

**CITY OF CRAIG
COUNCIL AGENDA
OCTOBER 5, 2017
COUNCIL CHAMBERS 7:00 P.M**

ROLL CALL

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

CANVASS ELECTION

- Chief Election Judge Recommendations on Questioned Ballots (c.c. approves)
- Tally of valid absentee and questioned ballots
- Consider procedures for potential runoff election
- Certify Election

CONSENT AGENDA

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

- Introduction and First Reading of Ordinance 702, Application for purchase of city property from Bill Hunt
- Introduction and First Reading of Ordinance 703, Changing Sections 2.04.045 and 2.04.260 of the Craig Municipal Code

HEARING FROM THE PUBLIC

- Open for public comment
- Carolyn Chapman Utility Rate
- Public Hearing of Ordinance 702, Application for purchase of city property from Bill Hunt

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

- USFS Land Sale
- Potential Assessment on Port St. Nicholas Road

**CITY OF CRAIG
COUNCIL AGENDA
OCTOBER 5, 2017
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- Governor requests legislature to toughen criminal justice
- Veteran's Day donation request
- Salmon Cannery article
- Bed Tax letter from Loy Martindale
- Federal Subsistence Regional Advisory Council Packet
- Wolf Harvest Quota
- APCM September Report
- Response to Chinook non-retention letter sent by Jon Bolling

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

UNFINISHED BUSINESS

NEW BUSINESS

- Consider utility rate workshop date and scope
- Consider approval, Lots 3A and 4A, Salmonberry Subdivision
- Consider final approval of lease of city property to Southern Southeast Regional Aquaculture Association

ADJOURNMENT

**City of Craig
Memorandum**

Date: September 29, 2017
To: Mayor and City Council
From: Kassi Mackie, City Clerk
Re: 2017 Municipal Election

The City of Craig Municipal Election will be held on October 3, 2017. I will have a complete report for the council by the October 5th meeting, however I would like to touch on some important points regarding runoff elections. With the number of candidates for the city council and school board seats there is a good chance that a runoff election will be required.

Section 2.12.350 of the Craig Municipal Code provides:

Runoff elections

If no candidate receives in excess of 40 percent of the votes cast for his respective office, the council shall provide for a runoff election within three weeks of the date of certification of the election for which a runoff is required between the two candidates receiving the greatest number of votes for the office. Notice of the runoff election shall be published at least five days before the election.

As the council may recall, in order for a candidate to be seated on the council or school board, they must receive at least 40% plus one of the entire votes cast for the respective office. Some examples are shown below. I consulted with Barbara Ritchie of Hoffman and Blasco regarding runoff election procedures and have attached our correspondence for reference as well.

In the event that a runoff is necessary for one of the open seats on the council or one of the open seats on the school board, the top two candidates for the office will be placed on the ballot for the runoff election. In the event that a runoff is necessary for both of the open seats on the council or both of the open seats on the school board, then the top four candidates for the office will be placed on the ballot for the runoff election (four candidates running at large for two open seats).

Section 2.08.020 of the Craig Municipal Code provides that a council member and school board member will retain office until their successor is qualified. Therefore, if no one candidate for council or school board receives the required votes, the current incumbents will retain their seats until the runoff election is certified and the newly elected officials are seated in accordance with Section 2.12.365 of the Code. If only one candidate receives the required number of votes, the members who currently hold the two seats can determine which of them will vacate their seat, or determine this by a coin-flip. The remaining incumbent will retain their seat until the runoff election is certified.

The Code specifies the timeline for conducting a runoff election. If the council determines that only one candidate received enough votes to be seated, or no candidate has received the votes required to be seated, staff would recommend that the runoff election be held Thursday, October 26th, 2017, with absentee voting beginning October 6, 2017 and canvass of the runoff election November 2, 2017.

Example 1 – At least two candidates reach the required threshold
Two school board seats

Candidate #1 = 153 votes

Candidate #2 = 45 votes

Candidate #3 = 74 votes

Candidate #4 = 118 votes

Candidate #5 = 103 votes

Total Votes = 493

Seats to be filled = 2

$493/2=246.5$

$246.5 \times 40\% = 98.6$

$98.6+1 = 100$ (number of votes required to reach 40%+1 threshold)

In this example, a runoff is not necessary. Candidates #1 and #4 would both be seated.

Example 2 – No candidate reaches the required threshold
Two city council seats

Candidate #1 = 78 votes

Candidate #2 = 45 votes

Candidate #3 = 74 votes

Candidate #4 = 63 votes

Candidate #5 = 53 votes

Candidate #6 = 77 votes

Total Votes = 390

Seats to be filled = 2

$390/2=195$

$195 \times 40\% = 78$

$78+1 = 79$ (number of votes required to reach 40%+1 threshold)

In this example, a runoff is necessary for both open seats. Candidates #1, #3, #4 and #6 would be placed on the runoff ballot.

Example 3 –One candidate reaches the required threshold
Two city council seats

Candidate #1 = 78 votes

Candidate #2 = 45 votes

Candidate #3 = 74 votes

Candidate #4 = 63 votes

Candidate #5 = 53 votes

Candidate #6 = 84 votes

Total Votes = 397

Seats to be filled = 2

$397/2=198.5$

$198.5 \times 40\% = 79.4$

$79.4+1 = 81$ (number of votes required to reach 40%+1 threshold)

In this example, a runoff is necessary for one open seat. Candidate #6 would be seated and candidates #1, #3, would be placed on the runoff ballot.

-----Original Message-----

From: Kassi Mackie [mailto:kassi_bateman@hotmail.com]

Sent: Thursday, September 28, 2017 8:46 AM

To: rpblasco@hoffmanblasco.com

Subject: Runoff elections

Good morning Bob,

I have a few questions regarding runoff elections that I wanted to run by you.

We have quite a few candidates for council and school board this year which has raised the question about how we will handle the candidates that may be placed into a run off election.

There are a couple scenarios that may complicate the interpretation of the code.

A) One candidate receives 40% of the votes leaving one seat open for a run off. I assume we would take the two candidates from the rest that received the most votes and place them in a runoff election. However, which seat would the candidate that received the 40% take? Would we flip a coin? As you are likely aware, our council doesn't have designated seats, so candidates aren't running for a specific seat on the council.

B) no one candidate receives 40% of the votes and we have a runoff election for both open seats on the council or school board. Per our municipal code section on runoff elections, my interpretation is that we would take the top four candidates, as we take two for each seat. Is this an accurate assumption?

If you have time, I would like to have some information for the council packet gong out this Friday. Thanks again for the help.

Kassi Mackie
City clerk

Sent from my iPad

From: Barbara Ritchie [<mailto:bjritchie@hoffmanblasco.com>]

Sent: Thursday, September 28, 2017 2:32 PM

To: 'Kassi Mackie'

Cc: 'Shannon Costello'; rpblasco@hoffmanblasco.com

Subject: RE: Runoff elections

Good – [that simplifies the answer to A.](#) Since the two open seats to be filled on each body (council and school board) are all 3 year terms, it doesn't matter which seat is assigned to a candidate who receives in excess of 40% of the votes cast for the seat of council or school board, whichever it is. You do not need

to flip a coin to assign that seat as both seats are the same. (As an aside, if one of the seats had been for an unexpired term, then the typical way to do this would be to assign the highest vote getter to the longest term, and so on. However, it is good you don't have this situation because I think you need to include that information – how the seats of different term lengths will be filled – on the declaration of candidacy form and/or on the ballot so everyone knows ahead of time; I don't see anything in Craig's election code on this point. If you get that situation in the future, let us know early on and we can help on how to handle it.)

I think your interpretation on question B is correct: if no candidate receives in excess of 40% of the votes cast for the seat of council/school board, you take the top four candidates and those four candidates are in a runoff election for the two open seats. (I think it is highly unlikely, but you could end up having to hold a second runoff – if only one of the candidates in the runoff receives in excess of 40% of votes cast for the respective seat; then the next two high vote getters would be in a second runoff for the one remaining seat.)

How to determine whether a candidate receives “in excess of 40% of the votes cast for his respective office”: the respective office is one seat on the city council (or school board). Because candidates run at large for the city council (and school board), in order to determine what number of votes is “in excess of 40%” of the votes cast for the respective seat, you combine the total votes cast for all candidates running for the two open city council seats (or the two open school board seats) and divide that number by the number of seats to be filled, which is two. In short form, this means a number of votes in excess of 40% (40% plus at least one vote) of half of the total votes cast for all candidates running for city council (or school board – whichever body/race you are dealing with).

Barbara J. Ritchie

E-MAIL: bjritchie@hoffmanblasco.com

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council

From: Brian Templin, City Planner

Date: September 1, 2017

RE: Application to Sell City Property to William Hunt – Ordinance 702 First Reading

William Hunt owns Lot 6, Port St. Nicholas Subdivision. As with most of the lots within this subdivision the PSN Road bisects the lots creating lots generally north and south of the road. The PSN Road bisects Lot 6 near the north end of the property leaving an irregular property.

Mr. Hunt has applied to purchase a portion of Tract J, a 6.2 acre wooded area that attaches to the PSN Road and meanders behind several lots before connecting to the city owned property where the water treatment plant and king salmon hatchery are located. Other than the water treatment plant and hatchery operations there is no other development currently on this lot. The sale parcel proposed should not have any effect on current or future operations of these facilities. Mr. Hunt has prepared a drawing showing the area that he would like to purchase and the intended development of the area. I have attached a copy of an area drawing and Mr. Hunt's drawings to provide additional information to the council.

The sale notice will be published in the September 20th and October 4th editions of the Island Post with the public hearing scheduled at the regular city council meeting on October 5, 2017.

Funds from this sale will be placed in the city's land development fund.

Recommendation: Approve the first reading of Ordinance 702, authorizing the city administrator to negotiate the sale of city owned property to William Hunt.

**CITY OF CRAIG
ORDINANCE No. 702**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH WILLIAM HUNT, THE TERMS OF A SALE OF CITY OWNED LANDS CONSISTING OF A PORTION OF TRACT J, ANCSA RECONVEYANCE

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.

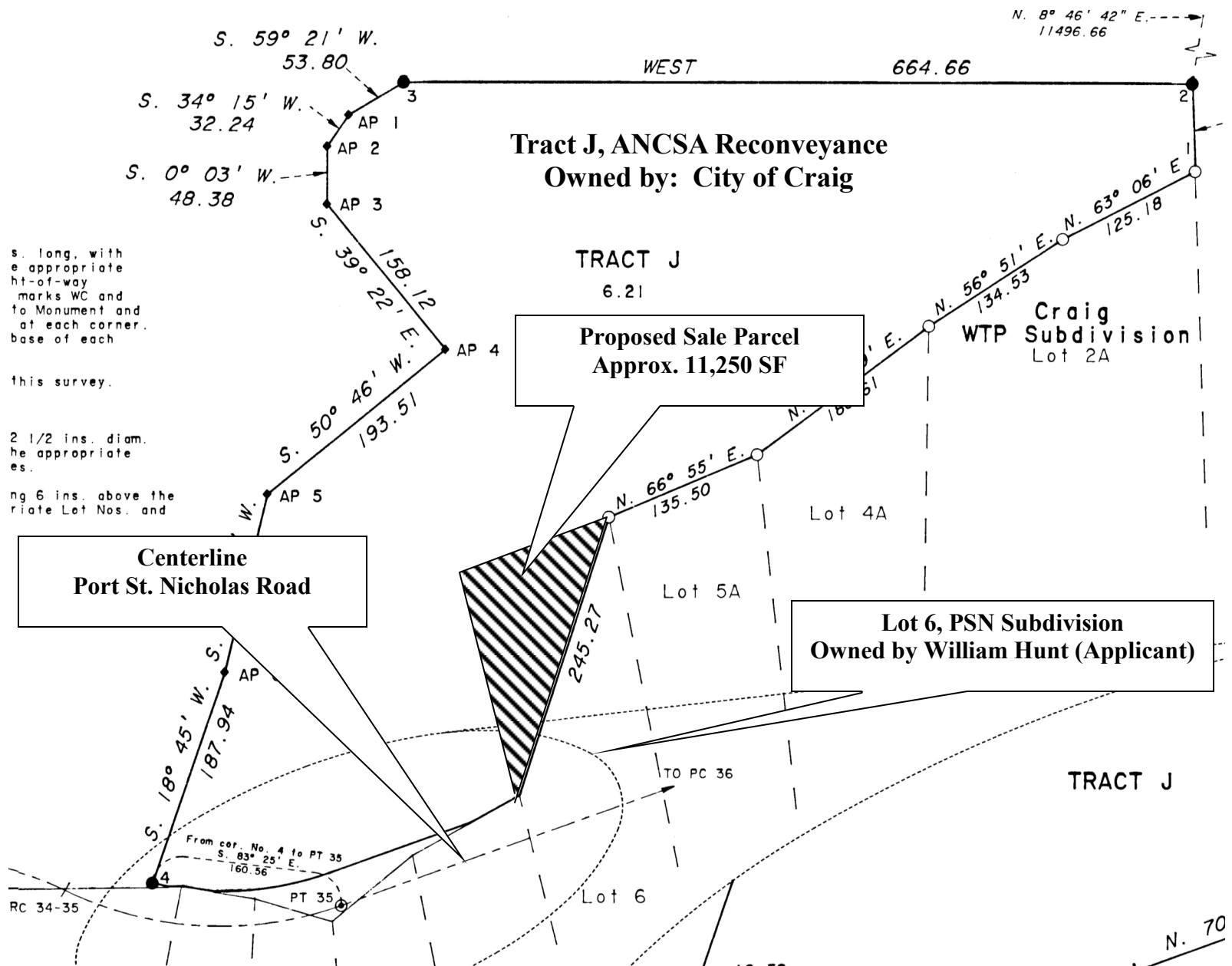
Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the sale of approximately 11,250 square feet of city owned land consisting of a portion of Tract J, ANCSA Reconveyance as shown on Plat 95-57, Ketchikan Recording District. Final terms of said sale are subject to the approval of the Craig city council.

Passed and approved this 5th day of October, 2017.

Mayor Dennis Watson

Attest _____
Kassi Bateman, City Clerk

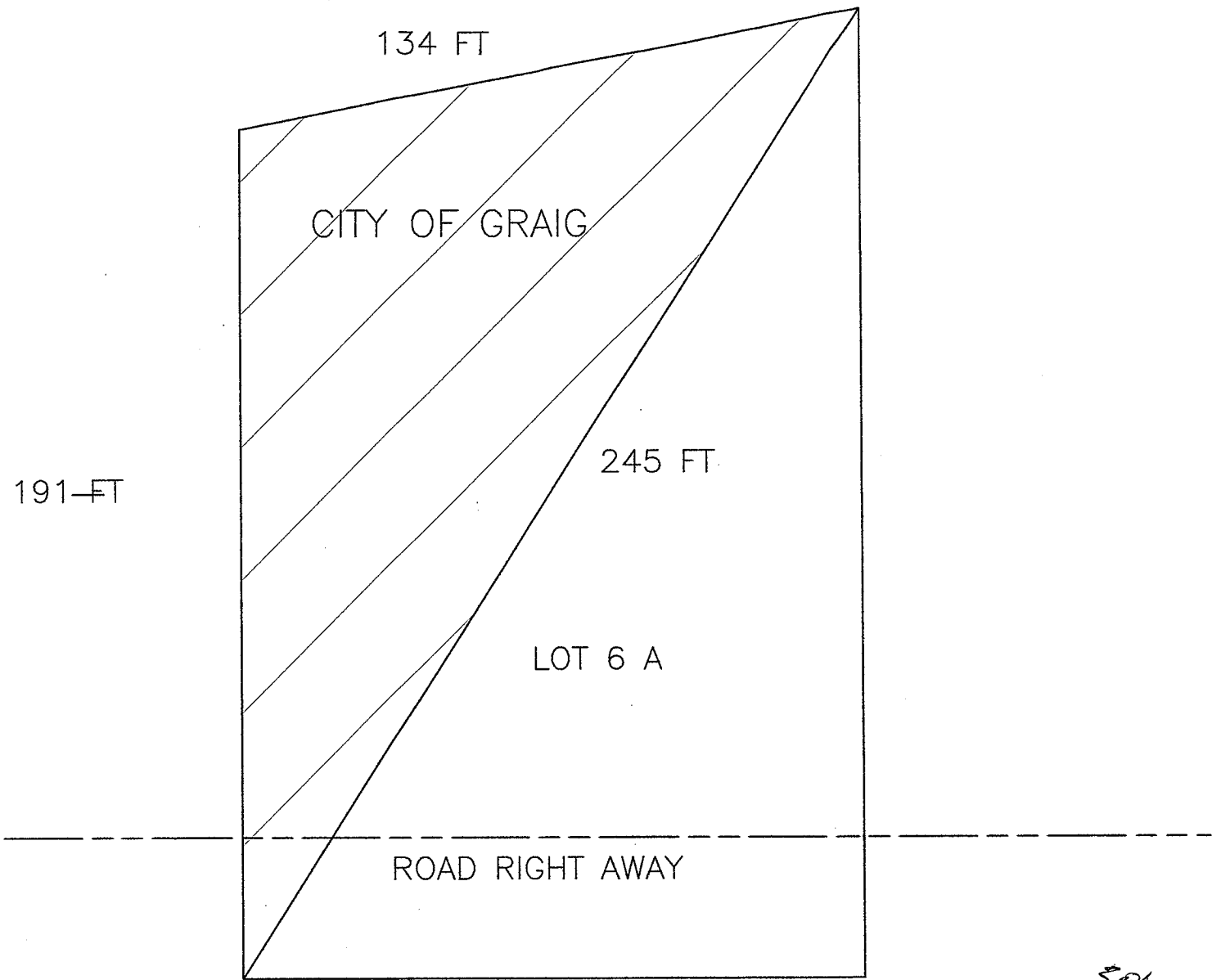


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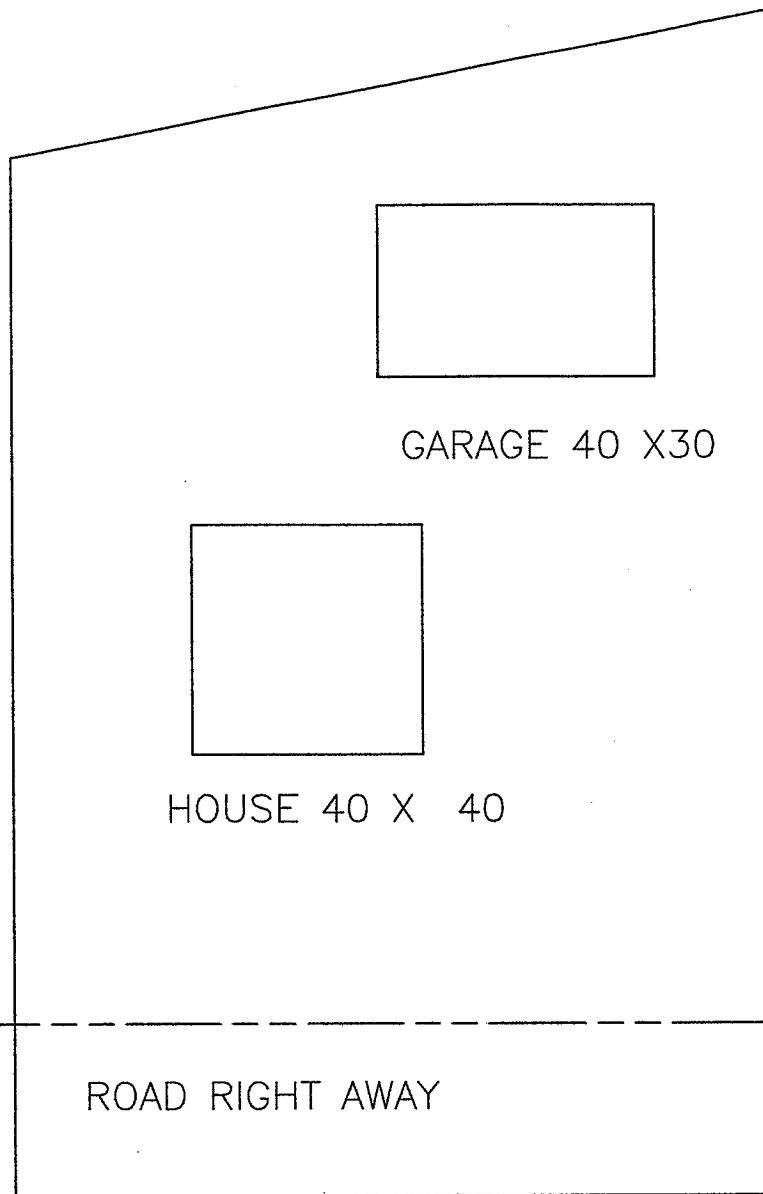
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ng 6 ins. above the
 riate Lot Nos. and



APPROX. SIZE OF LAND REQUESTED FROM CITY 11000 ^{sq} FT

BILL HUNT
5.1 MILE PORT SAINT NICHOLAS RD
PO BOX 1140
907 826 5373 HOUSE
425 922 9221 CEL
ofishohook@aol.com



PURPOSE BUILDINGS

BILL HUNT
5.1 MILE PORT SAINT NICHOLAS RD
PO BOX 1140
907 826 5373 HOUSE
425 922 9221 CEL
ofishohook@aol.com

**CITY OF CRAIG
ORDINANCE No. 703**

CHANGING SECTIONS 2.04.045, 02.04.260 OF THE CRAIG MUNICIPAL CODE,
REGARDING COMBINING OF OFFICES

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby 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 be effective immediately upon adoption.

Section 4. Action. This ordinance amends Sections 2.04.260 of the Craig Municipal Code by deleting the items shown with strikethrough text (~~strikethrough~~) and by adding the underlined text, as follows:

2.04.045 Mayor's ~~salary~~ compensation

The mayor of the city shall receive compensation, ~~a salary~~, such ~~salary~~ compensation to be established by the city council by resolution. The mayor may not receive any other compensation for service to the municipality. Per diem payments or reimbursements for expenses are not compensation under this section.

2.04.260 Combining of Offices.

No person shall serve simultaneously as mayor and as member of the council. Two or more administrative or appointive offices may be combined and a salary paid for each. Neither the mayor nor any member of the council shall serve in any administrative or appointive capacity except that the council may contract with the mayor or a council person for contractual services for a limited period of time where the person holding office has skills or a background which makes the person especially qualified to render the service contracted for. Except as provided in 2.04.045 the council shall fix by ordinance the salaries compensation of city council members by a stand-alone ordinance. ~~Salaries Compensation~~ of city council members ~~elected officers~~ may not be reduced during a term of office. ~~An elected officer~~ A city council member may not receive any other compensation for service to the municipality. Per diem payments or reimbursements for expenses are not compensation under this section.

Passed and approved this ___ day of _____, 2017.

Mayor Dennis Watson

Attest _____
Kassi Mackie, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Kassi Mackie, City Clerk
Date: September 29, 2017
RE: Ordinance No. 703

The council may recall prior discussion regarding the mayor and council compensation. This ordinance proposes changes to section 2.04.045 that would allow the council to set the compensation for the mayor by resolution, deleting the terms “salary”. This change also adds that the mayor will not be compensated in any other manner. It was pertinent to address this code section, as section 2.08.030 explicitly states that the mayor is not a member of the city council.

