

**CITY OF CRAIG
COUNCIL AGENDA
NOVEMBER 1, 2018
COUNCIL CHAMBERS 7:00 PM**

ROLL CALL

Mayor Tim O'Connor, Dave Creighton, Hannah Bazinet, Jim See, Julie McDonald, Mike Douville,
Jan Trojan

CONSENT AGENDA

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

- 1) City Council Meeting Minutes of October 4, 2018
- 2) Introduction and First Reading of Ordinance 715, Meeting Participation via Teleconference

HEARING FROM THE PUBLIC

- Open for public comment
- 1) Resolution 18-19, Authority to Participate in the Community Development Block Grant
 - 2) Resolution 18-20, Supporting the Coordinated Public Transit Plan and Transit Priorities for Prince of Wales Island

REPORTS FROM CITY OFFICIALS

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

READING OF CORRESPONDENCE

- 1) Alaska Wetlands Collaborative Invitation
- 2) APCM September Report
- 3) Draft AML Principles, Priorities and Positions
- 4) October Trends
- 5) Alaska Agency Eyes Rare Earth Facility in Ketchikan
- 6) Salmon Hatcheries Make \$600 Million Impact on AK

**CITY OF CRAIG
COUNCIL AGENDA
NOVEMBER 1, 2018
COUNCIL CHAMBERS 7:00 PM**

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- 1) Resolution 18-19, Authority to Participate in the Community Development Block Grant
- 2) Resolution 18-20, Supporting the Coordinated Public Transit Plan and Transit Priorities for Prince of Wales Island

UNFINISHED BUSINESS

- 1) Roadless Rule Letter/information

NEW BUSINESS

- 1) Consider appropriation for installation of radio equipment at Craig Police Department
- 2) Consider Aquatic Center Design Contract
- 3) Consider Port St. Nicholas Road Fee
- 4) Discussion on Designating Council Seats at Elections
- 5) Conflict of Interest Provisions in the Craig Municipal Code

ADJOURNMENT

HEARING FROM THE PUBLIC

- Resolution 18-18, Pay Scale Adjustment
- There were no public comments.

REPORTS FROM CITY OFFICIALS

Mayor/Fire Department- Mayor O'Connor attended Southeast Conference in Ketchikan in September.

Administrator- Jon provided a written report and added that he and the mayor had met recently with Edward Douville, President of Shaan Seet Inc.

Treasurer- Joyce provided a report.

Aquatic Manager- Jessica provided a report.

City Clerk- Kassi reminded the council of the city holiday on the next upcoming meeting date, and it was cancelled.

City Planner- Brian was absent excused.

EMS Coordinator- Chaundell reported participating in the preparedness fair and travel to Anchorage in October.

Harbormaster- Hans reported working on the Harbor Lighting Project.

Library- Angela provided a written report.

Police Chief- RJ provided a written report.

Public Works- Russell provided a written report. Jim See is concerned about the bathrooms and would like to work with staff to move forward on this project.

Parks and Rec- Victoria was absent excused.

Parks and Public Facilities- Doug provided a written report.

READING OF CORRESPONDENCE

- Southeast Alaska by the Numbers
- Federal Subsistence Regional Advisory Council Membership App
- Letter of Support-Klawock Airport Plowing-
Jim See would like a letter sent alerting DOT to the need for plowing if the winter is severe, as Island Air is the only option for air travel at night and in stronger winds.
The council supported a letter.
- Financial Report from POW Arts Extravaganza

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Resolution 18-18, Pay Scale Adjustment

SEE/CREIGHTON

moved to approve Resolution 18-18.
MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

UNFINISHED BUSINESS

Roadless Rule Letter/Information

Jon provided a memo outlining the details of this agenda item. Mike Kampnich explained his involvement in the new committee established under order from the Governor. The committee is tasked with putting together three proposals. One would not make changes to the standing roadless rule, the second would repeal it completely and the third would make some amendments to the current plan. The committee has a short timeframe to complete their findings. Jim See commented that the council has always stood behind commenting on the Roadless Rule, and Jim would like to see some limited changes in the plan. The Council decided to postpone discussion of this item until Michael Douville is present.

NEW BUSINESS

Consider Limited Engineering Services Contract

TROJAN/CREIGHTON

moved to authorize city staff to engage in an engineering firm to complete design of backflow prevention devices for water main connections to North Cove and South Cove Harbors, in an amount not to exceed \$6,420.00
MOTION CARRIED UNANIMOUSLY

Request letter of support- POW Native Plant Materials Center

SEE/TROJAN

moved to send a letter of support to the POW Native Plant Materials Center.
MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

SEE/TROJAN

moved to adjourn at 8:30 p.m.
MOTION CARRIED UNANIMOUSLY

APPROVED _____

MAYOR TIMOTHY O’CONNOR

ATTEST _____
KASSI MACKIE, CITY CLERK

**CITY OF CRAIG
ORDINANCE No.**

ADDING SECTION 2.04.165 OF THE CRAIG MUNICIPAL CODE, REGARDING
COUNCIL PARTICIPATION IN COUNCIL MEETINGS VIA TELECONFERENCE

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 adds Section 2.04.065 of the Craig Municipal Code by adding the underlined text, as follows:

2.04.065 Teleconference Participation

A. The use of teleconferencing at council meetings is for the convenience of government officials and the public. Teleconference participation by the mayor, council members and the public is authorized by AS 44.62.310(a) and 44.62.312. While physical presence of the mayor, council members and the public is the preferred method of participation at council meetings, the mayor, council members, and the public are allowed to participate at council meetings in the following manner:

1. Participation of Mayor and Council Members by Teleconference.

a. Any council member may participate in any council meeting by teleconference. Teleconference participation is solely at the discretion of the council member who requests this method of participation if the council member is out of town or incapacitated. The council member shall notify the clerk to arrange for teleconference participation by four p.m. on the Friday before the Tuesday regular council meeting, and at least twelve hours before any special council meeting.

b. The mayor, or the presiding officer in the absence of the mayor, may also participate in any council meeting by teleconference. The mayor, or the

presiding officer in the absence of the mayor, shall notify the clerk to arrange for teleconference participation by four p.m. on the Friday before the Tuesday regular meeting, and at least twelve hours before any special meeting. However, the mayor, or the presiding officer in the absence of the mayor, shall not preside over the council meeting when participating by teleconference.

c. The mayor and any council member participating by teleconference shall be deemed to be present at the meeting for all purposes, including for quorum and voting, except as provided in subsection (A)(1)(b) of this section.

d. The mayor and any council member participating by teleconference shall have the same right to participate in any matter as if physically present at the council meeting, executive sessions, adjudicatory matters, and presentations. Reasonable efforts shall be made to make available to the mayor and any council member participating by teleconference any pertinent documents that are to be discussed and/or acted upon, including the council packet.

e. The mayor and any council member participating by teleconference shall have the same right to vote on any matter as if physically present at the council meeting. All voting at the meeting shall be by roll call vote. The council member who is participating by teleconference, or the mayor when participating by teleconference, determines whether the member or the mayor has had the opportunity to evaluate all pertinent information, including any testimony and/or evidence, and is prepared to vote.

f. Teleconference participation at any council meeting is limited to four times a year by each council member or by the mayor.

g. Each council member and the Mayor may attend additional teleconferences as a special exception if expressly approved for good cause in each instance by a vote of the Council. Good cause may include, but is not limited to, absence required for extended medical care needed for the individual or the individual's immediate family.

Passed and approved this ___ day of _____, 2018.

Mayor Timothy O'Connor

Attest

Kassi Mackie, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Kassi Mackie, City Clerk
Date: October 16, 2018
RE: Ordinance No. 715, Participation in Meetings via Teleconference

The council may recall discussion at the October 4th meeting regarding council member participation in meetings via teleconference. Ordinance 715 would add wording to the municipal code to permit such participation.

Staff reviewed municipal codes from Sitka, Homer and Ketchikan for review.

Recommendation

Approve Ordinance No. 715 at first reading.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Kassi Mackie, City Clerk for Brian Templin, City Planner
Date: October 26, 2018
RE: Resolution 18-19, Authorizing Participation in the CDBG Program

Attached you will find City of Craig Resolution 18-19. This resolution replaces Resolution 18-17, Authorizing Participation in the Community Development Block Grant Program (CDBG), which was approved at the September 20th meeting.

As the council may recall from the September 20th meeting, Brian explained the process and requirements for participating in the CDB Grant and held a public hearing as part of that process. The council approved Resolution 18-17, which supported applying for the CDB Grant in the amount of \$315,000 for the design and engineering of the City of Craig Small Boat Harbor project.

Last week Brian attended a training on this grant in Anchorage. This training reviewed the requirements of the grant application, one of which requires the inclusion of the Mayor as an alternate for negotiating and executing documents, and subsequent amendments to grant agreements.

Recommendation

Adopt Resolution 18-19, Authorizing Participation in the Community Development Block Grant Program.

**CITY OF CRAIG
RESOLUTION 18-19**

**A RESOLUTION AUTHORIZING PARTICIPATION IN THE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

WHEREAS, the Council of the City of Craig wishes to complete design and engineering for a Small Boat Harbor for use in the community; and

WHEREAS, the Council of the City of Craig held a public hearing on participation in the CDBG program on September 20, 2018; and

WHEREAS, the entity is an applicant for a grant in the amount of \$315,000 from the Alaska Department of Commerce, Community, and Economic Development (hereinafter "Department"), under the CDBG program;

NOW, THEREFORE, BE IT RESOLVED that the Craig City Administrator, Jon Bolling is hereby authorized to negotiate and execute any and all documents required for granting and managing funds on behalf of the City of Craig. The alternate for negotiating and executing documents related to this grant is the Craig Mayor, Tim O'Connor.

The Craig City Administrator, Jon Bolling is also authorized to execute subsequent amendments to said grant agreement to provide for adjustments to the project within the scope of services or tasks, based upon the needs of the project. The alternate for executing subsequent amendments to said grant agreements is the Craig Mayor, Tim O'Connor

Adopted this day of , 2018.

Mayor Tim O'Connor

ATTEST _____
Kassi Mackie, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 25, 2018
RE: Resolution 18-20

Attached you will find Resolution 18-20. The resolution supports efforts by Southeast Senior Services (SSS) and the Interisland Ferry Authority (IFA) to provide or support transit services on Prince of Wales Island for the coming year.

In order to identify the priority services, a local transportation planning committee must meet and agree on the services. The committee met on Tuesday, October 16 to discuss services and gaps in service for the Craig/Klawock/Hollis area. Attending the meeting were representatives from the City of Craig, SSS, IFA, Catholic Community Service, and approximately 17 members of the public. After discussing a number of transportation needs, the group settled on supporting the transit projects listed below.

- Continued rides provided by SSS for the elderly and disabled to and from the IFA terminal in Hollis;
- An operational payment to IFA through the federal Section 5311 transit program.

Both of these projects are listed in Resolution 18-20.

Much of the funding for the identified projects is accessed through the Alaska Department of Transportation and Public Facilities, which in turn receives transit dollars from the U.S. Government. A resolution approved by a public entity, such as the City of Craig, is needed to qualify for the grant funds after a public meeting by the local planning committee. City council approval of the resolution will help ensure funding for these important public transit services for the coming year.

The Craig city council has considered and approved very similar resolutions of support of transit projects over the past few years.

Recommendation

Approve Resolution 18-20.

**CITY OF CRAIG
RESOLUTION 18-20**

**A RESOLUTION SUPPORTING THE COORDINATED PUBLIC TRANSIT PLAN AND
TRANSIT PRIORITIES FOR PRINCE OF WALES**

WHEREAS, people with specialized transportation needs merit access to mobility. Individuals with limited incomes and people with disabilities rely heavily, sometimes exclusively, on public and specialized transportation services to live independent and fulfilling lives. These services are essential for travel to work and medical appointments, to run essential errands, or simply to take advantage of social or cultural opportunities; and

WHEREAS, under Fixing America's Surface Transportation (FAST) Act, projects funded by Federal Transit Administration (FTA) Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities program must be included in a locally developed, coordinated public transit-human services transportation plan. The Alaska Department of Transportation and Public Facilities requires any human service transit projects funded by the Alaska Mental Health Trust to also be included in a coordinated public transit-human services transportation plan ; and

WHEREAS, the FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program provides operating and capital assistance funding to provide transit and purchase of services to private nonprofit agencies, federally recognized tribes, and to qualifying local public bodies that provide specialized transportation services to elderly persons and to persons with disabilities; and

"WHEREAS, Alaska Mental Health Trust provides grants to private non-profit agencies, federally recognized tribes, and to qualifying local public bodies that serve community transit needs of trust beneficiaries, namely Alaskans who experience mental illness; developmental disabilities; chronic alcoholism with psychosis; or Alzheimer's disease and related dementia through funding for operating assistance; purchase of services, capital and coordinated transportation system planning; and

WHEREAS, a local committee with participation by Southeast Senior Services, City of Craig, Interisland Ferry Authority, Catholic Community Service, and seventeen members of the public met on October 16, 2018; and

WHEREAS, those attending included representatives of seniors, individuals with disabilities, and public and non-profit transportation and human services providers, and participation by other members of the public; and

WHEREAS, the local committee reviewed and recommended through voice vote a list of transit priorities to be submitted to the State of Alaska Department of Transportation and Public Facilities; and,

WHEREAS, the priority list is as follows:

- Southeast Senior Services Hollis ride transport, through the Human Services Grant Program.
- Interisland Ferry Authority Section 5311 subsidy.

NOW, THEREFORE, BE IT RESOLVED BY THE CRAIG CITY COUNCIL:

SECTION 1. That the City of Craig supports the local committee's Coordinated Plan and prioritized projects.

SECTION 2. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE CRAIG CITY COUNCIL THIS _____ day of November 2018.

Mayor Tim O'Connor

ATTEST _____

Kassi Mackie, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 25, 2018
RE: November Staff Report

1. Meeting with Shaan-Seet Inc.

Mayor O'Connor and I met with Mr. Ed Douville of Shaan-Seet Inc. As I reported to the council in September, Mr. Douville is the recently selected president of Shaan-Seet Inc. Our conversation included the following topics.

- Fill area. SSI is no longer able to offer the old rock pit near Tanner Crab Court as a waste area for land development projects. Instead, the corporation has designated the upper 62 pit area as a waste area. This arrangement should serve the community well, as the site is located near Craig and readily accessible.
- Industrial park overhead lines. Mr. Douville stated that SSI remains interested in arranging for the burial of the currently overhead electrical lines that run along JT Brown Street. Once the power lines are run underground, SSI's storage area on the south side of the street can accept larger boats for storage and maintenance.
- Industrial park boat storage. Mr. Douville also reported that the company is looking into providing some sort of covered area for vessel maintenance activities that must be conducted out of the weather. I am hopeful that such a facility can be built in town, as it would augment the current vessel hauling service that the city provides.
- Downtown harbor project. SSI is interested in the progress of the city's downtown harbor project. The corporation may have a suitable rock source for the breakwater component of the project. City staff will keep SSI staff aware of development of the project.
- Bear-resistant dumpster. SSI purchased a very sturdy bear-resistant dumpster for use at the SSI Trailer Court. City staff has made some modifications to the city's old rear-load garbage truck to be able to empty the specialized dumpster. SSI and the city will operate the dumpster on a test basis to see how well it deters bears, and how readily city staff can manipulate and empty the unit.

2. CCSD wood boiler project

Following a request from staff at the Craig City School District, I participated with CCSD staff in a review of proposals to hire an engineering company to complete a cost benefit analysis, and potentially an engineered design, of a wood fired boiler at Craig High School. The district has some funding secured to cover most of the design project cost. This phase of the project is scheduled to begin upon approval by the school board, and completed by mid-March, 2019. Design work is set to begin this month.

3. Craig Child Care Center Lease

The Craig Child Care Center has notified the city that it wishes to renew its lease of the child care building. The ten year lease that had governed use of the building expired June 30, 2018. Per Title 16 of the city's municipal code, the council may renew the lease. Staff will post a public notice regarding the renewal request and bring the item to the council for consideration.

4. Southeast Alaska Solid Waste Authority

The City of Craig is a member of the Southeast Alaska Solid Waste Authority, or SEASWA. The authority is made up of municipal members that work together to address solid waste issues in the region. I attend the meetings on behalf of the City of Craig, as did former councilman Don Pierce while he was a city council member. Among the tasks addressed by SEASWA in recent years is coordination of scrap metal removal from POW, selection of a contractor to collect household hazardous wastes in Southeast Alaska, and coordinating community efforts to select a vendor to dispose of garden variety municipal solid waste.

One of the more pressing matters for SEASWA is the disposition of around \$70,000 in grant funding from the State of Alaska earmarked for use by SEASWA. The funding expires on June 30, 2019, and any balance remaining at that time will lapse back to the state. I have encouraged the authority to propose one or more community projects to the state that qualify for reimbursement from the grant before the expiration date, with the hope that some of that funding can be donated back to SEASWA for long-term use for the member communities' waste disposal needs. The authority board of directors meets again in November to discuss this topic in more detail. In the meantime, a representative of SEASWA will contact staff at the State of Alaska to get an idea of the range of projects may qualify for reimbursement from the grant.

5. Status of Fisheries Disaster Relief Fund

As the council may recall, the State of Alaska is working with Federal agencies to distribute funds to various recipients identified in the state's distribution plan. The public comment period closed in September, and it is my understanding that the National Marine Fisheries Service is working to finalize the document by November 1. Following that step potential recipients may be asked to apply for funding. Based on my research, Craig is eligible for some share of the fund, although the amount of any subsequent payment is uncertain. I will continue to follow this matter through resolution.

6. Pollution Insurance

Following the discussion that the city council had on this item earlier this year, I have submitted to the city's insurance broker a list of properties to consider for pollution liability coverage. Staff will review the list with the broker, and consider subsequent quotes for pollution coverage. This item stems from the understanding that the cost of pollution insurance may be out of reach for individual tenants leasing city property; and that the city may be able to purchase the coverage and distribute the premium cost among its tenants.

7. Travel Schedule

None scheduled.

City of Craig Memorandum

To: City Mayor & City Council

From: Joyce Mason, Treasurer

Date: October 22, 2018

RE: Monthly Report

The first quarter financial reports are included with this memo. Revenues are near normal and other than health insurance, expenses are as the city anticipated.

I attended a PERS conference early October of which I have attached a memo outlaying the information that was presented.

I will be out of the office most of November for personal travel.

If you have any questions please contact me at finance@craigak.com

City of Craig Memoranda

Date: October 8, 2018

To: City Council

From: Joyce Mason, Finance

I attended a State of Alaska sponsored conference for the Public Retirement System October 3 thru October 5 in Juneau. The first two days were mainly about Empower, the state's designed fiscal agent to manage the Define Contribution Plan. Very little was said about the Define Benefit plan.

Every employee that participates in the plan has access to the Empower web site. The site address is www.akdrb.com. Each employee will need to set up an account. When the account is set up the data from the retirement system will be available. The site walks employees through different options for funding their retirement.

Kathy Lea, Retirement & Benefits director spoke on about Financial Wellness at Work. She stated 6 out of 10 employees live paycheck to paycheck, lack access to resources and tools to help them, and 62% say their loyalty to employers is influenced by how much they care for their financial well-being. These issues extend into retirement. More than 50% of Americans have less than \$10,000 saved for retirement, 55% of retirees retire earlier than expected- health #1 reason, women save 26% less than men, mainly because they are paid less, only 33% of people could answer 3 out of 4 financial concepts correctly, and 47% fear not being ready to retire. With this in mind the PERS staff have developed short videos on their website to explain the retirement plans and also encourage the use of the Empower web site. She stressed the employer should develop plans to help the employees with their retirement plans by defining a plan, analyzing the plan, measure the success of the plan.

Roberto Aceveda, Counseling & Benefits Education Manager, spoke on the new state 457 plan with Empower. He stressed the fiduciary responsibility an employer has if they offer a 457 plan. The state handles the fiduciary responsibility for this plan. He states the state's plan has considerable less fees and has the option to use many of the Empower funds

Melanie Helmick, PERS Auditor, spoke Friday on different items about PERS audits and IRS rules. The most common audit issues are prearranged agreements for continued employment after retirement, stipends, PERS included/excluded positions and Police officers in PERS and not APSC certified. Prearranged agreements deal with the rule that retirees cannot work for PERS employers for six months if under age 62 after retirement and 60 days if over 62 age. Stipends are wages and she recommended reading IRS publication 963. PERS positions should be outlined in employers' participation agreements. Police officers have a 13 month grace period after hire to get certified at the police academy or they will be reclassified non police employees and have different rates of contributions.

Melanie also gave a presentation on IRS Data Security. The 2018 IRS Tax Forum focus is cyber security. A law was passed authorizing the ability to set data safeguard regulation for financial institution and government employers. The IRS has issued a ruling in publication 4557 concerning security. The basic concept is to understand and take basic security steps. These steps are recognize phishing emails, create a data security plan, use security software, use strong passwords, back up sensitive data to a safe and secure external location, wipe clean or destroy old computers, and limit access to those who need to know. Contact information was given for the IRS person to report data theft.

An interesting presentation Melanie gave was "IRS Paycheck Checkup". Employees can go to the IRS.gov web site, type IRS withholding calculator in the search box, gather suggested information, then click on withholding calculator. This calculator was developed due to the changes in the tax laws this past year. Many employees may be over withholding for taxes. I plan to take this information back to the employees.

The conference was informative and worth the time away from the office. I have contacts for Empower and Retirement and Benefits if the employees request them.

City of Craig
Cash Balances
9/30/2018

General Fund

Deposit Clearing Account	26,819.21
Checking - First Bank	3,093,666.44
Checking - Wells Fargo	352,837.81
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>1,941.55</u>
 Total	 <u>3,476,215.01</u>

Restricted Fund

Cash, , Police Fund	434.67
Cash Evidence, Police	4,402.02
Police Petty Cash	731.17
Cash Equipment Fund	593,883.30
Cash Hatchery Salmon Derby	2.22
MM Park Funds	12,597.08
Fish Quota Funds	15,500.41
MM POW Clinic Funds	42,804.88
MM Invest Muni Land	567,676.81
Saving Account	109,306.13
Cash MMkt NFR -School FB	18,394.83
Cash Invest School Funds APCM	3,011,886.54
NFR School ProEquities/APCM	74,996.53
Accrued Interest, School	<u>8,156.08</u>
 Total	 <u>4,460,772.67</u>

Endowment

Cash Held Endowment	52,392.03
CD Invest, Endowment	504,615.56
Fixed Inc. Investment Endowment	3,573,699.23
Accr. Int., Endowment	18,534.00
Equity Invest., Endowment	4,198,560.31
Unrealized Gain/Loss Endowment	(85,355.23)
Unrealized Gain/Loss Equity, Endowment	<u>2,663,784.39</u>
 Total	 <u>10,926,230.29</u>

Enterprise Fund

Debt Service Savings	14,992.68
Water & Wastewater Cash	4,469.55
DNR Performance CD	<u>8,500.00</u>
 Total	 <u>27,962.23</u>

City of Craig, Inc.
04. Craig Gov Revenue
September 30, 2018

	M-T-D Actual	Y-T-D Actual	Budget	Variance	% of Budget
01 00.4000.00 000 Property Tax					
01 00.4050.00 000 Sales Tax	15,462	653,757	650,000	3,757	101
01 00.4055.00 000 Delinquent Sales Tax	(19)	418,920	1,522,000	(1,103,080)	28
01 00.4060.00 000 Liquor Sales Tax	0	0	2,000	(2,000)	0
01 00.4065.00 000 Transient Room Tax	4,150	27,260	120,000	(92,740)	23
01 00.4080.00 000 Sales Tax Penalties	0	11,270	25,000	(13,730)	45
	0	1,137	0	1,137	0
Total Local Taxes	19,593	1,112,344	2,319,000	(1,206,656)	48
01 00.4100.00 000 Property PILT Funding	0	289,535	280,000	9,535	103
01 00.4110.00 000 State Revenue Sharing	0	95,942	90,168	5,774	106
01 00.4111.00 000 Liquor Revenue Sharing	0	0	4,000	(4,000)	0
01 00.4112.00 000 Fish Bus Tax - DOR	0	0	35,000	(35,000)	0
01 00.4120.00 000 Shared Fish Tax - DCED	0	0	4,000	(4,000)	0
Total State Revenue	0	385,477	413,168	(27,691)	93
01 00.4220.00 000 EMS Service Fees	5,201	24,458	30,000	(5,543)	82
01 00.4250.00 000 EMS Training Fees	0	110	1,000	(890)	11
01 00.4260.00 000 Aquatic Center Revenue	2,580	17,649	55,000	(37,351)	32
01 00.4270.00 000 Library Fees	0	0	1,000	(1,000)	0
01 00.4275.00 000 Recreation Revenue	1,771	3,384	13,000	(9,616)	26
01 00.4280.00 000 Senior Card Fees	1,275	15,975	1,000	14,975	1,598
01 00.4620.00 000 Taxi Permit Fees	0	0	100	(100)	0
01 00.4640.00 000 Building Permit Fees	30	180	1,000	(820)	18
01 00.4644.00 000 Access Permit Fees	525	12,526	7,000	5,526	179
Total Permits & Fees	11,382	74,282	109,100	(34,819)	68
01 00.4300.00 000 Property Lease/Rentals	4,033	11,682	72,000	(60,318)	16
01 00.4400.00 000 Material Sales	0	0	1,000	(1,000)	0
01 00.4450.00 000 K Salmon Hatchery Support	0	11,783	0	11,783	0
Total Local Revenue	4,033	23,465	73,000	(49,535)	32
01 00.4700.00 000 Police-Fines,Citation	808	3,879	10,000	(6,121)	39
01 00.4703.00 000 Motor Vehicle Commission	5,210	16,140	60,000	(43,860)	27
01 00.4650.00 000 State Trooper Dispatch	0	0	7,200	(7,200)	0
01 00.4660.00 000 State Jail Contract Revenue	89,381	89,381	353,000	(263,619)	25
01 00.4665.00 000 Klawock Dispatch	4,424	13,272	53,088	(39,816)	25
01 00.4670.00 000 Forest Service Dispatch	0	0	3,000	(3,000)	0
Total Public Safety Funds	99,823	122,672	486,288	(363,616)	25
01 00.4800.00 000 Interest Income (CKNG & CD)	0	3	0	3	0
01 00.4820.00 000 Interest Income (A/R)	309	766	1,000	(234)	77
01 00.4830.00 000 Misc Revenue Convenience Fees	0	0	5,000	(5,000)	0
01 00.4900.00 000 Misc Revenue	179	1,152	0	1,152	0
01 00.4920.00 000 Overhead	14,019	39,793	0	39,793	0
Total Other Revenue	14,507	41,714	6,000	35,714	695
Total Revenues	\$ 149,338	\$ 1,759,954	\$ 3,406,556	\$ (1,646,603)	\$ 52

