of the Inter-Island Ferry terminal, in Hollis Alaska. The legal description of the sale area within Sections 25, 26 and 35 of Township (T) 73 South, Range 84 East, Copper River Meridian. The sale area is found within the Craig C-2 Southwest and Craig B-2 Northwest USGS quadrangles. The main access for this sale area is through Alaska Highway System Klawock-Hollis Highway and the adjoining Aurora Drive Road.

The FLUP is intended to provide the best available information regarding the proposed timber harvest on 230 acres the management of other non-timber uses in compliance with AS 38.05.112 and AS 41.17.060, and must be adopted by the DOF before the proposed activity can occur. This FLUP does not determine whether or not to access and sell timber within the timber sale area, nor the method of sale. Those decisions have been made previously in the March 10, 2017 Best Interest Finding and are not appealable under this FLUP. The DOF expects to adopt the Forest Land Use Plan for the timber sale sometime after **June 26, 2017**.

The DOF also gives formal notice per AS 38.05.945 as required by 38.05.118(b) that it intends to negotiate with a purchaser using a request for proposal process for the purchase of the timber. The volume to be offered totals approximately 4,500 thousand board feet (MBF). The timber will be marketed to a list of local mills and interested parties maintained by the DOF Southeast Area Office.

The public is invited to comment on the FLUP. Comments should be mailed to the Alaska Division of Forestry, 2417 Tongass Avenue, Suite 213, Ketchikan, AK 99901. Comments must be received at the Division of Forestry office no later than **June 26, 2017**, in order to be considered in the adopted FLUP. To be eligible to appeal the adopted FLUP a person must have provided written comment by **June 26, 2017**.

FOR MORE INFORMATION OR TO SUBMIT COMMENTS CONTACT:

Alaska Division of Forestry	Contact:	Greg Staunton
2417 Tongass Avenue, Suite 213	Phone:	(907) 225-3070
Ketchikan, AK 99901	Fax:	(907) 247-3070
	Email:	Greg.Staunton@alaska.gov

Copies of the FLUP are available for review at the division's Area Office, the division's web site along with the community libraries in Hollis, Craig and Ketchikan and at the State Online Public Notice System: <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=185963>.

The State of Alaska, Department of Natural Resources, Division of Forestry complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, or special modifications to participate in this review may contact the number above.

# VIKING LUMBER COMPANY, INC



Mile 6 Craig-Klawock Hwy, P.O. Box 670

Craig, Alaska 99921

P (907) 755-8880 - F (907) 755-8888

vikinglumber@aptalaska.net

May 22, 2017

RECEIVED

MAY 24 2017

Mr. Dennis Watson, Mayor  
Craig City Council Members  
PO Box 725  
Craig, AK 99921

Dear Mr. Watson and members of the Craig City Council,

Viking Lumber Company would like to express our appreciation and thanks to the Craig Volunteer Fire Department for responding to the fire we had on February 3, 2017. By working with the Klawock Fire Department to put the fire out further damage to the conveyor and the rest of the mill complex was prevented. It is reassuring to know that we can rely on the response of the Craig Volunteer Fire Department.

Sincerely,

A handwritten signature in cursive script that reads 'Don Howard'.

Don Howard  
Mill Manager

Cc: Craig Volunteer Fire Department

**CITY OF CRAIG  
MEMORANDUM**

To: Mayor and City Council  
From: Brian Templin, City Planner  
Date: May 25, 2017  
RE: Sale of Lot 3, Ptarmigan Subdivision

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As the council is aware Lot 3, Ptarmigan had a successful bidder during the sealed byd sale which closed on January 31, 2017. In May the buyer notified the city that they would not be completing the sale. The sales agreement signed by the buyer included the stipulation that if full payment were not made within 60 days of the sales agreement then the sale would be nullified and the earnest payment forfeit. In addition to the notice from the buyer the sixty days has expired.

At the May 18, 2017 council meeting the council authorized staff to reoffer the lot using the same terms and conditions. Staff decided to advertise that the city would take sealed bids until noon on May 31<sup>st</sup> and would immediately offer the lot over the counter if there were no complete bids. At least one sealed bid has been received.

I anticipate bringing a complete offer to the council at its meeting on June 1, 2017 for approval.