Changes to section 2.04.260 provide for ordinances fixing the compensation of the council to be stand-alone and independent from the budget process.

Please note that the draft attached does not propose to change 2.04.280 which sets the council compensation at \$50 per month.

Recommendation

Approve Ordinance No. 703 at first reading.

September 11, 2017

To City of Craig
Mayor, Dennis Watson
City of Craig Council Members

RECEIVED
SEP 14 2017

From
Carolyn Chapman
Owner, Parson Rentals 6 Plex
Craig, Alaska

I am paying my balance due from:

disputed amount for July utilities bill of \$ 308.00
Interest on disputed amount 2.69
And amount I believe should be August. 207.80
And disputed amount for August 330.00

Total now paying \$848.49 (July bill already paid \$215.40)

So for 2 months my utilities are \$1,063.89 for one dumpster once a week pick up and 18,000 Gallons used on my 6-plex! Does this sound right to you???

Same size dumpster/same one pick up per week for others is \$224.00...I am paying \$540.00. If any of my representatives on the council would like to compare bills.... For sewer you might start with a business using approximately 80,000 gallons for last 2 months...(I'm paying 424.80 for 18,000 gallons). I'm wondering how much the Dockside or Papa's Pizza pays??.....I'm not allowed to see but you can! Jim See said he never has.
August I requested, in writing 5 cans but still have a dumpster and billed for a dumpster (which raises my August disputed amount) Jim See asked where I was going to put the cans. I told him I had cans in the past and kept them along the north side of the building on the lot we have rented. He said he didn't know we were renting that lot. (We have used cans for the majority of the 40 years. We have rented the next lot from ANS since 2010.) If he's my representative, I hope that isn't the reason I didn't get the cans. He could have asked me. I have hired someone to put the cans out on the curb on the day of pick up. I don't know anyone who has to go thru this much trouble for services! I feel like I don't have a representative.

Please ask City Clerk to add my name to the next hearing from the public. It will be regarding the disputed rates that the council passed for utilities. I also would like to discuss my new complaint on the Mayors statement during the September 7th Council Meeting. His comment was I have been receiving a free ride for years! I saw Jim See the next morning on the ferry so I asked him what Dennis meant. Jim said he didn't know what Dennis meant so he asked him. That means no-one in the audience or the council knew what he meant (including me). I wonder what everyone is thinking I got free!!! I will send a letter regarding both soon for the packet. I will also send you a copy of my complaint to the Attorney General.

September 25, 2017

Dear Mayor

I was elected to the At-Large Seat for the Inter Island Ferry Board of Directors several years ago for a term of three years. It is time again for you to elect an At-Large member for this board.

I would be honored if you would send a letter of support to the IFA Board of Directors for me to retain the position as the At -Large member. I enjoy working with the members of this board to keep our ferry running from Hollis to Ketchikan on a regular schedule. We work well together to balance the budget and move forward with our goals. Letter needs to be in the IFA offices soon as possible since my seat was up June 30, 2017. We want to get this seat filled soon.

Thank you in advance for your support. If you have any questions or concerns do not hesitate to contact me.

Deedee Jeffreys
P.O. Box 18171
Coffman Cove, AK 99918
(907) 329-2032
cell: 425-314-7543
djeffreys@coveconnect.com

Letter can be snail mailed or faxed:
Inter Island Ferry Authority
Attention Board President, Harvey McDonald
P.O. Box
Klawock, Alaska
Fax number:

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: September 29, 2017
RE: October Staff Report

1. Southeast Conference Annual Meeting

I recently returned from a trip to Haines to attend the SE Conference annual meeting. A summary of the trip is below.

Economic Overview of SE Alaska

A portion of the meeting focused on economic development trends in the region. Ms. Meilani Schijvens of Rain Coast Data presented information from the attached report titled "Southeast Conference by the Numbers". The economic trends are rather sobering for our region, with many sectors showing contraction. The report is well presented and I encourage each of you to read it.

Also included were reports from the cruise industry on worldwide competition for cruise ship traffic, and projections for SE Alaska, and a briefing on hospital-based health care trends in the region.

The membership heard from the mining industry, including a prospect near Haines that is undergoing active exploration. The presentation included brief updates on the Niblack and Bokan Mountain sites on POW, which appear to remain in standby mode, waiting for improved market conditions.

Following was a timber industry report that included a presentation from Bryce Dahlstrom of Viking Lumber. With the final end to litigation over the Big Thorne Timber Sale, and the near completion of the Alaska Mental Health Trust land exchange, Viking may have access to a regular supply of timber that can help meet demand for the next few years.

The afternoon sessions wrapped up with an interesting presentation from Mr. Ken Alper, the tax division director of the Alaska Department of Revenue. Mr. Alper reviewed the state's fiscal picture and prospects for eliminating the operating budget deficit.

Transportation

Much of the focus of the annual meeting was the Alaska Marine Highway System. DOT Commissioner Marc Luiken, Alaska Marine Highway General Manager John Falvey, and Senator Bert Stedman all addressed operational issues related to the ferry system. In addition, the statewide AMHS steering committee looking into structural changes to the system met during the annual meeting to discuss governance structure options for the system.

Solid Waste

The Southeast Alaska Solid Waste Authority met. Much of the meeting revolved around procuring household hazardous waste disposal services for SE Alaska communities. SEASWA intends to finalize a request for proposals in the coming month and advertise for vendors to perform the work.

Fisheries

Mr. Joe Plesha of Trident Seafoods spoke to the group about trends in the commercial fishing industry—including speculations as to the poor returns of pink salmon to Southeast Alaska—as well as providing a history of management of Gulf of Alaska groundfish management. Ms. Julie Decker of Wrangell briefed the group on activities of the Alaska Fisheries Development Foundation.

While in Haines I spoke with Mr. John Moller. Mr. Moller, who at one time Governor Parnell's statewide rural advisor, is president of the Shellfish Preservation Alliance, an organization working toward management of shellfish resources around the state. According to the group's website (www.spa-ak.com) their mission is to “advocate policy to manage sea otter populations at a level that [no] longer threatens the ecological balance of resources important to subsistence, personal use, sport and commercial users. Included but not limited to: Sea Cucumbers, Clams, Sea Urchins, Abalone, Crab and other shellfish.” I told Mr. Moller that the City of Craig is keenly interested in sea otter management and is interested in working with the group.

Energy

This portion of the meeting centered largely around biomass projects in the region, including several on Prince of Wales Island.

As I often say, these meetings are at least as useful for the new contacts made and the hallway discussions that go on with representatives from other communities and various industries around Southeast Alaska as it is for the scheduled presentations. This meeting was not an exception to that rule.

2. Contract Jail

Mayor Watson and I met with Commissioner Williams and Ms. Geri Fox of the Department of Corrections to talk with them about changes the state is offering to make to the contract jail agreement between the city and department. For its part, the department is offering the city some additional funding to take on what the state calls pretrial services to help the state monitor defendants between their arrest and court dates. After meeting on this matter with City of Craig Police Chief Ely before the trip to Haines, it looks like Craig PD can take on some of the duties requested by the state, while other duties are a poor fit for delivery by the city. I agreed to send a follow up letter to the commissioner detailing exactly which of the components listed by the state that the city is willing to take on, and under what terms. The commissioner and Ms. Fox seemed genuinely grateful that the city is prepared to help the department implement some of the requested pretrial services.

3. AP&T Rate Increase Request

Last week the Regulatory Commission of Alaska and AP&T settled the company's request for increase rates. Much of what AP&T proposed was not approved by the RCA. Even so the company was approved for a slight kilowatt hour rate increase for the common Residential & Light Commercial user group, and an increase in the flat customer charge on that rate group's bill from \$13.85 to \$20.00. Other rate groups also saw increases. The settlement was brokered by the Regulatory Affairs and Public Advocacy section of the State of Alaska Department of Law. I do not know yet what the increase will mean for the facilities of the city that are large consumers of electricity (such as the aquatic center, water treatment plant, and wastewater treatment plant). I will make that estimate around the time of the next city budget cycle.

4. Skateboard Park

I overnighted in Ketchikan on my return from Haines, and while there stopped by the skateboard park near Schoenbar Middle School. The facility is compact enough where it can fit into any number of sites in town, including a corner of Ralph James Park or at East Hamilton Drive. I plan to contact someone at Ketchikan Youth Initiatives to see about design drawings for that facility. I also searched the internet for other options, and found a useful site (<https://www.skatepark.org/>). One section of the website addresses design of smaller skate parks (estimated at under \$100,000).

5. Meeting with CTA

I hope to meet soon with staff at Craig Tribal Association to discuss a number of projects. I received a call from the tribe recently asking about a meeting to discuss project funding that the tribe may have access to, and other topics. I am also due to speak with the tribe about the draft memorandum of agreement I prepared regarding delivery of city services to the tribal hall trust land. I will report back to the council after city and CTA staff are able to meet.

SOUTHEAST ALASKA by the Numbers 2017



SOUTHEAST
CONFERENCE

VISITORS
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MARITIME, SEAFOOD
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HEALTH, MINING
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TIMBER, CONSTRUCTION
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GOVERNMENT
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BUSINESS SURVEY
PAGE 13-14

SEPTEMBER 2017

CHANGES IN THE REGION 2014 TO 2016

SOUTHEAST ALASKA'S ECONOMY



REGIONAL **POPULATION**
DECREASED BY **648**
PEOPLE TO 73,812
-1%



LABOR FORCE
DECREASED BY **434**
JOBS TO 45,260 JOBS
-1%



STATE GOVERNMENT
JOBS DECREASED BY
565 JOBS TO 4,940
-10%



PASSENGER ARRIVALS
FROM OUTSIDE THE
REGION INCREASED BY
110,425 PEOPLE +8%



TOTAL POUNDS OF
SEAFOOD LANDED
IN THE REGION
DECREASED BY **77**
MILLION POUNDS A
LOSS OF **-26%**

Last year was a tough year for the Southeast Alaska economy. Jobs and workforce earnings were down for the first time since 2007. Population dropped for the second year in a row, the first losses in a decade as well. The reason for our economic distress is clear. Dropping oil prices combined with falling oil production have drastically reduced the state's share of oil earnings, which previously provided up to 90 percent of the state's unrestricted revenues. Despite diminished returns, no state fiscal solution has been enacted. Deep cuts have been made to jobs and spending levels, but not enough to balance the budget, and the state made up the difference using savings accounts, which are rapidly being depleted. Southeast Alaska is uniquely dependent on state government, which directly provides 14% of all wages in the region, along with being a key client to many private sector businesses. State spending is also a critical part of community budgets. In the last two and a half years, the region has lost 750 state jobs, a 14% decrease. The negative economic impacts are projected to intensify once the savings are gone. In other words, we are not nearing the end of this economic disruption, we are merely at the beginning of it.

An embattled state government also directly impedes the sectors it supports, such as the construction industry, which relies on the state to fund large-scale infrastructure projects for construction workers to build. With fewer

projects in the state capital budget, construction, architecture, and engineering jobs are all declining.

Unfortunately, it is not only state government that is struggling. Last year was the worst year for our seafood sector in over a decade. The visitor industry surpassed seafood as being the top private sector industry in terms of both jobs and wages for the first time, ever. In fact, tourism is booming, and 2017 will be a record year for cruise and air passengers, along with jobs and spending. Alaska's popularity is growing, and Southeast Alaska is the most visited region of the state. The visitor sector grew by five percent last year, and is slated to grow another six percent in 2018. However, with the lowest wages of any sector in the region (39% lower than the average annual regional wage), it is rarely the primary source of household income. Other sectors that grew in 2016 included mining and healthcare, albeit with much smaller gains.

Despite so many falling economic indicators, Southeast Alaska business leaders are generally optimistic. While 99% say they are concerned about the region overall, two-thirds say they expect their own business or industry to remain stable or to improve in the upcoming year, and they have invested accordingly. With so many volatile components of our economy at play—such as oil and metal prices, seafood harvest levels, and federal decision making—many future outcomes are possible.

A Message from **Southeast Conference**

Incoming President **Jan Hill**



Southeast Alaska by the Numbers is our regional report card. The following pages outline how the economy of Southeast Alaska has performed over the past year. It shows the trends and which areas need the greatest attention.

As a lifelong Southeast Alaska resident and three-term mayor, I have had the privilege of working with business, municipal and Tribal leaders throughout the region. The collaborative work through our committees

and partnering in the region and state has led to unprecedented achievements over the years. Now we are faced with unprecedented challenges. And now is not the time to withdraw into our individual boundaries, more than ever before, this is the time for us to come together and work our committees with focus and resolve.

We have many things to be proud of and much to work to improve. There are many uncertainties that cause concern for our communities. Political and fiscal instability is one of the greatest threats at every level of government, local regional and federal. But the one constant in the region since 1958 is Southeast Conference and the hard-working members that gather throughout the year to meet the challenges of the day.

Haines has been passionate about the ferry system since before statehood and is very proud to have been the community that was instrumental in starting what was to become the Alaska Marine Highway System. The ferry system is a critical part of our local and regional economic and social fabric.

Please join us throughout the year as our committees work to strengthen and support our industries from transportation, energy, mining, maritime, seafood, tourism, mining, timber, and economic development. There is much at stake but together we can achieve the Southeast Conference. Please sign up for the committees that are of primary interest to you. Thank you for doing your part to make Southeast Conference a success.

Executive Director **Robert Venables**



Navigating the Southeast economy. That's been the goal of Southeast Conference since 1958 when our first board gathered and advocated for the creation of the Alaska Marine Highway System and began to come together and work to promote strong economies and healthy communities in the region. Southeast Alaska has seen significant blows to the economy. Those impacts have forced major changes at

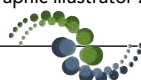
Southeast Conference, caused economic concerns to communities in the region and has slowed investment in the region. But Southeast Alaska is resilient. With our collective efforts to partner and plan strategically, we have already laid the foundation to support and strengthen the capacities that can lead to an economic rebound as part of our regional planning efforts. Our annual meetings allow our regional stakeholders an opportunity to gather information, network, and collaborate toward success. Our members and partners are the strength of Southeast Conference – and the reason for our successes, past, present and future.

It is fitting to meet this year in Haines, the birthplace of the Alaska Marine Highway System. Southeast Conference gathered in 1958 to advocate for its formation, and now our statewide stakeholders gather here to reform AMHS. The AMHS Reform project (www.AMHSreform.com) is a historic opportunity that allows Alaskans the opportunity to articulate their vision and need for marine transportation and work together to propose significant changes to make AMHS a more sustainable entity that integrates as a viable component of the intermodal state transportation system. We are particularly appreciative to the Walker/Mallott Administration for the opportunity to lead this statewide initiative.

From transportation, energy, mining, maritime, seafood, tourism, healthcare, timber and the arts, and all other facets of our economy, we work to make sure that the interests of Southeast communities are front and center on the regional, state, and national level. This work will continue throughout the year.

The mission of Southeast Conference is to **undertake and support activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska**. As the state and federally designated regional economic development organization, Southeast Conference serves as the collective voice for advancing the region's economy. We have 180 member organizations representing 1,200 people from 32 regional communities. We started 59 years ago with a group of people supporting the establishment of a regional transportation system, leading to the formation of the Alaska Marine Highway System. Our members stayed together through more than a half-century to focus on concerns unique to the region.

Credit: Cover photo of Haines by Judi Rice Photography. Cover icons created by graphic illustrator Averyl Veliz.



TWO YEARS OF CHANGE: 2014 to 2016

Table tracks key Southeast indicators over the past 2 years, along with associated changes.

DEMOGRAPHICS	2014	2016	% CHANGE 2014-2016	CHANGE 2014-2016
Population ¹	74,460	73,812	-1%	-648
Ages 65 and older ²	9,243	10,144	10%	901
Under Age Five ²	4,622	4,368	-5%	-254
Twenty somethings ²	9,398	8,866	-6%	-532
K-12 School District Enrollment ³	11,804	11,571	-2%	-233
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) ^{1,5,6}	45,694	45,260	-1%	-434
Total Job Earnings ^{1,5,6}	\$2.174 billion	\$2,178 billion	0.2%	4,067,261
Total Private Sector Payroll ^{1,6}	\$1.408 billion	\$1.407 billion	-0.1%	-1,140,735
Average Annual Wage ¹	\$47,593	\$48,673	2.3%	1,080
Annual Unemployment Rate ¹	7.10%	6.10%	-1%	-1%
TOP ECONOMIC SECTORS				
GOVERNMENT				
PUBLIC SECTOR: 35% OF ALL EMPLOYMENT EARNINGS				
Total Government Employment ^{1,5}	13,602	13,052	-4%	-550
Federal Employment ^{1,5} (8% of all employment earnings)	2,110	2,108	-0.1%	-2
State Employment ¹ (14% of all job earnings)	5,504	4,939	-10%	-565
City and Tribal Employment ¹ (14% of all job earnings)	5,988	6,005	0.3%	17
Total Government Payroll (includes USCG) ^{1,5}	\$765.8 million	\$771.0 million	1%	\$5.2 million
Total State of Alaska Payroll	\$311.3 million	\$301.6 million	-3%	-\$9.7 million
VISITOR INDUSTRY				
KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS				
Total Visitor Industry Employment ^{1,6}	6,923	7,752	12%	829
Total Visitor Industry Wages/Earnings ^{1,6}	\$188.5 million	\$229.4 million	22%	\$40.9 million
Total Southeast Alaska Passenger Arrivals	1,362,737	1,473,162	8%	110,425
Cruise Passengers ¹⁰	967,500	1,025,900	6%	58,400
Total Air Passenger Arrivals from Outside SE ¹¹	372,197	425,939	14%	53,742
Total AMHS Passengers from Outside SE ¹²	23,040	21,323	-7%	-1,717
COMMERCIAL FISHING & SEAFOOD INDUSTRY				
KEY INDUSTRY: 10% OF ALL EMPLOYMENT EARNINGS				
Total Seafood Employment (includes fishermen) ^{1,6}	4,372	3,854	-12%	-518
Total Seafood Employment Earnings ^{1,6}	\$259.0 million	\$209.7 million	-19%	-\$49.3 million
Pounds of Seafood Processed ⁷	232.9 million	168.4 million	-28%	-64.5 million
Pounds Landed (commercial seafood pounds by SE residents) ⁸	300.9 million	223.4 million	-26%	-77.5 million
Estimated Gross Earnings (ex-vessel value of pounds landed) ⁸	\$275.7 million	\$221.0 million	-20%	-\$54.7 million
Shared Fish Taxes ¹³	\$5.8 million	\$2.7 million	-53%	-\$3.1 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)				
KEY INDUSTRY: 9% OF ALL EMPLOYMENT EARNINGS				
Health Care Employment ^{1,6}	3,323	3,344	1%	21
Health Care Wages ^{1,6}	\$174.5 million	\$189.3 million	8%	\$14.8 million
MARITIME ECONOMY (Includes employment from all industries)				
TOP SECTOR: 27% OF PRIVATE SECTOR EMPLOYMENT EARNINGS				
Private Maritime plus USCG Employment ^{1,5,6}	6,768	6,386	-6%	-382
Private Maritime plus USCG Wages ^{1,5,6}	\$395.5 million	\$354.3 million	-10%	-\$41.2 million
OTHER SELECTED STATISTICS				
Construction Employment ^{1,6} (6% all employment earnings)	2,168	2,033	-6%	-135
Mining Employment ¹ (4% of all employment earnings)	783	798	2%	15
Price of Gold ¹⁵	\$1,266	\$1,251	-1%	-15
Cost of Living: Consumer Price Index ¹	215.805	217.83	1%	2
Housing Starts: Housing Permitted /Completed ^{4,1}	321	369	15%	48
Avg. Daily Volume ANS Oil Production (mbbls/day) ¹⁴	513,318	517,191	1%	3,873
Annual Avg. Domestic Crude WTI Oil Prices (in \$/Barrel) ¹⁴	\$52.08	\$43.34	-17%	-\$9

Sources: ¹Alaska Department of Labor (ADOL); ²ADOL Southeast Alaska Population by Age, 2014 to 2016; ³Alaska Department of Education and Early Development; ⁴Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; ⁵US Coast Guard; ⁶2015 US Census Nonemployer (self-employment) Statistics; ⁷ADF&G Seafood Production of Shorebased Plants in Southeast Alaska, 2004 and 2016; ⁸ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information, 2014-2016; ⁹McDowell Group & Cruise Line Agencies of Alaska; ¹⁰US Bureau of Transportation Statistics (BTS); ¹¹US Bureau of Transportation Statistics (BTS); ¹²Alaska Marine Highway System data for 2015; ¹³Shared Taxes and Fees Annual Report FY16, ADOR; ¹⁴Alaska Department of Revenue Revenue Sources Book; ¹⁵Kitco Metals Inc.

The Whole Southeast Alaska Economy 2016

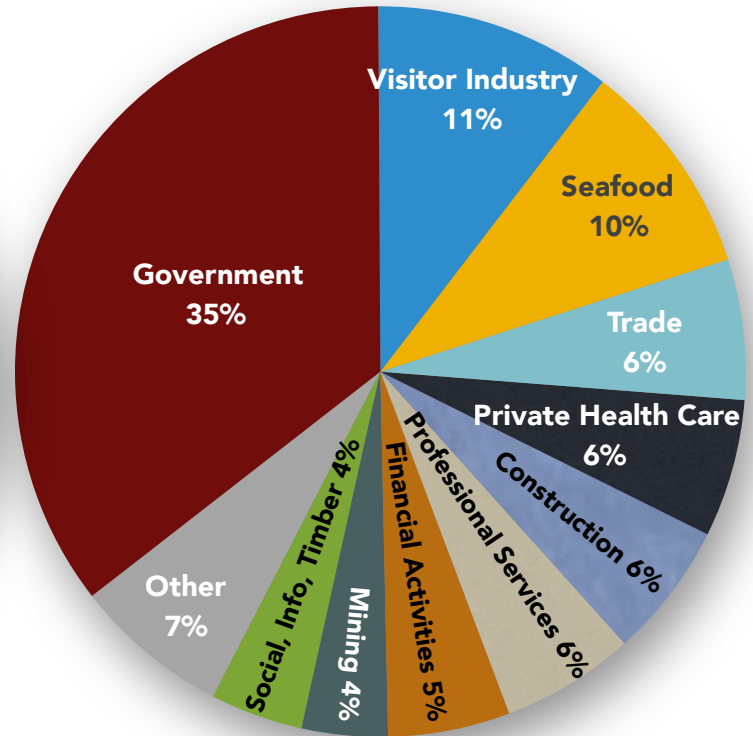
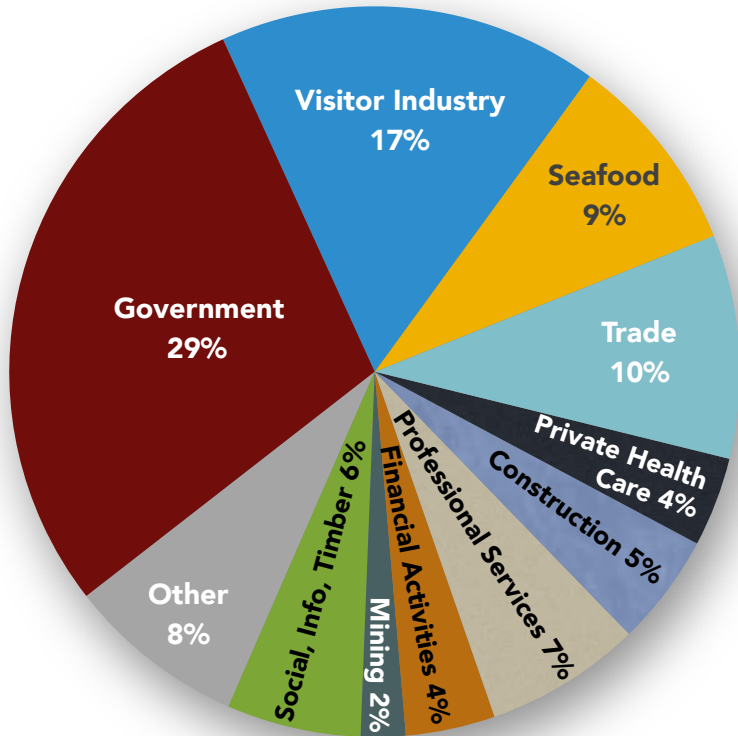
In 2016, Southeast Alaska lost 885 year round equivalent jobs, along with \$29 million in workforce earnings over 2015. Approximately a quarter (26.1%) of regional workers are non-residents.