City of Craig, Inc.
Revenue and Expense MTD and YTD
September 30, 2018

	Month to Date	Y-T-D Current Year	Y-T-D Encumbrance	Total	Budget	Variance	% of Budget
11 Administration							
Total Personnel	26,509	74,973	0	74,973	329,028	254,055	22.79
Total Personnel Benefits	9,827	25,034	0	25,034	133,488	108,454	18.75
Total Contract Services	4,528	31,426	0	31,426	131,000	99,575	23.99
Total Personnel Misc.	1,099	2,689	325	3,014	10,745	7,731	28.05
Total Material & Supplies	2,228	4,450	0	4,450	11,670	7,220	38.13
Total Utilities	1,446	4,264	0	4,264	16,850	12,586	25.31
Total Maintenance	294	294	0	294	2,808	2,514	10.47
Total Misc.	7,970	10,832	0	10,832	19,135	8,303	56.61
Total Capital Assets	9,450	25,030	0	25,030	22,000	(3,030)	(112.77)
Total Expenditures	<u>63,351</u>	<u>178,992</u>	<u>325</u>	<u>179,317</u>	<u>676,724</u>	<u>497,408</u>	<u>26.50</u>
12 Council							
Total Personnel	994	2,981	0	2,981	14,700	11,719	20.28
Total Personnel Benefits	1,074	2,352	0	2,352	37,646	35,294	6.25
Total Contract Services	0	13	0	13	950	937	1.37
Total Personnel Misc.	807	1,255	(839)	416	1,550	1,134	26.84
Total Material & Supplies	18	18	0	18	2,100	2,082	0.86
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	12	36	0	36	385	349	9.35
Total Capital Assets	0	0	0	0	0	0	0.00
Total Expenditures	<u>2,905</u>	<u>6,655</u>	<u>(839)</u>	<u>5,816</u>	<u>57,331</u>	<u>51,515</u>	<u>10.14</u>
13 Planning							
Total Personnel	5,573	16,518	0	16,518	50,259	33,741	32.87
Total Personnel Benefits	1,574	4,584	0	4,584	17,084	12,500	26.83
Total Contract Services	0	65	0	65	0	(65)	0.00
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	0	250	0	250	1,000	750	25.00
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	14	82	0	82	808	726	10.15
Total Capital Assets	0	0	0	0	0	0	0.00
Total Expenditures	<u>7,161</u>	<u>21,499</u>	<u>0</u>	<u>21,499</u>	<u>69,151</u>	<u>47,652</u>	<u>31.09</u>
14 Parks & Facilities							
Total Personnel	9,864	31,390	0	31,390	122,419	91,029	25.64
Total Personnel Benefits	6,219	18,821	0	18,821	103,284	84,463	18.22
Total Contract Services	3,270	4,215	(345)	3,870	7,200	3,330	53.75
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	3,808	7,604	0	7,604	5,700	(1,904)	(132.40)
Total Utilities	935	4,086	0	4,086	15,300	11,214	26.71
Total Maintenance	1,181	1,181	(1,181)	0	15,000	15,000	0.00
Total Misc.	965	2,895	0	2,895	12,178	9,283	23.77
Total Capital Assets	0	0	0	0	7,800	7,800	0.00
Total Expenditures	<u>26,242</u>	<u>70,192</u>	<u>(1,526)</u>	<u>68,666</u>	<u>288,881</u>	<u>220,215</u>	<u>23.77</u>
15 Public Works							
Total Personnel	8,914	31,454	0	31,454	145,264	113,810	21.65
Total Personnel Benefits	6,050	20,003	0	20,003	110,200	90,197	18.15
Total Contract Services	125	220	0	220	720	500	30.56

City of Craig, Inc.
Revenue and Expense MTD and YTD
September 30, 2018

	Month to Date	Y-T-D Current Year	Y-T-D Encumbra nce	Total	Budget	Variance	% of Budget
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	1,354	6,374	898	7,272	30,600	23,328	23.76
Total Utilities	1,470	4,084	0	4,084	14,800	10,716	27.59
Total Maintenance	2,468	6,629	0	6,629	25,000	18,371	26.52
Total Misc.	610	1,850	0	1,850	7,711	5,861	23.99
Total Capital Assets	1,740	1,740	5,841	7,581	2,000	(5,581)	(378.05)
Total Expenditures	<u>22,731</u>	<u>72,354</u>	<u>6,739</u>	<u>79,093</u>	<u>336,295</u>	<u>257,202</u>	<u>23.52</u>

16 Police

Total Personnel	40,870	126,183	0	126,183	496,653	370,470	25.41
Total Personnel Benefits	19,031	58,822	0	58,822	371,938	313,117	15.82
Total Contract Services	219	319	0	319	4,200	3,881	7.60
Total Personnel Misc.	55	116	0	116	3,300	3,184	3.52
Total Material & Supplies	2,993	12,904	4,007	16,910	46,000	29,090	36.76
Total Utilities	2,090	6,174	0	6,174	27,000	20,826	22.87
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	1,735	6,210	30	6,240	9,148	2,908	68.21
Total Capital Assets	1,025	7,640	0	7,640	9,500	1,860	80.42
Total Expenditures	<u>68,018</u>	<u>218,368</u>	<u>4,037</u>	<u>222,404</u>	<u>967,739</u>	<u>745,336</u>	<u>22.98</u>

17 EMS

Total Personnel	5,875	20,551	0	20,551	85,622	65,071	24.00
Total Personnel Benefits	4,556	12,145	0	12,145	58,866	46,721	20.63
Total Contract Services	0	165	0	165	4,200	4,035	3.93
Total Personnel Misc.	208	1,578	519	2,097	3,840	1,743	54.61
Total Material & Supplies	1,048	4,676	577	5,253	19,000	13,747	27.65
Total Utilities	495	1,205	0	1,205	5,400	4,195	22.31
Total Maintenance	85	180	0	180	950	770	18.95
Total Misc.	507	1,541	0	1,541	5,939	4,398	25.95
Total Capital Assets	0	0	0	0	5,510	5,510	0.00
Total Expenditures	<u>12,774</u>	<u>42,041</u>	<u>1,096</u>	<u>43,137</u>	<u>189,327</u>	<u>146,190</u>	<u>22.78</u>

18 Fire Department

Total Personnel	0	0	0	0	0	0	0.00
Total Personnel Benefits	0	0	0	0	4,186	4,186	0.00
Total Contract Services	0	0	0	0	7,400	7,400	0.00
Total Personnel Misc.	0	193	0	193	5,735	5,542	3.37
Total Material & Supplies	0	109	0	109	4,842	4,733	2.25
Total Utilities	226	664	0	664	4,830	4,166	13.75
Total Maintenance	0	0	0	0	320	320	0.00
Total Misc.	398	1,194	0	1,194	5,113	3,919	23.35
Total Capital Assets	0	0	0	0	1,980	1,980	0.00
Total Expenditures	<u>624</u>	<u>2,160</u>	<u>0</u>	<u>2,160</u>	<u>34,406</u>	<u>32,246</u>	<u>6.28</u>

19 Library

Total Personnel	4,575	14,143	0	14,143	62,250	48,107	22.72
Total Personnel Benefits	2,479	2,996	0	2,996	51,535	48,539	5.81
Total Contract Services	0	1,323	0	1,323	1,250	(73)	(104.84)
Total Personnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	458	2,684	293	2,978	9,150	6,172	32.55
Total Utilities	1,588	942	0	942	10,600	9,658	8.89
Total Maintenance	0	0	0	0	1,400	1,400	0.00
Total Misc.	130	390	0	390	1,365	975	28.57

City of Craig, Inc.
Revenue and Expense MTD and YTD
September 30, 2018

	Month to Date	Y-T-D Current Year	Y-T-D Encumbra nce	Total	Budget	Variance	% of Budget
TotalCapital Assets	0	0	0	0	0	0	0.00
Total Expenditures	9,230	22,478	293	22,772	137,550	114,778	16.56
24 Recreation							
Total Personnel	3,409	9,947	0	9,947	44,720	34,773	22.24
Total Personnel Benefits	1,896	5,342	0	5,342	24,965	19,623	21.40
TotalContract Services	200	600	0	600	5,000	4,400	12.00
TotalPersonnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	344	524	0	524	2,500	1,976	20.96
Total Utilities	1,235	3,541	0	3,541	13,000	9,459	27.24
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	375	1,125	0	1,125	4,095	2,970	27.47
TotalCapital Assets	0	0	0	0	2,415	2,415	0.00
Total Expenditures	7,459	21,079	0	21,079	96,695	75,616	21.80
25 Aquatic Center							
Total Personnel	9,112	33,157	0	33,157	154,470	121,314	21.47
Total Personnel Benefits	5,974	17,278	0	17,278	109,484	92,206	15.78
TotalContract Services	0	450	0	450	3,000	2,550	15.00
TotalPersonnel Misc.	316	532	0	532	6,110	5,578	8.71
Total Material & Supplies	1,599	3,111	19	3,130	26,360	23,230	11.87
Total Utilities	4,974	25,780	0	25,780	110,000	84,220	23.44
Total Maintenance	0	0	0	0	2,644	2,644	0.00
Total Misc.	983	2,633	0	2,633	10,500	7,867	25.08
TotalCapital Assets	102,292	102,292	1,422	103,714	238,488	134,774	43.49
Total Expenditures	125,250	185,233	1,441	186,674	661,056	474,383	28.24
31 PSN Hatchery							
Total Personnel	0	0	0	0	0	0	0.00
Total Personnel Benefits	0	0	0	0	0	0	0.00
TotalContract Services	0	0	0	0	0	0	0.00
TotalPersonnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	0	0	0	0	0	0	0.00
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	13	39	0	39	0	(39)	0.00
TotalCapital Assets	0	0	0	0	0	0	0.00
Total Expenditures	13	39	0	39	0	(39)	0.00
99 Inter Governmental Transfers							
Total Personnel	0	0	0	0	0	0	0.00
Total Personnel Benefits	0	0	0	0	0	0	0.00
TotalContract Services	0	0	0	0	0	0	0.00
TotalPersonnel Misc.	0	0	0	0	0	0	0.00
Total Material & Supplies	0	0	0	0	0	0	0.00
Total Utilities	0	0	0	0	0	0	0.00
Total Maintenance	0	0	0	0	0	0	0.00
Total Misc.	0	0	0	0	0	0	0.00
TotalCapital Assets	157	384	0	384	0	(384)	0.00
Total Expenditures	157	384	0	384	0	(384)	0.00

City of Craig, Inc.
Revenue and Expense MTD and YTD
September 30, 2018

	Q-T-D Actual	Y-T-D Actual	Y-T-D Encumbrance	Total	Y-T-D Budget	Variance	% Budget
Sewer							
Total Revenues	\$ 83,868.94	\$ 83,868.94	\$ 0.00	\$ 83,868.94	\$ 290,000.00	\$ (206,131.06)	(28.92)
Total Personnel Expenditures	23,733.24	23,733.24	0.00	23,733.24	71,586.00	47,852.76	33.15
Total Benefits Expenditures	13,357.45	13,357.45	0.00	13,357.45	46,047.00	32,689.55	29.01
Total Contract Expenditures	789.40	789.40	0.00	789.40	7,800.00	7,010.60	10.12
Total Travel & Expenditures	100.00	100.00	0.00	100.00	300.00	200.00	33.33
Total Materials Expenditures	734.07	734.07	0.00	734.07	5,400.00	4,665.93	13.59
Total Utilities Expenditures	12,193.93	12,193.93	0.00	12,193.93	44,200.00	32,006.07	27.59
Total Repairs & Maint Expenditures	1,871.12	1,871.12	386.85	2,257.97	4,000.00	1,742.03	56.45
Total Other Expenditures	11,847.45	11,847.45	0.00	11,847.45	18,130.00	6,282.55	65.35
Total Capital & Debt Expenditures	68,408.06	68,408.06	0.00	68,408.06	62,497.00	(5,911.06)	(108.46)
Total Expenditures	\$ 133,034.72	\$ 133,034.72	\$ 386.85	\$ 133,421.57	\$ 259,960.00	\$ 126,538.43	51.32
Excess Revenue Over (Under) Expenditures	(49,165.78)	(49,165.78)	(386.85)	(49,552.63)	30,040.00	(332,669.49)	164.96
Water							
Total Revenues	\$ 109,779.35	\$ 109,779.35	\$ 0.00	\$ 109,779.35	\$ 307,300.00	\$ (197,520.65)	(35.72)
Total Personnel Expenditures	38,825.82	38,825.82	0.00	38,825.82	140,483.00	101,657.18	27.64
Total Benefits Expenditures	19,857.24	19,857.24	0.00	19,857.24	79,614.00	59,756.76	24.94
Total Contract Expenditures	2,722.50	2,722.50	0.00	2,722.50	8,000.00	5,277.50	34.03
Total Travel & Expenditures	715.00	715.00	0.00	715.00	0.00	(715.00)	0.00
Total Materials Expenditures	18,114.59	18,114.59	2,505.02	20,619.61	51,600.00	30,980.39	39.96
Total Utilities Expenditures	12,294.57	12,294.57	0.00	12,294.57	59,400.00	47,105.43	20.70
Total Repairs & Maint Expenditures	1,397.53	1,397.53	0.00	1,397.53	10,000.00	8,602.47	13.98
Total Other Expenditures	12,648.37	12,648.37	0.00	12,648.37	8,850.00	(3,798.37)	(141.92)
Total Capital & Debt Expenditures	25,195.97	25,195.97	0.00	25,195.97	47,196.00	22,000.03	53.39
Total Expenditures	\$ 131,771.59	\$ 131,771.59	\$ 2,505.02	\$ 134,276.61	\$ 405,143.00	\$ 270,866.39	33.14
Excess Revenue Over (Under) Expenditures	(21,992.24)	(21,992.24)	(2,505.02)	(24,497.26)	(97,843.00)	(468,387.04)	(25.04)
Garbage							
Total Revenues	\$ 86,071.00	\$ 86,071.00	\$ 0.00	\$ 86,071.00	\$ 315,000.00	\$ (228,929.00)	(27.32)
Total Personnel Expenditures	13,094.05	13,094.05	0.00	13,094.05	39,564.00	26,469.95	33.10
Total Benefits Expenditures	11,100.30	11,100.30	0.00	11,100.30	39,006.00	27,905.70	28.46
Total Contract Expenditures	53,656.16	53,656.16	0.00	53,656.16	212,500.00	158,843.84	25.25
Total Travel & Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Materials Expenditures	3,135.73	3,135.73	629.28	3,765.01	7,000.00	3,234.99	53.79
Total Utilities Expenditures	76.74	76.74	0.00	76.74	0.00	(76.74)	0.00
Total Repairs & Maint Expenditures	975.90	975.90	140.81	1,116.71	5,000.00	3,883.29	22.33
Total Other Expenditures	11,356.37	11,356.37	0.00	11,356.37	3,700.00	(7,656.37)	(305.93)
Total Capital & Debt Expenditures	4,297.11	4,297.11	10.01	4,307.12	0.00	(4,307.12)	0.00
Total Expenditures	\$ 97,692.36	\$ 97,692.36	\$ 780.10	\$ 98,472.46	\$ 306,770.00	\$ 208,297.54	32.10

City of Craig, Inc.
Revenue and Expense MTD and YTD
September 30, 2018

	Q-T-D Actual	Y-T-D Actual	Y-T-D Encumbrance	Total	Y-T-D Budget	Variance	% Budget
Excess Revenue Over (Under) Expenditures	(11,621.36)	(11,621.36)	(780.10)	(12,401.46)	8,230.00	(437,226.54)	150.69
Harbor							
Total Revenues	\$ 54,381.67	\$ 54,381.67	\$ 0.00	\$ 54,381.67	\$ 258,500.00	\$ (204,118.33)	(21.04)
Total Personnel Expenditures	31,596.22	31,596.22	0.00	31,596.22	126,220.00	94,623.78	25.03
Total Benefits Expenditures	14,628.68	14,628.68	0.00	14,628.68	90,159.00	75,530.32	16.23
Total Contract Expenditures	1,547.00	1,547.00	0.00	1,547.00	0.00	(1,547.00)	0.00
Total Travel & Expenditures	3,097.39	3,097.39	0.00	3,097.39	4,400.00	1,302.61	70.40
Total Materials Expenditures	4,939.33	4,939.33	885.85	5,825.18	7,900.00	2,074.82	73.74
Total Utilities Expenditures	17,146.43	17,146.43	0.00	17,146.43	27,400.00	10,253.57	62.58
Total Repairs & Maint Expenditures	1,108.31	1,108.31	3,300.00	4,408.31	22,450.00	18,041.69	19.64
Total Other Expenditures	21,599.48	21,599.48	0.00	21,599.48	21,580.00	(19.48)	(99.09)
Total Capital & Debt Expenditures	5,107.34	5,107.34	(4,646.40)	460.94	131,000.00	130,539.06	0.35
Total Expenditures	\$ 100,770.18	\$ 100,770.18	\$ (460.55)	\$ 100,309.63	\$ 431,109.00	\$ 330,799.37	23.27
Excess Revenue Over (Under) Expenditures	(46,388.51)	(46,388.51)	460.55	(45,927.96)	(172,609.00)	(534,917.70)	(26.61)
Other Fund Sources	0.00	0.00	0.00	0.00	(130,000.00)	(130,000.00)	1.00
JTB Industrial Park							
Total Revenues	\$ 105,823.28	\$ 105,823.28	\$ 0.00	\$ 105,823.28	\$ 413,023.00	\$ (307,199.72)	(25.62)
Total Personnel Expenditures	50,386.61	50,386.61	0.00	50,386.61	86,791.00	36,404.39	58.06
Total Benefits Expenditures	8,912.29	8,912.29	0.00	8,912.29	41,465.00	32,552.71	21.49
Total Contract Expenditures	60.00	60.00	827.32	887.32	1,800.00	912.68	49.30
Total Travel & Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Materials Expenditures	4,604.46	4,604.46	0.00	4,604.46	12,200.00	7,595.54	37.74
Total Utilities Expenditures	28,488.56	28,488.56	0.00	28,488.56	55,000.00	26,511.44	51.80
Total Repairs & Maint Expenditures	3,930.11	3,930.11	(826.98)	3,103.13	5,000.00	1,896.87	62.06
Total Other Expenditures	4,589.08	4,589.08	0.00	4,589.08	9,606.00	5,016.92	47.77
Total Capital & Debt Expenditures	0.00	0.00	0.00	0.00	1,500.00	1,500.00	0.00
Total Expenditures	\$ 100,971.11	\$ 100,971.11	\$ 0.34	\$ 100,971.45	\$ 213,362.00	\$ 112,390.55	47.32
Excess Revenue Over (Under) Expenditures	4,852.17	4,852.17	(0.34)	4,851.83	199,661.00	(419,590.27)	(2.43)
Ward Cove Cannery							
Total Revenues	\$ 2,356.00	\$ 2,356.00	\$ 0.00	\$ 2,356.00	\$ 7,000.00	\$ (4,644.00)	(33.66)
Total Personnel Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Benefits Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Contract Expenditures	0.00	0.00	0.00	0.00	2,750.00	2,750.00	0.00
Total Travel & Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Materials Expenditures	0.00	0.00	300.00	300.00	0.00	(300.00)	0.00
Total Utilities Expenditures	728.60	728.60	0.00	728.60	2,100.00	1,371.40	34.70
Total Repairs & Maint Expenditures	1,668.33	1,668.33	0.00	1,668.33	0.00	(1,668.33)	0.00
Total Other Expenditures	924.82	924.82	0.00	924.82	31.00	(893.82)	(2,982.29)
Total Capital & Debt Expenditures	0.00	0.00	0.00	0.00	2,000.00	2,000.00	0.00

City of Craig, Inc.
Revenue and Expense MTD and YTD
September 30, 2018

	Q-T-D Actual	Y-T-D Actual	Y-T-D Encumbrance	Total	Y-T-D Budget	Variance	% Budget
Total Expenditures	\$ 3,321.75	\$ 3,321.75	\$ 300.00	\$ 3,621.75	\$ 6,881.00	\$ 3,259.25	\$ 52.63
Excess Revenue Over (Under) Expenditures	(965.75)	(965.75)	(300.00)	(1,265.75)	119.00	(7,903.25)	1,063.66

City Of Craig

Memorandum

To: Mayor Tim O'Connor; Craig City Council
From: Jessica Holloway, Aquatic Manager
RE: October Report
Date: October 25, 2018

October has been a very busy month for us. Chris Has been traveling a lot with the High School Swim team and weather permitting will be leaving to Petersburg Friday the 26th for Regionals. This will mark the end to the double shifts that I have been working to cover him while he is gone. Thank goodness! The Wave Runners participated in a Virtual Meet with a team From Indiana on the 6th and they were able to live stream both sides. It was a fun meet to watch (very interesting to say the least). On November 9th the swim club will travel to Petersburg to compete in the November Rain meet. This will be the first time that the swim club will travel this year but it will not be the last. The Club has several meets they are planning to attend this year.

Craig School swim lessons are in full swing and are happening daily. Kids that are in the P.A.C.E school are also attending. There has not been many attending the lessons but there has been a few. Some not all but some of these kids have been homeschooling since kindergarten and have never taken a lesson with us in a group setting. It has been fun seeing how they are adjusting.

The new front counter system is here and up and moving. We are currently still waiting on the new membership cards but right now we are able to enter people in manually. My hope with this system is that it will decrease the amount of missed patrons that come through. I am also hoping it will decrease the amount of missed punches that do happen. This will also hopefully lesson the paper work load and make tracking intake much much easier. When the cards get here pass holders and punch card holders will simply scan their card. This will check them in and be recorded. With punch pass users this program will count down until its time to buy a new pass. Eventually when we are able to expand the fitness room I am hoping to upgrade to the access control system that will allow 24 use of the fitness room with a few little changes to the doors. Please be patient with us for these first few weeks while we work this thing out and get used to it. In theory it should make things run a lot more smoothly in the paperwork department.

I have attached a current pool schedule. We are looking into adding a few programs. Currently there isn't a lot of wiggle room unless we remove some lap and open swims in the afternoon. We are looking to turn Wednesday nights into "Bring your own inflatable "night. Tuesday and Thursday nights offering group or private lessons during the lap swim time or open swim time, possibly both. We are also looking in to doing a teen only swim on Friday nights, we are unsure how that will work but it's something that we are looking in to. We will be doing a 'Biggest Loser "Contest at the begging of the year and possibly

another one in the summer. We are also thinking of doing a 100 mile contest for adults 16 and over and a 75 mile contest for ages 8-15. These are just some thoughts.

I am going to be out of town from November 1st – November 5th with the middle school basketball team for the Stikine Tournament in Wrangell. I will return to work on Monday November 6th .

If you have any questions please feel free to call me at 826-2794 or e mail me at pool@craigak.com

Craig Aquatic Center Schedule

Questions? Call us! - 826-2794

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Fitness Room	Fitness Room	Fitness Room	Fitness Room	Fitness Room	Rentals	Available Please Call For More Info
Hot Tub & Sauna 5:00am-8:00pm	Hot Tub & Sauna 5:00am - 8:00pm	Hot Tub & Sauna 5:00a-8:00pm	Hot Tub & Sauna 5:00am - 8:00pm	Hot Tub & Sauna 5:00am - 8:00pm		
AM Laps 5:30am-9:00am	AM Laps 5:30am-9:00am	AM Laps 5:30am-9:00am	AM Laps 5:30am-9:00am	AM Laps 5:30am-9:00am		
Aqua Aerobics 9:00am-9:45am	Land Aerobics 9:00am - 9:45am	Aqua Aerobics 9:00am-9:45am	Land Aerobics 9:00am - 9:45am	School Use 9:00am- 10:30am		C
School Use 9:45am - 10:30am	School Use 9:45am - 9:45am	School Use 9:45am- 10:30am	School Use 9:45am - 9:45am			L
Lap Swim & Tot Swim (Kiddy pool) 10:30am-12:30pm	Lap Swim & Tot Swim (Kiddy pool) 10:30am-12:30pm	Lap Swim & Tot Swim (Kiddy pool) 10:30am-12:30pm	Lap Swim & Tot Swim (Kiddy pool) 10:30am-12:30pm	Lap Swim & Tot Swim (Kiddy pool) 10:30am-12:30pm	Open Swim Fitness RM	O
School Lessons 12:30-3:00pm	School Lessons 12:30-3:00pm	School Lessons 12:30-3:00pm	School Lessons 12:30-3:00pm	School Lessons 12:30pm-2:00pm	Hot Tub & Sauna	S
Swim Team 3:00pm- 5:30pm	Open Swim 3:00pm- 5:00pm	Swim Team 3:00pm-5:30pm	Open Swim 3:00pm-5:00pm	Swim Team 2:00pm-4:30pm		E
PM Lap 5:30pm-6:30pm	Swim Team & Masters 5:00pm-6:30pm	PM Laps Swim 5:30pm-6:30pm	Swim Team & Masters 5:00pm-6:30pm	Pm Lap Swim 5:00pm-6:00pm		D
Open Swim "Dollar Dip" 6:30pm- 7:30pm	PM Lap Swim 6:30pm-7:30pm	Open Swim 6:30pm-7:30pm	PM Lap Swim 6:30pm-7:30pm	Open Swim " Toy Night" 6:00pm-7:30pm		
Fitness, Hot tub Sauna ONLY 7:30pm to 8:00pm	Fitness, Hot tub Sauna ONLY 7:30pm to 8:00pm	Fitness, Hot tub Sauna ONLY 7:30pm to 8:00pm	Fitness, Hot tub Sauna ONLY 7:30pm to 8:00pm	Fitness, Hot tub Sauna ONLY 7:30pm to 8:00pm		

Durning Srping Break, Christmas Break, and Summer Break we will have an open swim

Monday, Wednesday from 1:00pm -2:30 pm and Friday from 1pm- 2:00pm

City of Craig Memorandum

Date: October 25, 2018
To: Mayor O'Connor and Craig City Council
From: Kassi Mackie, City Clerk
Re: Clerk's Report

Council iPads

As the council may recall, the FY19 Budget Committee included funding for council iPads. I have purchased the iPads and will be working to I know you are all as excited as I am for iPads to distribute packets and amendments! I will be working with Brian on policies for use.

Website

Brian and I are working on the website design with Municode. The staff at Municode has produced a draft website design, and Brian and I will work this week to fine-tune it.

AAMC Conference

I will be traveling to Anchorage November 8-14 for the Alaska Association of Municipal Clerks annual conference. This conference will include an academy session that I will provide a report on at the December 6th meeting. I will be available by phone or email.

Elections

The General Election is November 6th. Absentee voting now until November 5th at 5:00pm. If you know anyone who is unable to make it to the polling location (City Hall) to vote, please let me know and I will decide to deliver a ballot to them on Election Day.

Records Retention

The last few months as staff members have made trips to Ketchikan I have destroyed old records per our retention schedule. The new shelving in the EMS building for storing boxes has been a great benefit to this project.

Next Meeting

November 15th

Craig FIRE & EMS
PO Box 331
Craig, AK 99921



CITY COUNCIL REPORT

OCT 23, 2018

PROJECT SUMMARY

REPORT DATE	PROJECT NAME	PREPARED BY
October 23, 2017	Monthly Report	Chaundell Piburn

TRAINING AND EVENTS

- **FIRE:**
- We are planning to host a Basic Firefighter class in January or early February of 2019. We will open it up to other services on the island. The state has found two instructors willing to come to POW for the 4 days of training.
- We maintain bi-weekly meetings and trainings for our volunteers
- As fire season begins, we closely monitor our fighter fighters out of town list so we have volunteers ready to respond to calls in Craig.
- Outreach: Every year a few firefighters go to the schools and conduct in classroom fire safety training. This is scheduled for October 25th. We visited Elementary, Middle school and High school. A big Thank you to the Fire Men that take a day off work to go do this for us!
- **EMS:**
- We just completed our PHTLS (prehospital trauma life support)classes with Dr. Bowman. This is a 20 hour class that includes online didactic work. He flew in for two days of skills and practice.
- Dr.Bowman volunteers as a medical director for us, which is nearly unheard of. He also taught this class for free. I budget 2 trips a year for him to come to Craig.
- We are slowly getting our Fire, EMS and Police officers on a First Net platform through the AT&T network. They are setting up our account and we will begin getting our volunteers on the platform in the upcoming weeks. It will allow our volunteers to have priority broadband over any other users in the area.
- Our Haunted House is going to be HUGE! Its is located in the old bunkhouse. Please come check it out.

SIGNIFICANT CALLS / CALL VOLUME

- 74 hours were spent on 18 EMS calls in September by our local volunteers. In September , 9 volunteers responded to these calls. Some only 1 or 2 times, and others more than 11 times.
- Just a reminder: All of our volunteers work 40 hour full time jobs, their service to our city is outside of their work hours. Most calls last between 1.5 hours and 4 hours.