This memo acts as a placeholder so the item will be included on the agenda. An updated memo will be provided to the council prior to the meeting on June 1<sup>st</sup>.

CITY OF CRAIG  
MEMORANDUM

To: City Council  
From: Joyce Mason, Treasurer  
Date: May 26, 2017  
Re: Lynn Jones Property Tax Exemption

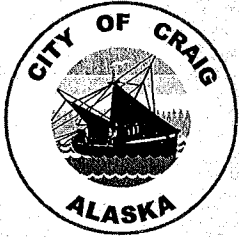
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Lynn Jones, 1400 Hamilton Drive, has submitted an application for the senior property tax exemption. The filing deadline is January 15, 2017 therefore she is late. As per AS 29.45.030(f) the application must be approved by the city council. Lynn has provided a memo as to her reason for filing late.

Lynn has not provided the first time eligibility forms at the time of this memo and is out of time. I will contact her on Tuesday, May 30 for proof of title of the property and a driver's license for verification of age. If for any reason the documentation is not available I will pull the line item from the agenda. This will be the last request for this year as the state report is due June 30.

**Recommendation**

Move to accept Lynn Jones senior property tax exemption for 2017.



RECEIVED  
MAY 22 2017

2017 CITY OF CRAIG  
SENIOR CITIZEN/DISABLED VETERAN  
PROPERTY TAX EXEMPTION APPLICATION



Name of Applicant: <i>Lynn A. Jones</i>		Birth date: <i>08/31/1951</i>	
Name of Spouse:		Birth date:	
Mailing Address: <i>P.O. Box 650</i>		Residential Physical Address: <i>1400 Hamilton Dr.</i>	
Home Phone: <i>907-826-3290</i>	Message Phone: <i>206-399-7966</i>	Please check one of the following	
14. Type of Dwelling: <input type="checkbox"/> single family <input type="checkbox"/> condominium <input type="checkbox"/> mobile home <input type="checkbox"/> duplex <input type="checkbox"/> other _____		<input checked="" type="checkbox"/> I am applying as a Senior Citizen age 65 or older <input type="checkbox"/> I am applying as a widow or widower, age 60-64, of a previously qualified applicant. <input type="checkbox"/> I am applying as a Disabled Veteran	
Is this your permanent place of abode? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If no, permanent residential address is:		Is your home on land you own? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If yes, % of ownership If no, owner's name: <i>100%</i>	
Is any portion of this property used for commercial or rental purposes? Yes <input checked="" type="checkbox"/> No    If yes, percentage: _____ %			
As provided for under AS 29.45.030(e), a municipality may, in a case of hardship, provide for an exemption beyond the first \$150,000 of assessed value. A hardship application may be obtained from your municipal assessing office.			
<b>Certification:</b> I hereby certify that the answers given on this application are true and correct to the best of my knowledge. I understand that a willful misstatement is punishable by a fine or imprisonment under AS 11.56.210.			
Date: <i>5-16-2017</i>	Signature of Applicant: <i>Lynn A. Jones</i>		

**Following is for Local Assessor/Clerk Use Only**

<input type="checkbox"/> New Filing	<input type="checkbox"/> Prior Filing	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	Verified By: _____
Proof Provided:	<input type="checkbox"/> Age	<input type="checkbox"/> Disability (DAV)	<input type="checkbox"/> Ownership	
Parcel Number and/or Legal Description: _____				
	Land	Building	Total	
Property Value	_____	_____	_____	
Secondary lots	_____	_____	_____	
<b>Adjustments:</b>				
Commercial/Rental % _____	Ownership % _____	Total	Property Value:	\$ _____
Comments:			<b>Subtotal:</b>	( _____ )
			If Subtotal exceeds \$150,000, use this figure:	150,000
			SC/DAV Exempt Value	\$ _____
Tax Code Area <u>City of Craig</u>	Mill Rate _____	SC/DV Exempt Taxes _____		



City of Craig

Whom it may Concern.

I am Applying late for the Senior Citizen Property Tax Exemption because I thought maybe I was suppose to tell you at the time when payments are Due. My mistake since its my first Application after turning 65 - 50 its a New Addition to my Senior years.

Sincerely,  
Lynn A. Jones  
Lynn A. Jones