Annual Average Jobs
44,763 Jobs

DOWN 885 JOBS IN 2016 -2%

Employment Related Earnings
\$2.2 Billion Workforce Earnings

DOWN \$29 MILLION -1%

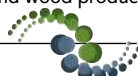


2016 Southeast Alaska Employment Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS		
	Wages (2016)	Self-Employment Earnings (2015)	Total Earnings	Annual Average Employment (2016)	Self-Employed (2015)	Total Employment
Government (includes Coast Guard)	\$716,921,060	\$54,109,413*	\$771,030,473	12,417	635*	13,052
Seafood Industry	\$61,211,763	\$148,481,000	\$209,692,763	1,573	2,281	3,854
Visitor Industry	\$197,410,968	\$32,001,000	\$229,411,968	6,875	877	7,752
Trade: Retail and Wholesale	\$111,004,533	\$24,653,000	\$135,657,533	3,766	584	4,350
Construction Industry	\$98,568,394	\$33,235,000	\$131,803,394	1,461	572	2,033
Health Care Industry (private only)	\$119,011,614	\$13,720,000	\$132,731,614	2,197	251	2,448
Professional and Business Services	\$83,148,173	\$44,736,000	\$127,884,173	1,668	1,304	2,972
Financial Activities	\$50,195,660	\$67,927,000	\$118,122,660	956	732	1,688
Mining Industry	\$82,759,540	\$92,000	\$82,851,540	791	7	798
Warehousing, Utilities, & Non-Visitor Transport	\$48,102,126	\$11,503,000	\$59,605,126	852	154	1,006
Social Services	\$45,285,800	\$4,045,000	\$49,330,800	1,486	217	1,703
Information (publishing, broadcasting, telecomm.)	\$22,313,713	\$1,973,000	\$24,286,713	526	58	584
Timber Industry	\$14,474,886	\$1,554,000	\$16,028,886	268	45	313
Other	\$63,090,981	\$27,231,000	\$90,321,981	1,732	975	2,707
Total	\$1,713,499,211	\$465,260,413	\$2,178,759,624	36,568	8,692	45,260

Sources: Alaska Department of Labor 2016 Employment & Wage data; 2015 (latest available) US Census Nonemployer (self-employment) Statistics; 2016 US Coast Guard employment & wage data.*These cells in Government refer to 2016 active duty Coast Guard personnel employment and wages, and not self-employment data.

Notes: **Seafood Industry** includes animal aquaculture, fishing & seafood product preparation (NAICS 1125,1141,3117), and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic) (NAICS 71, 72, 481, 487, 483). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing (NAICS 113, 1153, 321).



THE VISITOR INDUSTRY



Visitor Industry 7,752 Annual Avg. Jobs

UP 350 JOBS IN 2016 +5%

In 2016 the visitor industry took a giant step forward, replacing the seafood industry as the most important private sector industry, both in jobs (which it has been for a while) but also in total workforce earnings (see chart on page 4). The visitor industry accounted for **19% of regional employment** (7,752 annual average jobs) and nearly a quarter (24%) of all private sector employment. Since 2010, visitor industry employment has grown by 32%, with 1,900 new jobs. Those working in the visitor industry earned \$229 million in 2016—or 11 percent of all regional employment income.

In 2016, 1.5 million air, ferry, and cruise passengers came to Southeast Alaska from outside the region, a 3.7% increase over 2015. Airline passenger traffic was up 5%, and cruise passenger traffic to the region increased by 3%. Most visitors to the region (70%) come by cruise ship.

KEY ECONOMIC DRIVER

Southeast Alaska is the most visited part of the state, with two-thirds of all tourists coming to the region. One-third of all Alaska visitor spending occurs in Southeast, where visitors spent an estimated \$657 million in 2016 (excluding transportation to and from Alaska).

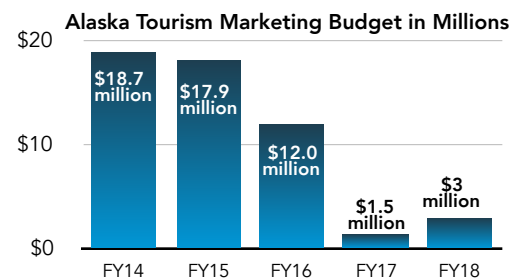
INCREASED JET SERVICE

Southeast Alaska saw a record-breaking number of airline passengers in 2016 for the second year in a row. A total of 425,939 passengers arrived from outside the region, and 2017 is likely to break records as well. As of July 2017, airline passenger arrivals were up 1.4% over the first half of 2016. Delta Airlines began summer flight services between Juneau and Seattle in 2014, joining Alaska Airlines as a service provider for the first time since 1996, accounting for some of this increase.

CRUISE SHIP TRAFFIC

Cruise passengers are also having a record year. In 2017, a projected 1,055,000 cruise ship passengers will visit the region, making 498 voyages on 33 cruise ships. Southeast Alaska is continuing to see larger ships replacing smaller vessels. To handle this change Juneau has built two new panamax docks that opened in 2016 and 2017, meaning Juneau has the capacity to host four 1,000-foot vessels at a time. Icy Strait Point completed a 400-foot floating dock, Adventure Center, and restaurant in 2016. Southeast Alaska is expected to receive 4.2% of all global cruise ship passengers in 2017.

The Alaska Tourism Marketing budget by the state was doubled in FY18, but still lags behind previous years and other states.



VISITOR OUTLOOK

The visitor industry has the strongest outlook of all Southeast Alaska industries, and 2017 will be the best year ever for this sector. As the national economy grows stronger, Alaska's popularity grows, and perceived security risks for international travel destinations increase, Southeast Alaska becomes even more attractive to visitors.

Cruise passenger arrivals will hit a new record in 2017—with a projected 25,000 more passengers than the current record set in 2008. In 2018, analysts are projecting an additional six percent increase in Southeast Alaska cruise passengers. Princess Cruises ship is adding a 7th ship, while Norwegian Cruises will add brand new Norwegian Bliss, the first cruise ship custom designed for Alaska waters. Windstar Cruises will begin service to the region in 2018, with Viking, Cunard and the upscale Azamara sending ships for the first time in 2019.

The number of cruise passengers coming to the region is expected to continue to rise as larger, higher capacity vessels visit the region. Airline passenger numbers are also expected to grow. Along with increased visitors, the number of jobs and related income in this sector will continue to improve.

Sources: Combination of ADOL 2016 Employment and Wage data and 2015 US Census Nonemployer (self-employment) Statistics; McDowell Group; US Bureau of Transportation Statistics (BTS); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Cruise Market Watch; Juneau International Airport Passenger Statistics; Economic Impact of Alaska's Visitor Industry. Forecast 2020 U.S. Department of Commerce, US Office of Travel and Tourism Industries. OMB budgets. **Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies.



SOUTHEAST MARITIME: 6,386 Jobs

Private and US Coast Guard Maritime Employment & Workforce Earnings



Fishing & Seafood Processing

Jobs: 3,854
Wages: \$209.7 M
Change in jobs 2014-16: **-19%**



Marine Tourism

Jobs: 1,034
Wages: \$34.4 M
Change in jobs 2014-16: **+13%**



US Coast Guard

Jobs: 782 (Active Duty and Civilian)
Wages: \$65.5 M
Change in jobs 2014-16: **+2%**



Marine Transportation (Excluding Tourism)

Jobs: 370
Wages: \$25.6M
Change in jobs 2014-16: **-7%**



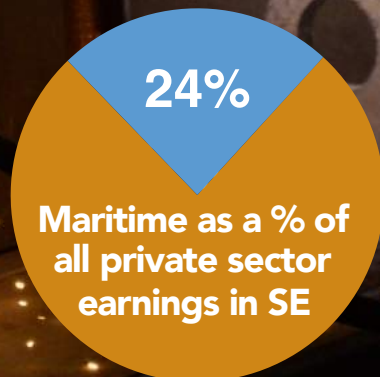
Ship Building, Repair, Marinas

Jobs: 309
Wages: \$15.2 M
Change in jobs 2014-16: **+39%**



Marine-Related Construction

Jobs: 37
Wages: \$3.9 M
Change in jobs 2014-16: **-45%**



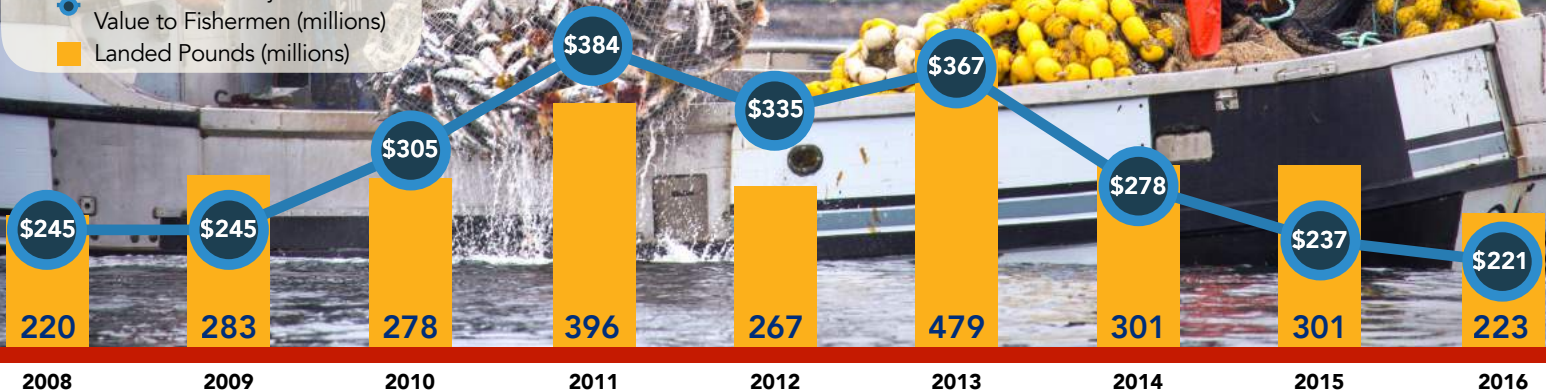
Southeast Private & USCG Maritime Economy 2014-2016

Total Jobs 2016: **6,386**
Total Wages 2016: **\$354 Million**
Change in jobs since 2014: **-354**
Change in jobs by percent: **-5%**
Change in earnings since 2014: **-\$41 Million**
Change in earnings by percent: **-10%**

Maritime icons created by graphic illustrator Averyl Veliz. Photo by Vigor Ketchikan.
For methodology, notes, and sources, see [www.raincoastdata.com/sites/default/files/Maritime by the Numbers.pdf](http://www.raincoastdata.com/sites/default/files/Maritime%20by%20the%20Numbers.pdf)

THE SEAFOOD INDUSTRY

**VALUE & POUNDS OF SEAFOOD LANDED
SOUTHEAST ALASKA 2008 TO 2016**
Inflation Adjusted
● Value to Fishermen (millions)
■ Landed Pounds (millions)



Southeast Seafood Industry 3,854 Jobs

DOWN 500 JOBS -12%
DOWN \$45 MILLION IN EARNINGS IN 2016 -18%

By most measures, 2016 was the worst fishing season in the region in more than a decade. The Southeast Alaska seafood harvest in 2016 was 223 million pounds with a total ex-vessel value of \$221 million—a 40% decline in value and 53% decline in pounds landed from 2013—and 27% below the 10-year average.

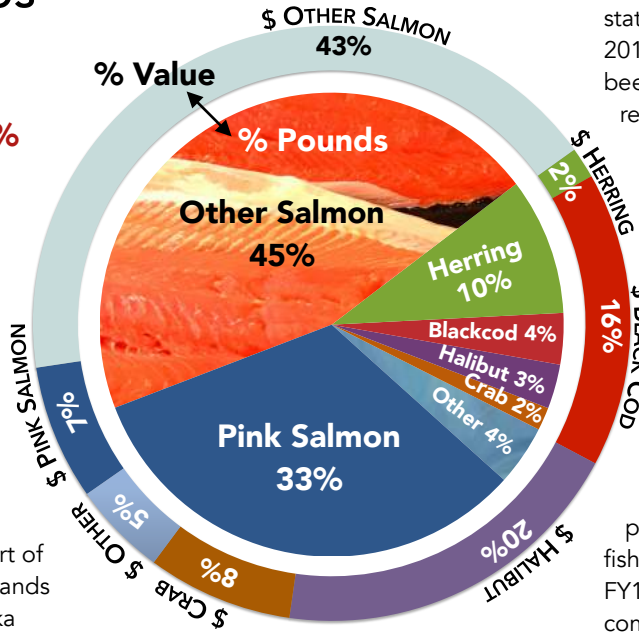
THE SEAFOOD INDUSTRY IS A KEY ECONOMIC DRIVER

Seafood harvests have been a critical part of the Southeast Alaska economy for thousands of years, and it was over Southeast Alaska salmon that statehood itself was fought. The regional seafood industry (including commercial fishermen and seafood processors) generated 3,854 annual regional jobs in 2016, making up **10% of all regional employment earnings** and **9% of all jobs**. Those working in our region's seafood industry earned \$45 million fewer dollars than in 2015. Nonresident commercial fishermen and crew members are excluded from these figures.

In 2016, the five salmon species represented 78% of the overall regional seafood catch in

SEAFOOD LANDED IN SE ALASKA BY SPECIES, 2016

Outer ring = % of harvest by dollar value: \$221 million
Inner pie = % of harvest by pounds landed: 223 million pounds



terms of the volume—but only half of total ex-vessel value (\$111 million). Halibut and blackcod—while just seven percent of the total pounds landed—accounted for more than one-third of the total catch value in 2016. (See double pie chart above).

The majority of the statewide catch of the chinook, coho, chum, shrimp, dungness crab, and the dive fisheries occurs in Southeast Alaska; and Southeast Alaska generally accounts for more than three-quarters of all Alaska Chinook caught in the

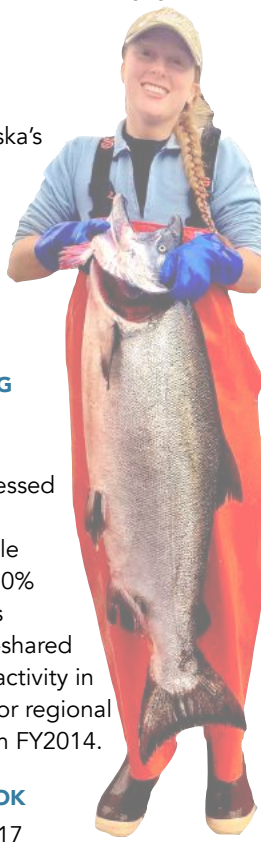
state. However Southeast Alaska's 2017 king salmon season has been the worst since 1975 resulting in an emergency order to stop both commercial and sports fishing of kings.

SEAFOOD PROCESSING

In 2016, shore-based seafood facilities in Southeast Alaska processed 168 million pounds of seafood, with a wholesale value of \$433 million, a 30% decline in seafood pounds processed over 2015. State-shared fisheries taxes for processing activity in FY16 generated \$2.7 million for regional communities, a 53% drop from FY2014.

SEAFOOD INDUSTRY OUTLOOK

The preseason forecast for 2017 predicted 51 million salmon. As of August 2017, 42 million had been captured. King and sockeye levels were far below expectations, while coho levels were up. Prices were up in 2017 including chums, which were garnering up to 85 cents a pound, compared to just 60 cents on average last year, due to demand for roe. However, uncertainty regarding commercial fisheries budget cuts, along with global advances in salmon farming, threaten the industry.



Sources: Combination of ADOL 2015 Employment and Wage data; 2014 US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Run Forecasts and Harvest Projections for 2016 Alaska Salmon Fisheries and Review of the 2015 Season; ADF&G April 2015; ADF&G 2016 Preliminary Alaska Commercial Salmon Harvest - Blue Sheet Updated August 29, 2016; Shared Taxes and Fees Annual Report FY15, ADOR; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Seafood price source Laine Welch. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation (NAICS 1125,1141,3117) and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo Credits:** Top: FV Obsession taken near Hoonah by Debbie Douglass. Right: Helen Decker on the MV McCrea near Wrangell by Gig Decker.



Southeast Healthcare Industry 3,344 Jobs

UP 45 JOBS IN 2016 +1.4%

When both private and local hospital healthcare services are taken into account, Southeast Alaska's 3,344 healthcare workers earned 9% (\$182 million) of all regional wages in 2016. Regional healthcare employment grew for the first time in five years last year. Healthcare needs in the region have been increasing due to an aging populace. Regional providers are experiencing increasing patient volumes, and healthcare is one of the fastest growing sectors of the state; but regionally growth has stalled.

There appear to be several reasons for this. The healthcare sector faces uncertainty due to the state's continued budget shortfall and the debate over healthcare on a national level. Regional medical institutions have been conservative in replacing departing staff as they wait to see how the state will resolve its budget distress, along with monitoring Affordable Care Act replacement efforts. Also, as healthcare becomes more expensive, providers are pressured to contain costs and consolidate "shared services"— meaning that jobs like accounting, payroll, and human resources that used to be local are increasingly being done outside of Southeast Alaska in places where the cost of living is less. Another contributing factor is the influence of medical tourism, as travel to Anchorage and the lower-48 for medical care becomes more common. Finally, there has been intense demand for medical workers at all levels nationwide, which makes local retention and recruitment for regional medical industry jobs more difficult than it had been in the past, leading to fewer hires.

HEALTHCARE INDUSTRY OUTLOOK

Early employment numbers for 2017 show job gains; and the forecast for this industry is for slow growth in 2017 and 2018 as demand increases. However, the pressures that have limited growth will continue to hinder the healthcare industry.



Sources: ADOL 2016 Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. 2016 Annual Report; Hecla Mining Company 2016 Annual Report. Photo credits: Peter Metcalfe and Hecla Greens Creek Mine.

Southeast Mining Industry 798 Jobs

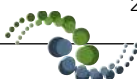
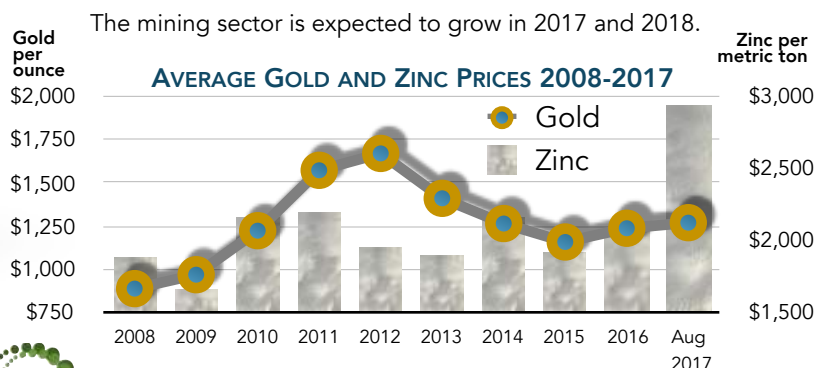
UP 3 JOBS IN 2016



In 2016, there were 798 annual average mining jobs in Southeast Alaska, with a payroll of \$83 million. The two large mines operating in the region account for nearly all mining employment. In August 2017 Hecla Greens Creek employed 423 full-time permanent employees, while Kensington had a staff of 368. With an average annual wage of \$104,000, mining jobs pay the highest wages in the region of any sector.

Hecla Greens Creek is one of the largest silver mines in the world, while the Coeur owned Kensington is exclusively a gold mine. At Hecla Greens Creek silver production was up by 9% to 9.3 million ounces in 2016. This increase was driven by higher grade and an increase in recovery. The mine also produces zinc, gold, and lead. Production at Kensington was similar to last year, with 124,331 ounces of gold produced in 2016.

After several years of downward trends, metal prices are rising, most notably for zinc, which is at its highest value in more than a decade following supply cuts and continued strong demand out of China. Mike Satre of Greens Creek notes, "The latest zinc increases are encouraging. However, metals prices are very volatile and it is too soon to tell if this trend is indicative of any fundamental long term changes in the market." Regionally, mineral exploration has remained dormant, with the exception of Constantine's copper-zinc-silver-gold Palmer Project near Haines, which is in the exploration stage.





Southeast Timber Industry 315 Jobs

DOWN 8 JOBS IN 2016 -2%

Regional timber jobs were down again in 2016 by 2%. This comes on top of significant recent job losses. In the past five years, employment in this industry has been reduced by 10%. In 1991, there were 3,543 year-round timber jobs in the region, peaking in that year with 4,200 timber workers. In 2016 dollars, those job losses represent \$258 million in annual direct wages, a reduction that represents more lost wages than all the workers in the seafood or visitor industry earned last year. The number of board feet harvested annually has fallen by 96% from peak levels.

Today, most of the regional timber jobs are divided between two organizations: Sealaska, the regional Alaska Native corporation, and Viking Lumber on Prince of Wales Island—the last remaining mid-sized sawmill in the region. Alcan Forest Products is another key employer. Timber workforce earnings were \$17.3 million for 2016.

TIMBER OUTLOOK

Timber industry employment will continue to decline into 2017 and beyond for the following reasons:

- The Forest Service's pending Tongass Transition Plan to substitute old growth with young growth will reduce, and then terminate, access to old-growth timber before young growth timber becomes economic;
- Litigation over nearly every timber sale has made log deliveries to Viking Lumber uncertain and is a barrier to potential new mills obtaining the financing needed to join the Southeast industry;
- Timber available for sale is often uneconomic, thereby constraining supply to mills; and
- The poor outlook for future economic timber is a disincentive for continued participation in the Southeast timber industry.



Southeast Construction Industry 2,030 Jobs

DOWN 90 JOBS IN 2016 -4%

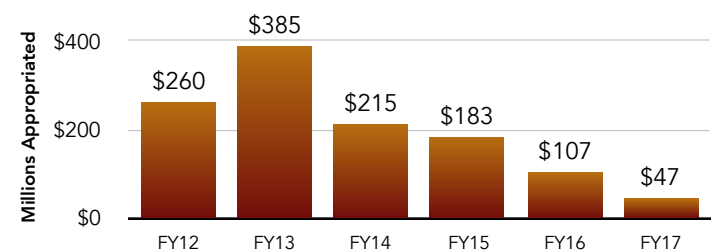
For the third year in a row construction employment is down. Jobs fell by 90 last year to 2,030, a combined loss of 240 jobs over three years. Early employment data from 2016 indicates that construction related employment will drop another 50 jobs in 2017. Construction workers in the region earned \$132 million in 2016—or 6% of all Southeast Alaska employment earnings.