To: Craig City Council

From: Hans Hjort, Harbor Master

Date: October 25, 2018

RE: November Staff Report

Harbor department report November

- The board walk at the Ward Cove cannery has a 150 section that is rotten and needs to be replaced. We have purchased the lumber to replace all of the decking for this section. We will replace the decking as soon as we have the time.
- Attended the annual harbor master conference that was in Seward this year.
- We have been working on preventive maintenance on harbor equipment. We've changed oil and done services on all of our equipment this month.
- The haul out trailer had a break down last month. The electronic control device that strokes the transmission pump seized due to debris getting stuck in an orifice. This causes the pump to not create pressure to move the trailer. The new part was about \$500 with shipping and was easy to replace. We have changed all the filters on the machine again now and will continue to sample the hydraulic fluid to determine when it needs to be changed.
- The credit card machine for the false island crane has been installed and is working great. The credit card machine on city dock is installed and should be up and running in a day or two. These machines have been working very well and most of the public seems to really like them.
- We have had some damage done to one of the fingers in north cove from the storm that came through. We have repaired those damages
- We have been working through our waiting list assigning slips. We have made a lot of progress on this and still have some more slips to assign.



- We're working with an electrical engineer to help us design the lighting system for north cove harbor. We should have an RFP soon to put out for bid.

**CITY OF CRAIG
MEMORANDUM**



Date: October 25, 2018
To: Honorable Tim O'Connor, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report / October 2018

RJ Ely

ACTIVITY

Activity for September 27, 2018 through October 24, 2018. Dispatch Center took the following amount of calls for service:

Craig	902
Klawock	225
AST	8

DEPARTMENT OF MOTOR VEHICLES

State of Alaska has obtained a waiver from TSA that allows a person's current Alaska Drivers License to be used to clear TSA Screening at Airports, for the remainder of 2018.

DISPATCHER(S)

Robert Mills has been offered the part time / fill in position and has accepted the job; pending on TSS result.

OFFICER(S)

Fully staffed

Officer Matthew Nunnally has been accepted to attend the Alaska Recert Academy #1901, in Sitka from January 29, 2019 through February 15, 2019. There is possibly that APSC might reimburse costs, after July 1, 2019.

OTHER

APSC has agreed to fund Sgt. Medinas travel & hotel, for his DataMaster Supervisor Re-Certification Training.

Apsin Audit completed, will be advised of results within 90 days. 2 full days of training was also conducted, for all dispatchers.

Sgt. Medina assisted with Harvest Festival, as he has in the past years.

Officer Page assisted in Red Ribbon Week, Kindergarten through Second Grades. Halloween Safety, Drug & Alcohol Prevention, being the main topics of presentation.

Public works Report

- I. Streets and Alleys:**
 - a. Street sweeping as required, on-going.
 - b. PSN road maintenance performed as required.
 - c. Continued storm drain ditch clean up/ maintenance as required.
- II. Sewer:**
 - a. Daily and Monthly General maintenance and sampling at the wastewater treatment plant as required.
- III. Water:**
 - a. Daily and Monthly General maintenance and sampling at the water treatment plant and distribution system as required.
 - b. Monthly water meter reading completed as required on 9/27.
 - c. Water main valve exercising complete on west Craig area as required.
 - d. Winterizing of City docks and facilities as required.
- IV. Equipment:**
 - a) Street sweeper is awaiting parts. Estimated time for full operation is 10 business days.
 - b) Winch system on rear load garbage truck to be complete by October 26th, 2018.
- V. Solid Waste:**
 - a. Weekly pick-up process performed as require.
 - b. Additional landscaping work to equipment storage bays has allowed the garbage truck to be parked in the equipment shed.
- VI. Requests:**
- VII. Projects:**
 - a. Completed parking lot at Peace Health as required.
 - b. Access road and pad behind boiler at City pool is complete.

Craig Recreation Report to the Craig City Council and Mayor. October 25, 2018

First I would like to thank all the volunteers, exhibitors and participants who made this years Harvest Festival a great success! Chad Schwegal won the chili cookout. Shannon Silverthorn and Cathleen ran the pumpkins. Sargent Medina and officer Bixler ran the hay ride including through a flat tire and running out of gas! AC Thompson House donated the pumpkins for the kids. The POW Youth leadership ran the games and helped set up and clean up. A good time was had by all!

Afterschool follows the Craig School calendar. There is no school on November 1 and 2. We will still have Dodgeball on Thursday! A survival skills program will be held in November. We range from 6 to 16 kids in the Rec center and over 30 playing dodgeball. We will have a Halloween party.

There is no school in Craig next Thursday or Friday so today there is no afterschool program, there will be Dodgeball next Thursday at 4 at the Craig City gym. The afterschool program Starts at the Craig Youth and recreation center weekdays until 5pm. We Skate on Tuesdays and play Dodge ball with the Craig Police on Thursdays at 4pm. Movie day is Friday, otherwise it is a screen free program. Cost is just \$10 a week and a snack is included.

There is still skating or blading Fridays at 7pm. We rent skates from size kids 7 to adult 13.

We also have Karate Tuesday, Thursday and now Fridays at 5pm, This is for youth and adults.

Open Gym volleyball Will be back in November. TABATA aerobics Monday, Wednesday and Friday. They sleep in now and start at 6am, This is interval training and they tell me it's a great time.

Magic on Saturdays at the Rec center at 4pm. For just \$1 to play This is magic the gathering and other games held hosted by volunteer Jon Wilburn. Jon comes up with all sorts of creative games. They had 13 at a Magic tournament last week.

It is time to get ready for the Bazaar season. The first bazaar will be on November 24th and the Christmas bazaar on December 8th. Sign up s are ready at City Hall. Thank you Alison! We will light the Christmas tree in between and have the POWER concert on December 9th at 3pm.

The City Gym or the Craig Youth/Recreation Center can be rented for \$20 and \$25 an hour. The Craig 4th of July committee is renting out the bouncy house for parties for just \$75 an hour and that includes a committee member to set it up but you must rent the gym first and make arrangements for the bounce house thru Hannah Basinet.

From The 2018 Craig Harvest Festival and the POW children,

Thank you for the great help!



POW Health Network



Craig
Police- hayride

drivers!

Harvest Fest is put on by Craig Recreation, with the POW Youth Leadership, Girl Scouts, Head Start, PAWS, Craig Public Library, Craig Head Start, Craig Child Care, Craig 4th of July, the Craig Police, Public Facilities and Craig Schools.

And the all the Chili cooks! Pumpkins Donated by AC Thompson House!



Close





Parks & Public Facilities

10/26/2018

Staff Report –October 2018

To: Craig Mayor and City Council

From: Douglas Ward

We spent the bulk of the month on the annual wood boiler overhaul and maintenance tasks.

The department purchased 5 Red Maple, and 5 Plum trees to plant at Triangle Park and to replace 3 dead trees in planter boxes along the Heli-pad access road.

Our seasonal worker, Nick Brazille, will be laid off at the end of the month, and return in the spring.

We continue to address day to day issues as they arise.

Projects completed:

- Change out air filters on AHU1 at Aquatic Center.
- Repair backup generator auto switchgear control panel.
- Annual maintenance on Wood boiler.

Projects currently in progress:














- Install credit card machine on city dock. (waiting on new modem)
- Build new box covers for planters along Helipad road.
- Install wireless bridge from burn pit to P.D.
- Installation of security cameras throughout Harbor Facilities.

Work Orders Completed Since Last Report:



Parks & Public Facilities

10/26/2018

-  High-1323-Prep area for new playground equipment..xls
-  High-1810-Prep tractor for Octoberfest.xls
-  High-1821-Change settings on light timer for Totem .xls
-  High-1822-Change timer settings for library parking lights.xls
-  High-1823-Change air filters in AHU-1 at Aquatic Center.xls
-  High-1824-Install blinds in conference room at Medical Building.xls
-  High-1825-Replace camera in cell 4 at Police Department.xls
-  High-1826-install six parking bumpers in new parking area.xls
-  High-1827-Replace control modules in back up generator auto switch gear at clinic.xls
-  High-1828-Furnace at fire hall not working.xls
-  High-1829-Install LED tubes in Harbor office.xls
-  High-1832-Screw down loose board on boardwalk.xls
-  Low-1364-Build new forms for parking bumpers.xls



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources
OFFICE OF PROJECT MANAGEMENT AND PERMITTING
400 Willoughby Ave. Suite 400
Juneau, AK 99801
907.465-3177

September 28, 2018

Dear Potential Participant,

The Alaska Department of Natural Resources (DNR), Office of Project Management and Permitting (OPMP) along with the Alaska Department of Environmental Conservation (DEC), Division of Water (DOW) received a Wetlands Program Development grant from the Environmental Protection Agency to develop an Alaska Wetlands Collaborative. **We would like to include you in this effort.**

The primary objective of this project is to advance the overall state of knowledge about wetlands in Alaska through improved collaboration. The goal is to develop an Alaska Wetland Collaborative to provide a means by which information can be readily shared between the multitude of entities working on wetland research, mapping and management issues statewide. The project does not involve the development of new information. However, through a more comprehensive understanding of what efforts are occurring in the realm of wetlands participants will be able to better identify where there are opportunities to build upon each others' efforts to enhance the understanding of wetlands in Alaska.

The State is inviting state and federal agencies, local governments, Tribal organizations, university researchers and non-governmental organizations to participate in this effort. Please identify those in your organization who work with wetland issues and email the following contact information to sylviakreel@alaska.gov by **October 12, 2018**. Feel free to submit more than one name per organization.

Organization name

Contact name, email, phone number, and mailing address

Once we have a list of contacts we will ask you to identify current wetland projects, as well as informational needs. We will compile and share the inventory as the initial step in creating an Alaska Wetlands Collaborative.

Thank you for your time. We look forward to working with your organization in the development of an Alaska Wetlands Collaborative. Your participation is needed and appreciated.

Sincerely,

Handwritten signature of Sylvia A. Kreel in blue ink.

Sylvia Kreel

Large Project Coordinator, DNR-OPMP

Handwritten signature of James Rypkema in black ink.

James Rypkema

Environmental Program Manager, DEC-DOW
Storm Water and Wetlands

CITY OF CRAIG

Account Statement - Period Ending September 30, 2018



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

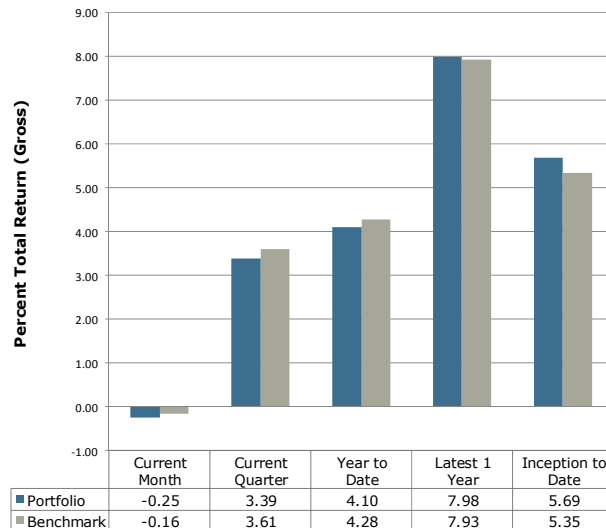
Portfolio Value on 08-31-18	10,431,605
Contributions	0
Withdrawals	-2,608
Change in Market Value	-67,596
Interest	6,650
Dividends	35,032
Portfolio Value on 09-30-18	10,403,083

MANAGEMENT TEAM

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

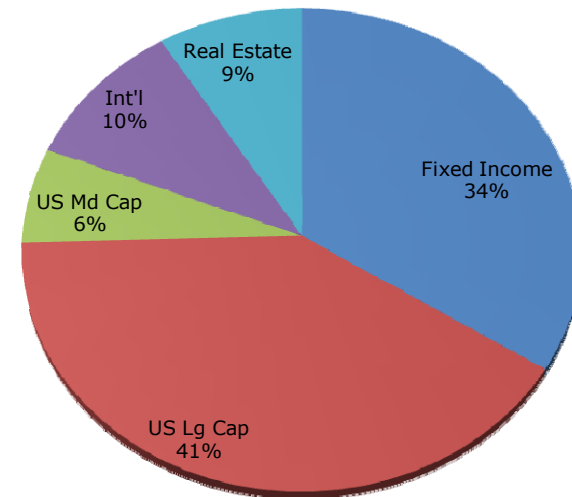
INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



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
September 30, 2018

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	3,488,344	33.5	20% to 45%
Cash (0.0%)	52,392	0.5	na
Subtotal:	3,540,735	34.0	
EQUITY (56%)			
US Large Cap (40.0%)	4,211,079	40.5	30% to 50%
US Mid Cap (6.0%)	664,257	6.4	0% to 10%
Developed International Equity (10.0%)	1,058,922	10.2	5% to 15%
Subtotal:	5,934,258	57.0	
ALTERNATIVE INVESTMENTS (10%)			
Real Estate (10.0%)	928,089	8.9	5% to 15%
Subtotal:	928,089	8.9	
TOTAL PORTFOLIO	10,403,083	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
September 30, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
4,727	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	4,943	102.31	4,836	0.05	189	16	1.43
			4,943		4,852	0.05		16	
CASH AND EQUIVALENTS									
	CASH RECEIVABLE		850		850	0.01	NA		
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		29,605		29,605	0.28			
	DIVIDEND ACCRUAL		21,936		21,936	0.21			
			52,392		52,392	0.50			
CORPORATE BONDS									
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	99.91	49,957	0.48	1,050	216	2.38
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	99.34	99,338	0.95	2,375	910	2.98
50,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	54,602	102.45	51,226	0.49	2,187	1,094	3.35
50,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	49,962	97.47	48,737	0.47	1,125	456	3.27
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	95.66	47,830	0.46	975	81	3.30
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	98.46	49,232	0.47	1,437	64	3.35
50,000	COMCAST CORP 2.850% Due 01-15-23	101.83	50,917	97.00	48,500	0.47	1,425	301	3.61
50,000	AFLAC INC 3.625% Due 06-15-23	106.03	53,016	100.21	50,107	0.48	1,812	534	3.57
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	93.90	46,948	0.45	1,100	137	3.57
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	100.74	50,369	0.48	1,937	323	3.72
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	100.35	50,177	0.48	1,800	855	3.53
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	96.94	48,469	0.47	1,650	101	3.88
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	100.42	50,211	0.48	1,950	975	3.83
50,000	ANHEUSER-BUSCH INBEV FIN 3.650% Due 02-01-26	103.01	51,506	97.17	48,585	0.47	1,825	304	4.10

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
September 30, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
50,000	TARGET CORP 2.500% Due 04-15-26	96.45	48,223	92.57	46,283	0.44	1,250	576	3.64
50,000	LOWE'S COS INC 3.100% Due 05-03-27 Accrued Interest	100.08	50,039	95.43	47,717	0.46	1,550	637	3.73
			865,693		7,565 841,253	0.07 8.09		7,565	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
14,485	SPDR S&P 500 ETF	142.05	2,057,546	290.72	4,211,079	40.48	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
3,300	ISHARES CORE S&P MIDCAP 400 ETF	102.62	338,645	201.29	664,257	6.39	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
16,525	ISHARES ETF CORE MSCI EAFE	56.65	936,185	64.08	1,058,922	10.18	NA		
REAL ESTATE									
12,025	JPMORGAN BETABUILDERS MSCI US REIT ETF	76.56	920,584	77.18	928,089	8.92	NA		
U.S. TREASURY									
50,000	US TREASURY NOTES 1.500% Due 10-31-19	99.40	49,701	98.74	49,369	0.47	750	314	2.69
225,000	US TREASURY NOTES 1.250% Due 10-31-19	99.42	223,689	98.47	221,564	2.13	2,812	1,177	2.69
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	101.11	101,106	0.97	3,500	1,322	2.80
150,000	US TREASURY NOTES 1.750% Due 10-31-20	99.91	149,866	97.81	146,719	1.41	2,625	1,099	2.84
175,000	US TREASURY NOTES 1.875% Due 12-15-20	99.17	173,549	97.94	171,391	1.65	3,281	968	2.84
100,000	US TREASURY NOTES 2.125% Due 08-15-21	99.29	99,291	97.92	97,922	0.94	2,125	271	2.88
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	97.39	73,040	0.70	1,500	631	2.89
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	97.34	97,344	0.94	2,000	755	2.89
125,000	US TREASURY NOTES 2.125% Due 06-30-22	97.13	121,416	97.19	121,485	1.17	2,656	671	2.92
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	94.93	142,401	1.37	2,437	921	2.94
150,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	149,593	98.72	148,078	1.42	3,937	337	2.94
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	97.97	122,461	1.18	3,125	399	2.95

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
September 30, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
170,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	169,867	92.82	157,801	1.52	2,337	200	2.95
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	96.70	96,699	0.93	2,375	303	2.99
100,000	US TREASURY NOTES 2.000% Due 08-15-25	98.81	98,807	93.71	93,711	0.90	2,000	255	3.02
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	90.46	90,461	0.87	1,625	614	3.04
150,000	US TREASURY NOTES 2.000% Due 11-15-26	97.14	145,717	92.52	138,774	1.33	3,000	1,133	3.05
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	93.60	117,002	1.12	2,812	1,062	3.06
	Accrued Interest				12,434	0.12			
			2,250,794		2,199,764	21.15		12,434	
AGENCIES									
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	100.65	100,655	0.97	3,750	42	2.40
100,000	FHLMC 1.700% Due 09-29-20	99.73	99,730	97.66	97,657	0.94	1,700	9	2.92
100,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.86	99,865	96.60	96,603	0.93	2,000	756	2.88
100,000	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25	100.00	100,000	96.34	96,345	0.93	2,850	1,243	3.48
50,000	FHLB 3.625% Due 03-19-27	99.82	49,910	98.21	49,105	0.47	1,812	60	3.87
	Accrued Interest				2,110	0.02			
			450,915		442,475	4.25		2,110	
TOTAL PORTFOLIO			7,877,698		10,403,083	100	82,652	22,125	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 09-01-18 To 09-30-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
09-18-18	09-20-18	SPDR S&P 500 ETF	85.0000	24,749.30
DOMESTIC MID CAP EQUITY FUNDS/ETF				
09-18-18	09-20-18	ISHARES CORE S&P MIDCAP 400 ETF	175.0000	35,670.56
REAL ESTATE				
09-26-18	09-28-18	JPMORGAN BETABUILDERS MSCI US REIT ETF	12,025.0000	920,584.07
U.S. TREASURY				
09-26-18	09-27-18	US TREASURY NOTES 2.125% Due 06-30-22	125,000	121,416.25
				1,102,420.18
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
09-30-18	09-30-18	MANAGEMENT FEES		2,600.77
				2,600.77
DIVIDEND				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
09-21-18	10-31-18	SPDR S&P 500 ETF		19,158.02
DOMESTIC MID CAP EQUITY FUNDS/ETF				
09-26-18	10-02-18	ISHARES CORE S&P MIDCAP 400 ETF		2,778.29

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 09-01-18 To 09-30-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
REAL ESTATE				
09-27-18	09-27-18	VANGUARD REIT ETF		13,095.37
				35,031.68
INTEREST				
AGENCIES				
09-19-18	09-19-18	FHLB 3.625% Due 03-19-27		906.25
09-27-18	09-27-18	FHLMC 3.750% Due 03-27-19		1,875.00
09-29-18	10-01-18	FHLMC 1.700% Due 09-29-20		850.00
				<hr/> 3,631.25
CASH AND EQUIVALENTS				
09-15-18	09-15-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		20.91
CORPORATE BONDS				
09-01-18	09-04-18	GILEAD SCIENCES INC 1.950% Due 03-01-22		487.50
09-10-18	09-10-18	WELLS FARGO & COMPANY 3.300% Due 09-09-24		825.00
09-15-18	09-17-18	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22		718.75
				<hr/> 2,031.25

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 09-01-18 To 09-30-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
09-15-18	09-17-18	FHLMC POOL G14203 4.000% Due 04-01-26		16.34
				5,699.75
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
09-15-18	09-17-18	FHLMC POOL G14203 4.000% Due 04-01-26	175.29	175.29
				175.29
PURCHASED ACCRUED INTEREST				
U.S. TREASURY				
09-26-18	09-27-18	US TREASURY NOTES 2.125% Due 06-30-22		642.41
				642.41
SALES, MATURITIES, AND CALLS				
INTERNATIONAL EQUITY FUNDS/ETF				
09-18-18	09-20-18	ISHARES ETF CORE MSCI EAFE	650.0000	41,454.11
REAL ESTATE				
09-26-18	09-28-18	VANGUARD REIT ETF	11,450.0000	907,042.20
				948,496.31
WITHDRAW				
CASH AND EQUIVALENTS				
09-19-18	09-19-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		2,607.90
				2,607.90

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 09-01-18 Through 09-30-18

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
09-15-18	175.29	FHLMC POOL G14203 4.000% Due 04-01-26	183.29	175.29	-8.00
09-18-18	650.0000	ISHARES ETF CORE MSCI EAFE	36,824.23	41,454.11	4,629.88
09-26-18	11,450.0000	VANGUARD REIT ETF	707,673.30	907,042.20	199,368.90
TOTAL GAINS					203,998.78
TOTAL LOSSES					-8.00
			744,680.82	948,671.60	203,990.78

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 09-01-18 To 09-30-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CASH RECEIVABLE					
09-01-18			Beginning Balance		0.00
09-29-18	10-01-18	dp	Interest	FHLMC 1.700% Due 09-29-20	850.00
09-30-18			Ending Balance		850.00
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
09-01-18			Beginning Balance		168,658.97
09-01-18	09-04-18	dp	Interest	GILEAD SCIENCES INC 1.950% Due 03-01-22	487.50
09-10-18	09-10-18	dp	Interest	WELLS FARGO & COMPANY 3.300% Due 09-09-24	825.00
09-15-18	09-15-18	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	20.91
09-15-18	09-17-18	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	16.34
09-15-18	09-17-18	dp	Interest	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	718.75
09-15-18	09-17-18	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	175.29
09-18-18	09-20-18	wd	Purchase	SPDR S&P 500 ETF	-24,749.30
09-18-18	09-20-18	dp	Sale	ISHARES ETF CORE MSCI EAFE	41,454.11
09-18-18	09-20-18	wd	Purchase	ISHARES CORE S&P MIDCAP 400 ETF	-35,670.56
09-19-18	09-19-18	dp	Interest	FHLB 3.625% Due 03-19-27	906.25
09-19-18	09-19-18	wd	Withdrawal	from Portfolio	-2,607.90
09-26-18	09-27-18	wd	Purchase	US TREASURY NOTES 2.125% Due 06-30-22	-121,416.25

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 09-01-18 To 09-30-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
09-26-18	09-27-18	wd	Accrued Interest	US TREASURY NOTES 2.125% Due 06-30-22	-642.41
09-26-18	09-28-18	dp	Sale	VANGUARD REIT ETF	907,042.20
09-26-18	09-28-18	wd	Purchase	JPMORGAN BETABUILDERS MSCI US REIT ETF	-920,584.07
09-27-18	09-27-18	dp	Interest	FHLMC 3.750% Due 03-27-19	1,875.00
09-27-18	09-27-18	dp	Dividend	VANGUARD REIT ETF	13,095.37
09-30-18			Ending Balance		29,605.20
DIVIDEND ACCRUAL					
09-01-18			Beginning Balance		0.00
09-21-18	10-31-18	dp	Dividend	SPDR S&P 500 ETF	19,158.02
09-26-18	10-02-18	dp	Dividend	ISHARES CORE S&P MIDCAP 400 ETF	2,778.29
09-30-18			Ending Balance		21,936.31

CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending September 30, 2018



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

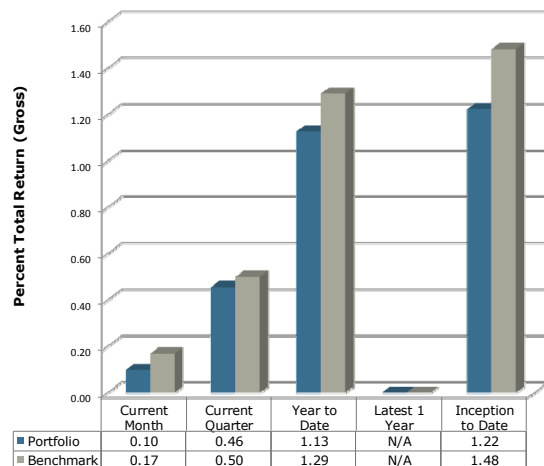
Portfolio Value on 08-31-18	2,022,481
Contributions	1,000,000
Withdrawals	0
Change in Market Value	554
Interest	1,978
Dividends	0
Portfolio Value on 09-30-18	3,025,013

MANAGEMENT TEAM

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

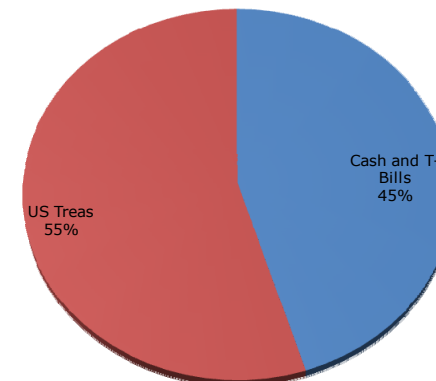
INVESTMENT PERFORMANCE

Current Account Benchmark:
T-Bill shown for reference



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.57% Average Maturity: 0.32 Yrs

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

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG - SCHOOL FUNDS
September 30, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		1,017,583		1,017,583	33.64			
U.S. TREASURY									
550,000	US TREASURY NOTES 1.125% Due 01-15-19	99.53	547,415	99.67	548,207	18.12	6,187	1,311	2.25
550,000	US TREASURY NOTES 1.625% Due 04-30-19	99.44	546,936	99.53	547,422	18.10	8,937	3,740	2.44
560,000	US TREASURY NOTES 1.625% Due 07-31-19	99.25	555,810	99.21	555,559	18.37	9,100	1,533	2.59
	Accrued Interest				6,585	0.22			
			1,650,161		1,657,773	54.80		6,585	
TREASURY BILLS									
350,000	US TREASURY BILLS 0.000% Due 10-18-18	99.40	347,896	99.90	349,657	11.56	NA	0	1.99
TOTAL PORTFOLIO			3,015,640		3,025,013	100	24,225	6,585	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG - SCHOOL FUNDS
From 09-01-18 To 09-30-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
TRANSFERS IN				
CASH AND EQUIVALENTS				
09-14-18		CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		1,000,000.00
				1,000,000.00
INTEREST				
CASH AND EQUIVALENTS				
09-15-18	09-15-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		3.29
				3.29

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG - SCHOOL FUNDS
From 09-01-18 Through 09-30-18

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost</u> <u>Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
TOTAL GAINS					0.00
TOTAL LOSSES					0.00
			0.00	0.00	0.00

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF CRAIG - SCHOOL FUNDS
From 09-01-18 To 09-30-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
09-01-18			Beginning Balance		17,579.54
09-14-18	09-14-18	li	Addition	to Portfolio	1,000,000.00
09-15-18	09-15-18	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	3.29
09-30-18			Ending Balance		1,017,582.83

Attached please find AML's proposed 2019 Principles, Priorities and Position Statements.

Please note that while the format is different than in prior years, the Position Committee has captured all of the past content and updates brought forward at our Summer Meeting.

- Principles – these are long-standing and fundamental beliefs that AML holds when evaluating any policy or legislative action
- Priorities – these are proposed areas that AML will focus on during the upcoming legislative session
- Positions – these are issue-specific positions that AML may take during the legislative process or in discussion with agency officials

Upon member approval, staff will work with the legislative position committee to develop policy briefs for each statement, which will supplement our legislative advocacy. These will provide background information and an analysis of municipal impacts.

If you have questions, please feel free to call me at 907-351-4982, or email me.

Position Statement Guidelines

The DRAFT 2019 Position Statement is sent to all member municipalities prior to the AML Annual Business meeting in November. For changes to be considered, resolutions supporting a change must be received in the AML office electronically by email, mail or fax, no later than Friday, November 2, 2018. Resolutions for changes to this document will not be accepted after this date.

The Position Committee shall debate and act upon each resolution for final recommendations to the membership during the Position Committee meeting on November 14, 2018. If the Position Committee does not accept the submitted resolution, the member's governing body may bring it to the floor at the General Session on November 16, 2018 for discussion. Those resolutions accepted by the Position Committee shall also be discussed during the General Session on November 16, 2018 for incorporation into the Position Statement.

The amended Position Statement shall be voted on by the full membership at the AML Business Meeting to be held on the morning of November 16, 2018.

Note: These resolutions are separate from the Action Resolutions (due on October 5) that AML adopts to further a specific "issue" during the Legislative or Congressional session.

Nils Andreassen
Executive Director, Alaska Municipal League
One Sealaska Plaza, Suite 200, Juneau, AK 99801
Direct (907) 790-5305 or Cell (907) 351-4982
"Strengthening Alaska Municipalities"



AML Principles

- Support the Alaska Constitution’s mandate “to provide for maximum local self-government.”
- Support policies that reduce tax burdens on local government and reimburse for State-mandated exemptions.
- Support State revenue-sharing as an investment in and support for municipal governance.
- Support adequate State funding for basic public services and infrastructure, such as: education, public safety, health, emergency services, and transportation that is necessary for strong and vibrant municipalities.
- Oppose unfunded and underfunded State or Federal legislative and administrative mandates.
- Oppose any efforts to reduce local revenues and local revenue authorities.
- Oppose State or Federal policies that shift responsibilities to local governments without a negotiated agreement that includes adequate and full annual funding.

Draft AML 2019 State of Alaska Legislative Priorities

- Support the pursuit of additional State revenue options, including a broad-based tax
- Support PERS changes to include termination studies, periodic evaluation of and beneficial adjustment to the 2008 salary floor, and increased opportunity for stressed communities to leave PERS without penalty.
- Support additional investments into Community Assistance, including a long-term solution.

Draft AML 2019 Federal Congressional Priorities

- Support full funding for and recalculation of small community population caps for PILT payments to Alaska municipalities.
- Support federal PILT payments, timber receipts, funding for Safe and Secure Rural Schools, and infrastructure investments.
- Oppose underfunding of Federal Assistance Programs including Medicaid, transportation, SNAP, Medicare, Head Start, Title 1 Grants, WIC, CHIP, etc.

Draft AML 2019 Legislative Position Statements

Municipal Governance (Title 29)

- Support increased capacity within and professionalization of State tax assessment.
- Support improvements to records retention, public records access, and public notice.
- Support issuance of a municipal impact fiscal note within proposed legislation.

Community Assistance and Revenue Sharing

- Support a baseline floor of \$60 million annually, and encourage a long-term, sustainable solution.
- Support a method to waive debt, forgive loans, or otherwise bolster “stressed” communities.

PERS/TRS Changes

- Support amendments to termination studies and penalties for leaving PERS/TRS.
- Support the development of a pathway to decrease overall unfunded liability.
- Oppose any cost shift of the State “on behalf” payment over 22%.

Fiscal Policy

- Support agency and programmatic efficiency and right-sizing, but oppose cost-shifting to municipalities and eliminating essential services.
- Support the development of a broad-based tax to increase state revenue.

Public Safety

- Increase officer recruitment and retention.
- Support and strengthen the VPSO program.
- Support state efforts to decrease access to and impacts from opioids.

Economic Development

- Support increased investment in diversification and small business development.
- Support increased investment in training and workforce development.
- Support state responsiveness to local economic development planning.

Education

- Support early childhood education, career and technical education, and preparing, attracting and retaining qualified educators.
- Support for accountability and assessment that meets federal requirements and maximizes local control.
- Oppose any reduction in school funding and support investment in infrastructure and deferred maintenance.

Fisheries

- Support for appropriately funded DF&G and increased investment in fisheries research and outreach.
- Support continued investment in port and harbor infrastructure.
- Support an active role in federal fisheries management, and clean water, as well as transboundary negotiations.

Energy

- Support for vetting of and investing in energy projects, processes and programs that decrease energy costs

Transportation

- Support the establishment of an Alaska Transportation Fund that can be used to match or supplement federal funding, and invest in multi-modal transportation infrastructure.

Minerals

- Support responsible resource development and the reduction of investment barriers alongside improved environmental risk management.
- Oppose additional state tax on mineral development and support robust local government property, or payment in lieu of, taxes.

Water, Wastewater and Sanitation

- Support increased State investment in maintenance and infrastructure upgrades.



**ALASKA ECONOMIC
TRENDS**
OCTOBER 2018

INDUSTRY and
OCCUPATION
PROJECTIONS
for 2016 to 2026

FROM THE COMMISSIONER

Gasline a once-in-a-generation opportunity for Alaskans

Project development in Alaska is about to spur incredible growth and opportunity. A North Slope renaissance in oil and gas, breaking ground at Donlin Gold Mine, expansions at Fort Knox and Kensington Mines, extensive military construction in the Interior, and construction of the Alaska LNG Project are all on the horizon. These projects will require thousands of skilled workers to fill high-paying positions, including long-term operations and maintenance “legacy” jobs and indirect jobs.



HEIDI DRYGAS
Commissioner

Alaska Hire remains a priority for these new projects, and a Project Labor Agreement on the Alaska LNG Project will help us hire our neighbors and our sons and daughters who want to live and work here. The Department of Labor and Workforce Development will work with partners to give Alaskan workers, contractors, employers, private businesses, and residents the competitive advantage they need to stand first in line for these positions: jobs with good wages and benefits that will support families and strengthen our economy.

The Alaska LNG Project is an immediate priority that will deliver Alaska’s abundant natural gas to in-state customers and international markets, reducing energy costs for residents and putting thousands of Alaskans to work. While Alaska maintains a strong construction workforce despite the recent downturn in our economy, the demands of building an 807-mile gas pipeline and associated infrastructure will quickly outstrip the current labor supply. This project is just one of several that calls for immediate expansion of training opportunities to prepare our workforce. Ensuring the maximum number of Alaskans work on these projects will require increased state, federal, and private sector investment for career and technical education and workforce development programs.

For perspective, constructing the Alaska LNG Project will require 12,000 workers and create another 1,000

long-term legacy jobs once built. The project will also generate 6,000 indirect jobs during construction and another 500 during operation.

Governor Walker and Alaska Gasline Development Corporation President Keith Meyer have repeatedly voiced support for a PLA on this project, which will help maximize Alaska Hire goals. With strategic planning in the works this year, Alaskans will be first in line for these jobs.

This spring, the department published the Alaska LNG Project Gasline Workforce Plan. In developing the plan, the department conducted public meetings in Anchorage, Fairbanks, and Kenai, which brought together employers, education leaders, organized labor representatives, training professionals, and industry stakeholders who shared strategies for putting Alaskans to work on the natural gas pipeline. Stakeholder input shaped the resulting workforce plan, and it will drive our actions moving forward.

With a similar collaborative approach, I have asked experts from across the state to join me at the end of October for a meeting of industry leaders, employers, organized labor representatives, and education and training partners at the forefront of major upcoming projects. Leaders from the oil and gas, mining, maritime, and construction industries will identify workforce needs that come with exciting yet demanding development opportunities.

We are closer than ever to a final agreement to finance and build a gasline to monetize Alaska’s vast natural resource and provide energy for Alaskans for decades to come. On this project’s timeline alone, pre-construction activities could start in 2019 and transition into full-swing construction soon after. We must rise to the challenge of preparing Alaskans for these once-in-a-generation opportunities. I am confident that through collective preparation, Alaskans will build and operate the major projects on our state’s horizon. Training starts now — there is no time to waste.

Contact the office of Commissioner Heidi Drygas at (907) 465-2700 or commissioner.labor@alaska.gov.



Follow the Alaska Department of Labor and Workforce Development on Twitter (twitter.com/alaskalabor) and Facebook (facebook.com/alaskalabor).

OCTOBER
2018

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Editor

SAM DAPCEVICH
Cover Artist

DAN ROBINSON
Chief, Research
and Analysis

ON THE COVER:

The Seven Summits Challenge team of six airmen descends Denali, part of a challenge that takes 14 days. Photo courtesy of U.S. Air Force

ALASKA
DEPARTMENT of LABOR
and WORKFORCE
DEVELOPMENT

Governor Bill Walker
Commissioner Heidi Drygas

ALASKA ECONOMIC TRENDS

4 INDUSTRY PROJECTIONS

5.1 percent job growth
projected from 2016 to 2026

11 OCCUPATION PROJECTIONS

Most high-growth jobs will be
in health care for 2016 to 2026

18 GAUGING ALASKA'S ECONOMY

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Industry Projections

5.1 percent job growth projected from 2016 to 2026

By **PAUL MARTZ**

Although the state remains in a protracted recession with job losses continuing in 2018, we project Alaska will add roughly 17,000 jobs from 2016 to 2026, for 5.1 percent growth. Oil prices have rebounded since the plunge that began in late 2014, but the recession's lingering effects will dampen some industries' growth over the decade.

Industries tied to oil and gas as well as state government grew steadily from 2010 through 2015 while oil prices were high, and then lost jobs rapidly when prices fell. We expect some of those losses to stick.

Extraction and support activities for oil and gas — an oil and gas related subset of “support activities for mining” — are projected to decline by 3.6 percent (-136 jobs) and 6.1 percent (-477 jobs), respectively. State government will also continue to decline, with a projected loss of 868 jobs (-5.1 percent). These industries' employment will likely settle around their early-to-mid-2000s levels, with most of the loss in the near term.

Led by health care, a number of industries' projected growth will more than offset those losses. Health care has been on a decades-long growth streak, even throughout the current recession, a trend we expect to continue through the projection period. We project 21.4 percent growth in health care and social assistance employment, or about 10,100 jobs, in the long term. Population increases and aging will be the primary drivers, but state and federal policies are also important factors.

We produce a new set of projections every two years. That's especially important in Alaska, where large resource extraction and development projects play an outsized role in the state's economy and can significantly change the employment picture.

However, these projects have long lead times, extensive permitting requirements, and complicated economics — a natural gas pipeline and Pebble Mine are

Why is 2016 the base year?

Readers sometimes question why the projections begin with 2016 when we're already more than halfway through 2018. The short answer is it's important to begin with a solid set of numbers that won't be revised further rather than to use newer but preliminary data. For more detail on how we create the projections, see the sidebar on page 8.

examples — so we don't include them here until they are nearly certain to happen during the projection period.

Marijuana will boost agriculture

Although agriculture is a tiny industry in Alaska, it's set to be the second-fastest growing in percent terms (24.4 percent) due to the legalization of recreational marijuana in 2014.

The broader sector — agriculture, forestry, fishing, and hunting, of which marijuana cultivation is a part — will add a projected 254 jobs from 2016 to 2026. Most will be in the greenhouse, nursery, and floriculture production industry, with the remainder in aquaculture and support activities for crop production. Greenhouse, nursery, and floriculture production employment is likely to more than double, from 128 jobs to 367 — a gain of nearly 190 percent.

Growth mainly in existing mines

Mineral mining has been stable over the past decade, aside from downward pressure on coal mining. We project 16.9 percent growth over the decade, or 460 jobs, mainly in existing mines. Continued expansion has become necessary as most active mines seek additional resources to extend their lives.

The greatest potential for a new mine is Barrick and

1

Alaska Employment Projections by Industry

2016 TO 2026

Industry ¹	2016 estimated jobs ²	2026 projected jobs	Change from 2016 to 2026	Total % change ³
Total Employment, All Jobs ⁴	332,283	349,286	17,003	5.1%
Goods-Producing	45,575	46,711	1,135	2.5%
Natural Resources and Mining	16,256	16,621	365	2.2%
Agriculture, Forestry, Fishing and Hunting	1,043	1,297	254	24.4%
Mining	15,213	15,324	112	0.7%
Oil and Gas Extraction	3,762	3,625	-136	-3.6%
Mining (except Oil and Gas)	2,727	3,187	460	16.9%
Support Activities for Mining	8,725	8,512	-213	-2.4%
Construction	15,646	16,344	698	4.5%
Construction of Buildings	4,346	4,567	221	5.1%
Heavy and Civil Engineering Construction	3,443	3,657	214	6.2%
Specialty Trade Contractors	7,857	8,119	263	3.3%
Manufacturing	13,674	13,745	72	0.5%
Food Manufacturing	10,221	10,134	-86	-0.8%
Seafood Product Preparation and Packaging	9,777	9,537	-240	-2.4%
Manufacturing, All Other	3,453	3,611	158	4.6%
Services-Providing	286,347	302,240	15,893	5.6%
Trade, Transportation, and Utilities	67,141	68,161	1,020	1.5%
Wholesale Trade	6,389	6,512	123	1.9%
Retail Trade	36,681	36,776	95	0.3%
Transportation and Warehousing ⁵	21,929	22,626	697	3.2%
Air Transportation	6,219	6,469	251	4.0%
Water Transportation	1,341	1,355	14	1.0%
Truck Transportation	2,841	2,784	-57	-2.0%
Transportation and Warehousing, All Other	11,528	12,017	489	4.2%
Utilities	2,142	2,247	105	4.9%
Information	6,301	5,734	-567	-9.0%
Financial Activities	12,829	13,097	269	2.1%
Finance and Insurance	7,002	7,048	46	0.7%
Real Estate and Rental and Leasing	5,827	6,049	223	3.8%
Professional and Business Services	27,740	29,010	1,269	4.6%
Professional, Scientific, and Technical Services	13,790	13,968	178	1.3%
Management of Companies and Enterprises	2,686	3,037	351	13.1%
Administrative and Support and Waste Management and Remediation Services	11,264	12,004	741	6.6%
Education and Health Services	77,535	87,938	10,403	13.4%
Educational Services, Public and Private ⁶	30,288	30,557	269	0.9%
Elementary and Secondary Schools, Public and Private	21,213	21,387	174	0.8%
Educational Services, Public and Private, All Other	9,075	9,170	96	1.1%

Table continues on next page

NovaGold's Donlin Creek Gold Project, situated on lands owned by the Kuskokwim and Calista corporations. The project received its final Environmental Impact Statement, required under the National Environmental Policy Act, and a Record of Decision issued Aug. 13, 2018, although additional permits and a final development decision are pending.

The number of jobs this project could generate is uncertain, but it would significantly change mining's employment picture. This is a complex project, though, and it will be sensitive to expectations about future mineral prices and the regulatory environment.

Mining support to recover losses

Just under half of the mining jobs in Alaska are in the primary oil and gas extraction and mineral mining industries ("mining, except oil and gas"), and the remainder — 57 percent — are in "support activities for mining."

Within support activities, oil and gas drilling is expected to add 197 jobs over the projection period — but that growth will come on the heels of a loss of about half the industry's employment since 2014 (-544 jobs). Given the extent of that decline, the projected

1

Alaska Employment Projections by Industry, continued 2016 to 2026

Industry	2016 estimated jobs ²	2026 projected jobs	Change from 2016 to 2026	Total % change ³
Health Care and Social Assistance, Public and Private ⁷	47,247	57,381	10,134	21.4%
Ambulatory Health Care Services	20,100	25,125	5,026	25.0%
Hospitals	13,759	16,999	3,241	23.6%
Health Care and Social Assistance, All Other	13,389	15,256	1,868	14.0%
Leisure and Hospitality	35,757	39,060	3,303	9.2%
Arts, Entertainment, and Recreation	4,827	5,348	521	10.8%
Accommodation and Food Services	30,930	33,712	2,782	9.0%
Accommodation	8,496	9,296	800	9.4%
Food Services and Drinking Places	22,434	24,416	1,982	8.8%
Other Services (Except Government)	11,632	12,397	765	6.6%
Total Government	47,411	46,843	-568	-1.2%
Federal Government ⁸	13,195	13,195	0	0%
State Government ⁹	16,867	15,998	-868	-5.1%
Local Government ¹⁰	17,349	17,649	300	1.7%
Unreported	362	336	-	-

¹Industry categories differ from other data sets we publish, largely because these combine public and private employment.

²May not sum to total employment due to rounding

³Percent change may be inconsistent with employment change due to employment rounding.

⁴Excludes self-employed workers, fishermen, domestic workers, unpaid family workers, and nonprofit volunteers

⁵Includes U.S. Postal Service employment

⁶Includes local and state government education employment

⁷Includes public sector hospital employment

⁸Excludes uniformed military, postal service, and hospital employment

⁹Excludes university, railroad, and hospital employment

¹⁰Excludes public school and hospital employment

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

increase wouldn't replace every lost job but would put industry employment close to its mid-2000s level of about 900 jobs.

Jobs in support activities for oil and gas operations are in a similar position, having fallen 36.5 percent from 2015 to 2017 (-3,644 jobs). We expect employment to settle around 7,297 jobs by 2026, which would be a loss of 477 since 2016 (-6.1 percent).

The smaller mining support industries focus on metal and nonmetallic minerals, and these combined are projected to grow 24.9 percent (68 jobs).

Slower growth for construction

We expect construction employment will grow slightly slower than the rest of the economy, at 4.5 percent (698 jobs). The sector lost 2,178 jobs (-12.9 percent) between 2014 and 2017.

Specialty trade contractors have taken the biggest hit in this recession, losing 1,006 jobs (-12.1 percent) between 2015 and 2017, followed by nonresidential building construction at a 14.9 percent loss over that period (-468 jobs). We project both of these will recover slightly, with specialty trades adding 263 jobs (3.3 percent) and nonresidential building gaining 36 (1.3

percent). Residential building will grow a bit more, at a projected 12.2 percent (185 jobs).

The heavy and civil engineering construction category includes oil and gas pipeline-related construction as well as a mix of highway, street, bridge, and other heavy and civil engineering construction.

Employment in oil and gas pipeline and related construction reached a 19-year high in early 2014 at 957 jobs, climbed to 999 jobs in 2015, then dropped to 824 the following year. We expect employment to continue falling and hit 782 jobs by 2026. That would still be higher than most of the last two decades' employment levels, however.

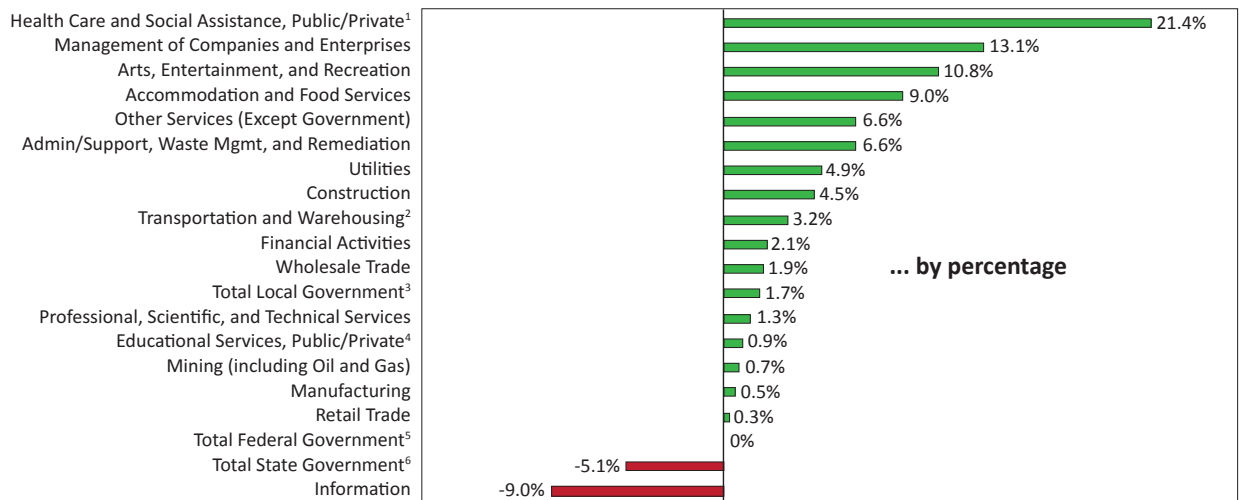
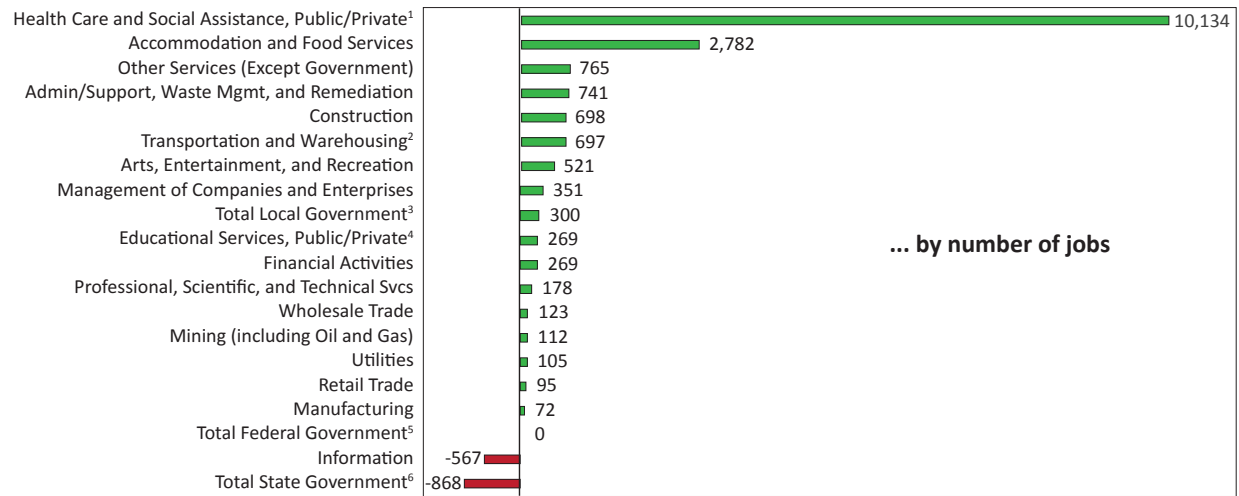
Highway, street, and bridge construction will grow by a projected 5.6 percent (90 jobs). This industry has been remarkably stable over the past 18 years, and although it declined in 2017, we don't anticipate a permanent shift to lower employment.

The "other" heavy and civil engineering construction industry is set to grow from 298 jobs in 2016 to 392 jobs by 2026. This industry's employment fell 53.4 percent between 2014 and 2017, and the projected 2026 level would still be near the low end for the last 27 years. Large state capital budgets and oil and gas projects have bolstered this industry in the past, but the

2

Projected Job Growth by Industry

ALASKA, 2016 TO 2026



¹Includes public sector hospital employment

²Includes U.S. Postal Service employment

³Excludes public school and hospital employment

⁴Includes local and state government educational employment

⁵Excludes uniformed military, postal service, and hospital employment

⁶Excludes university, railroad, and hospital employment

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

state is unlikely to regain an oil price or state budget environment that would sustain such high job levels.

Seafood manufacturing mostly flat

Manufacturing will add a projected 72 jobs (0.5 percent), leaving it mostly flat for the next decade. The vast majority of its jobs are in the seafood product preparation and packaging industry, which we project will decline 2.4 percent (-240 jobs). The seafood harvesting side lost 14.1 percent of its wholesale value

statewide between 2011 and 2016, but the value jumped 13.4 percent from 2016 to 2017, which erased much of the loss.¹

Total pounds processed have been up and down since recovering from the significant declines of 2007-2009. The trend has been up, though, and total pounds processed increased 34.0 percent between 2010 and 2017, even figuring in a major drop in 2016 due to lower-than-expected pink salmon returns.¹

¹Change in value is in 2017 dollars and comes from Alaska Department of Fish and Game's COAR Report, current as of June 23, 2018.

How we create these projections

The Alaska Department of Labor and Workforce Development's Research and Analysis Section creates 10-year industry and occupational projections for Alaska every other year. These projections are the product of four steps:

Step 1: Project industry employment

We use data from the Quarterly Census of Employment and Wages to determine the number of jobs for each industry during the first year, or "base year," of the projection period. Estimates and projections do not include self-employed workers, private household workers, most agricultural workers and fishermen (who are self-employed), and others not covered by the state's unemployment insurance program. We combine certain types of public sector employment — such as education, hospitals, rail transportation, and U.S. Postal Service — with private sector industries.

We create projections for each industry based primarily on historical trends, Alaska and U.S. population projections, and other industry-specific variables. The projections also take into account any knowledge of specific projects and observations of the current economic climate.

Step 2: Determine the occupational makeup, or staffing pattern, of each industry

To estimate base year employment for each occupation, we determine the occupational staffing pattern of each industry. Most industries have a variety of occupations. The staffing pattern is the breakdown of each occupation's share of the industry's total employment, referred to as "staffing ratios."

Employers in Alaska report their workers' occupations when they submit unemployment insurance quarterly contribution reports, which form the basis of Alaska's Occupational Database. We use an analysis of the ODB data that corresponds to the projections' base year, the most recent Occupational Employment Statistics data available, and a baseline of historic industry staffing patterns to calculate occupational staffing ratios for the industries.

Step 3: Calculate base year and projected occupational employment

For each occupation, we multiply each industry's estimated base year employment by the staffing ratio, and then sum the results to get the base year estimate.

For the projections, adjustments to staffing ratios within an industry are called "change factors." Change factors are multipliers that increase or decrease an occupation's estimated share of industry employment based on factors other than an industry's projected employment change. Examples include changes in consumer demand, technology, or business practices.

We then multiply each industry's projected employment by the adjusted staffing ratio for each occupation, and then sum the results by each occupation to get the projections.

Step 4: Estimate job openings

Job openings for an occupation result from both job growth and occupational separations. An occupation's growth openings are equal to its change over the projection period. Estimates of separation openings are based on rates provided by the Bureau of Labor Statistics that account for labor force exits and occupational transfers. For more information on separations, see the sidebar in the occupation article on page 15 or visit: <https://www.bls.gov/emp/documentation/separations-methods.htm>.

Even with the relative stability in harvesting, seafood processing employment has continued to decline. The industry lost 1,177 processing jobs between 2014 and 2017 (-11.1 percent). Automation, changes in consumer preferences, and increases in exports for processing are all likely factors.

Modest growth in retail, wholesale

Wholesale and retail trade are projected to add jobs in

line with the overall trend of flat to slight growth. We project 1.9 percent growth for wholesale (123 jobs) and just 0.3 percent for retail (95 jobs) over the decade. Both have lost ground during the recession, but wholesale has remained markedly flat aside from its losses in durable goods and wholesale electronic markets, agents, and brokers.

After adding 2,020 jobs between 2010 and 2015 (5.8 percent), retail trade lost 856 jobs between 2015 and 2017, a 2.3 percent decline. The biggest losses were

in food and beverage stores at 4.7 percent (-257 jobs) and in sporting goods, hobby, and musical instrument stores at 11.0 percent (-234 jobs).

Food and beverage stores have long been losing ground to general merchandise stores such as warehouse clubs and supercenters, so the recent losses weren't a surprise. The industry is projected to decline 5 percent through 2026 (-272 jobs).

The brief expansion of sporting goods stores between 2013 and 2014 offset some of the recent losses, but the gains from the new stores had mostly disappeared by 2017. The industry's long-term projection is a decline of 8.5 percent (-171 jobs), but with most of the losses in the short term followed by flat employment in the later part of the projection period. If we look at 2017 as the base year instead of 2016, the projected loss is far less dramatic at 2.9 percent, or 54 jobs.

Parts of the retail trade industry projected to grow include:

- General merchandise stores, including warehouse clubs and supercenters: 395 jobs (3.9 percent). Closures of Sam's Clubs throughout the state will cause some decline in 2018, but overall growth has been strong and Costco plans to expand into at least one of the two Alaska markets.
- Miscellaneous store retailers: 207 jobs (8.2 percent). This industry covers mostly smaller retailers such as gift shops, pet stores, and office supply stores.
- Building material and garden equipment and supplies dealers: 145 jobs (4.0 percent).
- Direct selling establishments: 81 jobs (7.5 percent).

Tourism to bolster transportation

We project 3.2 percent growth for the transportation and warehousing sector (697 jobs). Tourism-related transportation will drive most of that gain. This includes:

- Scenic and sightseeing transportation, land: 127 jobs (12.5 percent).
- Scenic and sightseeing transportation, water: 168 jobs (22.0 percent).
- Scenic and sightseeing transportation, other: 40 jobs (40 percent).