CONSTRUCTION OUTLOOK

High-profile publicly-funded projects created a construction boom. Unfortunately, the contraction of the State capital budget and decreased federal spending meant that future projects were no longer being added to the lists of planned activity. Large-scale endeavors are unable to obtain funding, construction projects will be put on hold, and employment levels will continue to drop. Legislative capital appropriations in the region dropped 88% from \$385 million in FY13 to just \$47 million in the FY17 budget. In FY18, just \$8.7 million has been directly appropriated to Southeast in addition to DOT Public Facilities funding that can no longer be broken out in a way that adequately compares to previous years.

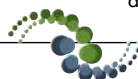


State Budget Capital Appropriations in Southeast Alaska



On a positive note, home construction was up 87% from the year before, with 369 new housing units permitted or completed in 2016, mostly due to an increase in multi-family unit construction in Juneau.

Sources: Combination of Alaska Department of Labor 2016 Employment and Wage data and 2015 US Census Nonemployer (self-employment) Statistics; State of Alaska Capital Budget FY12-17. **Photography credit:** Peter Metcalfe.



SOUTHEAST ALASKA GOVERNMENT

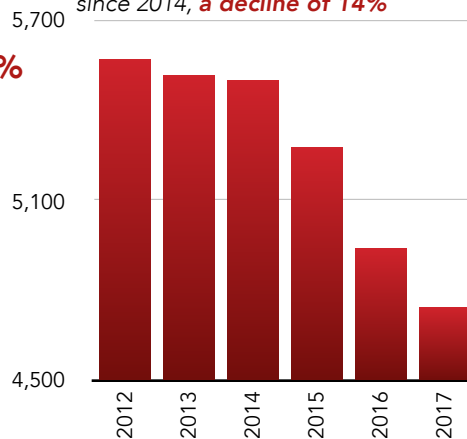


Local and Tribal 6,000 Jobs
State 4,940 Jobs
Federal 2,110 Jobs

- 782 Coast Guard
- 1,328 Other Federal

Southeast State Jobs

State jobs in the region are down 200 in 2017 so far, for a total of 750 jobs lost since 2014, a decline of 14%



significant downward drag on the regional economy. State spending has nearly been cut in half over the last four years, but despite significant cuts the state still faces a \$2.5 billion budget gap this year. The state has drawn \$11.3 billion from state savings over the past four years. As these accounts are depleted, reductions will intensify, and fewer options for remediation remain. Public services across the region are being cut or paired back (such as the closure of public health centers in Wrangell and Haines). Reduced state spending also has a direct negative impact on the private sector since many local businesses provide the majority of their services to the public sector. Reduced government employment will therefore also decrease demand for goods and services across the region.

Moreover, because Alaska has not adopted a fiscal plan, its bond rating has been downgraded. Alaskans continue to receive an annual dividend from the state's \$60 billion Permanent Fund account.

FEDERAL GOVERNMENT

Federal government employment losses are compounding state job cuts. Since 2004, jobs in this sector have fallen by 28%, translating into a loss of \$48 million in wages across the region annually. Federal spending decline also means fewer projects and programs that support the region.

LOCAL GOVERNMENT

Communities across the region are struggling financially, and relying on savings to cover unexpected shortfalls stemming from state budget cuts that have been passed onto municipalities. Despite these challenges, local government employment levels have remained flat, and total municipal and tribal wages were equivalent to the earnings of all state workers in 2016.

GOVERNMENT OUTLOOK

Early job reports from 2017 are grim. Federal employment is predicted to decline by 2%, while State employment is expected to fall by another 4%. Since no legislative fiscal solution has been put in place and our savings are all but depleted, the negative impacts of the state fiscal crisis on our region will continue to intensify moving forward.

Sources: ADOL 2016 Employment and Wage data; U.S. Coast Guard; Alaska Department of Revenue. Photo Credit: Alaska Framed.

Government 13,050 Jobs

DOWN 450 JOBS IN 2016 -3%

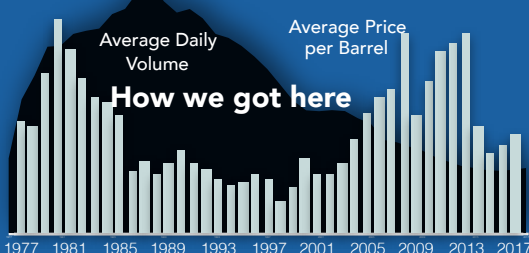
Government wages made up 35% of all regional employment earnings (\$771 million) and 29% of the region's jobs (13,050) in 2016, but this sector is on the decline, especially at the state government level.

STATE GOVERNMENT LOSSES

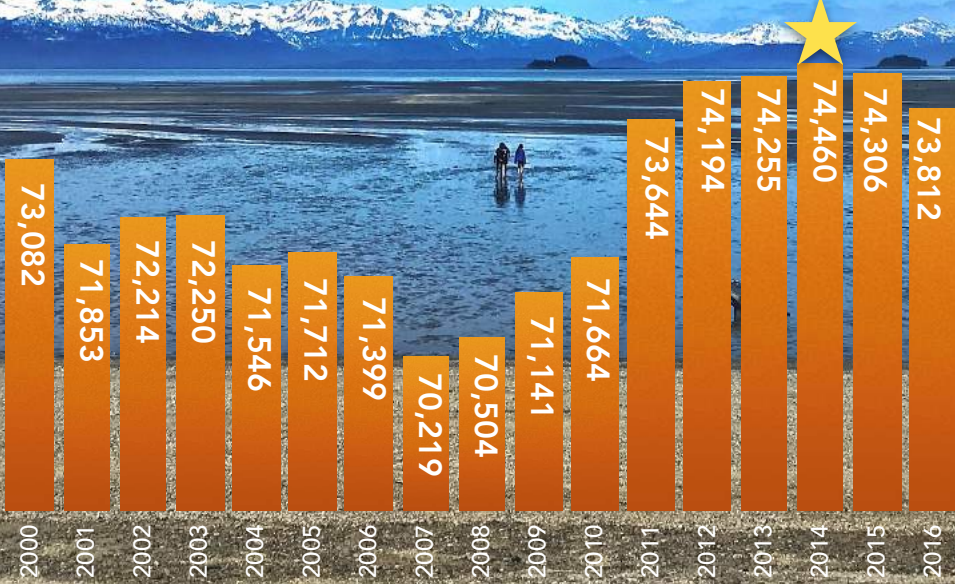
The biggest economic story of the year in the region is the decline in state government employment and spending. In Southeast Alaska, 14% of all direct wages come from the State. From 2014 through July 2017, more than 750 State of Alaska jobs were lost, along with associated annual wages of \$46 million. This is a loss of 14% of all regional state jobs during that period. Three-quarters of these jobs came out of Juneau, with Ketchikan losing most of the rest. Declining oil production and prices have devastated the State of Alaska budget and are creating a

Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1977-2017

Oil revenues historically accounted for 90 percent of the state's unrestricted revenues



DEMOGRAPHICS



POPULATION CHANGE 2014 TO 2016

	2014	2016	Change
Juneau Borough	33,022	32,739	-1%
Ketchikan Borough	13,871	13,758	-1%
Sitka Borough	9,084	8,920	-2%
Petersburg Borough	3,206	3,179	-1%
Haines Borough	2,550	2,466	-3%
Wrangell Borough	2,415	2,458	2%
Metlakatla	1,485	1,467	-1%
Craig	1,205	1,102	-9%
Skagway Municipality	1,034	1,065	3%
Klawock	806	814	1%
Hoonah	790	793	0%
Kake	627	605	-4%
Yakutat City & Borough	631	594	-6%
Gustavus	519	558	8%
Thorne Bay	533	532	0%
Angoon	417	408	-2%
Hydaburg	407	404	-1%
Coffman Cove	176	204	16%
Tenakee Springs	127	140	10%
Hollis	93	112	20%
Naukati Bay	120	104	-13%
Klukwan	84	95	13%
Kasaan	75	89	19%
Hyder	93	84	-10%
Pelican	76	78	3%
Port Alexander	45	58	29%
Port Protection	54	51	-6%
Whale Pass	40	45	13%
Edna Bay	47	41	-13%
Game Creek	18	21	17%
Point Baker	13	14	8%
Elfin Cove	16	13	-19%
Other (POW, H/A CA)	781	801	3%
Total	74,460	73,812	-1%

Population 73,812

DOWN 500 PEOPLE IN 2016 -1%

Between 2014 and 2016 Southeast Alaska's population decreased by 648 people after two years of consecutive decline. These losses were more significant in 2016 and centered in Juneau, where the cuts to State jobs led to a reduction of nearly 300 residents. But the losses were region-wide, with six of the region's seven boroughs reporting population decline (only the Borough of Wrangell was spared).

SCHOOL ENROLLMENT UP

Despite population losses, school enrollment was up in 2017 over 2016. While the size of the increase was tiny (half a percent, 90 kids) it was the largest increase in more than two decades, during which time annual enrollment shrank by 3,250 K-12 students.

AGING CONTINUES

Despite relatively flat trends, there were some significant shifts in the region since 2010. The number of people in their 40s shrank by 1,700 (-16%) and we ended up with 600 fewer teenagers (-6%). As expected, the most pronounced shift was the continued explosion of baby boomers into their older years. Those aged 60 plus grew by 4,100 people (+8%) simply through aging in place, meaning 27% of all adults in the region are over the age of 60, a percentage that is growing.

COMMUNITY CHANGE

Gustavus continues to have the most pronounced growth of any community. Since 2010 that community has grown by 26% for a total gain of 116 people. Factors influencing this growth include new ferry service and lower cost hydro power electricity displacing diesel. Significant population growth (of 19% or higher) was experienced by some of our smaller communities over the past two years, including Port Alexander, Hollis, and Kasaan.

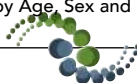
Among communities with over 1,000 residents, only Wrangell and Skagway grew, both experiencing moderate growth (2% and 3% respectively). The island of Prince of Wales grew by nearly 6%, thanks to strong growth in places like Klawock, Thorne Bay, and Coffman Cove. Places with double-digit percentage population losses since 2010 include Pelican and Elfin Cove.

POPULATION OUTLOOK

As long as the state continues to reduce jobs, payments to communities, and infrastructure investments in the region, job losses will continue, and these will continue to be paired with population declines.



Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area, 2010 to 2016; Alaska Department of Education and Early Development; Alaska Population Projections



SOUTHEAST ALASKA REGIONAL OVERVIEW

78%

THE FEDERALLY-MANAGED TONGASS MAKES UP NEARLY 4/5TH OF ALL SOUTHEAST ALASKA

16%

OTHER FEDERAL HOLDINGS MAKE UP NEARLY ALL THE REST (MOSTLY GLACIER BAY)

3.4%

ALASKA NATIVE ORGANIZATIONS ARE THE REGION'S NEXT LARGEST LAND OWNER

2.5%

STATE OF ALASKA LANDS INCLUDE THOSE MANAGED AS PART OF THE MENTAL HEALTH TRUST

0.25%

MUNICIPAL LAND HOLDINGS

0.05%

PRIVATE LAND OWNERS

Southeast Alaska Land Ownership
Circle size = Number of Acres



THE REGION

The Southeast Alaska Panhandle extends 500 miles along the coast from Metlakatla to Yakutat, encompassing approximately 33,500 square miles of land and water. The full saltwater shoreline of Southeast Alaska is approximately 18,500 miles. More than 1,000 islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities—Juneau, Ketchikan, and Sitka—together are home to 75 percent of the regional population.

CULTURE

The dominant culture in the region is indigenous. Alaska Natives—the Tlingit, Haida, and Tsimshian—make up nearly a quarter (22.4%) of the region's population. The Tlingit have resided in the region for 11,000 years. The region's mild climate, abundant food and raw materials supported the development of highly organized and culturally advanced societies with extensive trade routes.

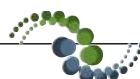
ECONOMIC TRENDS

Beginning in the 1880s, the economy of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. In the beginning of the 1990's seafood and timber directly accounted for a fifth of the regional economy. However, over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined and catch levels fell. Total Southeast Alaska wages hit bottom in 1997. Population continued to decline through 2007. Between 2008 and 2015 the region staged an economic recovery, rebounding to record numbers of jobs, wages, and residents. However, the recent state budget crisis has changed the economic trajectory of the region. Population and employment levels are once again declining, and the adverse economic consequences of state job and budget cuts will continue.

LAND OWNERSHIP

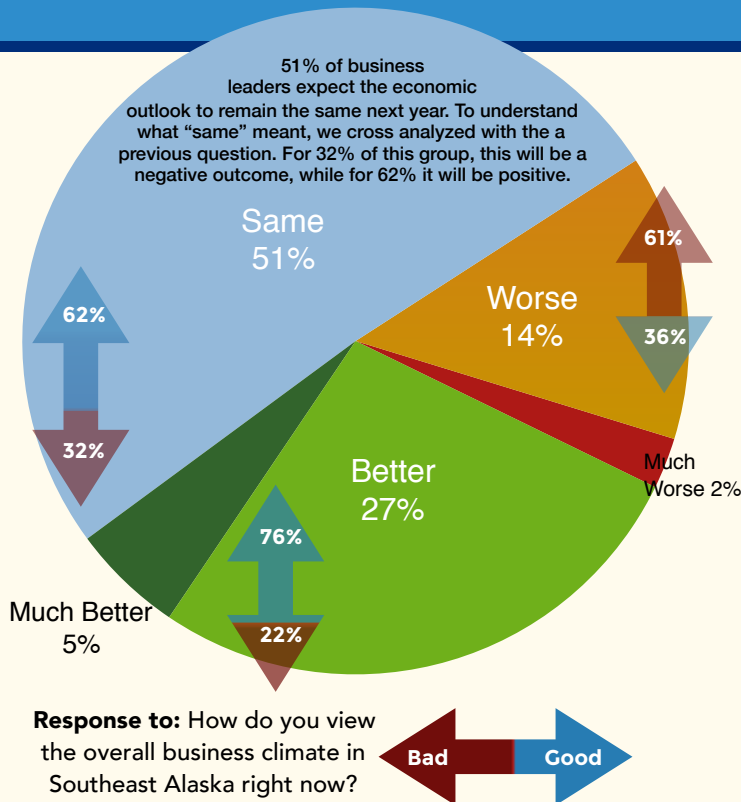
The lack of privately owned land and land available for development is unique in Southeast Alaska and impedes the ability of the region to nurture the private sector. (See infographic on the left.) Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78%, or 16.75 million acres) is the Tongass National Forest. The remaining federal lands are mostly in Glacier Bay National Park. The State manages 2.5 percent of the total land base (511,500 acres), including the Alaska Mental Health Trust Authority and University of Alaska lands. Boroughs and communities own 53,000 acres—a quarter of one percent of the entire regional land base. Alaska Native organizations, including village, urban, and regional corporations and the Annette Island Reservation, own 3.4 percent (728,100 acres) of the land base. Other private land holdings account for 0.05 percent of the remaining land base.

Sources: Personal communications with Kyle Moselle, State of Alaska; Susan Jennings, US Forest Service; Brian Kleinhenz, Sealaska. *Economies in transition: An assessment of trends relevant to management of the Tongass National Forest, USDA 1998.*
Photo Credit: Canoe by Annie Caufield.



SOUTHEAST ECONOMIC OUTLOOK SURVEY

“What is the economic outlook for your business or industry over the next year (compared to the previous year)?”



Current Regional Business Climate Survey

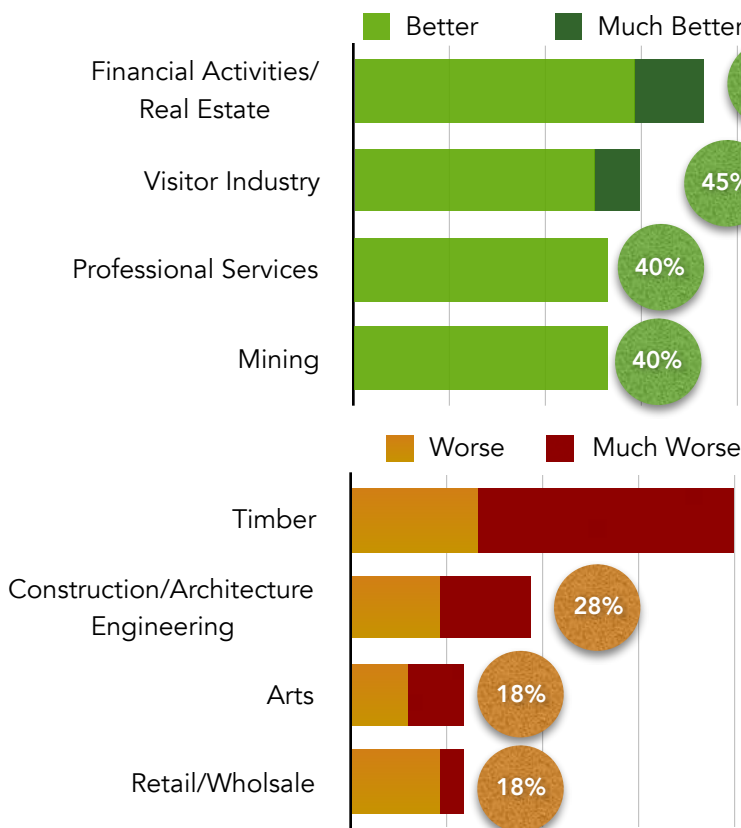
In the Spring of 2017, 209 Southeast Alaska business owners and top managers from 22 communities and 21 sectors responded to Southeast Conference’s Business Climate and Private Investment Survey. Nearly two-thirds (64%) of regional business leaders were positive about the economy, calling the current business climate “good” or “very good.”

Southeast Alaska Economic Outlook

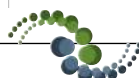
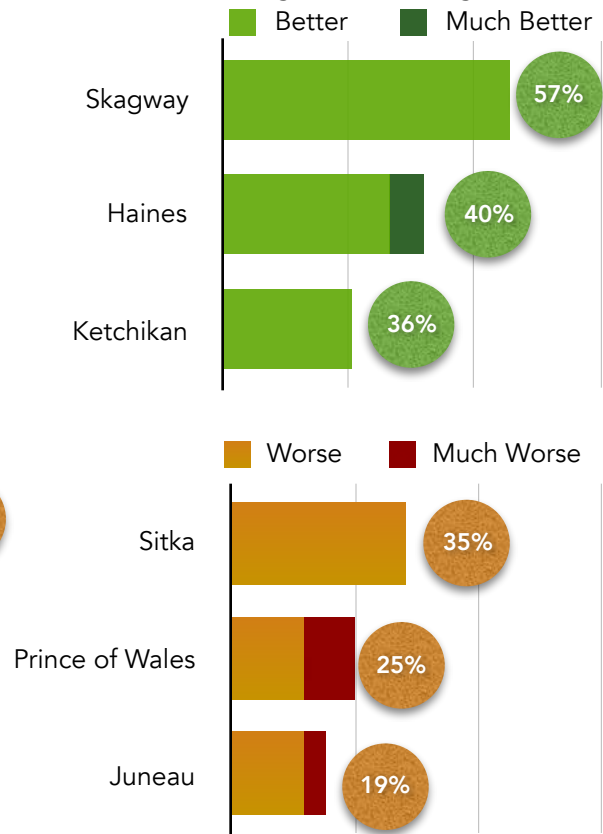
Regardless of the regional indicators, businesses in Southeast Alaska are largely optimistic about the future. While 99% are concerned about the region overall moving forward, one-third of Southeast Alaska business leaders expect their own sectors or businesses to improve and 16% expect decline. More than half (51%) expect the outlook to remain status quo. For nearly 2/3rds of this group, that is a good thing—of that 51%—1/3rd reported a negative current business climate, while 62% reported a positive business climate. Businesses in Skagway and Haines reported the brightest outlook; while Sitka and Prince of Wales reported a deteriorating economic outlook. The financial sector (including insurance, accounting, and real estate) reported the most positive outlook of any industry, with more than half of respondents foreseeing improved outcomes, followed by the visitor industry. The sectors most concerned about their future include the timber industry—where 60% of respondents say their industry will continue to decline—and the construction sector, including architecture and engineering.

What is the economic outlook for your business or industry?

By Industry



By Community



SOUTHEAST 2020 STRATEGIC PLAN SUMMARY

In June 2017, Southeast Conference updated the Southeast Alaska 2020 Economic Plan, a five-year strategic plan for the region. The membership worked together to develop an overall vision statement, 46 objectives, and 7 priority objectives, along with regional and industry specific SWOT analyses. More than 400 people representing small businesses, tribes, Native organizations, municipalities, and nonprofits were involved in various elements of the planning process. The Plan's objectives are listed below.

Transportation

- ★ **Priority** Minimize Impacts of Budget Cuts to AMHS and Develop Sustainable Operational Model.
- Road Development.
- Move Freight to and from Markets More Efficiently.
- Ensure the Stability of Regional Transportation Services Outside of AMHS.



Visitor Industry

- ★ **Priority** Market Southeast Alaska to Attract More Visitors.
- Improve Access to Public Lands.
- Increase Flexibility in Terms of Permit Use.
- Increase Yacht and Small Cruise Ship Visitations.
- Improve Communications Infrastructure.
- Advocate for Funding to Maintain Existing Recreational Infrastructure.
- Grow Cultural and Arts Tourism.



Energy

- ★ **Priority** Promote Priorities Of The Regional Energy Plan Including Infrastructure and Diesel Displacement
- Support Community Efforts to Create Sustainable Power Systems That Provide Affordable/Renewable Energy.
- Complete Regional Hydrosite Evaluation for Southeast Alaska.



Timber Industry

- ★ **Priority** Provide an Adequate, Economic and Dependable Supply of Timber from the Tongass National Forest to Regional Timber Operators.
- Stabilize the Regional Timber Industry.
- Work with USFS to Direct Federal Contracts Toward Locally-Owned Businesses.
- Support Small-Scale Manufacturing of Wood Products in Southeast Alaska.
- Continue Old-Growth Harvests Until Young-Growth Supply is Adequate.
- Community-Based Workforce Development.
- Update Young Growth Inventory.



Maritime

Maritime Industrial Support

- ★ **Priority** Maritime Industrial Support Sector Talent Pipeline: Maritime Workforce Development Plan.
- Continue to Grow the Regional Maritime Sector.
- Increase Access to Capital for the Regional Maritime Industrial Support Sector.
- Support Capital Investments in Expanded Marine Industry Support Infrastructure.
- Harbor Improvements.
- Examine Arctic Exploration Opportunities That the Region as a Whole Can Provide.