Air transportation, scheduled and nonscheduled, will add a projected 251 jobs (4.0 percent). Water transportation's projection is essentially flat at just 14 jobs (1.0 percent).

We expect a 2 percent decline in truck transportation (-57 jobs), a 7.4 percent decline in rail transportation (-50 jobs), a 1.3 percent dip for postal service (-20 jobs), and a decrease of 6.5 percent in freight transportation arrangement (-19 jobs).

Professional, scientific, and technical services

This sector is an amalgam of industries, most of which we expect to grow somewhat but with lingering effects from the recession. The hardest-hit industries have been oil related, with engineering and drafting services losing 583 jobs between 2014 and 2017 (-14.5 percent). The combined geophysical surveying and nongeophysical mapping services industry's employment plummeted 40.5 percent (-284 jobs), and environmental and other scientific and technical consulting services fell 19.6 percent (-219 jobs).

Although these industries will continue to struggle in the short term, we expect their employment to stabilize at relatively high levels, historically speaking, in the long run.

We project engineering and drafting services will add 76 jobs (2.1 percent) from 2016 to 2026, but disregarding the major loss in 2016 and looking only at 2017-2026 puts growth at 5 percent (172 jobs). The industry is projected to provide 3,621 jobs by 2026, which would be close to its employment level at the end of the last decade.

The geophysical surveying and nongeophysical mapping services industry is an extreme example of the effect that losses extending into 2017 can have on expected growth rates. The 2016 to 2026 timeline shows projected growth of 8.3 percent (45 jobs), but again, narrowing the period to 2017-2026 increases the rate to 40.7 percent (169 jobs).

The outlook for environmental and other scientific and technical consulting services is similar. The 2016 to 2026 projection is 75 new jobs (7.8 percent), but because losses have continued into 2018, growth when it resumes is projected to be even stronger than 7.8 percent to reach the total projected level of 1,034 jobs.

Minor job growth for education

The public and private educational services industry — elementary and secondary schools as well as business, technical, trade, and other schools — is projected to add 269 jobs (0.9 percent) over the decade.

The projected growth for elementary and secondary schools is a modest 0.8 percent (174 jobs), based on lower anticipated population growth among 5-to-18-

year-olds as well as continued constraints on state education funding.

We project slow growth for business, technical, trade, and other schools as well, at 1.1 percent (96 jobs). Most of these jobs are in the University of Alaska, but the category includes other private colleges plus trade schools and sports and recreational instruction. Lower state budgets will be a similar drag on this industry, even with slightly more population growth in the 19-to-25-year-old group than in recent years.

Health care continues to climb

Alaska's 65-plus population will increase an estimated 58.8 percent over the projection period, from 78,957 seniors in 2016 to 125,423 in 2026, as the large baby boomer generation continues to move into that age group. By 2026, senior citizens will represent 16 percent of Alaska's population, up from 11 percent in 2016. The 36-to-50 age group will increase by an estimated 21,548 people. In contrast, we anticipate the 21-to-35 age group will decline by 12,118.

Given the aging trend plus overall population growth, we project employment in private health care and social assistance will increase 21.4 percent (10,134 jobs) by 2026, making health care the largest contributor to the state's total projected job growth at 59.6 percent of all new jobs.

The largest industry in this sector is ambulatory health care services, which we project will add 5,026 jobs (25.0 percent), roughly in line with its 2007 to 2017 average annual growth rate of 2.9 percent. The industry is mostly physician's offices, outpatient care centers, and home health care services. While federal and state policies affect this industry, its primary drivers are population growth and an aging population.

We project corresponding employment growth in nursing and community care facilities for the elderly, at 30.3 percent (535 jobs), and in services for the elderly and those with disabilities at 28.2 percent (709 jobs).

In contrast, hospitals lost 117 jobs from 2013 to 2014, which was the first decline since 1994. Growth resumed quickly, jumping to 12.1 percent from 2015 to 2017 (a gain of 1,590 jobs). Given what appears to be a return to the historical growth curve, we expect hospitals will add 3,241 jobs (23.6 percent) over the projection period.

Strong growth in leisure, hospitality

The leisure and hospitality sector will benefit from

continued growth in tourism as well as overall population increase. We project its employment will increase 9.2 percent from 2016 to 2026, or 3,303 jobs. The tourism-based industries in this sector and their projected gains are:

- Traveler accommodation, including rooming and boarding houses: 717 jobs (9.3 percent).
- RV parks and recreational camps: 83 jobs (11.2 percent).
- Museums, historical sites, and similar institutions: 41 jobs (10.3 percent).
- Other amusement and recreation industries: 594 jobs (20.0 percent).

The remainder of the sector is mostly restaurants, bars, and specialty food services that when combined will grow a projected 8.8 percent (1,982 jobs).

Restaurants lost about 1.7 percent of their employment (-325) in 2016 and 2017 due to less spending in a weak economy, and we expect further short-term declines.

Bars are also likely to continue their long-term decline, to a projected total loss of 15.5 percent (-230 jobs). These losses will be due mostly to competition with restaurants that serve alcohol rather than to the recession or reduced alcohol consumption.

Specialty food services range from oil field catering services and airline food handling to traditional catering services, a mix projected to add 250 jobs (11.8 percent) over the decade.

Long-term decline for government

Government employment — excluding public education, the postal service, and hospitals — is projected to shrink 1.2 percent (-568 jobs) from 2016 to 2026.

We anticipate federal employment will remain flat after a loss of 2,374 jobs from 2010 to 2014. Federal employment fluctuated a little from 2015 to 2017, and while that's likely to continue, a change in the trend is unlikely. The upcoming arrival of new F-35s at Eielson Air Force Base near Fairbanks could change the employment picture, but we don't yet know how many of those new jobs will be federal civilian and how many will be private contractors or active duty, which aren't included in these employment data.

State government (excluding health care and the university) faces continued losses after sharp declines following the drop in oil prices. From 2014 to 2016, state

Continued on page 22

Occupation Projections

Most high-growth jobs will be in health care for 2016 to 2026

By **PAUL MARTZ**

After almost negligible job growth in 2013 and 2014, Alaska lost roughly 10,000 jobs from 2015 to 2017 when the recession hit, mainly in the oil industry and industries tied to it.

We're set to slowly climb out of the recession, but projected growth will average just 1,700 new jobs per year from 2016 to 2026 — and 510 of those will be in a health care occupation (see exhibits 1 and 3), driven by the demands of an older population as well as overall population increase.

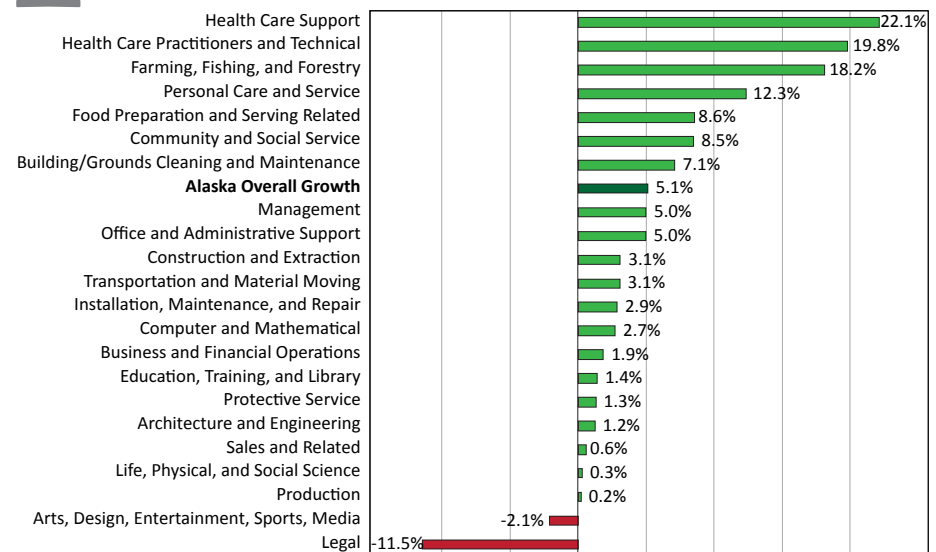
Though the most growth will be in health care occupations, the most openings overall, when separations are considered, will be in the three largest occupational categories: office and administrative support, food preparation and serving, and sales. (See exhibits 2 and 9.)

An estimated 37,700 job openings per year — nearly 96 percent of total openings — will come from retirements and other separations rather than growth. (See the sidebar on page 16 for more on separations.)

Health care and high growth jobs

Fifteen of the 25 occupations with the highest projected percent growth are health care practitioners or technicians, and five are in health care support. (See Exhibit 3.)

1 Projected Growth by Occupation Category ALASKA, 2016 TO 2026



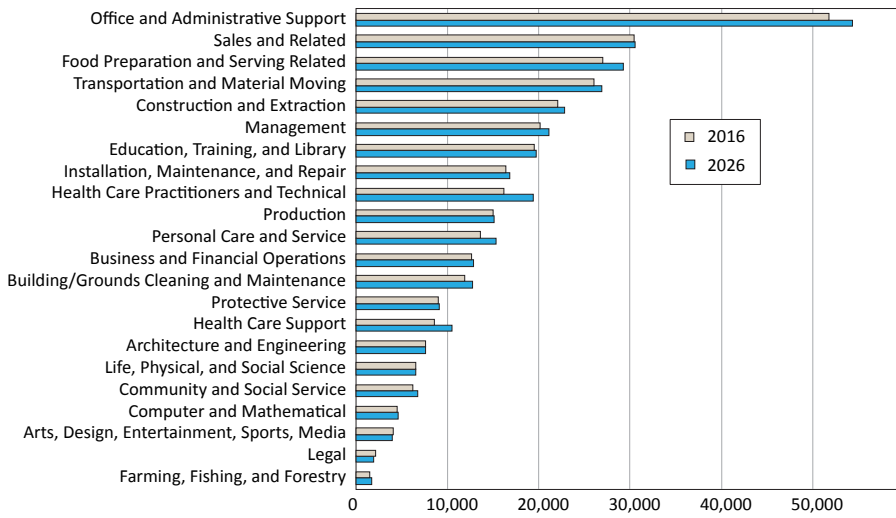
Note: Occupational categories are based on the federal Standard Occupational Classification Manual. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Three of the remaining five are also health care related: medical secretaries, personal care aides, and health care social workers. The largest of those is personal care aides, at an estimated 5,387 in 2016. (For context, the closest related occupation with that many jobs was registered nurses at 5,476.) Personal care aides provide in-home services including cooking, cleaning, help with personal hygiene, and in some cases limited medical assistance under the direction of a registered nurse who provides advanced medical care.

The remaining two occupations in the top 25 are linked to marijuana and mining. The number of workers in nurseries and greenhouses is likely to double as a result of marijuana legalization, from 242 to 484,

2 Projected Total Jobs by Category

ALASKA, 2016 TO 2026



Note: Occupational categories are based on the federal Standard Occupational Classification Manual.
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

making this the highest-growth occupation in percent terms, although small in number. A similar small group is extraction worker helpers, who round out the list at 22.3 percent projected growth.

Other high-growth occupations outside health care that didn't quite make the list include:

- Earth drillers (except oil and gas): 20 percent, mostly in mineral mining and construction related drilling.
- Nonfarm animal caretakers: 16.1 percent, listed under the personal care and service occupations category and typically working at dog boarding facilities.

3 Top 25 Occupations

PROJECTED GROWTH, 2016 TO 2026

Occupation	Percent growth	Health care	Health support	Soc Svc
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	100.0%			
Home Health Aides	27.1%		✓	
Nurse Midwives	25.2%	✓		
Chiropractors	25.0%	✓		
Dentists, General	24.1%	✓		
Dental Assistants	24.0%		✓	
Medical and Clinical Lab Techs	24.0%	✓		
Radiologic Technologists	24.0%	✓		
Dental Hygienists	23.9%	✓		
Physical Therapist Assistants	23.8%		✓	
Phlebotomists	23.8%		✓	
Surgical Technologists	23.8%	✓		
Medical Secretaries	23.7%			
Family and General Practitioners	23.6%	✓		
Diagnostic Medical Sonographers	23.6%	✓		
Healthcare Social Workers	23.6%			✓
Medical Assistants	23.4%		✓	
Nurse Practitioners	23.2%	✓		
Medical and Clinical Lab Techs	23.0%	✓		
Internists, General	22.8%	✓		
Physical Therapists	22.6%	✓		
Helpers: Extraction Workers	22.3%			
Recreational Therapists	22.2%	✓		
Physician Assistants	22.0%	✓		
Personal Care Aides	20.9%			

Note: The list of the 25 occupations with the highest percent growth is limited to occupations with at least 50 workers and growth of at least 20 jobs. It excludes residual occupations ending with "all other."
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Bottom 25 Occupations

PROJECTED LOSS, 2016 TO 2026

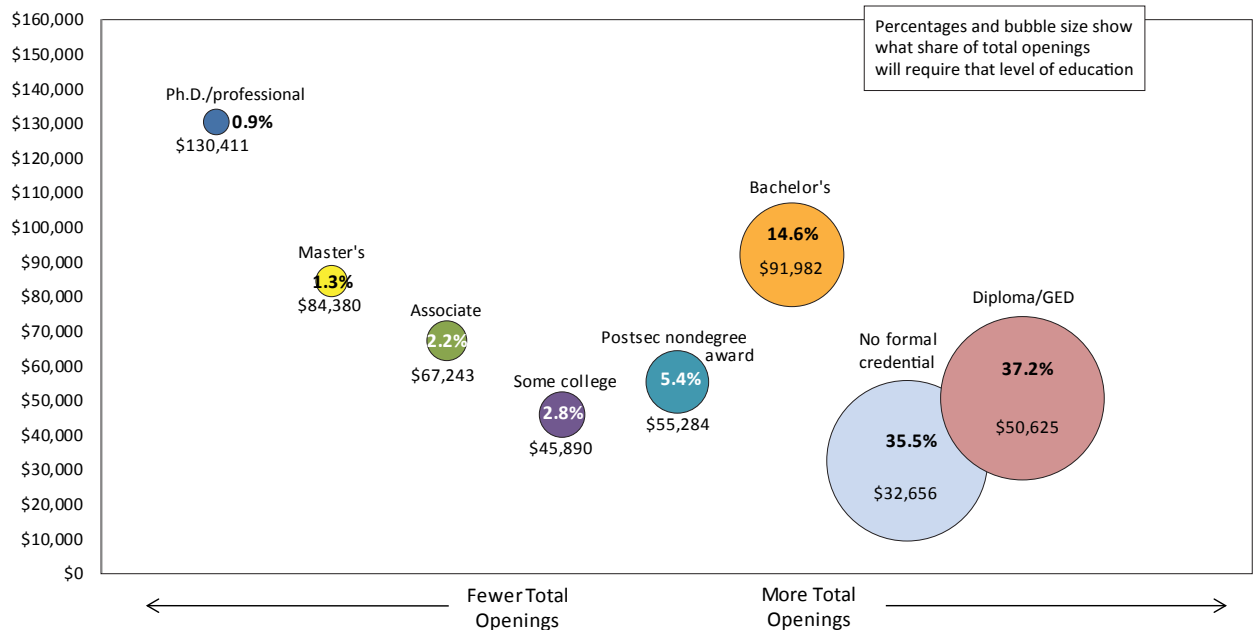
Occupation	Percent loss
Reporters and Correspondents	-31.6%
Editors	-26.0%
Machine Feeders and Offbearers	-26.0%
Radio and Television Announcers	-21.7%
Broadcast Technicians	-20.8%
Legal Secretaries	-18.5%
Printing Press Operators	-18.5%
Fallers	-17.3%
Logging Equipment Operators	-17.3%
Paralegals and Legal Assistants	-16.3%
Advertising Sales Agents	-15.1%
Gaming Dealers	-13.3%
Gaming Cage Workers	-10.9%
Gaming and Sports Book Writers and Runners	-10.8%
Legal Support Workers, All Other	-10.4%
Lawyers	-10.2%
Title Examiners, Abstractors, and Searchers	-9.7%
Gaming Service Workers, All Other	-8.8%
Producers and Directors	-8.8%
Gaming Change Persons and Booth Cashiers	-8.6%
Rail-Track Laying and Maintenance Equipment Operators	-7.8%
Judicial Law Clerks	-7.5%
Graphic Designers	-7.4%
Locomotive Engineers	-7.0%
Door-to-Door Sales Workers, News and Street Vendors, and Related Workers	-7.0%

Note: The occupations with the most projected job loss are only those with 50 or more workers. Additional occupations with fewer than 50 workers are projected to lose jobs.
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

5

Yearly Openings by Education Level vs. Wages

PROJECTED, 2016 TO 2026



Notes: Average annual wages are based on 2017 OES occupation wage estimates for Alaska, weighted by base year (2016) employment. Occupational education levels are based on 2015 and 2016 American Community Survey Public Use Microdata from the U.S. Census Bureau. Openings include annual average growth and separations for occupations with a reported OES wage.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

- Tour guides and escorts: 15.5 percent, through strong growth in tourism.

Declining occupations

While some occupations took a heavy hit during the recession, the list of occupations projected to decline over the decade resembles those that were already on long-term downward trajectories. These include media, legal, logging, and railroad-related occupations. (See Exhibit 4.)

The five occupations projected to decline most are all in media, in line with the downward trend for the newspaper and broadcasting industries as news becomes increasingly digital. With the caveat that some may be transitioning to freelance, we project a 31.6 percent decline for reporters and correspondents, closely followed by editors and machine feeders/offbearers at losses of 26 percent each. Other industries have machine feeders, but in Alaska, most operate industrial printing equipment.

The next two are radio and television announcers at -21.7 percent and broadcast technicians at -20.8 percent. Like legal and other media occupations, their declines are part of the shift to

6

Wages by Occupation Category

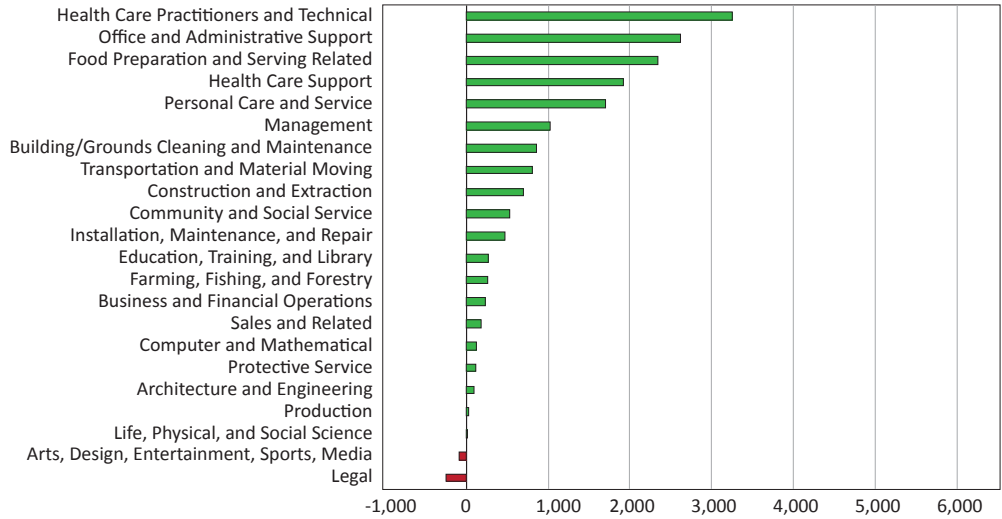
PROJECTED, 2016 TO 2026

Category	Wages ¹
Management Occupations	\$110,628
Architecture and Engineering Occupations	\$99,531
Legal Occupations	\$96,042
Health Care Practitioners and Technical Occupations	\$94,832
Business and Financial Operations Occupations	\$79,678
Computer and Mathematical Occupations	\$79,494
Life, Physical, and Social Science Occupations	\$74,172
Construction and Extraction Occupations	\$64,352
Education, Training, and Library Occupations	\$63,111
Installation, Maintenance, and Repair Occupations	\$60,602
Protective Service Occupations	\$59,296
Transportation and Material Moving Occupations	\$55,066
Arts, Design, Entertainment, Sports, and Media Occ	\$53,459
Community and Social Service Occupations	\$52,629
Office and Administrative Support Occupations	\$44,950
Health Care Support Occupations	\$43,511
Production Occupations	\$40,234
Farming, Fishing, and Forestry Occupations	\$38,484
Sales and Related Occupations	\$35,848
Building and Grounds Cleaning and Maintenance Occ	\$34,674
Personal Care and Service Occupations	\$31,973
Food Preparation and Serving Related Occupations	\$27,920

¹Average annual wages are based on 2017 OES occupation wage estimates for Alaska, weighted by base year (2016) employment.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

providing services online. For legal occupations, another likely factor is that lawyers are increasingly self-employed — and these projections cover only wage and salary jobs.

7 Total 10-Year Growth Openings by Category PROJECTED, 2016 TO 2026



Most openings will have low prerequisites

About 73 percent of openings over the period will require a high school diploma or less, though many require postsecondary training or years of vocational education through apprenticeships. The line between education and training is blurring, and readers should be careful not to conclude that someone is fully qualified when they graduate high school for jobs that only require a diploma. In many cases, training requirements are intensive, difficult, and ongoing. Electricians, commercial pilots, and diesel mechanics are just a few examples.

The remaining 27.3 percent will require some college or a degree, certificate, or award. Examples include nursing assistants, paramedics, and mechanics. About 17 percent will require a bachelor's degree or higher.

Notes: Occupational categories are based on the federal Standard Occupational Classification Manual. Growth openings are new jobs created from 2016 to 2026. Occupations in decline will have no growth openings but may have openings through separations. Separation openings result from labor force exits and occupational transfers.

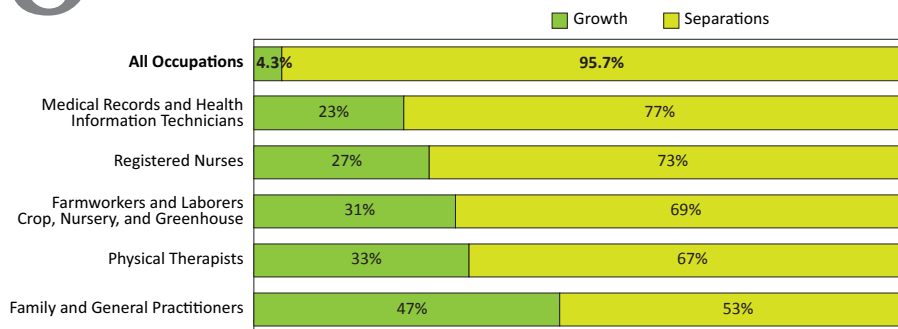
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

These jobs typically have higher wages and a greater likelihood of full-time, year-round work. (See Exhibit 5.)

Jobs that require more education typically pay more. (See exhibits 5 and 6.) The average annual wage for a job requiring a high school diploma is \$50,625. (Although again, many require apprenticeships or further training. See the Top Jobs table on page 17.)

For occupations with no formal educational requirements, it's \$32,656. These estimates are based on full-time, year-round work, so seasonal and part-time jobs pay considerably less.

8 Growth vs. Separations, Total Openings PROJECTED, FOR SELECT OCCUPATIONS, 2016 TO 2026



Notes: Growth openings are new jobs, and separations are the projected number of openings produced by workers permanently leaving that occupation. Separations are the sum of occupational transfers and labor force exits.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Types of separation openings

Over the decade, 95.7 percent of job opportunities will come from people vacating existing positions rather than from growth. (See Exhibit 8.) These are called occupational separations, and they consist of labor force exits and occupational transfers.

Labor force exits are mainly re-

tirements but include leaving the labor force permanently or temporarily for other reasons, such as college or job training, resulting in a permanent occupational change.

Occupational transfers are common as people advance through their working years. For example, an auto parts salesperson might become an auto mechanic. Transfers shouldn't be confused with turnover, where a worker switches employers but continues to work in the same occupation.

How separations vary by education requirements

Occupations with lower educational requirements make it easier for workers to enter and leave, resulting in high separations of both types but particularly occupational transfers as people move up to higher-paying jobs. (See Exhibit 10.) Labor force exits for these occupations are more

often people enrolling in school or training rather than retiring.

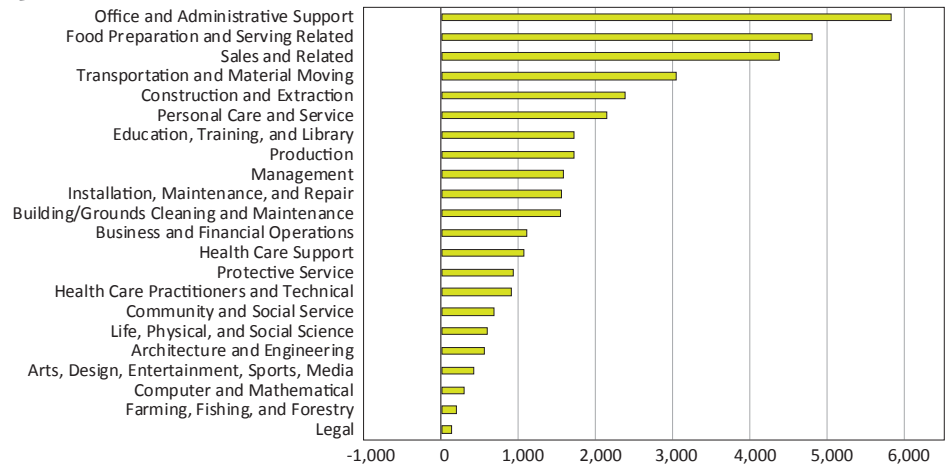
A good example is personal care aides, which have more than double the projected openings of reg-

istered nurses, and 88.1 percent will be from separations. Of those, about 43 percent will be transfers and 57 percent will be exits. This shows personal care aides often take the job as an entry to the health care field or the job market in general, and they are highly likely to return to school or job training or to move to a different occupation that also requires minimal training and education. They may also move up to higher-paying occupations (such as nursing assistants) as they gain experience.

Positions with high educational requirements can have high separation rates, but for different reasons. Among registered nurses, nearly 73 percent of projected openings will be

9 Yearly Separation Openings by Category

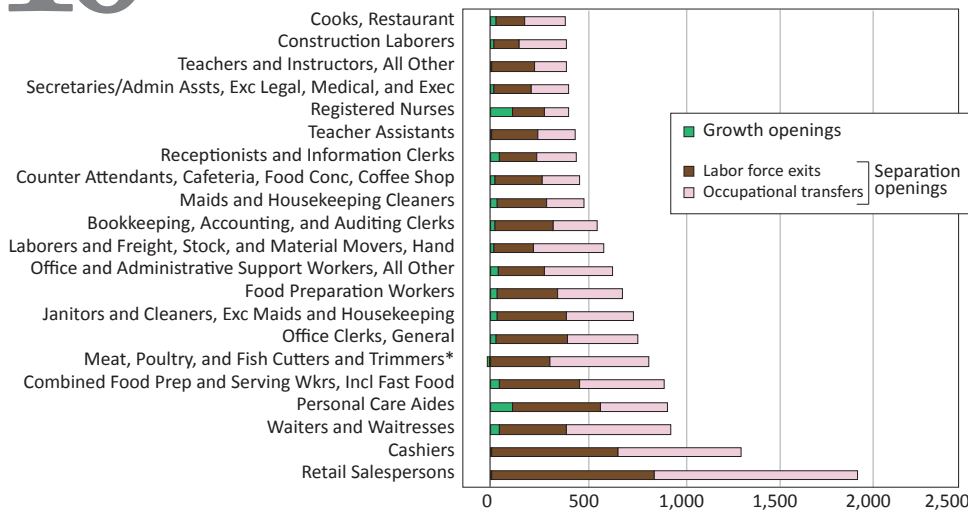
PROJECTED ANNUAL AVERAGE, 2016 TO 2026



Notes: Occupational categories are based on the federal Standard Occupational Classification Manual. Separation openings result from labor force exits and occupational transfers. In declining occupations, some separations may not result in openings if positions are eliminated.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

10 Where Yearly Openings Will Come From

ANNUAL AVERAGE FOR SELECT OCCUPATIONS, 2016 TO 2026



*This occupation has no projected growth openings and has a projected loss of 153 jobs over the period.
Notes: Annual openings are a combination of those generated from new jobs (growth), people permanently leaving one occupation for another (occupational transfers), and people leaving the labor force (labor force exits). Occupational separations are the sum of the exits and transfers. Separations typically represent openings for new workers, but in declining occupations, not all separations produce openings.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

A change in how we measure openings in existing positions

The numbers of separation openings in this set of projections (called “replacements” in prior projections) are considerably higher than they have been in the past, but this is due to a change in the Bureau of Labor Statistics’ methods rather than any economic change.

From 1991 through 2016, BLS estimated job openings from replacements using a cohort-component method. Because these replacement estimates weren’t capturing all actual replacements, BLS developed a new method called “occupational separations.” It produces a much higher number of openings — about four times as many — but these are simply due to an improvement in capturing actual openings.

Occupational separations are created when workers permanently leave an occupation, and there are two types: labor force exits and occupational transfers. A labor force exit is created when a person drops out of the labor force entirely. If the person ever re-enters the labor force, it’s in a different occupation. Retirements are the most common labor force exits, but people can leave for other reasons, including returning to school. In an occupational transfer, a person permanently leaves one occupation for another. Transfers capture normal job movements as people move through their working years; for example, a retail sales worker might become a manager or a registered nurse. Transfers do not include those who change employers but remain in the same occupation, which is turnover.

For detailed methodology, see: <https://www.bls.gov/emp/documentation/separations-methods.htm> or <https://www.bls.gov/opub/mlr/2018/article/occupational-separations-a-new-method-for-projecting-workforce-needs.htm>.

through separations, and the makeup of these nongrowth openings is the same as personal care aides at 43 percent transfers and 57 percent exits. For nurses, this reflects both their high mobility and their continuing education requirements. Registered nurses’ credentials give them more opportunities for advancement as well as further training, and advancing often requires returning to school. Their labor force exit rate also reflects a large number of retirements because of the time and effort spent building a nursing career.

In general, though, occupations that require high levels of training or education have a lower percentage of separations, and they reflect more exits than transfers. (See exhibits 10 and 11.) Openings for doctors, for example, will be just 53 percent separations, made up of 40 percent transfers and 60 percent exits. Doctors have fewer advancement options, and they tend to stay in that career and retire.

Mental health counselors are an exception in that they transfer out of the occupation at nearly the same rate as parts salespeople and hotel clerks: roughly 64 percent. This could reflect advancement potential but also the difficulty of the work.

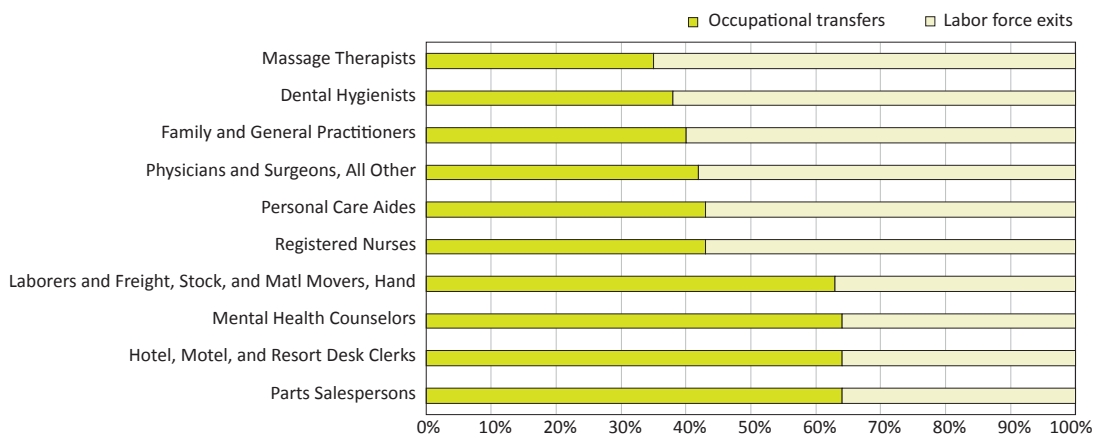
Alaska’s top jobs

Long-term occupation projections are a vital tool

Continued on page 22

11 Yearly Separations Broken Down into Transfers and Exits

PROJECTED, ANNUAL AVERAGE FOR SELECT OCCUPATIONS, 2016 TO 2026



Notes: Separations are the projected number openings produced by workers permanently leaving that occupation, and are the sum of occupational transfers and labor force exits.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

12

Alaska's Top Jobs¹

PROJECTED, 2016 TO 2026

	Employment			Average Annual Openings			Training requirements ²	Wage quartile ³
	2016	2026	Percent change	Growth	Separations	Total openings		
Doctoral or Professional Degree								
Physical Therapists	496	608	22.6%	11	22	33	None	\$\$\$\$
Family and General Practitioners	360	445	23.6%	9	10	19	Intern/Resident	\$\$\$\$
Masters Degree								
Educational, Guidance, School, and Vocational Counselors	517	526	1.7%	1	53	54	None	\$\$\$
Physician Assistants	419	511	22.0%	9	24	33	None	\$\$\$\$
Nurse Practitioners	332	409	23.2%	8	18	26	None	\$\$\$\$
Bachelor's Degree								
Airline Pilots, Copilots, and Flight Engineers	2054	2130	3.7%	8	192	200	Moderate OJT	\$\$\$\$
Construction Managers	1073	1088	1.4%	2	73	75	Moderate OJT	\$\$\$\$
Compliance Officers	746	747	0.1%	0	59	59	Moderate OJT	\$\$\$\$
Registered Nurses	5476	6617	20.8%	114	304	418	None	\$\$\$\$
General and Operations Managers	4465	4665	4.5%	20	367	387	None	\$\$\$\$
Accountants and Auditors	2037	2112	3.7%	8	180	188	None	\$\$\$\$
Elementary School Teachers, Except Special Education	2306	2326	0.9%	2	162	164	None	\$\$\$
Chief Executives	1732	1844	6.5%	11	125	136	None	\$\$\$\$
Secondary School Teachers, Exc Spec and Career/Tech Educ	1715	1728	0.8%	1	117	118	None	\$\$\$\$
Administrative Services Managers	1254	1344	7.2%	9	103	112	None	\$\$\$\$
Medical and Health Services Managers	909	1098	20.8%	19	76	95	None	\$\$\$\$
Financial Managers	1160	1217	4.9%	6	86	92	None	\$\$\$\$
Zoologists and Wildlife Biologists	948	920	-3.0%	-3	79	76	None	\$\$\$
Civil Engineers	1031	1040	0.9%	1	73	74	None	\$\$\$\$
Training and Development Specialists	732	751	2.6%	2	71	73	None	\$\$\$\$
Sales Managers	847	854	0.8%	1	71	72	None	\$\$\$\$
Computer and Information Systems Managers	950	963	1.4%	1	69	70	None	\$\$\$\$
Human Resources Specialists	652	682	4.6%	3	63	66	None	\$\$\$
Environmental Scientists and Specialists, Including Health	634	645	1.7%	1	58	59	None	\$\$\$\$
Human Resources Managers	572	609	6.5%	4	47	51	None	\$\$\$\$
Network and Computer Systems Administrators	778	798	2.6%	2	48	50	None	\$\$\$\$
Associate Degree/Postsecondary Nondegree Award or Some College, No Degree								
Firefighters	1444	1466	1.5%	2	95	97	Long-term OJT	\$\$\$
Telecomm Equip Installers and Repairers, Exc Line Installers	843	832	-1.3%		87	86	Moderate OJT	\$\$\$
Aircraft Mechanics and Service Technicians	1390	1447	4.1%	6	107	113	None	\$\$\$
Computer User Support Specialists	996	1027	3.1%	3	73	76	None	\$\$\$\$
Captains, Mates, and Pilots of Water Vessels	647	679	5.0%	3	66	69	None	\$\$\$
Massage Therapists	509	612	20.2%	10	57	67	None	\$\$\$\$
Dental Hygienists	641	794	23.9%	15	42	57	None	\$\$\$\$
Civil Engineering Technicians	662	645	-2.6%	-2	55	53	None	\$\$\$
Radiologic Technologists	431	534	23.9%	10	24	34	None	\$\$\$
High School Diploma or Equivalent								
Electricians	1958	2002	2.3%	4	216	220	Apprenticeship	\$\$\$
Carpenters	2254	2350	4.3%	10	207	217	Apprenticeship	\$\$\$
Plumbers, Pipefitters, and Steamfitters	1481	1480	-0.1%	0	153	153	Apprenticeship	\$\$\$
Mobile Heavy Equipment Mechanics, Except Engines	887	919	3.6%	3	85	88	Long-term OJT	\$\$\$
Bus and Truck Mechanics and Diesel Engine Specialists	737	753	2.2%	2	66	68	Long-term OJT	\$\$\$
Operating Engineers and Other Construction Equip Operators	2996	2992	-0.1%	0	324	324	Moderate OJT	\$\$\$
Sales Reps, Wholesale and Manufacturing, Exc Tech/Sci Products	1189	1221	2.7%	3	121	124	Moderate OJT	\$\$\$
Correctional Officers and Jailers	1314	1255	-4.5%	-6	103	97	Moderate OJT	\$\$\$
Commercial Pilots	818	876	7.1%	6	78	84	Moderate OJT	\$\$\$\$
Police and Sheriff's Patrol Officers	1291	1286	-0.4%		81	81	Moderate OJT	\$\$\$\$
Welders, Cutters, Solderers, and Brazers	642	674	5.0%	3	69	72	Moderate OJT	\$\$\$
Hazardous Materials Removal Workers	434	461	6.2%	3	53	56	Moderate OJT	\$\$\$
Executive Secretaries and Executive Administrative Assistants	3269	3409	4.3%	14	355	369	None	\$\$\$
First-Line Supervisors of Office and Admin Support Workers	2068	2206	6.7%	14	206	220	None	\$\$\$
Supervisors of Construction and Extraction Workers	810	835	3.1%	3	78	81	None	\$\$\$\$
First-Line Supervisors of Production and Operating Workers	648	655	1.1%	1	63	64	None	\$\$\$
First-Line Supervisors of Mechanics, Installers, and Repairers	690	721	4.5%	3	59	62	None	\$\$\$\$
Property, Real Estate, and Community Association Managers	609	631	3.6%	2	47	49	None	\$\$\$\$
No Formal Educational Credential								
Service Unit Operators, Oil, Gas, and Mining	1265	1205	-4.7%	-6	146	140	Moderate OJT	\$\$\$

¹To rank as a top job, the occupation must: 1) rank in the top two wage quartiles AND 2) have 10-year projected growth of at least 75 jobs and greater percent growth than all occupations combined; OR be one of the 50 with the most projected average annual openings (of those in the top two wage quartiles).

²OJT is on-the-job training. Moderate-term is one to 12 months and long-term is more than 12 months.

³Earnings: \$\$\$ = \$59,310 to - \$78,360 annually (\$28.51 - \$37.67 hourly); \$\$\$\$ = More than \$78,360 annually (\$37.67 hourly). Based on 2017 Occupational Employment Statistics (OES) wage estimates for Alaska.

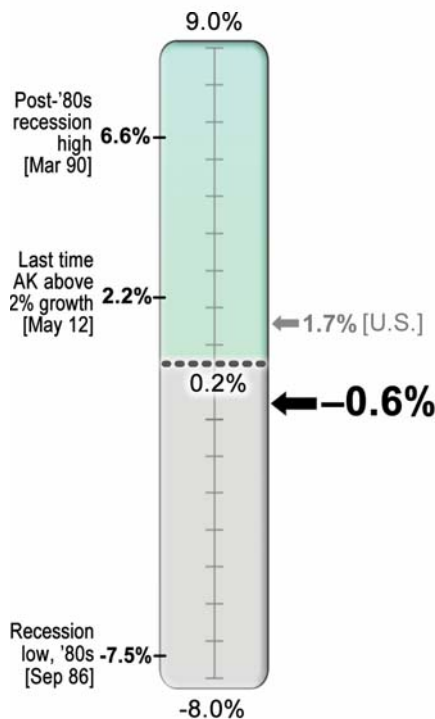
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Gauging Alaska's Economy



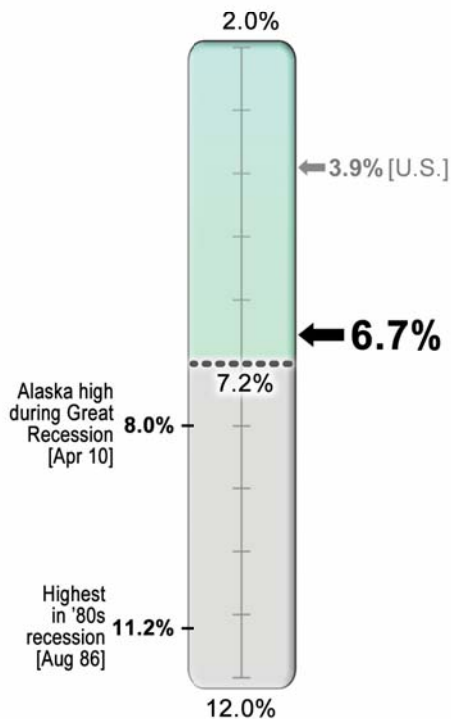
Job Growth

August 2018
Over-the-year percent change



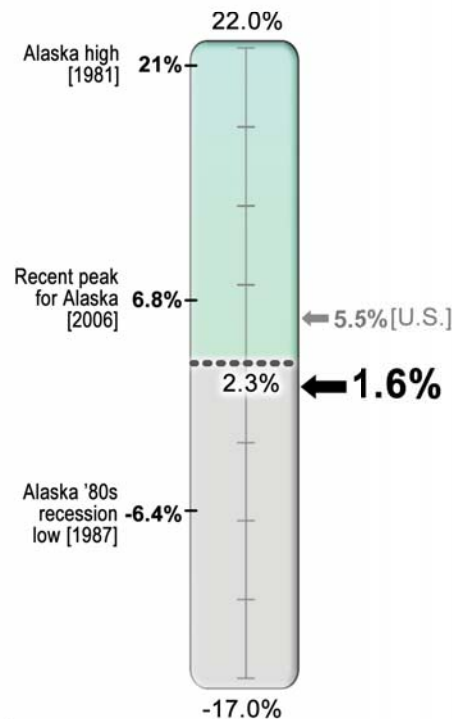
Unemployment Rate

August 2018
Seasonally adjusted



Wage Growth

1st Quarter 2018
Over-the-year percent change



- August was the 35th consecutive month Alaska has recorded job losses.
- Alaska had 25 consecutive months of job losses during the state's 1980s recession, although the magnitude of the losses in the '80s was much larger as a percentage of total jobs.
- Job losses during the current recession were at their worst from September 2015 to September 2016 (-2.5 percent).

- Alaska's rate remains the highest in the nation but is five-tenths of a percentage point below its 10-year average.
- Unemployment rates are more complicated as an economic indicator than job growth, although most of the time high rates signal economic weakness.
- In the short term, unemployment rates can rise because a state is especially attractive to job seekers (a positive) or fall because people have given up on looking for work (a negative).

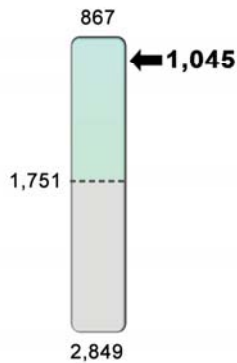
- Wages have been up for two consecutive quarters after being down for the prior seven.
- Sustained wage growth, which may have resumed, will be one of the best early indicators that the current Alaska recession is ending.

Gauging Alaska's Economy

----- ALASKA'S 10-YR AVERAGE
 ← CURRENT ALASKA

Initial Claims

Unemployment, week ending Sep. 8, 2018†

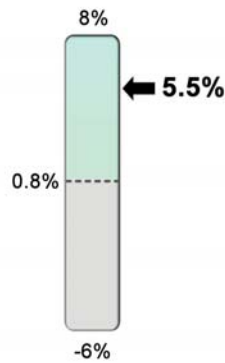


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

GDP Growth

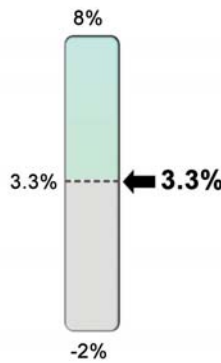
1st Quarter 2018
Over-the-year percent change



➤ Gross domestic product is the market value of all goods and services. It has grown over the year for the past six quarters after declining for the prior 17.

Personal Income Growth

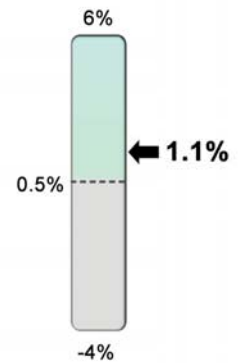
2nd Quarter 2018
Over-the-year percent change



➤ Personal income includes wages as well as government transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Growth has now resumed and is at the 10-year average.

Change in Home Prices

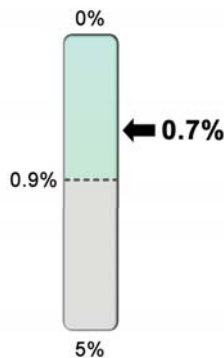
1st Quarter 2018
4-quarter moving average



➤ Home prices include only those for which a commercial loan is used. This indicator tends to be volatile from quarter to quarter.

Foreclosure Rate

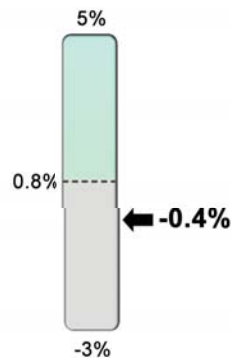
1st Quarter 2018



➤ Foreclosure rates remain very low, highlighting how different the current recession is from the '80s recession when foreclosure rates exceeded 10 percent.

Population Growth

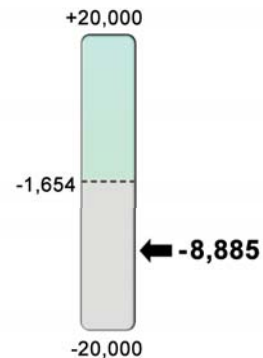
2016 to 2017



➤ The state's population has remained remarkably stable during the state's recession, although 2017 was the first year of population decline since 1988.

Net Migration

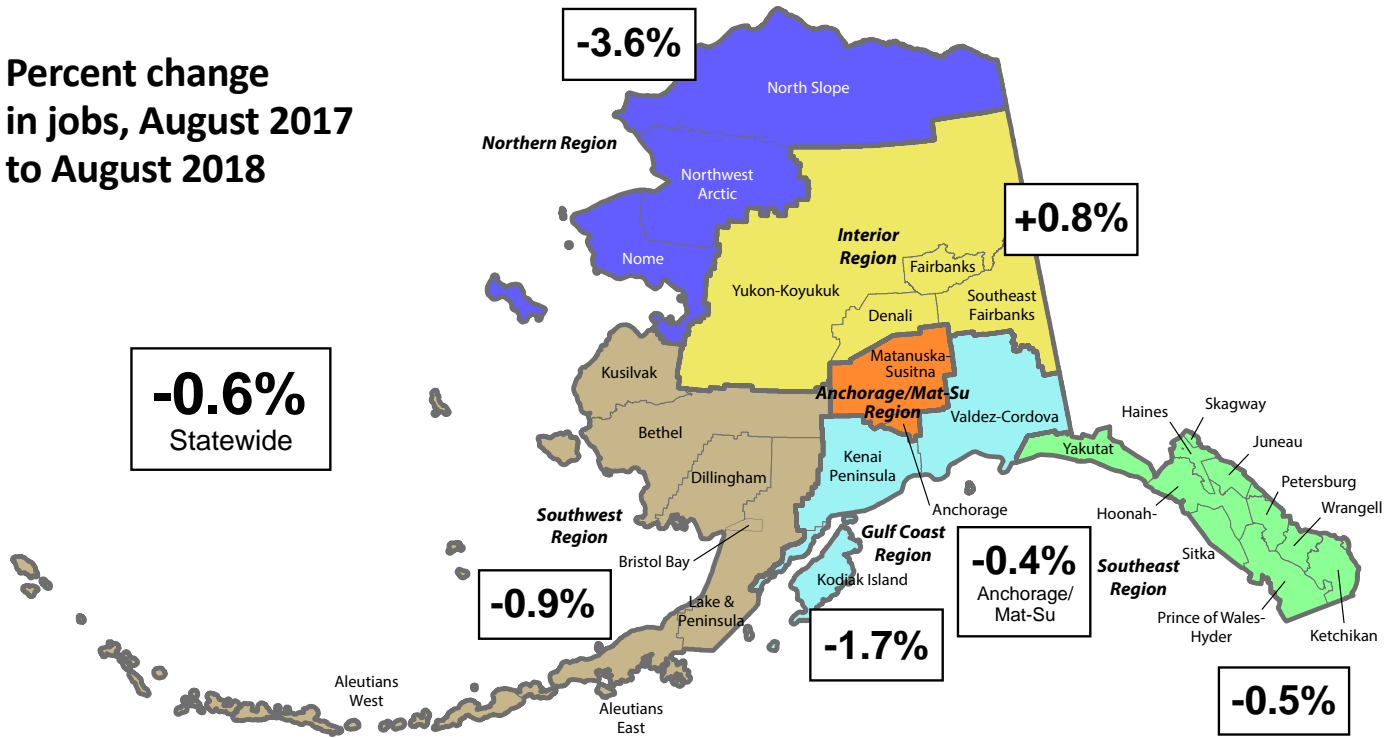
2016 to 2017



➤ The state had net migration losses for the fifth consecutive year in 2017, although natural increase (births minus deaths) offset those losses each year until 2017.

Employment by Region

Percent change
in jobs, August 2017
to August 2018



Unemployment Rates

Seasonally adjusted

	Prelim.		Revised
	8/18	7/18	8/17
United States	3.9	3.9	4.4
Alaska	6.7	6.9	7.2

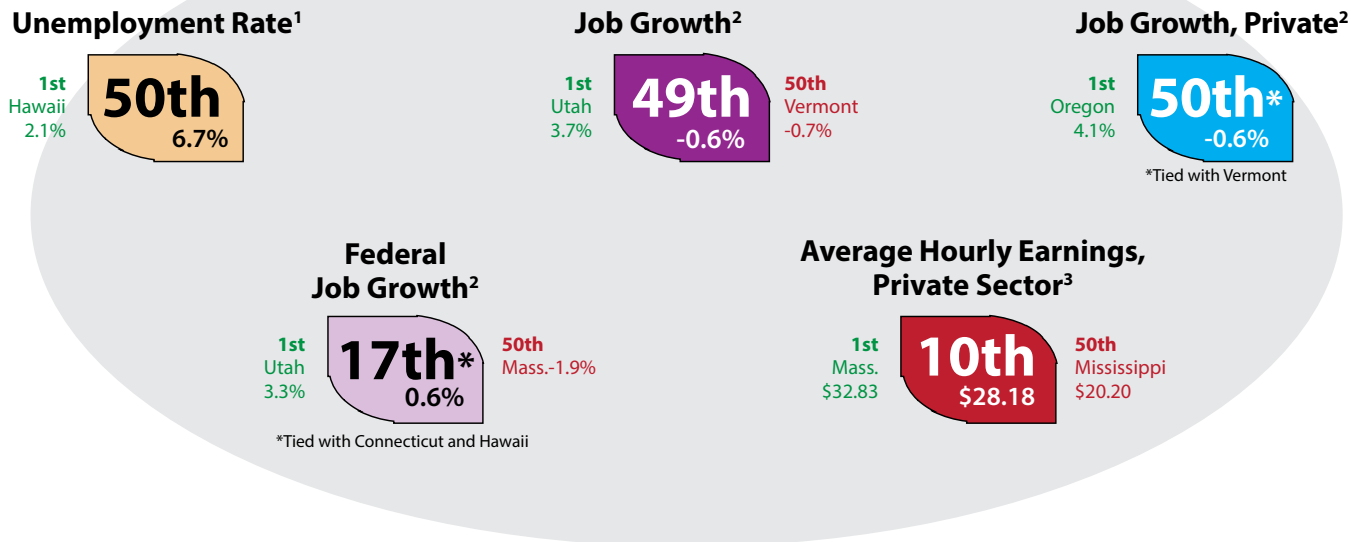
Not seasonally adjusted

	Prelim.		Revised
	8/18	7/18	8/17
United States	4.1	4.2	4.6
Alaska	5.4	5.8	6.4

Regional, not seasonally adjusted

	Prelim.			Revised		
	8/18	7/18	8/17	8/18	7/18	8/17
Interior Region	4.9	5.7	6.2			
Denali Borough	2.7	3.0	3.5			
Fairbanks N Star Borough	4.4	5.1	5.5			
Southeast Fairbanks Census Area	7.5	8.6	8.8			
Yukon-Koyukuk Census Area	13.0	15.4	16.9			
Northern Region	10.6	11.6	12.6			
Nome Census Area	11.8	12.6	13.4			
North Slope Borough	6.6	7.1	7.9			
Northwest Arctic Borough	13.9	15.8	16.9			
Anchorage/Mat-Su Region	5.1	5.4	6.1			
Anchorage, Municipality	4.7	5.0	5.6			
Mat-Su Borough	6.4	6.9	7.8			
Southwest Region	8.8	8.9	9.8			
Aleutians East Borough	1.6	1.7	1.6			
Aleutians West Census Area	2.8	2.7	2.9			
Bethel Census Area	13.1	13.6	14.6			
Bristol Bay Borough	3.6	1.8	4.1			
Dillingham Census Area	5.9	6.1	7.8			
Kusilvak Census Area	17.9	22.4	19.2			
Lake and Peninsula Borough	8.9	8.2	9.8			
Gulf Coast Region	5.3	5.7	6.1			
Kenai Peninsula Borough	5.8	6.1	7.0			
Kodiak Island Borough	4.5	5.5	4.0			
Valdez-Cordova Census Area	4.1	4.2	4.8			
Southeast Region	4.2	4.4	4.9			
Haines Borough	5.2	5.5	5.2			
Hoonah-Angoon Census Area	6.7	7.4	7.5			
Juneau, City and Borough	3.5	3.7	4.1			
Ketchikan Gateway Borough	4.1	4.2	4.6			
Petersburg Borough	5.8	6.1	7.5			
Prince of Wales-Hyder Census Area	8.4	8.9	9.3			
Sitka, City and Borough	3.0	3.3	3.7			
Skagway, Municipality	2.7	3.0	2.7			
Wrangell, City and Borough	4.7	4.8	6.4			
Yakutat, City and Borough	7.3	7.5	8.2			

How Alaska Ranks



¹August seasonally adjusted unemployment rates
²August employment, over-the-year percent change
³August hours and earnings

Sources are U.S. Bureau of Labor Statistics and Alaska Department of Labor and Workforce Development, Research and Analysis Section, unless otherwise noted.

Other Economic Indicators

	Current		Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	223.099	1st half 2018	218.660	+0.9%
Commodity prices				
Crude oil, Alaska North Slope,* per barrel	\$73.82	August 2018	\$51.37	+43.70%
Natural gas, residential, per thousand cubic feet	\$16.53	June 2018	\$16.13	+2.48%
Gold, per oz. COMEX	\$1,210.70	9/20/2018	\$1,316.40	-8.03%
Silver, per oz. COMEX	\$14.35	9/20/2018	\$17.33	-17.20%
Copper, per lb. COMEX	\$271.10	9/20/2018	\$296.90	-8.69%
Zinc, per MT	\$2,434.00	9/19/2018	\$3,132.00	-22.29%
Lead, per lb.	\$0.92	9/19/2018	\$1.08	-14.81%
Bankruptcies				
	105	Q1 2018	97	+8.2%
Business	6	Q1 2018	7	-14.0%
Personal	99	Q1 2018	90	+10.0%
Unemployment insurance claims				
Initial filings	4,244	August 2018	4,603	-7.80%
Continued filings	24,027	August 2018	29,284	-17.95%
Claimant count	6,133	August 2018	7,283	-15.79%

*Department of Revenue estimate

Sources for pages 18 through 21 include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

INDUSTRY PROJECTIONS

Continued from page 10

government lost 1,219 jobs (-6.7 percent), a trend that continued into 2017 with an additional loss of 419 jobs. With no plan in place to address the entire state budget deficit and oil prices and production unlikely to rise dramatically, we project an additional loss of 868 jobs over the projection period (-5.1 percent) and expect state government to eventually settle near its 2005 employment level.