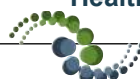
Other Objectives

- Housing:** Support Housing Development.
- Food Security:** Increase Production, Accessibility, and Demand of Local Foods.
- Communications:** Improved Access to Telemedicine in Southeast Alaska.
- Marketing:** Market Southeast Alaska as a Region.
- Solid Waste:** Regional Solid Waste Disposal.
- Education:** Partner with University & K-12 to Meet Workforce Needs
- Arts:** Increase Recognition of Southeast Alaska's Thriving Arts Economy.
- Mining:** Minerals & Mining Workforce Development.
- Research:** Attract Science and Research Jobs to Southeast Alaska.
- Cultural Wellness:** Support Activities and Infrastructure That Promote Cultural Wellness
- Healthcare:** Meet Regional Needs.



Seafood Industry

- ★ **Priority** Mariculture Development.
- ★ **Priority** Full Utilization and Ocean Product Development.
- Increase Energy Efficiency and Reduce Energy Costs.
- Regional Seafood Processing.
- Seafood Markets.
- Sea Otter Utilization and Sustainable Shellfish.
- Maintain Stable Regulatory Regime.
- Seafood Workforce Development.





SOUTHEAST CONFERENCE

Southeast Conference Board

Chelsea Goucher – President
Sales Representative, Alaska Marine Lines

Jan Hill – Vice President
Mayor, Haines Borough

Dennis Watson – 2nd Vice President
Mayor, City of Craig

Garry White – Past President
Executive Director, Sitka Economic Development Association

Alec Mesdag – Treasurer
Director of Energy Services for AEL&P Juneau

Stephen Bradford – Secretary
Assembly Member, Ketchikan Gateway Borough

Carol Rushmore – Director
Economic Development Director, City and Borough of Wrangell

Rorie Watt – Director
City Manager, City & Borough of Juneau

Bryce Dahlstrom – Director
Vice President, Viking Lumber

Liz Cabrera – Director
Economic Development Director, Petersburg

Markos Sheer – Director
Attorney for Williams Kastner, Sitka

Dennis Gray Jr. – Director
City Administrator for City of Hoonah

SOUTHEAST ALASKA AND THE AMHS FERRY ROUTE



Publication developed by www.raincoastdata.com

City of Craig
Cash Balances
8/31/2017

General Fund

Deposit Clearing Account	13,704.34
Checking - First Bank	2,307,316.83
Checking - Wells Fargo	61,512.02
Petty Cash	300.00
Petty Cash-Harbors	200.00
Petty Cash- Aquatic Center	250.00
Petty Cash - Police	150.00
Petty Cash- Library	50.00
Specail Recreation Savings	<u>1,940.37</u>
Total	<u>2,385,423.56</u>

Restricted Fund

Cash, , Police Fund	3,422.11
Cash Evidence, Police	4,393.28
Police Petty Cash	5,000.00
Cash Equipment Fund	342,696.85
Cash Hatchery Salmon Derby	21,096.98
MM Hatchery Funds	11,551.50
MM Park Funds	12,587.47
Fish Quota Funds	15,490.97
MM POW Clinic Funds	39,179.92
MM Invest Muni Land	818,490.91
CASH MMkt NFR -School FB	1,912,272.13
CD /NFR School ProEquities	<u>1,548,513.54</u>
Total	<u>4,734,695.66</u>

Endowment

Cash Held Endowment	38,701.25
CD Invest, Endowment	503,746.60
Fixed Inc. Investment Endowment	3,053,818.21
Accr. Int., Endowment	20,882.94
Equity Invest., Endowment	4,090,438.59
Unrealized Gain/Loss Endowment	(31,300.30)
Unrealized Gain/Loss Equity, Endowment	<u>2,561,847.41</u>
Total	<u>10,238,134.70</u>

Enterprise Fund

Debt Service Savings	14,983.52
Water & Wastewater Cash	4,466.83
DNR Performance CD	<u>8,500.00</u>
Total	<u>27,950.35</u>

City of Craig
04. Craig Gov Revenue

August 31, 2017

	M-T-D Actual	Y-T-D Actual	Budget	Variance	% of Budget
01 00.4000.00 000 Property Tax	0	626,016	620,000	6,016	101
01 00.4050.00 000 Sales Tax	62,072	418,573	1,497,000	(1,078,427)	28
01 00.4055.00 000 Delinquent Sales Tax	0	0	2,000	(2,000)	0
01 00.4060.00 000 Liquor Sales Tax	2,052	29,522	120,000	(90,478)	25
01 00.4070.00 000 Property Tax Penalties	0	0	2,000	(2,000)	0
01 00.4080.00 000 Sales Tax Penalties	0	490	0	490	0
Total Local Taxes	64,124	1,074,601	2,241,000	(1,166,399)	48
01 00.4100.00 000 Property PILT Funding	0	284,075	265,500	18,575	107
01 00.4110.00 000 State Revenue Sharing	0	90,343	89,842	501	101
01 00.4111.00 000 Liquor Revenue Sharing	0	0	5,000	(5,000)	0
01 00.4112.00 000 Fish Bus Tax - DOR	0	0	50,000	(50,000)	0
01 00.4120.00 000 Shared Fish Tax - DCED	0	0	4,000	(4,000)	0
01 00.4142.00 000 Revenue, Library Grant	0	1,000	0	1,000	0
Total State Revenue	0	375,418	414,342	(38,924)	91
01 00.4220.00 000 EMS Service Fees	7,003	10,936	30,000	(19,064)	36
01 00.4250.00 000 EMS Training Fees	0	0	1,000	(1,000)	0
01 00.4260.00 000 Aquatic Center Revenue	5,441	9,823	50,000	(40,177)	20
01 00.4270.00 000 Library Fees	178	323	1,000	(677)	32
01 00.4275.00 000 Recreation Revenue	1,162	1,786	12,000	(10,214)	15
01 00.4280.00 000 Senior Card Fees	20	30	1,000	(970)	3
01 00.4620.00 000 Taxi Permit Fees	0	0	100	(100)	0
01 00.4640.00 000 Building Permit Fees	60	90	1,000	(910)	9
01 00.4644.00 000 Access Permit Fees	500	1,030	7,000	(5,970)	15
Total Permits & Fees	14,364	24,018	103,100	(79,082)	23
01 00.4300.00 000 Property Lease/Rentals	4,116	8,233	72,000	(63,767)	11
01 00.4400.00 000 Material Sales	0	0	1,000	(1,000)	0
01 00.4450.00 000 K Salmon Hatchery Support	1,870	8,870	0	8,870	0
Total Local Revenue	5,986	17,103	73,000	(55,897)	23
01 00.4700.00 000 Police-Fines,Citation	2,301	5,082	10,000	(4,918)	51
01 00.4703.00 000 Motor Vehicle Commision	6,837	13,417	60,000	(46,583)	22
01 00.4650.00 000 State Trooper Dispatch	0	0	10,000	(10,000)	0
01 00.4660.00 000 State Jail Contract Revenue	0	0	286,584	(286,584)	0
01 00.4665.00 000 Klawock Dispatch	4,424	8,848	50,000	(41,152)	18
01 00.4670.00 000 Forest Service Dispatch	0	0	3,000	(3,000)	0
Total Public Safety Funds	13,562	27,347	419,584	(392,237)	7
01 00.4820.00 000 Interest Income (A/R)	542	860	1,000	(140)	86
01 00.4830.00 000 Misc Revenue Convenience Fees	0	0	5,000	(5,000)	0
01 00.4900.00 000 Misc Revenue	20	47	0	47	0
01 00.4910.00 000 Donations Received	0	2,000	0	2,000	0
Total Other Revenue	562	2,907	6,000	(3,093)	48
Total Revenues	\$ 98,598	\$ 1,521,394	\$ 3,257,026	\$ (1,735,632)	\$ 47

City of Craig
Revenue and Expense MTD and YTD
August 31, 2017

	Month to Date	Y-T-D Current Year	Y-T-D Encumbrance	Total	Budget	Variance	% of Budget
Total Expenditures	20,852	54,515	789	55,304	252,932	197,629	21.87
15 Public Works							
Total Personnel Expenses	12,516	27,934	0	27,934	111,054	83,120	25.15
Total Personnel Benefits Expenses	4,489	13,226	0	13,226	89,389	76,163	14.80
Total Contract Expenses	80	80	0	80	500	420	16.00
Total Personnel Misc Expenses	0	0	0	0	0	0	0.00
Total Material & Supplies Expenses	1,315	4,692	1	4,693	12,600	7,907	37.25
Total Utilities Expenses	951	1,794	0	1,794	18,600	16,807	9.65
Total Maintenance Expenses	706	3,079	407	3,485	45,000	41,515	7.74
Total Misc Expenses	572	1,144	0	1,144	5,103	3,959	22.42
Total Capital Expenses	0	0	0	0	0	0	0.00
Total Expenditures	20,629	51,949	408	52,356	282,246	229,891	18.55
16 Police							
Total Personnel Expenses	41,506	98,295	0	98,295	482,577	384,282	20.37
Total Personnel Benefits Expenses	22,796	58,972	0	58,972	339,153	280,181	17.39
Total Contract Expenses	0	5	0	5	1,800	1,795	0.28
Total Personnel Misc Expenses	37	354	0	354	0	(354)	0.00
Total Material & Supplies Expenses	5,766	11,417	(2,937)	8,480	37,250	28,770	22.77
Total Utilities Expenses	1,712	3,746	0	3,746	27,000	23,254	13.87
Total Maintenance Expenses	0	0	0	0	0	0	0.00
Total Misc Expenses	905	1,560	0	1,560	10,271	8,711	15.19
Total Capital Expenses	2,330	2,330	0	2,330	1,250	(1,080)	(185.40)
Total Expenditures	75,052	176,679	(2,937)	173,742	899,301	725,559	19.32
17 EMS							
Total Personnel Expenses	7,189	17,563	0	17,563	85,622	68,059	20.51
Total Personnel Benefits Expenses	4,275	11,693	0	11,693	49,900	38,207	23.43
Total Contract Expenses	0	60	400	460	3,950	3,490	11.65
Total Personnel Misc Expenses	465	465	130	595	3,240	2,645	18.36
Total Material & Supplies Expenses	1,061	1,795	230	2,025	18,400	16,375	11.01
Total Utilities Expenses	331	948	0	948	4,300	3,352	22.05
Total Maintenance Expenses	461	461	190	651	1,000	349	65.10
Total Misc Expenses	397	794	0	794	4,520	3,726	17.57
Total Capital Expenses	689	689	(689)	0	2,000	2,000	0.00
Total Expenditures	14,868	34,468	261	34,729	172,932	138,203	20.08
18 Fire Department							
Total Personnel Expenses	0	0	0	0	0	0	0.00
Total Personnel Benefits Expenses	16	33	0	33	4,186	4,154	0.79
Total Contract Expenses	0	0	0	0	3,500	3,500	0.00
Total Personnel Misc Expenses	0	0	0	0	2,700	2,700	0.00
Total Material & Supplies Expenses	118	118	0	118	1,379	1,261	8.56
Total Utilities Expenses	201	549	0	549	2,410	1,861	22.78
Total Maintenance Expenses	0	0	0	0	5,000	5,000	0.00

City of Craig
Revenue and Expense MTD and YTD
August 31, 2017

	Month to Date	Y-T-D Current Year	Y-T-D Encumbrance	Total	Budget	Variance	% of Budget
Total Utilities Expenses	0	0	0	0	0	0	0.00
Total Maintenance Expenses	0	0	0	0	0	0	0.00
Total Misc Expenses	18	36	0	36	0	(36)	0.00
TotalCapital Expenses	0	0	0	0	0	0	0.00
Total Expenditures	18	36	0	36	0	(36)	0.00
99 Inter Governmental Transfers							
Total Personnel Expenses	0	0	0	0	0	0	0.00
Total Personnel Benefits Expenses	0	0	0	0	0	0	0.00
TotalContract Expenses	0	0	0	0	0	0	0.00
TotalPersonnel Misc Expenses	0	0	0	0	0	0	0.00
Total Material & Supplies Expenses	0	0	0	0	0	0	0.00
Total Utilities Expenses	0	0	0	0	0	0	0.00
Total Maintenance Expenses	0	0	0	0	0	0	0.00
Total Misc Expenses	0	0	0	0	0	0	0.00
TotalCapital Expenses	201	360	0	360	0	(360)	0.00
Total Expenditures	201	360	0	360	0	(360)	0.00

City of Craig

Revenue and Expense MTD and YTD

August 31, 2017

	M-T-D Current Year	Y-T-D Current Year	Y-T-D Encumbrance	Total	Budget	Variance	% of Budget	Total Prior Yr. Actual
21 Sewer								
Revenue								
Sewer Service Fees	27,565	51,133	0	51,133	271,000	219,867	(18.87)	255,092
Sewer Service/ Nonmetered	465	930	0	930	5,000	4,070	(18.59)	5,313
PERS Relief - Sewer	0	0	0	0	0	0	0.00	3,805
Total Revenue	28,030	52,063	0	52,063	276,000	223,937	(18.86)	264,210
Expenses								
Total Personnel Expenses	6,676	16,611	0	16,611	86,802	70,191	19.14	90,554
Total Personnel Benefits Expenses	2,363	7,756	0	7,756	52,289	44,533	14.83	48,497
Total Contract Expenses	476	1,146	0	1,146	6,000	4,854	19.10	4,393
Personnel Misc Expenses	0	0	0	0	825	825	0.00	1,514
Material & Supplies Expenses	711	1,407	0	1,407	8,400	6,993	16.75	6,453
Utilities Expenses	2,866	5,321	0	5,321	44,700	39,379	11.90	46,455
Maintenance Expenses	185	1,808	0	1,808	12,000	10,192	15.07	825
Misc Expenses	397	794	0	794	7,588	6,794	10.46	6,004
Capital Expenses & Debt	79,880	85,060	0	85,060	59,997	(25,063)	141.77	60,561
Total Expenses	93,554	119,903	0	119,903	278,601	158,698	43.04	265,256
Excess Revenue Over (Under) Expenditures	\$ (65,524)	\$ (67,840)	\$ 0	\$ (67,840)	\$ (2,601)	\$ 65,239	\$ (2,608.23)	\$ (1,046)
22 Water								
Revenue								
Water Service/Metered	30,541	55,186	0	55,186	294,000	238,814	(18.77)	242,490
Water Service / Nonmetered	835	1,771	0	1,771	4,800	3,029	(36.89)	6,893
Material Sales, Water	0	200	0	200	1,000	800	(20.00)	(10,593)
Reconnection Fee, Water	0	0	0	0	500	500	0.00	50
Turn-Off Notice Fee	0	0	0	0	1,000	1,000	0.00	440
Interest Income Sewer	0	0	0	0	0	0	0.00	13
Other Revenue - Water	7	7	0	7	0	(7)	0.00	2,479
PERS Relief - Water	0	0	0	0	0	0	0.00	6,612
Total Revenue	31,383	57,164	0	57,164	301,300	244,136	(18.97)	248,384
Expenses								
Total Personnel Expenses	10,196	27,894	0	27,894	172,898	145,004	16.13	151,536
Total Personnel Benefits Expenses	4,220	13,378	0	13,378	97,168	83,790	13.77	77,062
Total Contract Expenses	832	1,492	720	2,212	6,000	3,788	36.87	8,195
Personnel Misc Expenses	0	600	0	600	1,190	590	50.42	957
Material & Supplies Expenses	13,381	13,668	9,702	23,370	35,150	11,781	66.49	50,756
Utilities Expenses	3,347	6,079	0	6,079	61,100	55,021	9.95	56,447
Maintenance Expenses	0	0	2,285	2,285	5,000	2,715	45.70	10,025
Misc Expenses	658	1,316	0	1,316	6,435	5,119	20.45	6,361
Capital Expenses & Debt	5,506	5,506	0	5,506	23,833	18,327	23.10	3,351
Total Expenses	38,140	69,933	12,707	82,640	408,774	326,135	20.22	364,690

City of Craig

Revenue and Expense MTD and YTD

August 31, 2017

	M-T-D Current Year	Y-T-D Current Year	Y-T-D Encumbrance	Total	Budget	Variance	% of Budget	Total Prior Yr. Actual
Excess Revenue Over (Under) Expenditures	\$ (6,757)	\$ (12,769)	\$ (12,707)	\$ (25,476)	\$ (107,474)	\$ (81,999)	\$ (23.70)	\$ (116,306)
23 Garbage								
Revenue								
Garbage Collection Fees	28,467	55,641	0	55,641	303,000	247,359	(18.36)	289,749
Dumpster Rental	15	30	0	30	0	(30)	0.00	15
Dumpster/Can Sales	0	(313)	0	(313)	0	313	0.00	1,015
PERS Relief - Garbage	0	0	0	0	0	0	0.00	1,784
Total Revenue	28,482	55,358	0	55,358	303,000	247,642	(18.27)	292,563
Expenses								
Total Personnel Expenses	3,998	8,076	0	8,076	35,953	27,877	22.46	36,652
Total Personnel Benefits Expenses	2,759	6,231	0	6,231	33,746	27,516	18.46	32,825
Total Contract Expenses	39,597	39,597	0	39,597	216,500	176,903	18.29	201,536
Personnel Misc Expenses	0	0	0	0	0	0	0.00	0
Material & Supplies Expenses	690	1,144	0	1,144	7,500	6,356	15.25	6,460
Utilities Expenses	0	0	0	0	0	0	0.00	0
Maintenance Expenses	0	0	1,873	1,873	1,000	(873)	187.30	0
Misc Expenses	276	552	0	552	3,544	2,992	15.58	4,379
Capital Expenses & Debt	0	0	0	0	0	0	0.00	754
Total Expenses	47,320	55,600	1,873	57,473	298,243	240,771	19.27	282,606
Excess Revenue Over (Under) Expenditures	\$ (18,838)	\$ (242)	\$ (1,873)	\$ (2,115)	\$ 4,757	\$ 6,871	\$ 44.46	\$ 9,957
27 Harbor								
Revenue								
Moorage, Permanent	0	504	0	504	85,000	84,496	(0.59)	85,388
Moorage, Transient	13,395	25,148	0	25,148	95,000	69,852	(26.47)	109,855
Storage Container Fees	0	0	0	0	14,000	14,000	0.00	16,170
Outside Storage Fees	510	1,125	0	1,125	7,000	5,875	(16.07)	7,273
Equipment Rental	180	325	0	325	1,000	675	(32.50)	1,588
Crane User Fees	165	300	0	300	5,000	4,700	(6.00)	3,585
Shower Operations	286	713	0	713	2,000	1,287	(35.67)	2,092
Wharfage	174	337	0	337	2,000	1,663	(16.84)	2,077
Launch Ramp Fees	160	520	0	520	2,000	1,480	(26.00)	2,933
Power Moorage	2,154	3,768	0	3,768	10,000	6,233	(37.68)	16,670
Harbor Live Aboard	0	0	0	0	0	0	0.00	25
Grid/Vessel Pump, Assist	75	113	0	113	1,000	888	(11.25)	659
Boat Houlout Harbor	1,187	3,437	0	3,437	24,000	20,563	(14.32)	6,289
Miscellaneous Revenue	362	437	0	437	1,000	563	(43.69)	3,495
PERS Relief - Harbor	0	0	0	0	0	0	0.00	4,492
Total Revenue	18,648	36,727	0	36,727	249,000	212,275	(14.75)	262,591
Expenses								
Total Personnel Expenses	9,382	22,409	0	22,409	121,894	99,485	18.38	125,878

City of Craig

Revenue and Expense MTD and YTD

August 31, 2017

	M-T-D	Y-T-D	Y-T-D	Total	Budget	Variance	% of Budget	Total Prior Yr.
	Current Year	Current Year	Encumbrance					Actual
Total Personnel Benefits Expenses	4,671	8,518	0	8,518	76,468	67,950	11.14	70,317
Total Contract Expenses	0	0	0	0	0	0	0.00	19,459
Personnel Misc Expenses	750	750	780	1,530	2,000	470	76.50	833
Material & Supplies Expenses	898	2,465	0	2,465	7,000	4,535	35.21	47,912
Utilities Expenses	2,592	4,858	0	4,858	22,100	17,242	21.98	32,744
Maintenance Expenses	11	633	2,810	3,442	10,000	6,558	34.42	127,134
Misc Expenses	882	14,881	0	14,881	22,405	7,524	66.42	23,432
Capital Expenses & Debt	1,485	1,485	0	1,485	0	(1,485)	0.00	1,696
Total Expenses	<u>20,671</u>	<u>55,999</u>	<u>3,590</u>	<u>59,588</u>	<u>261,867</u>	<u>202,279</u>	<u>22.76</u>	<u>449,405</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (2,023)</u>	<u>\$ (19,272)</u>	<u>\$ (3,590)</u>	<u>\$ (22,861)</u>	<u>\$ (12,867)</u>	<u>\$ 9,996</u>	<u>\$ (177.67)</u>	<u>\$(186,814)</u>
28 JTB Industrail Park								
Revenue								
Washdown Service, JTB Park	50	100	0	100	0	(100)	0.00	100
Boat Storage Fees, JTB Park	2,406	4,400	0	4,400	32,000	27,600	(13.75)	25,749
Property Lease , JTB Park	7,824	18,848	0	18,848	259,531	240,683	(7.26)	350,203
Equip Rental, JTB Park	158	385	0	385	0	(385)	0.00	768
Ice House Sales, JTB Park	23,358	48,007	0	48,007	85,000	36,993	(56.48)	77,327
Ice House Labor contract	9,333	18,666	0	18,666	0	(18,666)	0.00	0
Electricity, JTB Park Boat Yard	17	35	0	35	7,500	7,465	(0.47)	3,142
PERS Relief, JRB Park	0	0	0	0	0	0	0.00	1,218
Other - JTB Park,	0	0	0	0	25,000	25,000	0.00	0
Misc. Rev, JTB Park	50	100	0	100	0	(100)	0.00	600
Total Revenue	<u>43,196</u>	<u>90,541</u>	<u>0</u>	<u>90,541</u>	<u>409,031</u>	<u>318,490</u>	<u>(22.14)</u>	<u>459,107</u>
Expenses								
Total Personnel Expenses	15,622	39,504	0	39,504	76,692	37,189	51.51	48,687
Total Personnel Benefits Expenses	2,278	7,571	0	7,571	48,631	41,060	15.57	22,322
Total Contract Expenses	0	1,020	0	1,020	1,800	780	56.67	392
Personnel Misc Expenses	0	0	0	0	0	0	0.00	0
Material & Supplies Expenses	2,037	3,915	460	4,375	9,100	4,725	48.08	13,879
Utilities Expenses	7,305	14,889	0	14,889	55,000	40,111	27.07	44,988
Maintenance Expenses	881	1,031	496	1,527	5,000	3,473	30.54	21,049
Misc Expenses	926	1,852	0	1,852	9,581	7,729	19.33	8,020
Capital Expenses & Debt	25,020	25,020	0	25,020	54,000	28,980	46.33	25,221
Total Expenses	<u>54,069</u>	<u>94,802</u>	<u>956</u>	<u>95,758</u>	<u>259,804</u>	<u>164,047</u>	<u>36.86</u>	<u>184,558</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (10,873)</u>	<u>\$ (4,261)</u>	<u>\$ (956)</u>	<u>\$ (5,217)</u>	<u>\$ 149,227</u>	<u>\$ 154,443</u>	<u>\$ 3.50</u>	<u>\$ 274,549</u>
29 Ward Cove Cannery								
Revenue								
Storage Rentals	1,033	1,688	0	1,688	6,000	4,312	(28.14)	8,884
Total Revenue	<u>1,033</u>	<u>1,688</u>	<u>0</u>	<u>1,688</u>	<u>6,000</u>	<u>4,312</u>	<u>(28.13)</u>	<u>8,884</u>

City of Craig

Revenue and Expense MTD and YTD

August 31, 2017

	M-T-D Current Year	Y-T-D Current Year	Y-T-D Encumbrance	Total	Budget	Variance	% of Budget	Total Prior Yr. Actual
Expenses								
Total Personnel Expenses	0	0	0	0	0	0	0.00	0
Total Personnel Benefits Expenses	0	0	0	0	0	0	0.00	0
Total Contract Expenses	0	0	0	0	0	0	0.00	0
Personnel Misc Expenses	0	0	0	0	0	0	0.00	0
Material & Supplies Expenses	0	0	0	0	0	0	0.00	92
Utilities Expenses	31	94	0	94	2,100	2,006	4.48	1,465
Maintenance Expenses	0	0	0	0	2,750	2,750	0.00	156
Misc Expenses	80	160	0	160	31	(129)	516.13	0
Capital Expenses & Debt	0	0	0	0	2,000	2,000	0.00	0
Total Expenses	<u>111</u>	<u>254</u>	<u>0</u>	<u>254</u>	<u>6,881</u>	<u>6,627</u>	<u>3.69</u>	<u>1,713</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 922</u>	<u>\$ 1,434</u>	<u>\$ 0</u>	<u>\$ 1,434</u>	<u>\$ (881)</u>	<u>\$ (2,315)</u>	<u>\$ 162.77</u>	<u>\$ 7,171</u>

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: September 29, 2017
RE: Planning Department Staff Report – October 2017

1. Pending Land Leases/Land Sales
 - a. Land Sale to Tyler Rental. This land sale is still on hold pending Tyler looking at other alternatives.
 - b. Trojan Lease. On hold pending action from Richard Trojan.
 - c. Land Sale to Troy and Di Thain. The sale is nearly complete. The final payment has been made on the property and the agreement to develop the recreational area has been signed. I am waiting for the final plat to be delivered to complete the sale and issue a deed.
 - d. The two city owned Salmonberry lots are still listed with Ron and Melissa Matecki. The listing expires on September 30th. A memo is in the council packet for consideration about how to proceed.
2. Tract 18 Housing Project. THRHA and CTA are continuing to work on a draft cooperative agreement for the city council to consider. They are also working on finalizing the plat and other items prior to starting construction on the four-plex.
3. 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. I have asked CTA to work with their design engineer and to develop a preferred alternative and to submit that design back to the city. We are still waiting for input from CTA.
4. 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 has started gathering additional information for the library's strategic planning process.
 - b. POWER Building. Improvements/renovation of the POWER building has been on the capital projects list for a number of years. I met with the POWER board to discuss the project and to talk about the next steps. I will continue to work with POWER to gather service information.
 - 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 issued a letter starting the environmental review

process preceding a sale. A copy of the letter is contained in the correspondence section of the October 5th meeting. I will continue to monitor progress on the sale and keep the council informed.