Local government, excluding education and hospitals, continued to grow during the recession, gaining 556 jobs from 2014 to 2017. Whether the recession could catch up with local governments is still in question, but negative effects would probably be short-lived. Sales and property taxes, along with federal funds, have covered municipal costs even amid state cuts. Overall, we project local government will add 300 jobs (1.7 percent) over the decade.

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OCCUPATION PROJECTIONS

Continued from page 16

for workforce development agencies, job placement and counseling professionals, job seekers, and education and training providers. To help them determine which occupations to focus on, we developed Alaska's Top Jobs list, which ranks the occupations we expect to fare well and pay well over the projection period. (See Exhibit 12.)

To make the top jobs list, an occupation must essentially pay higher-than-average wages plus have higher-than-average growth or a large number of openings. (See the footnote to Exhibit 12 for more detail.)

Out of 784 occupations in Alaska, 54 make the list. Twenty-six require at least a bachelor's degree and nine require an associate degree or some type of postsecondary education, such as a vocational certificate or some college attendance. Of the 19 top jobs that require a high school diploma or less, 13 require apprenticeship or other on-the-job training.

Paul Martz is an economist in Juneau. Reach him at (907) 465-6028 or paul.martz@alaska.gov.

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AIDEA looks into funding Ketchikan SMC

Alaska agency eyes economic advantages of rare earth facility

By [Shane Lasley](#)

Mining News

Last updated 10/25/2018 at 5:23pm



Ucore Rare Metals Inc.

The Strategic Metals Complex Ucore Rare Metals is planning to develop near Ketchikan is expected to produce high quality dysprosium and other rare earth elements from feedstock sourced outside of China.

Alaska Industrial Development and Export Authority (AIDEA) continues to be interested in funding the [Strategic Metals](#) Complex, or SMC, a rare earth element separation facility that [Ucore Rare Metals](#) is planning to develop in Ketchikan, Alaska.

In 2014, the Alaska Legislature authorized AIDEA to invest up to US\$145 million to help finance the development of a mine at Ucore's Bokan Mountain rare earth deposit on Prince of Wales Island, which is located about 30 miles southwest of Ketchikan.

At the time, it was envisioned that the Bokan Mountain Mine and a rare earths processing facility near Ketchikan would be developed in tandem. Ucore, however, has decided to wait until REE markets are more favorable before developing the mine. In the meantime, the company plans to build the SMC, which would begin by separating rare earths from feedstock sourced from outside of Alaska.

"The SMC will initially be constructed to process by-product and primary rare earth concentrates from non-Chinese operations that require REE separation services to produce a saleable product in the current Chinese dominated rare earth element worldwide market," said [Ucore Rare Metals](#) President and CEO Jim McKenzie.

AIDEA believes that Ucore's decision to wait until REE prices improve before developing a mine at Bokan is prudent and development of the SMC is an important first step to the overall goal of mining rare earths in Alaska.

"Based on this information, AIDEA is in the process of examining methods to provide funding for the SMC project," AIDEA CEO John Springsteen penned in a letter to McKenzie. "AIDEA believes that the development of an industrial plant such as SMC in Ketchikan would lead to the diversification of the state's economy and provide a basis for the processing of rare earth elements domestically, a goal which is important to both Alaska and the United States."

Fueling the need for Ketchikan SMC

Recent initiatives by the Trump Administration have fueled the need for finding non-Chinese sources for rare earth elements.

Comprising 15 lanthanides on the periodic table, plus yttrium and scandium, rare earth elements possess unique properties that make them essential to a wide gamut of high-tech products such as terabyte hard-drives that fit in the palm of your hand, high-efficiency green-power generation and sophisticated military hardware.

For decades, China has dominated the REE market and has largely controlled the prices and supply of these critical elements.

"China has been the leading producer of REEs for decades and since the late 1990s it has accounted for more than 90 percent of global production, on average," the USGS wrote in its January report on minerals critical to the United States.

In June, the Trump Administration levied a 10 percent tariff on REEs from China.

The bigger move, however, was provisions in the 2019 National Defense Authorization Act, prohibits the U.S. Department of Defense from acquiring rare earth magnets – along with certain tungsten, tantalum and molybdenum products – from China, Russia, Iran, and North Korea.

"This is a turning point in the re-establishment of an independent US rare earth industry," said McKenzie. "It is also an important inflection point for rare earth investors. Rare earth magnets, or REMs, represent a technology of critical importance to the American military."

The separation plant Ucore proposes to build near Ketchikan could provide a domestic source for Pentagon procurement officers looking to acquire rare earths from outside of China, Russia, Iran, and North Korea.

"Ucore's planned [Strategic Metals](#) Complex, as a U.S.-based producer of high purity REEs, comes at a time when the U.S. military will be actively pursuing these materials," said McKenzie.

SMC due diligence

The SMC being planned for Ketchikan will utilize molecular recognition technology, or MRT, a cutting-edge technology that is both more efficient and environmentally sound than the

traditional methods of separating the 16 tightly interlocked rare earth elements that are commonly found together.

Developed by IBC Advanced Technologies, the MRT process uses resins that are engineered to grab ions based on various traits such as size, chemistry and geometry. Loaded into columns, these resins latch onto the targeted material suspended in a solution that is pumped through the column. Simply rinsing the resin with a mildly acidic solution releases a nearly pure version of the material the resin is engineered to bind to.

In partnership with Ucore, IBC developed resins that in stages separates the notoriously tightly interlocked rare earths.

Using an REE laden solution derived from Bokan Mountain, this REE separation technology has been advanced from bench tests to a pilot plant known as SuperLig-One and is now ready for commercial application in the form of the SMC.

In March, Ucore began due diligence for its proposed Ketchikan SMC, which includes identifying the ideal location; finalizing engineering designs for the REE separation plant; determining the costs to build and operate the facility; and selecting feedstock from a short-list of competing alternatives.

"The decision to embark on the engineering design is a significant milestone for Ucore and Alaska; as together we accelerate to becoming a technology-based producer of individual, saleable REE oxides in the worldwide market," said McKenzie.

Property found

Ucore has already identified six acres of property on the outskirts of Ketchikan to build the SMC and has entered into an agreement to buy the two adjacent lots zoned for heavy industrial use.

This land package on the North Tongass Highway provides direct access to the deep-water shipping and container facilities at Ketchikan.

"With highway frontage and fundamental infrastructure to support the planned accesses, services and utilities, I believe we could not have selected a more promising development location," said [Ucore Rare Metals](#) COO Mike Schrider.

Situated on Alaska shipping channels, among the most prolific shipping lanes in the world, the development site brings direct access to major markets in the United States and the Pacific Rim by way of ocean shipping, the lowest-cost mode of bulk transport.

In addition to barged and container handling facilities at a deep-water Pacific Rim port, Ketchikan offers excellent utilities and a skilled immediate-area workforce.

"We're pleased that Ketchikan has been selected from among competing locales," said Randy Johnson, a Ucore advisory board member and Ketchikan resident.

Alaskan perspective

Johnson brings both an Alaskan perspective and business acumen to Ucore's advisory board.

In his previous role as president of Alaska Ship & Drydock, Johnson, was a key player in developing the Ketchikan Shipyard through a unique and award-winning public-private partnership with AIDEA.

As an investor in both Ucore and the metals separation technology the company has developed, he also was a strong advocate for basing the first SMC in Ketchikan, a community that he has helped revitalize in recent years.



An artist rendering of the SuperLig-One pilot plant, a precursor to the planned Strategic Metals Complex.

In addition to Johnson, Ucore's advisory board boasts Michael Barry, another distinguished Alaska businessman.

Barry is the chairman of Alaska Power and Telephone and former chairman of AIDEA and Alaska Energy Authority.

"AIDEA welcomes the involvement of Alaskan entrepreneurs and business leaders like Mr. Randy Johnson and Mike Barry, who both reside on Ucore's advisory board and provide a significant Alaska perspective to the project," AIDEA Executive Chairman Springsteen penned in his letter to McKenzie.

Ucore envisions ramping up production of the SMC over a roughly four-year span. The first phase of the facility, slated for completion in 2020, would have the capacity to process 1,000 metric tons of rare earth concentrates per year. The second phase would increase throughput to 2,500 tpy and by 2024 the company plans to have the facility processing 5,000 tpy of REE concentrate.



Wednesday, October 24, 2018

Salmon Hatcheries Make \$600 Million Impact on Alaska

A report produced for eight private, nonprofit hatchery associations concludes that Alaska's salmon hatcheries generate \$600 million in economic output, with impacts throughout the state's economy.

According to the study released in October by the McDowell Group in Juneau, Alaska, commercial fishermen harvested an annual average of 222 million pounds of hatchery-produced salmon worth \$120 million in ex-vessel value during the 2012-2017 study period.

Chum and pink salmon were responsible for 39 and 38 percent of ex-vessel value respectively, followed by sockeye 16 percent, coho four percent and Chinook two percent.

Some 57 percent of the hatchery salmon ex-vessel value went to seiners, while gillnetters pulled in 38 percent and trollers took five percent.

From the regional perspective, Prince William Sound harvests generated \$69 million in ex-vessel value annually. Southeast harvests brought in \$44 million for fishermen followed by Kodiak at \$7 million and Cook Inlet with \$500,000.

According to the research, hatchery derived salmon represent 22 percent of the total salmon ex-vessel value for the 2012-2017 period. The percentage ranged from a high of 28 percent in 2013 to a low of 15 percent in 2016. The hatchery contribution was highest in Prince William Sound at 65 percent, followed by Southeast at 31 percent, Kodiak at 16 percent and Cook Inlet at two percent.

Some 52 million hatchery-produced salmon are harvested on average annually in Alaska's common property commercial fisheries. They are caught by nearly all commercial harvesters fishing in Southeast Alaska, Prince William Sound, Kodiak and Cook Inlet. Over the study period an annual average of 3,840 permit holders and an estimated 4,860 crew benefitted from hatchery product, the report said. Prince William Sound seiners generally source most of their harvest from hatchery fish, while Kodiak set gillnet fishermen have much less of a direct connection to hatchery fish.

For the seafood processing sector, the first wholesale value of products produced with hatchery-produced salmon was estimated to average \$361 million during the study period.

Hatchery fish also contribute substantially to sport fishing, personal use and subsistence harvests, with an estimated 10,000 hatchery-reared Chinook, 5,000 chum, 100,000 coho, 19,000 pink and 138,000 sockeyes caught annually in sport, personal use and subsistence fisheries in Alaska.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 23, 2018
RE: Tongass Roadless Rule

The council discussed this matter at its October 4 meeting, and scheduled additional discussion at the next scheduled meeting.

You will find a copy of the memo from the October 4 meeting attached.

I continue to recommend that the council discuss this matter with the goal of sending comments to the US Forest Service on the topic. Ideally, this should occur upon the full council being present for the discussion.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: September 28, 2018
RE: Discussion on US Forest Service Roadless Rule

In 2001, the Clinton Administration adopted what is known as the Roadless Rule. The regulation imposed new restrictions on development activities in what are known as inventoried roadless areas (IRAs) in national forests in the United States. In the Tongass National Forest, there are 110 such areas, comprising about 55 percent of the forest. These areas do not include land designated as Wilderness.

Shortly after adoption of the rule, a number of lawsuits were filed in federal court to block implementation of the rule. One of those litigants was the State of Alaska. The City of Craig joined in the state litigation, assisting both with cash and other support. That case was eventually decided by the federal Ninth Circuit Court of Appeals in favor of the Forest Service in 2016, some fifteen years after the case was first filed.

In the meantime, another Roadless Rule case was filed in Washington DC Federal District Court. The city is among the litigants in that case as well, again contributing both cash and other support to eliminate the existing roadless policy from the Tongass. That case is active, and has gone back and forth to and from the district court following initial decisions and appeals. Others joining with the city and State of Alaska in this litigation are the Alaska Forest Association, Southeast Conference Alaska Electric Light & Power, Alaska Power and Telephone, Alaska Miners Association, Citizen's Pro Road, Alaska Marine Lines, Inc, Alaska Exploration & Mining Association, Durette Construction Company, First Things First Foundation, Juneau Chamber of Commerce, Ketchikan Gateway Borough, Southeast Stevedoring Corp., Chris Gerondale, Southeast Roadbuilders, Inc., Hyak Mining Company, Inside Passage Electric Cooperative, and the Southeast Alaska Power Agency.

In addition to the litigation, the city has also adopted at least one resolution supporting elimination of Roadless in the Tongass.

In short, the city has consistently supported repeal of the roadless rule since 2001.

On a related note, the city has typically supported timber sale offerings from POW Island, including the Logjam and Big Thorne sales, both of which were litigated, and both of which the city joined in to defend in court, using both cash and staff time.

The city's past positions on roadless and timber sales has been based in part on the desire to see the mills on POW continue to have access to timber from the national forest. This is particularly true as to Viking Lumber, which provides dozens of local jobs, is a source of wood fuel for the city's wood fired boiler facility, and to which the city leases wood drying equipment. The city has also supported elimination of the rule to avoid additional difficulties for future hydroelectric and potential mining projects on POW.

In January, Governor Walker petitioned the Forest Service to give notice that the State of Alaska seeks an exemption from the nationwide rules governing management of IRAs. In response to the petition, the US Secretary of Agriculture directed the Chief of the Forest Service to enter into state-specific rulemaking for management of roadless areas in the Tongass. That state-specific rulemaking effort is now underway, with the signing of a memorandum of understanding by the State of Alaska and US Department of Agriculture that is intended to govern the rulemaking process. Part of that process is the appointment by the governor of a group to “inform the state’s input” on implementation of the Roadless Rule in Alaska. After consultation with the mayor, I submitted my name for consideration of appointment to the group. Ultimately the U.S. Secretary of Agriculture will make a final decision on how to implement roadless in Alaska. Both the State of Alaska and the US Forest Service seek public comment on the Alaska roadless rule process.

While the above history is important to keep in mind, any given city council is free to establish its own position on a matter of public policy. Now that another public process is underway regarding roadless, the city council should have a discussion on what position, if any, it wishes to take regarding this matter. In any case, the city should be prepared to articulate some statement on roadless, as we likely will be asked at some point to speak on the record.

Attached, as additional background information, are copies of the state’s petition, the US Department of Agriculture’s response, the memorandum of agreement governing the rulemaking process, and Governor Walker’s administrative order creating the roadless advisory group. Also attached is a map of roadless areas on the Tongass.

In addition to the pending litigation in the Washington DC Federal District Court and the new Alaska-specific rulemaking effort, a section of the federal “Farm Bill” that is pending approval by Congress would prevent application of roadless to the Tongass National Forest. The Alaska congressional delegation supports the Farm Bill provision. The Farm Bill is awaiting action in Conference Committee before being sent back to the House and Senate for final approval, and then on to the president. There is no way to know at this point if the Roadless Rule provision currently in the bill will remain there when the conference committee completes its work.

Recommendation

Discuss the merits of the Alaska-specific Roadless Rule effort initiated by the State of Alaska and consider adoption of a statement or resolution on the subject.

Copy of State's Petition



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

COMMISSIONER'S OFFICE

550 W 7th #1400
Anchorage, AK 99501
Main: 907.269.8431
Fax: 907.269.8918

January 19, 2018

U.S. Department of Agriculture
Attention Sonny Perdue, Secretary of Agriculture
1400 Independence Avenue, S.W.
Washington, DC 20250

Dear Secretary Perdue,

Enclosed you will find a request from the State of Alaska to consider a petition for rulemaking on the applicability of the 2001 Roadless Rule to the Tongass National Forest in Alaska. The history of the exemption and the ensuing legal challenges are covered in detail in our petition and exhibits. The State also lays out clear and sound rationale for why an exemption should be addressed through the rulemaking process.

The State appreciates your interest in this topic. We see this as one of many significant opportunities to work with you to support a diverse and robust forest products sector in Southeast Alaska. Rebuilding this sector will create jobs and prosperity for our rural communities located in the Tongass National Forest.

The State looks forward to participating in the process and is available to answer questions you or your staff may have on this subject.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Mack".

Andrew T. Mack
Commissioner

cc:

Bill Walker, Governor of Alaska
U.S. Senator Lisa Murkowski, Chairman, Senate Energy & Natural Resources Committee
U.S. Senator Daniel S. Sullivan
U.S. Representative Don Young
Tony Tooke, Chief USFS
Cathy Giessel, State Senator and Chair Senate Resources Committee
Geran Tarr, State Representative and Co-chair House Resources Committee
Andy Josephson, State Representative and Co-chair House Resources Committee

Before the Department of Agriculture
Washington, DC 20250

To: George Ervin "Sonny" Perdue, Secretary of Agriculture

From: The State of Alaska, Department of Natural Resources

Re: The Department of Agriculture Roadless Area Conservation Rule and
The 2016 Tongass National Forest Land and Resource Management Plan

Date: January 19, 2018

**STATE OF ALASKA
PETITION FOR USDA RULEMAKING TO EXEMPT THE
TONGASS NATIONAL FOREST FROM APPLICATION OF
THE ROADLESS RULE AND OTHER ACTIONS**

I. SUMMARY

In a 2003 Record of Decision (ROD) Ex. 1, the USDA promulgated a regulation (Tongass Exemption) exempting the Tongass National Forest (Tongass) from the Roadless Area Conservation Rule (Roadless Rule). In this ROD, the USDA provided in-depth analysis of the requirements and limitations of the Tongass Timber Reform Act (TTRA) and the Alaska National Interest Lands Conservation Act (ANILCA) if the Roadless Rule were applied to the Tongass. After this statutory analysis, the USDA concluded that the best way to implement the spirit and the letter of these laws was to exempt the Tongass from the Roadless Rule.

The USDA also concluded that exempting the Tongass was consistent not only with the intent of Congress, but also with sound management of the Tongass because roadless areas in the Tongass are adequately protected without adding the additional restrictions in the Roadless Rule. USDA stated that roadless areas are common, not rare in the Tongass and the vast majority of the 9.34 million acres of roadless areas have restrictions on road building and timber harvest irrespective of the Roadless Rule. Even without the Roadless Rule, only about four percent of the Tongass is designated as suitable for timber harvest. *See* ROD, Ex. 1.

In its decision to exempt the Tongass, USDA weighed the value of imposing these unnecessary additional restrictions against the very significant social and economic costs to Southeast Alaska that were discussed in depth in the 2001 Roadless Rule decisional documents. When USDA reconsidered the same facts in this second rulemaking that it had considered in 2001, the USDA this time concluded that the needs of the people of

Alaska outweighed adding more restrictions when roadless areas in the Tongass are adequately protected without the Roadless Rule.

After environmental interest groups challenged the Tongass Exemption in 2009, the USDA aggressively defended the rule in its 2010 opening brief in the Federal District Court for the District of Alaska. *See* USDA Brief Ex. 2. USDA argued that “the Tongass Exemption was a well-reasoned decision, supported by the evidence” and that after reweighing the same economic, social and environmental factors considered in the 2001 ROD, USDA concluded that “the roadless values on the Tongass could be protected and social and economic impacts minimized by exempting the Tongass from the Roadless Rule. USDA Brief at 1-4.

The District Court nevertheless invalidated the Tongass Exemption, but upon appeal, a three-judge panel of the Ninth Circuit Court of Appeals reversed and upheld the Exemption. However, in a 6-5 *en banc* decision, the Ninth Circuit struck down the Tongass Exemption on a procedural ruling, holding that the USDA failed to adequately explain its change of position from the 2001 Roadless Rule to the 2003 Tongass Exemption. *See En Banc* Opinion, Ex.3. The Court did not find any substantive legal infirmities with the Tongass Exemption, that is, the Court did not hold that the USDA analysis or rationale could not support exempting the Tongass, or that the USDA reached the wrong decision, but only that USDA failed to provide an adequate explanation of its change of position from 2001. No judge questioned the fact that the USDA had a right to change position on exempting the Tongass, if the change was adequately explained. *Id.*

The rationale USDA provided for exempting the Tongass in the 2003 ROD and again in the 2010 USDA Brief remains valid today. The extensive damage resulting from the application of the Roadless Rule to the economic and social fabric of Southeast Alaska remains as real today as it was 15 years ago, while the Tongass roadless values remain more than adequately protected without the Roadless Rule. Therefore, for the reasons more fully explained below, the State of Alaska (State) respectfully requests that the Secretary of Agriculture grant this petition and direct the USDA and USFS to immediately undertake a rulemaking to consider once again exempting the Tongass from the Roadless Rule.

In addition, the State requests that the Secretary also direct the USFS to undertake a revision to the 2016 Tongass Land & Resource Management Plan (TLMP). In a recent amendment to the TLMP, the USFS implemented the Roadless Rule by including many of the most restrictive provisions and prohibitions of the Roadless Rule into the fabric of the TLMP. As a result, even if the Tongass is once again exempted from the Roadless Rule, these Roadless provisions would remain in the TLMP and be independently applicable unless also removed from the TLMP. A Forest Plan amendment or revision under the 2012 USFS planning rules is the mechanism for the Executive Branch to

remove these provisions. The State also requests that the provisions inserted into the TLMP in 2016 requiring a rapid transition from old growth to young growth timber harvest also be revised.

II. HISTORY OF THE TONGASS EXEMPTION

Controversy over federal management of the Tongass goes back many decades. The most relevant history regarding whether to exempt the Tongass from the Roadless Rule begins at the turn of the 21st Century in the waning days of the Clinton Administration. Entire books have been written on the high-profile policy and legal battles over the Tongass spanning many decades, and the basic facts have been set forth in many legal briefs and judicial decisions. *See e.g.* USDA Brief Ex.2 at 1-5; State Brief in the Federal District Court for the District of Columbia (State Roadless Rule Brief), Ex. 4 at 1-3; and *State of Alaska v. USDA*, case 11-1122 RLJ, Opinion filed 9/20/17, Ex. 5 at 7-15. Therefore, only a very brief summary is presented here in addition to the more comprehensive discussions in the attached exhibits.

Beginning with an interim rule in 1999, as the USDA developed the Roadless Rule, the administration's preferred approach was to exempt the Tongass or to limit its application. USDA Brief, Ex. 2 at 1-2. It was not until the final decision in the 2001 ROD, at the very conclusion of the rulemaking process, that USDA unexpectedly fully and immediately applied the Roadless Rule to the Tongass. *Id.*

During the rulemaking process, USDA recognized that the Tongass would be so uniquely and severely impacted by the Roadless Rule that what was effectively a separate rulemaking within a rulemaking was conducted for the Tongass. USDA recognized that the Roadless Rule would severely interfere with seeking to meet timber demand as required by Tongass Timber Reform Act, that the social and economic impact on Southeast Alaska would be severe, and that adequate protections were in place to protect the environmental values of the Tongass without the Roadless Rule. *Id.* at 2-5. These were the rationale stated throughout the process for choosing limited, if any, application to the Tongass as the USDA preferred alternative; at least until the surprise ending when in the final ROD the Roadless Rule was made immediately fully applicable to the Tongass. *Id.* For example, the USDA preferred alternative in the draft environmental impact statement was "Tongass exempt". *Id.*

Many lawsuits immediately followed promulgation of the Roadless Rule, including one by the State of Alaska challenging its application to Alaska national forests. In 2003, a temporary rule exempting the Tongass (Tongass Exemption) was promulgated to satisfy a settlement of Roadless Rule litigation between USDA and the State of Alaska. It is this temporary rule that was invalidated by the Federal District Court in Alaska in 2011. The rulemaking to promulgate permanent exemptions for both

national forests in Alaska – also a term of the settlement agreement – was never commenced after the 2005 State Petitions Rule replaced and effectively (at least temporarily) repealed the Roadless Rule nationwide. *Id.*

However, a federal court in California invalidated the State Petitions rule in 2006 and reinstated the Roadless Rule nationwide even though it had been invalidated by a federal court in Wyoming and was enjoined nationwide. The reinstatement of the Roadless Rule was, however, explicitly made subject to the Tongass Exemption rule, and therefore the Tongass remained exempt until the District Court in Alaska invalidated it in 2011. *Id.*

The Tongass Exemption rule then remained in litigation until the United States Supreme Court on March 29, 2016 declined the State's Petition for Certiorari for review of the Ninth Circuit *en banc* decision invalidating the Tongass Exemption rule due to the argued inadequate explanation of USDA's change in policy.

Following the loss of the Tongass Exemption, the State and many supporting intervenors continue to appeal the Roadless Rule and the Roadless Rulemaking decision to apply the rule to the two national forests in Alaska in the United States Court of Appeals for the District of Columbia Circuit. If the Court rules in the favor of the State, three different remedies are possible depending upon which claim(s) the case is decided; the Roadless Rule could be invalidated nationwide, it could be invalidated as applied to Alaska or it could be invalidated solely as applied to the Tongass.

III. CONTINUING RATIONALE FOR EXEMPTING THE TONGASS

A. Good Policy

Rationales for exempting the Tongass from the Roadless Rule in a new USDA rulemaking are not entirely equivalent to Alaska's legal claims and arguments challenging the Roadless Rule in federal court. The most important difference is that USDA can enact or change policy via a rulemaking whether such action is legally mandated or just good policy as determined by the agency. The *en banc* decision of the Ninth Circuit striking down the Tongass Exemption did not in any way cast doubt on USDA's authority to set policy on the Roadless or on the Tongass other than to clarify the extent to which the agency must explain its rationale in the record of decision. *See En Banc Opinion Ex. 3.*

Therefore, the first and most compelling reason that USDA should grant this petition to undertake a rulemaking to restore an exemption for the Tongass is that it remains good policy. The 2010 USDA brief (Ex. 2) supporting the policy decision to exempt the Tongass remains as persuasive today as it was then. No federal court has

opined that there was any issue with the policy choice to exempt the Tongass, but instead ruled only on the procedural flaw of not including a sufficient explanation for the change in policy from the 2001 ROD. The State is therefore requesting that USDA now correct this procedural problem through a new rulemaking and in effect reinstate the Tongass Exemption based on the same sound policy decision it made in 2003. All of the rationales that USDA offered for exempting the Tongass in the 2003 ROD remain valid today. ROD Ex. 1.

B. Compliance with Federal Law

In 2003, USDA offered rationales for exempting the Tongass as policy decisions that the State contends are legal requirements that mandate a Tongass or Alaska exemption. In particular, this includes compliance with ANILCA and the TTRA.

USDA devoted a considerable portion of the 2003 ROD to discussion of these two statutes and ultimately stated that the Tongass Exemption Rule

“reflects the Department’s assessment of how to best implement the letter and spirit of congressional direction along with public values, in light of the abundance of roadless values on the Tongass, the protection of the roadless values already included in the Tongass Forest Plan, and the socioeconomic costs to the local communities of applying the roadless rule’s prohibitions.” Ex. 1 at 75142.

USDA further stated that ANILCA and the TTRA “provide important congressional determinations, findings, and information relating to management of National Forest System lands on the Tongass.” *Id.*

More specifically, USDA explained that in ANILCA Congress set aside another 5.5 million acres of the Tongass wilderness and found that this additional wilderness set aside represents “a proper balance between the reservation of national conservation system units and those public lands necessary and appropriate for more intensive use and disposition” and that no additional conservation areas will be needed in the future on the Tongass. *Id.* Congress attempted to prevent the Executive Branch from circumventing this directive by prohibiting “future executive branch action which withdraws more than five thousand acres, in the aggregate, of public lands within the State of Alaska” without the approval of Congress. 16 U.S.C. §3213(a).