5. 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. CTA has drafted a request for proposals for engineering services with staff's input. Staff will continue to work with CTA on the project.
6. Travel Schedule. I will be out of the office to attend the state Local Emergency Planning Committee Association meeting and Homeland Security Grant kickoff meetings on October 19-20.

Submitted by Kimberly Baxter

8/30/17-9/17/17

Volunteer Hours: 43

Patron Visits: 864

Circulation: 1552

Computer Usage: 295

Tests Proctored: 0

Meetings: 0

OWL Video Conferences: 0

Alaska Digital Library Usage: 71

Library Programs:

- Every other Tuesday, 10:00am, story time with Klawock Head Start.
- Every Thursday, 10:00am, story time with Craig Head Start.
- Every Friday, 10:00am, preschool story time.
- Dolly Parton Imagination Library, continuous registrations.
- Sept 23rd, Book Club, discussing Wild by Cheryl Strayed.
- Sept 24th – 30th Banned Book Week, special library displays.
- Sept 24th, ongoing. Banned Book Club. Read banned or challenged books, fill your punch card and earn a prize.
- Oct 1st Halloween bakeware available for check out.
- Oct 26th – Nov 4th Halloween Story Walk on the cemetery trail.
- Oct 31st, Drop-in, Halloween crafts.

The Library welcomes Stephanie Haseltine as the new fill-in, part time assistant. We are excited to have her join our team.

**CITY OF CRAIG
MEMORANDUM**



Date: August 31, 2017
To: Honorable Dennis Watson, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report / September 2017

RJ Ely

ACTIVITY

Activity for September 1, 2017 through September 29 2017. Dispatch center took the following amount of calls for service:

Craig	841
Lawlock	2
A	11

DEPARTMENT OF MOTOR VEHICLES

Had some issues, first week of September, state meter went out. Obtained new one, installed and system working good. Meter was closed, for one day, but staff still accepted drop offs.

DISPATCHER(S)

Fully staffed and nothing further to report

OFFICER(S)

Det. Medina is scheduled to attend Advanced Level Assault interview, next month.

Anthony on Amelio withdrew and will no longer be returning to . Opening has been posted and we are currently advertising.

OTHER

ALM upgrades completed, working good, but still working on and fixing minor issues that have been identified.

... ice has given notice and has resigned. He has accepted the deputy magistrate / clerk of court position and will start with court, first week of October.

Received confirmation that ... has been awarded grant for obtaining new CrossMatch digital fingerprinting system, computer, scanner and software.

Learning that Amelio will not be returning, Det. Benjamin Age will be attending the training in October. Once completed, ... will again be able to offer ... load testing.



Parks & Public Facilities

9/29/2017

Staff Report – September 2017

To: Craig Mayor and City Council

From: Douglas Ward

I was on PTO from 9/9 – 9/25

Projects completed:

.

Projects currently in progress:










- Annual wood boiler maintenance.
- Install spinner toy at Triangle Park.
- Clean out N.E. corner of Facilities yard.
- Installation of security cameras throughout Harbor Facilities.
- Repair of upper fascia on Seaplane building.
- Finish painting of City Gym

Work Orders Completed Since Last Report:



Parks & Public Facilities

9/29/2017

-  High-1566-Repair leak around spud gasket on toilet.xls
-  High-1567-Help jessica move weight equipment from high school and middle school.xls
-  High-1570-Replace filter in drinking fountain...xls
-  High-1573-Mark out grave for Russ J..xls
-  High-1574-Replace Grave Marker Cross for Margaret Demmert.xls
-  High-1575-Replace Ballasts in two fixtures.xls
-  High-1576-Replace emergency lights and install LED bulbs per OSHA.xls
-  High-1580-Remove garbage cans from beach and parking area.xls
-  High-1582-Adjust temperature for womens restroom and water temperature.xls

File Code: 5570
Date: September 14, 2017

City of Craig Planner
Brian Templin
PO Box 725
Craig, AK 99921

RECEIVED
SEP 19 2017

Dear Mr. Templin:

This letter is to inform you of the USDA Forest Service's intent to sell a federally-owned property located at 802 Water Street in the townsite of Craig, Alaska. The sale is being made pursuant to the Forest Service Facilities Realignment and Enhancement Act (FSFREA) of 2005 (Title V. P.L. 109-54).

The property is located in an area within Section 5, Township 74 South, Range 81 East, Copper River Meridian, Alaska, more particularly described as follows:

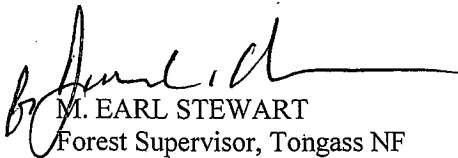
Lot 3, Block 24, U.S. Survey 1430, Craig, Alaska

The parcel is a .16 acre vacant lot with access to city water, electric, and septic. The lot is being sold under competitive bidding procedures. Specific terms of the sale will be provided in an Invitation for Bid, which will be made after all environmental studies and other required analysis are completed.

Disposal of this parcel is consistent with the 2016 Tongass National Forest Plan's guidance on the conveyance of Federal Lands. The disposal of this lot will contribute to management efficiency of forest resources through the elimination of isolated small parcels that are impractical to manage and are not adjacent to or within the Tongass National Forest. The property was previously an administrative site and is no longer needed for administrative purposes.

If you have any questions about this proposal, please contact April Dent at (907) 743-9505, aprilmdent@fs.fed.us.

Sincerely,


M. EARL STEWART
Forest Supervisor, Tongass NF

cc: James King, Matt Anderson, John Smith, April Dent, Amelia S. Anthony





File Code: 5570
Date: September 14, 2017

cityclerk@craigak.com
Craig

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Sincerely,


M. EARL STEWART
Forest Supervisor, Tongass NF

cc: James King, Matt Anderson, John Smith, April Dent, Amelia S. Anthony



GARY A. ZIPKIN
LOUIS R. VEERMAN
JAMES D. LINKWILER
GEORGE R. LYLE
MICHAEL S. MCLAUGHLIN
CHRISTINA RANKIN
KRISTIN E. BRYANT
ADAM D. HARKI

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JOSEPH RUDD 1933-1978
FRANCIS E. SMITH, JR. 1941-1991

OF COUNSEL
JAMES D. DEWITT
ROBYN K. LINKWILER
PATRICK N. BERGT

September 19, 2017

RECEIVED
SEP 25 2017

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

Re: Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

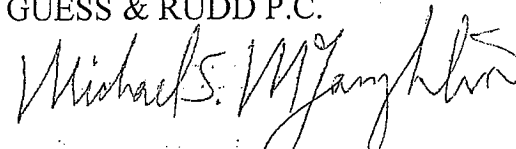
Dear Mr. Bolling:

This office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I understand the City may attempt to assess properties outside the city limits for improvements to and maintenance of the road. Please notify me of any upcoming efforts by the City to do so and provide any legal justification for making such assessment of properties outside the city limits.

Thank you for your attention to this matter.

Very truly yours,

GUESS & RUDD P.C.



Michael S. McLaughlin

cc: Jessica Pinnick

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Dispatch News

Crime & Courts

Governor wants Alaska Legislature to toughen criminal justice during special session

✍ Author: Nathaniel Herz © Updated: 2 days ago 📅 Published 2 days ago



Gov. Bill Walker speaks with Attorney General Jahna Lindemuth, left, at his side during a news conference at the Atwood Building in Anchorage on Friday. (Rugile Kaladyte / Alaska Dispatch News)

[Buy This Photo](#)

Alaska Gov. Bill Walker said Friday he would urge lawmakers in October's special session to approve stiffer penalties for low-level felonies and thefts, reversing parts of the cost-cutting criminal justice law passed by the Legislature last year.

Elected officials across the state are confronting a public backlash against the legislation, often called by its 2016 bill number, Senate Bill 91. State data showing an uptick in crime has been fueling the criticism.

But that rise, in most categories, started before the passage of the criminal justice legislation, and supporters of the broad reform say other causes are driving the trend, including addictive opioid painkillers and a budget crisis that's forced sharp cuts to misdemeanor prosecutions.



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ers at an Anchorage news conference, said he's not sure how much blame to assign. "If the crime rate is up, he said, adding: "More needs to be done. There's no question

Walker's term is up next year, and he's running for re-election; Anchorage Mayor Ethan Berkowitz has also faced criticism this week for his response to a shooting in which three men died.

But one of the architects of the criminal justice reform bill, former Anchorage state Sen. Johnny Ellis, cautioned lawmakers again a "knee-jerk reaction" tied to the impending election.

"There's always a response from elected officials to find an easy solution or an easy scapegoat. That's not what's called for in this situation," Ellis said in a phone interview. "We don't want to make major changes based on emotion."

SB 91 passed last year with bipartisan support in the House and Senate — though not without vocal opposition from some victim advocates and police officials.

[Alaska crime report shows increases in most categories last year]

The bipartisan bill's two main sponsors — Ellis and North Pole Republican Sen. John Coghill, one of the Senate's most conservative members — argued pushing for passage that the state's previous tough-on-crime approach was proving unaffordable amid the state budget crisis.

It also wasn't effective in deterring people from committing crimes, with research by the Pew Charitable Trusts showing that longer prison stays didn't reduce the likelihood criminals would be arrested again.

SB 91 was projected to save \$380 million over 10 years by reducing sentences for nonviolent offenders and cutting down on the number of people in jail and prison. Some of the savings were earmarked for programs that are supposed to fight root causes of crime, like drug addiction.

More than \$30 million has been budgeted for those "reinvestment" initiatives in the past two years.

But the law, 123 pages as a formally enrolled statute, faced a torrent of criticism almost as soon as it went into effect, with opponents quickly linking it to reports of rising crime. Last month, a substitute host on conservative Amy Demboski's radio show Justin Giles, called the legislation "a thumb in the eye of justice" and a "trick by these evil, Marxist leftists."

"All hell is breaking loose in the state of Alaska, but especially in Anchorage," Giles said. "Things were bad before, and now we've got a supercharger on the bad — that's what SB 91 is."

Giles also argued that treatment and rehabilitation promised as part of the legislation hasn't materialized.

Academic experts in Alaska, however, say they don't have any data linking state's crime trends with passage of SB 91 — or that show if the bill is accomplishing its goal of cutting down on repeat offenses.

The bill hasn't even fully taken effect, with a new unit of 60 armed corrections officers, tasked with monitoring defendants out or



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me have been rising in recent years, that trend in some categories dates back to the University of Alaska Anchorage's Justice Center.

"The legislation hasn't really had time to cool yet. It's hot off the presses," Myr Stol said. "We should always be careful extrapolating recent events."

During the upcoming special session — originally called to address the state's deficit and tentatively scheduled to start Oct. 23 — is asking lawmakers to approve Senate Bill 54, a package of changes unveiled earlier this year that would modify the original criminal justice legislation.

SB 54, among other things, provides for a jail sentence of up to a year for first-time felony offenders, rather than up to 18 months probation with no jail time. And for low-level theft, it provides for up to 10 days in jail for a third conviction, instead of the probation set out in last year's bill.

The Walker administration's projections for an initial version of SB 54 said it could add more than \$4 million a year in prison cost.

The proposed sentences in the legislation are stiffer than the tweaks to SB 91 recommended earlier this year by the Alaska Criminal Justice Commission.

[A police theory on Anchorage's spike in stolen cars: Free taxis for drug dealers and burglars]

At the time, the commission, in a report, stressed that its recommendations — unlike the original proposals it made that formed the basis for SB 91 — weren't based on data. Instead, they were a response to feedback from law enforcement, prosecutors and the public who wanted sentences to account for the effect of deterrence and "the need to express community condemnation of crime."

One anti-SB 91 activist, Anchorage resident Phyllis Kruger, showed up at Walker's news conference with a notepad and registered objections to the gathered officials and reporters.

"I just am tired of it. I work in real estate; I've seen what's happening in Anchorage and all over the state," she said afterward. Criminal she added, "go to jail, they get out because of this terrible law."

Small business owners and prosecutors have described a wave of theft cases since SB 91's passage, and have said their frustration with the legislation minimizes consequences for criminals.

At least one community has taken the problem into its own hands, with the "Juneau Avert Chronic Shoplifting Project" using a \$600,000 federal grant to pay caseworkers to work with repeat offenders.

At Walker's news conference, he and other members of his administration couldn't point to direct evidence showing SB 54 would reduce the rise in crime, or that SB 91 was fueling it. But Jahna Lindemuth, Walker's attorney general, pointed to the anecdotal testimony before the criminal justice commission, on which she serves.

The testimony may not be the same kind of statistical evidence that spurred the first criminal justice bill, she said. But it's still evidence, she added.



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to three years after SB 91's passage before researchers get the data they need. As requested, he added, the more difficult it will be to track its effects.

for that sort of research question," he said. "And I understand why they don't."

About this Author

Nathaniel Herz

Nathaniel Herz covers politics and general assignments.

Klawock Cooperative Association, Tribe

310 Bayview Blvd. - P.O. Box 430

Klawock, Alaska 99925

Phone: (907)-755-2265 - Fax: (907)-755-8800

RECEIVED
SEP 15 2017

May 17, 2017

Klawock Cooperative Association
Charlene Mackie; Office Manager
PO Box 430
Klawock, AK 99925

Dear Madam or Sir,

My name is Charlene Mackie. I am the Office Manager for the Klawock Tribe. Starting four (4) years ago on November 11, Klawock Tribe began hosting a Veterans Day Dinner, honoring those who had paid the ultimate price with their lives, with their time given and with their family time given. ***We will never forget.***

As our guests arrive, veterans and/or their family members, we ask that they sign in. Within this book, we ask they write in their loved ones name (if the person/s are no longer with us), and we also ask they include their branch of service along with the years served. We went as far back as WWII. The mood was of remembrance and most definitely, gratitude. We all got the opportunity to sit together and remember our loved ones in silence. What a huge thing that alone is. While we are all sitting and enjoying one another's company, veterans names are announced (those who are with us) to come up and receive their gift. This is done throughout the dinner. Every veteran is given a gift of "Thank you for your service". As community members from all over Prince of Wales Island are signing in their veterans names, the names are then shared for the master of ceremonies to announce. This is a great way to bring the enormity of what random people do for our freedom into those particular four walls for the night.

I am contacting you in hopes you would be willing to give a donation to our 2017 Veterans Day Dinner. These were distributed to our Veterans as gifts of gratitude.

For 2016's Veteran's Day Dinner, we were able to give to our veterans (new to us for 2016) who were present, a gift of cash. For each cash or check donation we received from you, in whatever increment it was, a \$100, \$50, \$25, we gave that donation to a veteran. Our total collected in cash alone was \$1675. This was huge. Each veteran was surprised with what they got to walk away with in cash on this night.

Along with the cash give a ways, we had a tremendous amount of gift give a ways. Every year with your thoughtful gift of gratitude, you have made a difference in our veteran's lives.

We had over 140 people sign in for our event and we do anticipate this years to be even more with attendance. Initially, the first dinner held on behalf of the veterans here on Prince of Wales Island, there may have been 50 - 75 people who attended. Our event has certainly grown since. That is our goal. Prince of Wales Island alone is home to a very large group of veterans. We had

veterans leaving our event very happy and quite surprised with all of the gifts (all donated) they got to take home.

Our event is listed in our local 2017 Chamber of Commerce Prince of Wales Island Guide, on the events page 32. This is great to know. We want our island to always be one of gratitude toward our veterans and their family members.

Just as a reminder: there are other ways of donating as well. Because it is a dinner we host, paper products and/or plastic ware can definitely be utilized. Because of the growth of our event, we ran very low on said products. If you would like to donate a food dish, please do! This would add a nice variety.

If you would like to donate electronically, you can send donation via email, my email address is officemanager@klawocktribe.org. Our office fax line is: 907-755-8800 our physical address is: 310 Bayview Blvd and our PO Box is 430, Klawock, Alaska 99925. If you would like to ship it via Alaska Airlines (800-252-7522), Pacific Air (877-360-3500), Taquan (907-225-8800) or Island Air Express (888-387-8989). I am open to any form of receiving of your donation.

Your time and energy alone is what makes this all happen. I want to thank you in advance even for the time given into reading my request.

Respectfully signed,



Charlene Mackie
Office Manager
EIN: 92-0072227

P.S. – Donations will be accepted up to Nov. 9, 2017.

KCA will be hosting this event on Nov. 10, 2017 (Friday)

Saturday

After Alaska Purchase, the first salmon cannery pops up



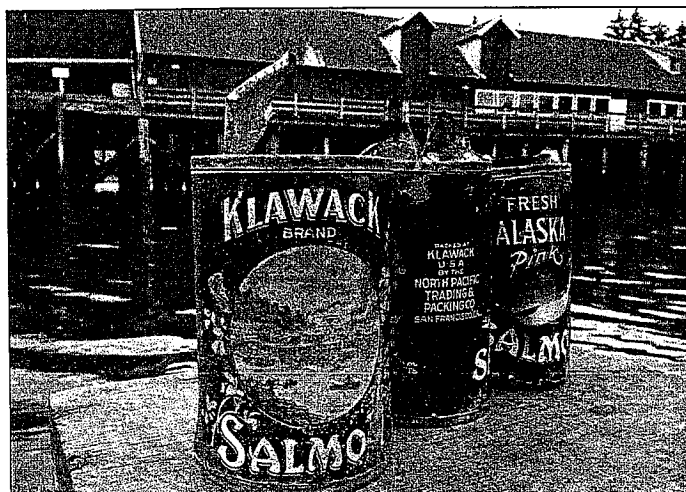
"But this treaty is the beginning. ... Our own fisheries, now so considerable, were small in the beginning. ... Small beginnings, therefore, are no discouragement to me," said U.S. Sen. Charles Sumner of Massachusetts, chairman of the Foreign Relations Committee, to the Senate on April 8, 1867, speaking of the potential of Alaska's mostly unknown fisheries.

Just the week before, Secretary of State William Seward had negotiated the Treaty of Cession with Russian Ambassador Eduard de Stoeckl. The United States was about to purchase Alaska for \$7.2 million, but the treaty required Senate approval. Sumner spoke to the Senate at length about the opportunities available to the United States if the body approved the acquisition of Russian America.

Sumner waxed about the otters, the timber, and the potential for mines (gold had not yet been discovered in significant quantities in Alaska), but he ended with fisheries.

He detailed the reports of European explorers who caught hundreds of halibut with limited effort, of large Native communities subsisting on salmon through the winter, of the newly pioneered cod grounds off the Aleutian Islands.

He envisioned an Alaska fishing industry that would feed growing domestic markets in California, that would export salted fish to majority Catholic nations in Latin America, and that would provide seafood to nascent Chinese and Japanese markets.



Vintage salmon cans, with the Demmert cannery in Klawock in the background. Kathy Peavey photo

Sumner knew that Alaska Natives were exceptional seamen, and he imagined a day that "the beautiful baidar will give way to the fishing smack, the clipper, and the steamer. All things will be changed in form and proportion; but the original aptitude for the sea will remain. A practical race of intrepid navigators will swarm the coast, ready for any enterprise of business or patriotism. Commerce will find new arms; the country new defenders; the national flag new hands to bear it aloft."

He concluded his speech by stating that "the fisheries, which, in waters superabundant with animal life beyond any of the globe, seem to promise a new commerce to the country."

The next day, the Senate ratified the treaty. Alaska and its marine resources became American.

First cannery: The commercial salmon industry started soon after. Entrepreneurs salted fish in barrels at Karluk on Kodiak Island, in Karta Bay on Prince of Wales Island, and elsewhere.

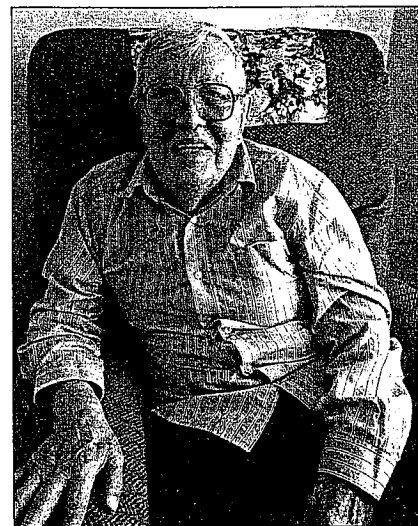
But it was a Scottish entrepreneur named George Hamilton who can claim the glory of founding what would become the first establishment to put out a can of salmon in Alaska.

Hamilton started a saltery at Klawock on Prince of Wales Island in 1869. He sold his concern to a California firm called Sisson, Wallace & Co. and became a shareholder in the newly established North Pacific Trading & Packing Co.

In 1878, the first two canneries were built on Alaska's shores. The North Pacific Trading & Packing Co. was established at "Hamilton's Fishery" in Klawock, while the Cutting Packing Co. was built in Sitka. However, the Klawock cannery managed to process the first can of salmon, thus earning the distinction of being remembered as the first cannery in Alaska.

Why Klawock? Little is recorded about the early American era of Alaska's fishing history, and even less about George Hamilton.

This summer, I traveled to Prince of Wales



Fred Hamilton, 96, grandson of the Klawock cannery founder. Anjuli Grantham photo

Island in an attempt to track down new sources and old memories. There I met Fred Hamilton, of Craig. Fred is the 96-year-old grandson of George Hamilton. Fred never met his grandfather, but he recalled what he had heard of him.

"He was a businessman. He did a lot of traveling. He built a sawmill here, along with a partner. They had a schooner here that delivered lumber."

His grandfather married a Haida woman named Maggie. Perhaps it is partly due to this family connection that many of the cannery workers at the North Pacific Trading & Packing Co. were Alaska Natives in the early years, when most other establishments relied on Chinese crews.

I asked Fred why Klawock was selected as the site for this early cannery.

"They always looked for a good supply of water. And Klawock had a good supply. It's a protected place, with a really good salmon stream there and a lake, with all species of fish except king salmon."

There were ample fishermen, as well; the cannery purchased salmon from local Natives.

At the time of the establishment of the Klawock cannery, 11 years had passed since Sumner's speech and the subsequent Alaska Purchase. Alaska's commercial salmon industry was tiny, but it was viable. It was Fred Hamilton's grandparents who took the early steps to convert Charles Sumner's vision for Alaska into reality.

Anjuli Grantham is a public historian, writer, and producer based in Alaska. Read more of her work at anjuligrantham.com. For a podcast on Alaska's first salmon cannery, go to goo.gl/bnMHjf.

Dear City of Craig

21 Sep 2017

I understand you are hoping to get a bed tax for hotels. I already pay property taxes. I believe you are nickel and diming the same folks that pay the bulk of the tax revenue you receive. I also would use my credit card to pay my bills and you want to add a charge to that. I am getting 3 charges for the same transaction, property tax, bed tax and now credit card use.

I understand 3 hotel establishments are closing/selling just because of your bed tax.

If the bed tax passes Oct 3rd on the election. I will not operate the Hide Away Lodge as a lodge.

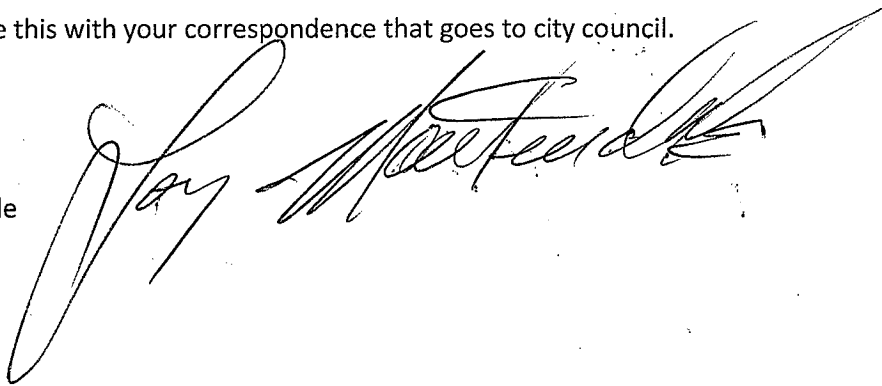
Housing is very short in Craig. I do not understand your logic with the housing shortage in Craig. Chasing businesses away is not an economic development strategy I am familiar with.

I have been in the hospitality business for 20 years.

Please include this with your correspondence that goes to city council.

Sincerely

Loy Martindale

A handwritten signature in black ink, appearing to read "Loy Martindale", written in a cursive style.

RECEIVED

SEP 22 2017

CITY OF CRAIG
CRAIG, ALASKA

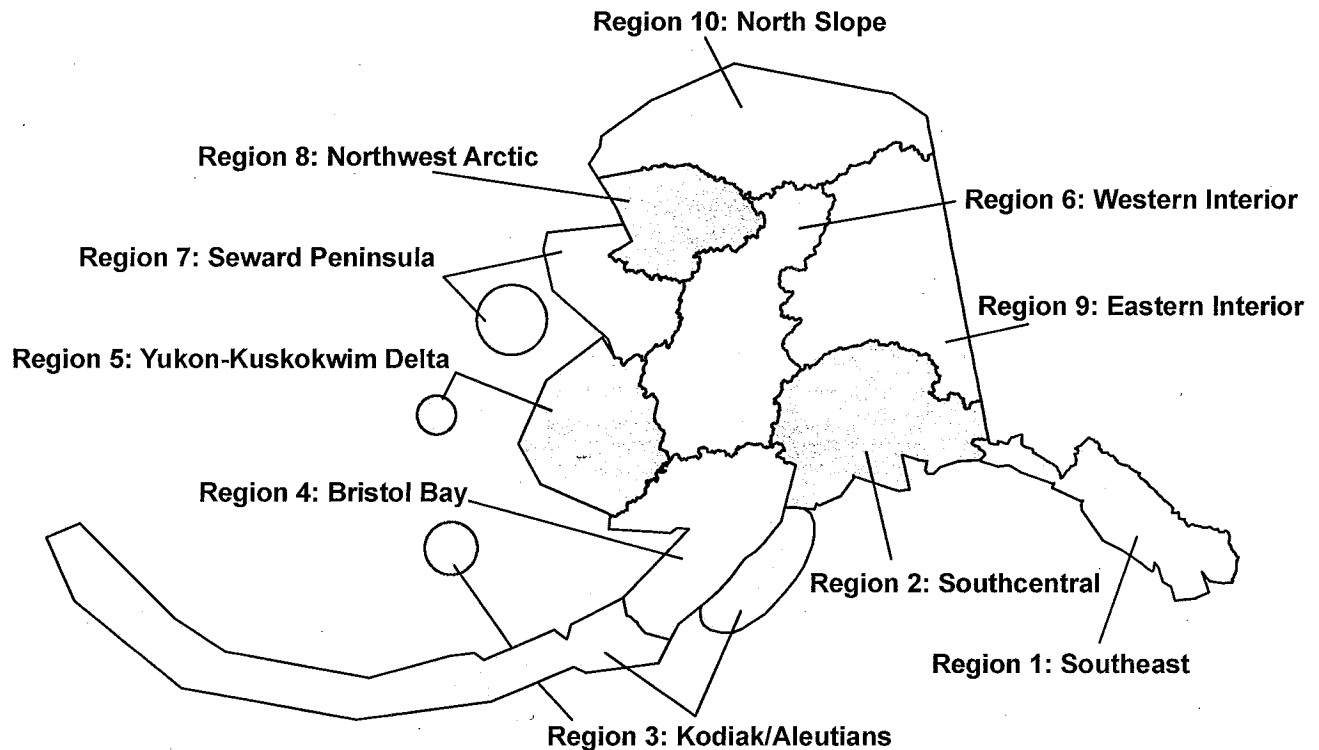


**FEDERAL SUBSISTENCE REGIONAL
ADVISORY COUNCIL**

**Membership Application &
Nomination Packet for 2018**

**CLOSING DATE
February 2, 2018**

Federal Subsistence Resource Regions



**Completed applications
must be received by
February 2, 2018:**

Send to:

Carl Johnson
Council Coordination Division Chief

U.S. Fish and Wildlife Service
Office of Subsistence Management
1011 E. Tudor Road, MS 121
Anchorage, Alaska 99503-6199

E-mail: subsistence@fws.gov

Fax: (907) 786-3898

Questions?

(800) 478-1456 or (907) 786-3676

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Federal Subsistence Regional Advisory Council

MEMBERSHIP INFORMATION

Membership applications or nominations for seats on the 10 Federal Subsistence Regional Advisory Councils are being accepted now through **February 2, 2018**.

The Regional Advisory Councils provide advice and recommendations to the Federal Subsistence Board about subsistence hunting, trapping, and fishing issues on Federal public lands. Membership on the Councils is one way for the public to become involved in the Federal subsistence regulatory process.

Each Council has either 10 or 13 members, and membership includes representatives of subsistence use and commercial/sport use.

Council Membership

Regional Advisory Council members are usually appointed to three-year terms. The Councils meet at least twice a year; once in the fall (August through October) and once in the winter (February or March). Council members are not paid for their volunteer service, however, their transportation and lodging are pre-paid and per diem is provided for food and other expenses under Federal travel guidelines.

Council Responsibilities:

- **Review and make recommendations to the Federal Subsistence Board** on proposals for regulations, policies, management plans, and other subsistence-related issues;
- **Develop proposals that provide for the subsistence harvest of fish and wildlife;**
- **Encourage and promote local participation** in the decision-making process affecting subsistence harvests on Federal public lands;
- **Make recommendations on customary and traditional use determinations** of subsistence resources; and,
- **Appoint members** to National Park Subsistence Resource Commissions.

Membership Criteria Who Qualifies?

- ✓ **RESIDENT** of the region member represents
- ✓ **RESOURCE KNOWLEDGE** – Knowledge of the region's fish and wildlife resources
- ✓ **SUBSISTENCE USES** – Knowledge of the region's subsistence uses, customs, and traditions
- ✓ **OTHER USES** – Knowledge of the region's sport, commercial, and other uses
- ✓ **LEADERSHIP SKILLS** – Leadership and experience with local and regional organizations
- ✓ **COMMUNICATION SKILLS** – Ability to communicate effectively
- ✓ **AVAILABILITY** – Willingness to travel to attend two or more Regional Advisory Council meetings each year (usually in October and February) and occasionally attend Federal Subsistence Board meetings.

“Sharing common values and developing solutions to resource problems helps to bridge cultures by developing trust and respect through active communication and compromise. Our meetings allow warm renewal of decades of friendships and acquaintances.... Basically, membership on a Regional Advisory Council comes down to a lot of hard work, mutual respect, willingness to compromise, and a sense of humor. As a result, one develops the ultimate satisfaction of being able to help folks you care about.”

-Pat Holmes, Council member,

Kodiak/Aleutians Regional Advisory Council

2018 Application Timeline

Feb 2	Deadline for submitting membership applications and nominations.
Feb - Apr	Regional panels conduct interviews, then meet to rank and rate candidates.
Jun - Jul	Interagency Staff Committee and Federal Subsistence Board reviews panel reports and develops recommendations.
Aug	Concurrence gained of the Secretary of Agriculture.
Aug-Dec	Secretary of the Interior reviews recommendations and conducts vetting of nominees.
Dec 3	Secretary of the Interior issues appointment letters.

Subsistence Council Coordinators

The Subsistence Council Coordinators facilitate the work of the Regional Advisory Councils and serve as the primary contacts for the Councils. They are:

Southeast, Region 1:

DeAnna Perry, Juneau
(907) 586-7918; fax: (907) 586-7877
e-mail: dlperry@fs.fed.us

Southcentral, Region 2 & Bristol Bay, Region 4:

Donald Mike, Anchorage
(800) 478-1456 or (907) 786-3629; fax: (907) 786-3898
e-mail: donald_mike@fws.gov

Kodiak/Aleutians, Region 3 & Seward Peninsula, Region 7:

Karen Deatherage, Anchorage
(800) 478-1456 or (907) 786-3564; fax: (907) 786-3898
e-mail: karen_deatherage@fws.gov

Western Interior, Region 6 & Northwest Arctic, Region 8:

Zach Stevenson, Anchorage
(800) 478-1456 or (907) 786-3674; fax: (907) 786-3898
e-mail: zachary_stevenson@fws.gov

Yukon-Kuskowkwim Delta, Region 5 & North Slope, Region 10:

Eva Patton, Anchorage
(800) 478-1456 or (907) 786-3358; fax: (907) 786-3898
e-mail: eva_patton@fws.gov

Eastern Interior, Region 9:

Katerina "Katya" Wessels, Anchorage
(800) 478-1456 or (907) 786-3885; fax: (907) 786-3898
e-mail: katerina_wessels@fws.gov

Federal Subsistence Board

The Federal Subsistence Board is the decision-making body that oversees the Federal Subsistence Management Program. It is made up of the regional directors of the U.S. Fish and Wildlife Service, National Park Service, Bureau of Land Management, Bureau of Indian Affairs, the U.S. Forest Service as well as three public members appointed by the Secretaries of the Interior and Agriculture: two represent rural subsistence users and one is the Federal Subsistence Board chairman. The Secretaries have delegated the authority to manage fish and wildlife for subsistence uses on Federal public lands and waters in Alaska to the Federal Subsistence Board. Federal Subsistence Regional Advisory Council recommendations on the harvest of fish and wildlife receive deference in Board deliberations.

Completing the Application

It is crucial that you complete as much as possible of the application/nomination form. Provide your full legal name, as much contact information as possible, and your date of birth. All of this information is very important for completing your application process and in assisting the Secretaries of the Interior and Agriculture in making their final decision. If you are nominating someone to serve on a Regional Advisory Council, you should inform that individual that you are planning to nominate them in order to ensure that they are interested in serving.

Here are some tips on how to answer some of the more detail-oriented questions in the application/nomination form.

For each of the following questions, as applicable, make sure to state how many years experience you have or how many years of knowledge you have, and how you obtained that experience or knowledge.

Knowledge of fish and wildlife resources in the region. For question No. 1, be as specific as possible as to what fish, shellfish and wildlife you are familiar with in your region and what you know about them. Include what sort of uses you participate in and what species you harvest.

Knowledge of subsistence customary and traditional uses of resources in region. For question No. 2, describe what customary and traditional uses you are familiar with, how you learned them, how you process your harvest, and if and how you share your traditional knowledge with others.

Knowledge of sport and commercial uses of fish and wildlife resources in region. For question No. 3, please describe your experience or knowledge in commercial and/or sport fishing and hunting, what species you take, whether you guide hunting and/or fishing clients, and for what species. Identify whether your knowledge is based on personal experience or from what you have learned from others.

Participation in meetings regarding fish and wildlife resource issues. For question No. 4, identify what type of meetings you have attended, how many meetings you have attended, and for how many years. Also describe your level of involvement at those meetings, and whether you represented another organization at those meetings.

Participation in councils, boards, committees or associations. For question No. 5, provide the complete names of any of these types of organizations you have participated in, any offices or positions held, and how many years you participated in the organization. Identify any awards or recognition you may have obtained while serving with these groups.

Communicating information back to people of your region. For question No. 6, describe in detail your ideas on how you would share information you have learned at the Regional Advisory Council meetings back to the people of your region.

Use of Federal public lands for hunting, fishing and trapping. For question No. 7, identify which Federal public lands you use, and provide as much detail as possible how you use these public lands; for example, describe what fish you catch and what methods you use.

Once you have completed the application, please submit it to the Office of Subsistence Management to the address indicated on page 2 of this pamphlet. If you choose to fax in your application, please also mail in the original application. Fax copies do not always come through clearly in the transmission.

4) Do you (or nominee) participate in meetings on fish and wildlife issues (for example, meetings of State fish and game advisory committees, Federal Subsistence Regional Advisory Councils, commercial or sport hunting or fishing organizations, marine mammal commissions, Tribal or corporation resource use groups, caribou working groups, subsistence resource commissions, coastal resource service areas, waterfowl conservation committees)? **If so, please describe your (or nominee's) involvement.**

5) Have you (or nominee) served in an official capacity on councils, boards, committees, or associations within the past 10 years? If yes, please describe the role you served while working with these groups (i.e. Chair, Vice Chair, member).

6) The seat you are applying for represents users throughout the region. How would you (or nominee) find out about fish and wildlife concerns people have and get information back to those people?

7) Do you (or nominee) use Federal lands for hunting, trapping, fishing, guiding or transporting, gathering, teaching of traditional knowledge, or other use of fish and wildlife resources? If yes, please describe which Federal lands you use:

8) Will you (or nominee) travel to and attend Regional Advisory Council meetings at least two times each year? (Regional Advisory Council meetings are usually held in October and February. Transportation and lodging are pre-paid; per diem is provided for food and other expenses.)

Yes _____ No _____

9) Are you (or nominee) willing to attend Federal Subsistence Board meetings occasionally? (Board meetings are generally held in January or April. Transportation and lodging are pre-paid; per diem is provided for food and other expenses.)

Yes _____ No _____

2017 GMU 2 Wolf Harvest Quota Announced - ADF&G Press Release

Alaska Department of Fish and Game
Sam Cotten, Commissioner
P.O. Box 115526
Juneau, Alaska 99811-5526

Tongass National Forest
Earl Stewart, Forest Supervisor
Matt Anderson, Craig Ranger District
US Forest Service; www.fs.usda.gov/tongass/

Press Release: September 20, 2017

Contact:

ADF&G, Ryan Scott, Regional Supervisor, (907) 465-4359, ryan.scott@alaska.gov
U.S. Forest Service, Paul Robbins Jr., Public Affairs Officer, (907) 228-6201, paulrobbins@fs.fed.us

2017 GMU 2 Wolf Harvest Quota Announced

CRAIG, Alaska — Biologists with the Alaska Department of Fish and Game (ADF&G), in cooperation with the U.S. Forest Service, announce that the GMU 2 wolf harvest quota for regulatory year (RY) 2017 will be set at 46 wolves.

ADF&G and the U.S. Forest Service currently manage wolves on Prince of Wales and associated islands, collectively known as Game Management GMU 2 (GMU 2), for an annual harvest not to exceed the Guideline Harvest Level (GHL) in ADF&G regulation: 20 percent of the most recent unit-wide population estimate. Our primary goal for managing wolves in GMU 2 is to ensure a population that provides opportunity for a sustainable harvest. While legal harvest is only one of several factors influencing wolf numbers in GMU 2, it is the one under managers' control that can have the most immediate and direct impact.

Because dense forest cover makes estimating wolf numbers from aerial surveys impractical, ADF&G, with support from the Forest Service, estimates wolf abundance in GMU 2 using a DNA mark-recapture technique. In 2016 ADF&G used the same large northcentral Prince of Wales Island study area as in 2014 and 2015. We also collaborated with the Hydaburg Cooperative Association (HCA) to establish an additional study area monitored by HCA staff adjacent to the southern boundary of the ADF&G study area. That collaboration effectively expanded the total study area to encompass approximately 80% of Prince of Wales Island and over 60% of the land area of GMU 2.

The increased sampling effort and an apparently growing wolf population resulted in collection and successful DNA extraction from about three times the number of hair samples as were available for the 2015 estimate. Data collected from October through December 2016 resulted in a GMU 2-wide population estimate of 231 wolves, with high confidence that the actual number of wolves in GMU 2 during autumn 2016 was within the range, 192 to 285 wolves. This is the most current population estimate.

The fall 2016 population estimate is significantly higher than the 2015 estimate of 108 wolves and suggests conservative harvest management over the last two years has allowed the population to grow from a low estimated at 89 wolves in 2014. Because of this growth ADF&G and the Forest Service will set the RY2017 GMU 2 harvest quota at the full GHL of 46 wolves. However, any substantiated accounts of unreported, human-caused mortality will be counted toward the harvest quota.

Total harvest in RY2016 exceeded both the harvest quota and the legal maximum harvest allowed under the state GHL regulation. This failure to limit harvest to within the quota could diminish public confidence in state and federal managers' ability to sustainably manage the GMU 2 wolf population. In the next few weeks state and federal managers plan to visit Prince of Wales Island to discuss RY2017 harvest management options with GMU 2 hunters and trappers. Through those discussions, ADF&G and the Forest Service will develop a more effective RY2017 in-season harvest management strategy.

The GMU 2 wolf hunting and trapping seasons for federally qualified subsistence users on Federal lands open on Sept. 1 and Nov. 15, respectively. State wolf hunting and trapping seasons in GMU 2 open on Dec. 1. The length of the state seasons will depend on the number of wolves taken during the Federal hunting and trapping seasons prior to Dec. 1. The state and federal seasons will be closed when managers believe harvest is approaching 46 wolves.

Please call the ADF&G Ketchikan area office at 907-225-2475 or Douglas Regional office at 907-465-4265 for more information. For more information from the U.S. Forest Service please call Matt Anderson at 907-826-3271 or Jeff Reeves at 907-826-1649. Maps of Federal lands within GMU 2 are available at Forest Service offices. Maps and additional information on the Federal Subsistence Management Program can be found on the web at <http://www.doi.gov/subsistence/index.cfm> .

###

CITY OF CRAIG

Account Statement - Period Ending August 31, 2017

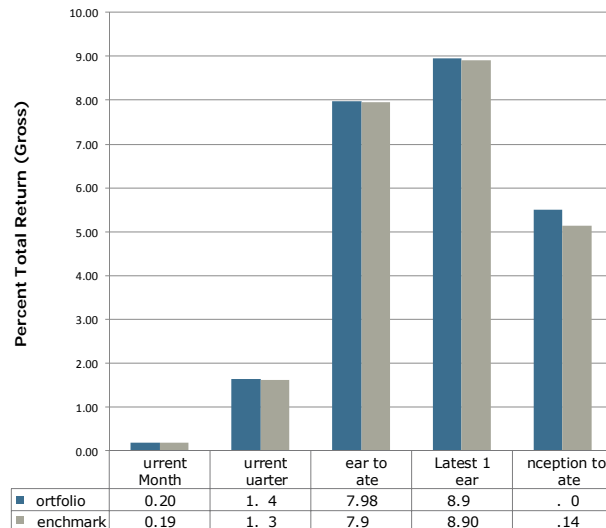


ACCOUNT ACTIVITY

Portfolio Value on 07-31-17	9,889,229
Contributions	0
Withdrawals	-2,438
Change in Market Value	13,308
Interest	5,978
Dividends	0
Portfolio Value on 08-31-17	9,906,077

INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend

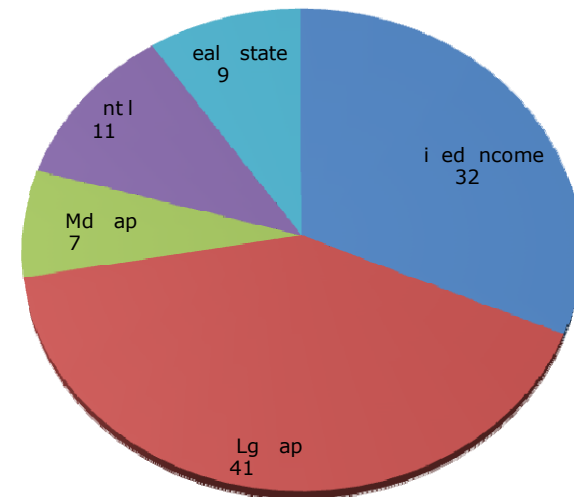


Performance is Annualized for Periods Greater than One Year

MANAGEMENT TEAM

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

PORTFOLIO COMPOSITION



Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
CITY OF CRAIG
August 31, 2017

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	3,057,345	30.9	20% to 45%
Cash (0.0%)	68,151	0.7	na
Subtotal:	3,125,496	31.6	
EQUITY (66%)			
US Large Cap (40.0%)	4,034,087	40.7	30% to 50%
US Mid Cap (6.0%)	708,521	7.2	0% to 10%
Developed International Equity (10.0%)	1,096,725	11.1	5% to 15%
Real Estate (10.0%)	941,248	9.5	5% to 15%
Subtotal:	6,780,581	68.4	
TOTAL PORTFOLIO	9,906,077	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
August 31, 2017

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
6,433	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	6,727	104.89	6,748	0.07	257	21	1.43
					21	0.00			
			6,727		6,770	0.07		21	
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATION		68,151		68,151	0.69			
CORPORATE BONDS									
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	101.49	101,487	1.02	5,500	703	1.46
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	100.76	50,379	0.51	1,050	128	1.54
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	101.01	101,007	1.02	2,375	712	1.90
50,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	54,602	108.22	54,110	0.55	2,187	911	1.98
50,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	49,962	100.48	50,238	0.51	1,125	362	2.11
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	98.94	49,470	0.50	975	487	2.20
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	102.63	51,315	0.52	1,437	663	2.26
50,000	COMCAST CORP 2.850% Due 01-15-23	101.83	50,917	102.01	51,006	0.51	1,425	182	2.45
50,000	AFLAC INC 3.625% Due 06-15-23	106.03	53,016	106.29	53,145	0.54	1,812	383	2.45
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	98.73	49,366	0.50	1,100	46	2.43
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	106.57	53,284	0.54	1,937	161	2.75
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	105.41	52,704	0.53	1,800	705	2.70
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	102.50	51,250	0.52	1,650	788	2.90
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	107.38	53,690	0.54	1,950	812	2.87
50,000	ANHEUSER-BUSCH INBEV FIN 3.650% Due 02-01-26	103.01	51,506	104.01	52,006	0.52	1,825	152	3.10
50,000	TARGET CORP 2.500% Due 04-15-26	96.45	48,223	95.99	47,994	0.48	1,250	472	3.03

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
August 31, 2017

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
	Accrued Interest				7,670	0.08			
			936,884		930,125	9.39		7,670	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
16,300	SPDR S&P 500 ETF	141.17	2,301,013	247.49	4,034,087	40.72	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
4,100	ISHARES CORE S&P MIDCAP 400 ETF	96.95	397,502	172.81	708,521	7.15	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
17,500	ISHARES ETF CORE MSCI EAFE	54.64	956,214	62.67	1,096,725	11.07	NA		
REAL ESTATE									
11,200	VANGUARD REIT ETF	60.25	674,768	84.04	941,248	9.50	NA		
U.S. TREASURY									
250,000	US TREASURY NOTES 1.500% Due 12-31-18	100.64	251,602	100.28	250,703	2.53	3,750	645	1.29
50,000	US TREASURY NOTES 1.500% Due 10-31-19	99.40	49,701	100.31	50,154	0.51	750	253	1.35
225,000	US TREASURY NOTES 1.250% Due 10-31-19	99.42	223,689	99.80	224,561	2.27	2,812	948	1.34
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	105.56	105,563	1.07	3,500	1,037	1.40
75,000	US TREASURY NOTES 1.750% Due 10-31-20	100.21	75,158	100.83	75,624	0.76	1,312	442	1.48
100,000	US TREASURY NOTES 2.125% Due 08-15-21	99.29	99,291	102.03	102,031	1.03	2,125	98	1.59
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	101.47	76,105	0.77	1,500	508	1.63
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	101.47	101,473	1.02	2,000	592	1.64
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	99.38	149,068	1.50	2,437	722	1.75
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	103.74	129,672	1.31	3,125	144	1.83
200,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	199,844	97.30	194,610	1.96	2,750	8	1.85
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	102.82	102,816	1.04	2,375	110	1.94
100,000	US TREASURY NOTES 2.000% Due 08-15-25	98.81	98,807	99.77	99,773	1.01	2,000	92	2.03

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
August 31, 2017

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	96.37	96,367	0.97	1,625	481	2.08
150,000	US TREASURY NOTES 2.000% Due 11-15-26 Accrued Interest	97.14	145,717	99.08	148,617	1.50	3,000	889	2.11
			1,894,110		1,914,108	19.32		6,970	
AGENCIES									
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	103.73	103,734	1.05	3,750	1,604	1.34
100,000	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25 Accrued Interest	100.00	100,000	100.00	100,000	1.01	2,850	1,005	2.85
			201,410		206,343	2.08		2,610	
TOTAL PORTFOLIO			7,436,780		9,906,077	100	71,320	17,271	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 08-01-17 To 08-31-17

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
CORPORATE BONDS				
08-18-17	08-23-17	METLIFE INC 3.600% Due 04-10-24	50,000	52,732.50
				52,732.50
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
08-31-17	08-31-17	MANAGEMENT FEES		2,476.52
				2,476.52
INTEREST				
CASH AND EQUIVALENTS				
08-01-17	08-01-17	FEDERATED GOVERNMENT OBLIGATION		34.82
CORPORATE BONDS				
08-01-17	08-01-17	JPMORGAN CHASE & CO 3.875% Due 02-01-24		968.75
08-01-17	08-01-17	ANHEUSER-BUSCH INBEV FIN 3.650% Due 02-01-26		912.50
08-16-17	08-16-17	BANK OF NEW YORK MELLON 2.200% Due 08-16-23		550.00
08-17-17	08-17-17	STATOIL ASA 3.125% Due 08-17-17		781.25
				<u>3,212.50</u>
FNMA & FHLMC				
08-15-17	08-15-17	FHLMC POOL G14203 4.000% Due 04-01-26		21.87

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 08-01-17 To 08-31-17

Trade Date	Settle Date	Security	Quantity	Trade Amount
U.S. TREASURY				
08-15-17	08-15-17	US TREASURY NOTES 2.500% Due 08-15-23		1,562.50
08-15-17	08-15-17	US TREASURY NOTES 2.125% Due 08-15-21		1,062.50
08-15-17	08-15-17	US TREASURY NOTES 2.375% Due 08-15-24		1,187.50
08-15-17	08-15-17	US TREASURY NOTES 2.000% Due 08-15-25		1,000.00
08-31-17	08-31-17	US TREASURY NOTES 1.375% Due 08-31-23		1,375.00
				6,187.50
				9,456.69
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
08-15-17	08-15-17	FHLMC POOL G14203 4.000% Due 04-01-26	128.63	128.63
				128.63
PURCHASED ACCRUED INTEREST				
CORPORATE BONDS				
08-18-17	08-23-17	METLIFE INC 3.600% Due 04-10-24		665.00
				665.00
SALES, MATURITIES, AND CALLS				
CORPORATE BONDS				
08-17-17	08-17-17	STATOIL ASA 3.125% Due 08-17-17	50,000	50,000.00
				50,000.00

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 08-01-17 To 08-31-17

Trade Date	Settle Date	Security	Quantity	Trade Amount
WITHDRAW				
CASH AND EQUIVALENTS				
08-01-17	08-01-17	FEDERATED GOVERNMENT OBLIGATION		2,438.11
				2,438.11

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 08-01-17 Through 08-31-17

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
08-15-17	128.63	FHLMC POOL G14203 4.000% Due 04-01-26	134.50	128.63	-5.87
08-17-17	50,000	STATOIL ASA 3.125% Due 08-17-17	53,533.00	50,000.00	-3,533.00
TOTAL GAINS					0.00
TOTAL LOSSES					-3,538.87
			53,667.50	50,128.63	-3,538.87

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 08-01-17 To 08-31-17

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
FEDERATED GOVERNMENT OBLIGATION					
08-01-17			Beginning Balance		64,401.17
08-01-17	08-01-17	dp	Interest	JPMORGAN CHASE & CO 3.875% Due 02-01-24	968.75
08-01-17	08-01-17	dp	Interest	ANHEUSER-BUSCH INBEV FIN 3.650% Due 02-01-26	912.50
08-01-17	08-01-17	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	34.82
08-01-17	08-01-17	wd	Withdrawal	from Portfolio	-2,438.11
08-15-17	08-15-17	dp	Interest	US TREASURY NOTES 2.500% Due 08-15-23	1,562.50
08-15-17	08-15-17	dp	Interest	US TREASURY NOTES 2.125% Due 08-15-21	1,062.50
08-15-17	08-15-17	dp	Interest	US TREASURY NOTES 2.375% Due 08-15-24	1,187.50
08-15-17	08-15-17	dp	Interest	US TREASURY NOTES 2.000% Due 08-15-25	1,000.00
08-15-17	08-15-17	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	21.87
08-15-17	08-15-17	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	128.63
08-16-17	08-16-17	dp	Interest	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	550.00
08-17-17	08-17-17	dp	Sale	STATOIL ASA 3.125% Due 08-17-17	50,000.00
08-17-17	08-17-17	dp	Interest	STATOIL ASA 3.125% Due 08-17-17	781.25
08-18-17	08-23-17	wd	Purchase	METLIFE INC 3.600% Due 04-10-24	-52,732.50

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 08-01-17 To 08-31-17

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
08-18-17	08-23-17	wd	Accrued Interest	METLIFE INC 3.600% Due 04-10-24	-665.00
08-31-17	08-31-17	dp	Interest	US TREASURY NOTES 1.375% Due 08-31-23	1,375.00
08-31-17			Ending Balance		68,150.88



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Fish and Game

OFFICE OF THE COMMISSIONER
Headquarters Office

1255 West 8th Street
P.O. Box 115526
Juneau, Alaska 99811-5526
Main: 907.465.4100
Fax: 907.465.2332

September 18, 2017

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

Dear Mr. Bolling,

Commissioner Cotten asked that I respond on his behalf to your letter dated August 24, 2017, relating to the recent decision to require non-retention of Chinook salmon in Southeast Alaska fisheries. As Alaska's Commissioner to the Pacific Salmon Treaty this position is informed by a diverse group of advisors, many whom represent the communities and fisheries that you speak to in your letter. Although we are not experts in the matters of Southeast Community economics, we are certainly aware of the industries and the various revenue streams that are generated from them.

As we move forward with the 2018 fishing season we have enlisted the input from the guided recreational users in early September and are enlisting the input from commercial users on the 12th of October in an attempt to try and configure fishing opportunity while minimizing harvest of our local Chinook salmon stocks. You have my assurance that we are well aware of and cognizant that these fisheries are of vital economic importance to our small Southeast communities. Addressing your request for an exemption specific to the hatchery returns and cost recovery, I will certainly pass this request on to the respective area management staff for their use.

At this time it is difficult to directly quantify how many SE Alaska Chinook were saved by the restrictions that took place in August of 2017. We still feel that it was the right action when looking ahead towards 2018 and in an attempt towards thwarting further erosion of what we believe will be another poor Chinook salmon run. As stated previously, we as an agency are and will continue to integrate the various user groups and individuals into our deliberations regarding fishing opportunity for the 2018 fishing season, including the Winter troll fishery that typically begins by regulation on October 11.

In closing, thank you for the correspondence and if further issues arise please feel free to contact me directly via phone or email.

Respectfully,

A handwritten signature in black ink, appearing to read "C. Swanton", written over a horizontal line.

Charles O. Swanton
Deputy Commissioner

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: September 28, 2017
RE: Discuss Workshop re: Utility Rates

At the September 7 city council meeting staff was directed to place an item on the next council agenda to consider setting a date for a workshop on the city's utility rates; the item is on the council's October 5 meeting agenda. The council should take the following steps regarding this agenda item.

1. Discuss the merits of holding a workshop on the city's utility rates. If four council members concur by motion that a workshop is needed, the council should pick a date for the event.
2. If a date is set by motion, the council should then give staff clear direction on how to prepare for the workshop. That direction should include which utility rates the council wants to discuss, and the materials that the council would like staff to prepare for the workshop.

Staff is available to the council to respond to any questions on this agenda item.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: September 28, 2017
RE: Lots 3A and 4A, Salmonberry Subdivision

In May the council authorized staff to list the two remaining Salmonberry Subdivision lots with a local realtor. These two lots did not sell through either of the sealed bid land sales or subsequent over the counter land sales conducted by the city. The listing with the realtor is set to expire.

There have been a number of inquiries over the summer but no offers on the lots. Municipal code requires that we charge the appraised value based on an appraisal not more than 12 months old plus survey and appraisal costs for property that we sell. We have currently listed the properties at just above this minimum price.

If the council is interested in providing incentive to sell the lots before a new appraisal is required there are just a couple of options left. These include:

1. Reducing the sales price to the minimum allowed under municipal code (this is a reduction of \$1,000 on one lot and \$7,000 on the other lot). The minimum price would still include the appraised value and the appraisal costs.
2. Carrying the financing on the lots rather than requiring cash payment in 60 days. At least one of the people interested in the lots this summer asked about owner financing.

I have looked over sales agreements, terms and contracts used by the City of Thorne Bay and talked to their city clerk. Thorne Bay sold nine residential lots and three commercial in 2010. The city offered financing on all of the lots sold. The city clerk said that the financing went generally well but they have had to work to make sure that some of the buyers kept current on payments. They have had to foreclose at least one of the properties for non-payment. I talked to our realtor who said that she felt that it would definitely increase the likelihood of selling the lots. Financing the sale of the lots would not require any funds out of pocket for the city but it would spread payment on the lots over a longer time period. If the council is interested in financing the sale of the two lots I would suggest the following terms:

1. A down payment of 10% immediately upon completion of the sale and an additional 10% payment within 30 days. The 20% down payment would total \$13,100.
2. The interest rate should be at least 4.25% (1% above the current Firstbank 15 yr mortgage interest rate as of the date of this memo)
3. Monthly payments for 10 years. If a person makes a 20% total down payment the city would collect about \$550 per month in payments.

The opportunity to sell these lots under the current appraisal expires at the end of October. The council may also choose to continue to offer city financing of the lots after

October but it would require a new appraisal (at the buyer's expense) and the final price may be adjusted based on the new appraisal.

Recommendation: Direct staff to adjust the total price of the lots to the minimum value allowed under municipal code (\$66,500 each) and offer owner financing on the purchase. Further direct staff to extend the listing with the realtor until October 30, 2017.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: September 28, 2017
RE: Consider Final Approval – Lease with SSRAA

Attached you will find the proposed draft lease between the City of Craig and the Southern Southeast Regional Aquaculture Association. The lease is presented here for consideration for final approval by the city council.

The lease provides for SSRAA to occupy approximately 14,490 square feet of city owned land at the water treatment plant property. That property is already occupied by the small hatchery facility there. The city contracts with SSRAA to operate the hatchery for the production of king salmon for release at Port St. Nicholas. The purpose of the lease is to provide SSRAA a long-term lease interest in the site in order that they can hatch and raise chum salmon for release at Port Asumcion, on Baker Island, southwest of Craig.

Per SSRAA's application, the lease rate is set below market value. Section 16.02.030B of the Craig Municipal Code provides for below market value leases governmental and non-profit entities. The lease payment is set at a nominal \$1 per year. The term of the lease is twenty years, with two five year renewals.

The city will continue to enter into annual operation agreements with SSRAA for raising king salmon at the site. Those agreements will define the quantity of king salmon to be raised and any compensation paid from the City of Craig to SSRAA for the production of those fish.

Recommendation

That the council, by motion, approval the terms of the lease.

LEASE AGREEMENT

This lease agreement is entered into by and between the City of Craig, Alaska, P. O. Box 725, Craig, Alaska 99921 (hereinafter "City"), and the Southern Southeast Regional Aquaculture Association, Inc., a non-profit corporation, whose address is 14 Borch Street, Ketchikan, AK 99901 (hereinafter "Lessee").

WHEREAS Lessee desires to build infrastructure to support its proposed chum salmon release program at Port St. Nicholas; and

WHEREAS Lessee has determined that a site on a portion of City-owned property at Tract J, Plat No. 95-57, and an adjacent area on Lot 2A, Port St. Nicholas Subdivision is a suitable location for its improvements; and

WHEREAS Lessee has applied for a lease of said property as required by Chapter 16 of the Craig Municipal Code.

WITNESSETH:

1. Description of Lease Area The City hereby leases to Lessee that portion of Tract J, Plat No. 95-57; and that portion of Lot 2A of the Craig Water Treatment Plant Subdivision, Plat No. 91-35, as described below:

A portion of Tract J, ANSCA 14c3 reconveyance and Lot 2A, PSN Subdivision more particularly described as:

Beginning at Tract J, ANSCA 14c3 reconveyance, corner 2 as shown on sheet 8 of Plat 95-57, Ketchikan Recording District, the POINT OF TRUE BEGINNING, thence proceeding S02°00'00"E a distance of 73.69' to the northeast corner of Lot 2A, Port St. Nicholas Subdivision as shown on Plat 91-35, Ketchikan Recording District; thence proceeding S01°58'10"E a distance of 66.00' to a point; thence proceeding S88°01'50"W 104.90' to a point; thence proceeding North a distance of 143.21' to a point; thence proceeding East a distance of 100.00' to the POINT OF TRUE BEGINNING. Encompassing an area of approximately 14,490 square feet.

2. Lease Term The term of this lease shall be twenty (20) years beginning October 1, 2017. This lease may be renewed twice for a period of up to five (5) years each renewal at the option of the Lessee. Said renewal shall be in a form acceptable to Lessee and City.

3. Maintenance The Lessee shall operate and maintain the improvements on the lease area.

4. Compliance with Direction Lessee's activities and shall comply with directions from the Craig City Administrator or his designee to ensure that the Lessee's improvements and activities will not impede normal operations at the Craig Water Treatment Plant, and to comply with applicable permits and licenses.

5. Lease Payment The Lessee shall pay to the City an annual lease payment of \$1 (one dollar) per year, payable in advance prior to the first month of each twelve (12) month period during the term of the lease.

6. Use of Lease Area The lease is for the sole purpose of providing Lessee with a desirable location to hatch, rear, and transport for release juvenile king and chum salmon to permitted release sites. This lease will terminate automatically if and when the Lessee suspends use of the leased premises for a period of 90 or more days.

7. Maintenance of Lease Area Lessee agrees to maintain the leased area, and any appurtenant buildings, equipment or structures in a well-maintained and sightly condition. The site shall not be used for the outdoor storage of disabled or inoperative equipment. Lessee agrees to conform to all applicable City land use requirements and shall comply with all laws and regulations of the City, the State of Alaska and the federal government. Lessee will be required to obtain authorization from the City for construction of any improvements.

8. Terms and Conditions Included by Reference The provisions of Craig Code § 16.02.140 (terms and conditions of leases) are incorporated herein by reference, as if fully set forth herein; and Lessee acknowledges receipt of a copy of those provisions.

9. Right of Entry The City shall have the right to enter the leased premises at all reasonable times to examine the condition of same.

10. Hold Harmless Lessee agrees to hold harmless, indemnify and defend City against any and all claims for damage, injury, or wrongful death which may be brought or asserted by Lessee, its agents, or third parties resulting from Lessee's use or occupancy of the leased premises. At no expense to the City, Lessee shall obtain and keep in force throughout the time period of this lease, comprehensive public liability insurance naming the City as an insured or as additional insured, in a coverage amount of at least \$300,000 per occurrence. Lessee will provide the City with proof of insurance coverage in the form of a certificate of insurance; and upon City request, Lessee will additionally provide a copy of the insurance policy. Said insurance policy must provide that the City will be notified at least 30 days before termination, cancellation or material change in the insurance coverage; and include a waiver of subrogation by which the insurer waives all rights of subrogation against the City for payments made under the policy.

11. Lessee Improvements All fixtures and equipment of whatsoever nature, that Lessee shall have installed upon the leased premises not considered real property,

whether permanently affixed or otherwise, shall continue to be the property of the Lessee and shall be removed by it at the expiration or termination of this lease; and at its own expense, Lessee shall repair any injury to the premises resulting from such removal. Lessee shall have 60 days after the expiration or termination of this lease to remove buildings, fixtures and equipment from the leased property and repair any injury to the premises resulting from such removal. If the Lessee fails to remove fixtures and equipment or fails to repair injury to the premises caused by the installation of said items within this time, those items shall be considered abandoned and the City may take possession of the buildings, fixtures, and equipment and remove or dispose of them at the City's discretion. The City may also make repair to any injury resulting from such removal and bill the Lessee for the cost of removal and repairs.

12. Binding on Successors This lease and all the covenants, provisions and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

13. Non-Interference Lessee will access the property, park vehicles and conduct activities in a manner which shall not interfere with clear access to the remainder of the property by the City or City's agent or designee.

14. Existing City-Owned Improvements Improvements on the lease area owned by the City of Craig at the beginning date of this lease, and that will continue under city ownership, include the following:

- A. Four round ponds used to rear salmon;
- B. One 20' x 60' metal building, including all fixtures within;
- C. One 16' X 60' existing lean-to addition to the metal building;
- D. All supporting mechanical and electrical systems.

15. Water Supply City shall provide untreated water to the 20' x 60' metal building identified at Paragraph 14.B. above, via the existing city water transmission line, in an amount approximately equal to a seasonal peak demand of four cubic feet per second; provided that City will first meet untreated water demand of the Craig Water Treatment Plant before providing untreated water to Lessee. If City must redirect untreated water supply from Lessee to the Water Treatment Plant, City will provide Lessee with advanced notice. Lessee agrees to limit water consumption to the minimum necessary for the uses identified in Paragraph 6.

16. Independent Contractor The parties hereto expressly agree that the Lessee shall be and is an independent contractor and is not an employee or agent of the City of Craig.

17. Defaults; Remedies A. Default. Lessee shall be in default if Lessee fails to observe or perform any of the provisions of this Lease to be observed or performed by Lessee where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Lessee; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be

in default if Lessee commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion

B. Remedies in Default. Upon the occurrence of a Default by Lessee, City, may do any one or more of the following:

1. Elect to terminate this Lease and the tenancy created hereby by giving twenty (20) days written notice of such election to Lessee; and
2. Exercise any other legal or equitable right or remedy which it may have.

18 Default by City. City shall be in default if City fails to perform obligations required of City within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to City specifying wherein City has failed to perform such obligation; provided, however, that the nature of the City's obligation is such that more than thirty (30) days are required for performance, then City shall not be in default if City commences performances within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year written below.

SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION

DATED: _____

By: _____
David Landis, General Manager

CITY OF CRAIG, ALASKA

DATED: _____

By: _____
Jon Bolling, City Administrator

ACKNOWLEDGMENT BY LESSEE

STATE OF ALASKA)
) : ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2017, in _____, Alaska before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, known to me to be the person he represented himself to be and the same identical person who executed the above and foregoing instrument on behalf of SSRAA and who acknowledged to me that he had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed for the purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

Notary Public, State of Alaska
My commission expires:_____

ACKNOWLEDGMENT BY CITY

STATE OF ALASKA)
) : ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2017, in _____, Alaska before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JON BOLLING the Administrator of the City of Craig, Alaska, to me known and known to me to be the person he represented himself to be and the same identical person executed the above and foregoing instrument on behalf of the CITY OF CRAIG, Alaska and who acknowledged to me that he had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed on behalf of the City of Craig, and for the purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

My commission expires:_____