There is a fine line between the USDA’s statement in the 2003 ROD that the Tongass Exemption implements “the letter and spirit of congressional direction” and the State’s legal argument in the current litigation that by failing to exempt the Tongass from the Roadless Rule USDA has violated ANILCA by withdrawing millions of acres from

more intensive use without the consent of Congress. State Roadless Rule Brief, Ex.4 at 43-44. USDA may view exempting the Tongass as policy to implement the letter and the spirit of congressional direction in ANILCA or as a legal mandate to comply with ANILCA. Either way, complying with congressional intent as set forth in ANILCA is a powerful rationale for a new rulemaking to restore the Tongass Exemption.

The TTRA presents a similar rationale for a new rulemaking. In 1990, Congress amended ANILCA with the TTRA, which included a directive to the USDA Secretary to “seek to provide a supply of timber from the Tongass National Forest, which (1) meets the annual market demand for timber and (2) meets the market demand for timber for each planning cycle” consistent with multiple use and sustained yield management and the requirements of the National Forest Management Act. ROD, Ex.1 at 75142. USDA analyzed the demand numbers for the Tongass timber and the effect of the road construction and timber harvest prohibitions of the Roadless Rule and concluded that “the roadless prohibitions operate as an unnecessary and complicating factor limiting where timber harvesting may occur.” *Id.* at 75141.

The State fully concurs with the USDA policy decision that further timber harvest restrictions were not necessary and complicated compliance with the TTRA directive to seek to meet timber demand. However, as with ANILCA, the State continues to argue in federal court that the timber harvest and road construction restrictions of the Roadless Rule limit the ability of the Tongass Forest Supervisor to plan and execute timber sales to the extent that it is impossible to even seek to meet timber demand. Intentionally tying your own agency’s hands with such unnecessary restrictions that ensure failure to meet timber demands is a violation of the TTRA provisions to seek to meet demand. The State’s full argument why the TTRA legally mandates a Tongass Exemption from the Roadless Rule is presented in the State Roadless Rule Brief, Ex. 4 at 38-43.

As with ANILCA, in 2003 USDA viewed an exemption as policy to implement the letter and the spirit of TTRA while the State determined that TTRA legally mandates an exemption. But again, implementing the directive of Congress is a powerful rationale for a new rulemaking under either analysis.

C. Compelling Case for Exemption Rulemaking

Addressing the serious socioeconomic consequences to Alaskans and complying with ANILCA and TTRA are all compelling rationale for a Tongass Exemption today, as they were in 2003. Other rationales offered by USDA in the 2003 ROD and supported by counsel in the 2010 USDA brief also remain valid today. As noted above, the Ninth Circuit did not invalidate the Tongass Exemption due to flawed rationales, but rather only because of an inadequate explanation for the change in policy. The State respectfully

submits this petition for a rulemaking to exempt the Tongass from the Roadless Rule in the interest of the socioeconomic well-being of its residents.

IV. CONTENT OF REQUESTED RULE

The Tongass Exemption Rule that was invalidated by the Ninth Circuit was a single sentence under 36 CFR § 294.14. The invalidated language in CFR § 294.14 can be replaced by new similar language as simple as: “This subpart does not apply to the Tongass National Forest.”

V. OTHER REQUESTED ACTION

In 2016, the USFS completed an extensive amendment process to the TLMP. Among the changes that were made to the TLMP, significant changes included the implementation of the Roadless Rule and the implementation of the Transition Strategy intended to rapidly shift timber harvest in the Tongass from primarily old-growth to young-growth timber. The State was among many objectors to this TLMP amendment based on a wide range of procedural issues and substantive issues in forestry, transportation and resource development. The State’s August 30, 2016 formal objection to the 2016 TLMP amendment is attached as Exhibit F. The exhibits filed with the objection can be accessed on the USFS Tongass website at:

<https://cloudvault.usda.gov/index.php/s/l6my9KpoJk90wUa>.

The State’s objections did not result in changes to the final TLMP.

In addition to requesting that USDA commence a rulemaking to exempt the Tongass from the Roadless Rule, the State also requests that the USDA Secretary direct the USFS to commence a new amendment or revision process for the TLMP as amended in 2016. The State asks that this new TLMP process reconsider all of the objections in the State’s objection letter in Exhibit 6. However, section III “The Amended Forest Plan violates the TTRA and ANILCA” is of particular relevance to this petition. Ex. 6 at 6.

This section explains that the Roadless Rule violates both the TTRA and ANILCA as is also discussed above. *Id.* It also explains that in adopting this TLMP amendment “USFS now compounds this violation of federal law by selecting an alternative that not only fully implements the Roadless Rule in the management plan governing the Tongass, but also implements a transition plan to young-growth timber with a rapid phase out of the old-growth timber on which the timber industry is dependent.” *Id.*

As a result of implementing the Roadless Rule restrictions in the TLMP, along with additional restrictions on old-growth timber harvest outside of roadless areas, a new

Tongass Exemption rule alone will not provide relief to Southeast Alaska. The Roadless Rule and the 2016 TLMP now each independently restrict road construction and timber harvest to such a degree as to have devastating socioeconomic effects on Alaskans. A more complete discussion of the effects of the TLMP on Alaska and the reasons why the TLMP violates TTRA and ANILCA are set forth in Exhibit 6.

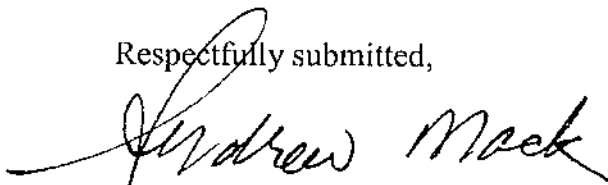
VI. CONCLUSION

Beginning in 2003, USDA has recognized that roadless values in the Tongass are well protected without the Roadless Rule. USDA has also recognized that the prohibitions on road construction and timber harvest in the Roadless Rule come with severe socioeconomic consequences to Alaskans that outweigh any value of adding unnecessary restrictions to those already in place. With this understanding, USDA exempted the Tongass from the Roadless Rule from 2003 until 2011 when a federal court invalidated the Exemption based on a procedural flaw in the 2003 ROD. During this court battle, USDA fully defended USDA's above stated rationale for the exemption.

Subsequent to the court imposing the Roadless Rule on the Tongass, the situation has only been compounded by the USFS's incorporation of the restrictions on roadbuilding and timber harvest into the TLMP. Therefore, both an exemption rulemaking and a TLMP plan revision or amendment are now necessary to reinstate USDA's policy of Tongass exemption set forth in the 2003 ROD.

For the reasons set forth above, the State of Alaska respectfully requests that this petition for rulemaking be granted and that the USDA promptly commences a rulemaking proposing a rule to permanently exempt the Tongass National Forest from application of the Roadless Rule. The State also requests that the Secretary of Agriculture direct the USFS to commence a TLMP revision or amendment to remove provisions of the Roadless Rule that have been incorporated into the plan and to reconsider the State objections set forth in Ex. 6 that were not addressed in the final TLMP.

Respectfully submitted,



Andrew T. Mack, Commissioner
State of Alaska, Department of Natural Resources
550 West Seventh Avenue, suite 1400
Anchorage, AK 99501-3561
907.269.8431
andy.mack@alaska.gov

US Department of Agriculture's Response to State's Petition



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

APR 25 2018

The Honorable Andrew Mack
Commissioner
Department of Natural Resources
550 West 7th
Suite 1400
Anchorage, Alaska 99501

Dear Commissioner Mack:

Thank you for your letter of January 19, 2018, regarding the request from the State of Alaska to consider a petition for rulemaking on the applicability of the 2001 Roadless Rule to the Tongass National Forest. I apologize for the delayed response.

Thank you for including the petition and the exhibits illustrating the history of the exemption and ensuing legal challenges. We share your interest in exploring options to help create jobs and prosperity for rural communities in Southeast Alaska, and the forest-products sector has long been part of this economy. We want to ensure that we continue to contribute to the health of the rural economy in Alaska by investing in the sustainability, health, and productivity of our National Forest.

We look forward to working with you in the future to explore and discuss the petition and the options to address application of the 2001 Roadless Rule on the Tongass National Forest. Additionally, Interim Chief Victoria Christiansen is reviewing your concerns regarding the 2016 Tongass Forest Plan and is working to address them.

Again, thank you for writing. If you have any further questions, please have a member of your staff contact the Office of External and Intergovernmental Affairs at (202) 720-7095.

Sincerely,

A handwritten signature in blue ink that reads "Sonny Perdue". The signature is fluid and cursive, with a large, prominent "S" at the beginning.

Sonny Perdue
Secretary

Memorandum of Agreement Governing the Rulemaking Process

MEMORANDUM OF UNDERSTANDING BETWEEN
THE STATE OF ALASKA
AND
UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE

THIS MEMORANDUM OF UNDERSTANDING is hereby made and entered into by and between the State of Alaska by and through the Office of the Governor (hereinafter the "State"), and the United States Department of Agriculture, Forest Service, (hereinafter the "Forest Service") on behalf of the United States Department of Agriculture (hereinafter the "Department").

A. PURPOSE:

This Memorandum of Understanding ("MOU") is established by the undersigned parties to document the cooperation between the parties on the establishment of rules governing the management of inventoried roadless areas located within the National Forests in Alaska. The Governor of the State of Alaska submitted a petition (per the requirements of § 553 of the Administrative Procedure Act) to the Secretary of Agriculture, seeking exemption from the nationwide rules governing management of inventoried roadless areas on the Tongass National Forest in Alaska. On June 1, 2018, the Secretary of Agriculture directed the Chief of the Forest Service to initiate a state-specific rulemaking for roadless management direction for the Tongass National Forest in Alaska on behalf of the Department.

In accordance with the Council on Environmental Quality regulations (40 C.F.R. §§ 1501.6, 1508.5), the State of Alaska is hereby established as a cooperating agency in the preparation of analysis and documentation under the National Environmental Policy Act ("NEPA") associated with this rulemaking. The state-specific rulemaking process will include publishing a proposed rule for public review and comment and preparing an Environmental Impact Statement.

For the purpose of this MOU, the applicable "inventoried roadless areas" are those in Alaska that are described and defined in the 2001 Roadless Area Conservation Rule (66 FR 3243, 3272, Jan. 12, 2001), and "Alaska roadless areas" are those in Alaska that an Alaska-specific roadless rule would apply. It is anticipated that the parties will reach a mutual agreement regarding an Alaska roadless area database for those roadless areas in Alaska prior to the development of specific regulatory language.

B. AUTHORITY:

This agreement is authorized pursuant to the Organic Administration Act of 1897, 16 U.S.C. §551; Multiple Use, Sustained Yield Act, 16 U.S.C. §§528-531; Forest and Renewable Resource Planning Act of 1974, as amended by the National Forest Management Act of 1976, 16 U.S.C. §§ 1601-1614; see also 23 U.S.C. 201, 205, Administrative Procedure Act 5 U.S.C. §553, 7 C.F.R. §1.28; 40 C.F.R. Parts 1500-1508.

The State of Alaska is authorized to enter into this agreement pursuant to Alaska Statute AS 41.17.055. §.

C. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:

The USDA Forest Service manages National Forest System lands to maintain and enhance the quality of the environment to meet the Nation's current and future needs. Forest Service land management supports recreation, water, timber, fish, wildlife, wilderness, aesthetic values and a variety of resource development activities for current and future generations. Currently there are over 21.9 million acres of National Forest in the State of Alaska, of which approximately 14.7 million acres are considered inventoried roadless areas as defined by the 2001 Roadless Area Conservation Rule.

The State of Alaska is responsible for representing its citizens in matters affecting them. State governments are important partners in management of the nation's land and natural resources. State agencies have knowledge and expertise relative to natural resources, economic growth and development, resource planning, transportation, and other matters, all of which may be affected by Forest Service management.

Both parties are committed to and will benefit by resolving conflicts over roadless area management through increased communication, sharing of information, participation, cooperation, and coordination in implementing their respective missions as part of the state-specific rulemaking process.

D. BOTH PARTIES SHALL:

1. Establish a State-Forest Service Executive Steering Committee to coordinate the various aspects of implementation of this MOU and rulemaking process and the State and Forest Service involvement in NEPA Interdisciplinary teams.
2. Establish and maintain clear lines of communication, working through the principal contacts named in this MOU.
3. Cooperate in the development of specific regulatory language for a proposed state-specific rule to establish management direction for Alaska roadless areas.
4. Jointly develop a detailed work plan that sets out required action steps, milestones, and time frames associated with all aspects of this rulemaking effort.
5. Cooperate in the preparation of analyses and documentation, development of the description of the proposed action and any alternatives, and the compilation of any required ecological, social, and economic resource information associated with this state-specific roadless rulemaking.
6. Coordinate the development of the proposed state rule with the existing land management planning efforts in progress within the State of Alaska.

E. THE FOREST SERVICE SHALL:

1. Take the lead in preparation of analysis and required documentation for the rulemaking, including preparation of an Environmental Impact Statement.

2. Coordinate the logistics of the federal review and clearance process involved with rulemaking.
3. If the rule is determined by the Office of Management and Budget ("OMB") to be "significant" per Executive Order 12866, the Forest Service will take the lead in developing a civil rights impact analysis and benefit-cost analysis.
4. Assess responsibilities under the Tongass Timber Reform Act (TTRA), the Alaska National Interest Lands Conservation Act (ANILCA), and the ecological, social, and economic factors for Southeast Alaska, as requested by the State in its roadless petition.
5. Ensure the point of contact for the State is regularly briefed to ensure the State is aware of the progress, issues, and changes associated with the development of the final rule.
6. Designate a representative who will work with the State of Alaska to provide technical information and support as necessary for development and analysis of a proposed rule and alternatives.

F. THE STATE SHALL:

1. To the extent possible, perform the duties and obligations of a cooperating agency (40 C.F.R. § 1501.6) in the preparation of a final rule and associated documents.
2. Provide to the Forest Service input for a limited range of alternatives that would implement Alaska's preferred management direction for Alaska roadless areas.
3. Assist in public engagement.
4. Perform the duties and obligations of a cooperating agency in the preparation of the NEPA documentation associated with developing a rule for Alaska roadless areas.
5. Cooperate with the Forest Service in other procedures required in a rulemaking process (i.e., those procedures outside of the NEPA process).
6. Lead a collaborative public process by convening a group to inform the State's input as a cooperating agency in the USDA's rule making process. The State shall select the group and shall include a diverse mix of state-specific interests which may, include one representative from:
 - Federally recognized Tribe in Alaska,
 - Alaska Native Claims Settlement Act Corporation,
 - Environmental or conservation organizations,
 - Timber industry,
 - Mining industry,
 - Tourism industry,
 - Commercial fishing industry,
 - State and local government, *and*
 - Other commercial interests, those holding land use permits, or the public at large.
7. On behalf of the Governor, have the State Principle Contact, Chris Maisch, direct the State's participation as "Cooperating Agency" for the environmental analysis associated with this rulemaking, coordinating input from all relevant State agencies, including but not limited to, the following:
 - Department of Natural Resources (including the Office of Project Management & Permitting as related to ANILCA),

- Department of Environmental Conservation,
 - Department of Commerce, Community and Economic Development,
 - Department of Fish and Game, *and the*
 - Department of Transportation and Public Facilities.
8. Provide input at specific points in the rulemaking process, including but not limited to:
- Review the purpose and need statement and proposed action.
 - Review public input, key issues, and alternatives/rule language.
 - Review Forest Service responsibilities under Tongass Timber Reform Act (TTRA) and Alaska National Interests Land Claim Act (ANILCA) and ecological and socioeconomic factors for southeast Alaska.
 - Review analysis for the draft environmental impact statement (DEIS) to review alternatives/rule language.
 - Review public input and any outstanding issues raised concerning the DEIS.
 - Review final EIS alternatives/and preferred alternative.

G. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. APPROVAL. The Secretary of Agriculture, or the Secretary's designee, shall make the final decision for any Alaska roadless area management rule.
2. FREEDOM OF INFORMATION ACT (FOIA). Any information furnished to the Forest Service under this instrument is subject to the Freedom of Information Act (5 U.S.C. §552).
3. FEDERAL ADVISORY COMMITTEE ACT (FACA). In order to meet the intergovernmental committee exception to FACA, all participants of any NEPA ID team must be a full-time or part-time officer or employee of the Federal Government or elected officer of the State, local, or tribal government (or their designated employee with authority to act on their behalf), acting in their official capacity (41 C.F.R. 102-3.40(g)).
4. ALASKA PUBLIC RECORDS ACT. All records provided to the State participants related to the execution and performance of this MOU may be subject to the provisions, requirements, and exemptions of the Alaska Public Records Act, Alaska Statute AS 40.25.110.
5. PARTICIPATION IN SIMILAR ACTIVITIES. This instrument in no way restricts the Forest Service or the Cooperator(s) from participating in similar activities with other public or private agencies, organizations, and individuals.
6. COMMENCEMENT/EXPIRATION/TERMINATION. This MOU takes effect upon the signature of the Forest Service and State and shall remain in effect until December 31, 2020 or until a state-specific roadless area management rule is approved by the Secretary of Agriculture, or the Secretary's designee. This MOU may be extended or amended upon written request of either the Forest Service or the State and the subsequent written concurrence of the other. Either party may terminate this MOU with a 60-day written notice to the other party.
7. IMPLEMENTATION AND MONITORING. The Forest Service and the State agree that there may be benefits to continuing the relationship represented by this MOU.

Both parties agree to consider extending this MOU or developing a new MOU once the State-specific rule is approved.

8. **DISPUTES.** Disputes between the Forest Service and the State concerning any aspect of this rulemaking and associated environmental analysis will be resolved through good faith efforts between the parties to the MOU. Nothing in this MOU or in this provision alters the legal rights of the parties to seek other means of resolving disputes including judicial review.
9. **RESPONSIBILITIES OF THE PARTIES.** The Forest Service and the State and their respective agencies and officers will handle their own activities and contribute their own personnel and financial resources, in pursuing these objectives, with exception of any funding that might be provided the State separately by the U.S. Department of Agriculture. Each party will carry out its separate activities in a coordinated and mutually beneficial manner.
10. **PRINCIPAL CONTACTS.** The principal contacts for this instrument are:

Forest Service Project Contact

Mary Snieckus
Project Lead
Forest Service
Washington Office
202-205-0824
marysnieckus@fs.fed.us

Cooperator Project Contact

Chris Maisch
Alaska State Forester
Division of Forestry
Alaska Department of Natural Resources
907-451-2666
chris.maisch@alaska.gov

Ken Tu
ID Team Lead
Forest Service
Rocky Mountain Region
303-275-5156
kktu@fs.fed.us

Robin Dale
Alaska Region Roadless Coordinator
Forest Service
Alaska Region
907-586-9344
rdale@fs.fed.us

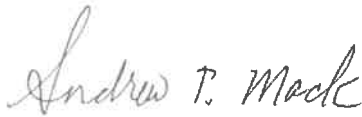
11. **NON-FUND OBLIGATING DOCUMENT.** Nothing in this MOU shall obligate either the Forest Service or the State to obligate or transfer any funds. Specific work projects or activities that involve the transfer of funds, services, or property among the various agencies and offices of the Forest Service and the State will require execution of separate agreements and be contingent upon the availability of appropriated funds. Such activities must be independently authorized by appropriate statutory authority. This MOU does not provide such authority. Negotiation, execution, and administration of each agreement must comply with all applicable

statutes and regulations.

12. FUNDING ASSISTANCE TO THE STATE. The Forest Service may provide financial assistance to the State in association with actions undertaken pursuant to this MOU. However, those agreements will occur separately from this document
13. ESTABLISHMENT OF RESPONSIBILITY. This MOU is not intended to, and does not create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by a party against the United States, its agencies, its officers, or any person.
14. ADMINISTRATIVE.
 - Nothing in this MOU will be construed to alter the legal rights and remedies that each party would otherwise have. The parties explicitly agree that participating as a cooperating agency under this MOU will not limit the right of the State to seek administrative and judicial review of any final rule promulgated in this rulemaking process.
 - Nothing in this MOU will be construed to extend jurisdiction or decision-making authority to either party to this MOU, beyond that which exists under current law, regulations, or ordinances.
 - Nothing in this MOU will be construed as limiting or affecting the authority or legal responsibilities of any party, or as binding any party to perform beyond the responsive authority of each, or to require them to assume or expend any sum in excess of appropriation available.
 - The provisions in this MOU are subject to the applicable laws and regulations of the State of Alaska, the applicable laws of the United States, and the applicable regulations of the Secretary of Agriculture.
15. AUTHORIZED REPRESENTATIVES. By signature below, the coordinator certifies that the individuals listed in this document as representatives of the cooperator are authorized to act in their respective areas for matters related to this agreement.

THE PARTIES HERETO have executed this agreement.

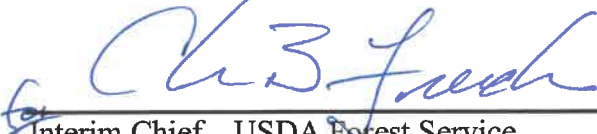
STATE OF ALASKA:



August 2, 2018

Commissioner – Alaska Department of Natural Resources
Andrew T. Mack

USDA FOREST SERVICE:



August 2, 2018

Interim Chief – USDA Forest Service
Victoria Christiansen

Governor Walker's Administrative Order Creating
the Roadless Advisory Group



[Bill Walker Office of the Governor](#)

Administrative Order No. 299

September 6, 2018

I, Bill Walker, Governor of the State of Alaska, under the authority of Article III, Sections 1 and 24 of the Constitution of the State of Alaska, and in accordance with AS 44.19.145(c), establish the Alaska Roadless Rule Citizen Advisory Committee.

Findings

In 2001, the State of Alaska filed a complaint in the United States District Court, District of Alaska, challenging the United States Department of Agriculture (USDA), Forest Service's adoption of the 2001 Roadless Area Conservation Rule (Roadless Rule) and its application in Alaska. The Forest Service and the State of Alaska reached a settlement in 2003, and the Forest Service subsequently issued a rule temporarily exempting the Tongass National Forest from the Roadless Rule. The exemption was challenged, and on July 29, 2015, a bare majority of the Ninth Circuit Court of Appeals held that the USDA's justification for the Tongass exemption was inadequate under the Administrative Procedure Act, holding it did not provide a reasoned explanation for contradicting the findings in the 2001 Record of Decision for the Roadless Rule. Consequently, the Roadless Rule remains in effect in the Tongass and Chugach National Forests in Alaska.

The USDA is initiating an Environmental Impact Statement (EIS) and public rulemaking process to address the management of inventoried roadless areas, on the Tongass National Forest System lands, within the State of Alaska. This rulemaking is the result of a petition submitted by the State of Alaska in January 2018 under the federal Administrative Procedure Act. The petition was accepted by the United States Secretary of Agriculture in April 2018.

The purpose of the USDA's rulemaking process is to develop a state-specific roadless rule that establishes a land classification system designed to conserve roadless area characteristics in the Tongass National Forest, while accommodating timber harvesting and road construction and reconstruction activities that are determined by the state to be necessary for forest management, economic development opportunities, and the exercise of valid existing rights or other nondiscretionary legal authorities. The United States Forest Service will prepare an EIS to analyze and disclose potential environmental consequences associated with this rulemaking. As part of the rulemaking process, the State entered into a Memorandum of Understanding (MOU) with the USDA on August 2, 2018. Under the MOU, both parties agree to establish a State-Forest Service Executive Steering Committee to coordinate implementation of the MOU and the rulemaking process. The MOU also requires that the state convene an advisory committee consisting of a diverse mix of stakeholders to provide input to the State during the rulemaking process.

Purpose and Recommendations

The purpose of this Order is to establish the Alaska Roadless Rule Citizen Advisory Committee (Committee) to provide recommendations to the Governor and the State Forester to assist the state in fulfilling its role as a cooperating agency under the MOU.

The Committee shall present an initial written report on the rulemaking process to the Governor and State Forester not later than November 30, 2018. This report may include up to three options for a state-specific roadless rule for possible inclusion in the National Environmental Policy Act review process. These options would be in addition to the no action alternative and restoration of the full Tongass exemption alternatives.

The Committee may be asked to provide additional input and recommendations at various points during the rulemaking process. The State Forester will notify the Committee of critical decision points and documents that the Committee should consider.

Committee Composition

The Committee will consist of up to 13 voting members. The State Forester is one of those voting members. The remaining voting members shall be appointed by, and serve at the pleasure of, the Governor. The Governor may select members from among the following stakeholder groups:

- federally recognized tribes in Alaska;
- Alaska Native Claims Settlement Act regional corporations;
- environmental or conservation organizations;
- energy industry;
- timber industry;
- mining industry;
- tourism industry;
- commercial fishing industry;
- organizations or individuals representing state, regional, or local government; and
- other commercial interests, to include transportation, those holding land use permits, or the public at large.

A representative of the United States Forest Service may also be appointed to serve as an ex officio, non-voting member.

A majority of the seated members of the Committee constitutes a quorum for conducting business.

Under the MOU, Committee members may request that the United States Forest Service help coordinate and provide technical support for information and data needed by the Committee for its deliberations.

Committee co-chairs shall be selected by the membership.

Administrative Support

In addition to the assistance from the United States Forest Service under the MOU, the Department of Natural Resources shall provide the necessary administrative support.

General Provisions

The Committee may adopt operating procedures, appoint workgroups as it deems appropriate, and solicit participation from relevant experts and practitioners. Workgroups may include individuals who are not members of the Committee.

Committee members receive no compensation, but members who are not serving as representatives of a state, federal, or local government agency are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180. Per diem and travel expenses for members who are representing a government agency are the responsibility of that agency.

The Committee shall meet as necessary to meet the objectives identified in the Purpose and Recommendations section. The Committee shall call meetings at the request of the co-chairs or a majority of the members. Meetings of the Committee or its workgroups will be held telephonically or by video conference to the extent practicable, to minimize travel expenses and gain the widest participation at minimum cost.

All meetings of the Committee or its workgroups shall be conducted in accordance with AS 44.62.310 – 44.62.319 (Open Meetings Act). The Committee may hold public hearings and request information from the public and other interested persons necessary to carry out its advisory functions. Records of the Committee and any workgroups are subject to inspection and copying as public records under AS 40.25.100 – 40.25.295 (Alaska Public Records Act).

Duration

This Order takes effect immediately and remains in effect until December 31, 2020.
Dated this 6th day of September, 2018.

/s/Bill Walker
Governor

Map of Roadless Areas on the Tongass

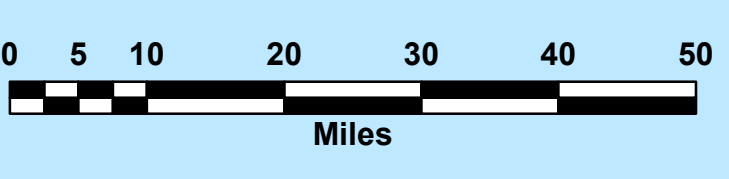
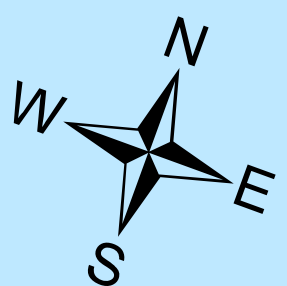
Roadless Area Inventory

**Tongass National Forest
Land and Resource Management Plan
January 2008**



LEGEND

- Inventoried Roadless Area
- Unroaded Area Greater than 1,000 and Less than 5,000 Acres
- Unroaded Area Less Than 1,000 Acres
- Developed Area
- Wilderness
- National Monument Wilderness
- Non-Wilderness National Monument
- Congressionally Legislated LUD II
- Non-National Forest System Land within the Tongass Boundary
- Glacier Bay National Park
- Haines State Forest
- Klondike Gold Rush National Historic Park
- BLM-managed Land



United States Department of Agriculture
Forest Service
Alaska Region
Tongass National Forest
Ketchikan, Alaska

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 22, 2018
RE: Appropriation Request – Radio Equipment at Craig PD

Attached you will find a memo from Craig Police Chief RJ Ely regarding the need to replace a piece of electronic equipment at the Craig Dispatch Center.

The device that failed is a base interface module, or BIM. The module is an electronic component that is mounted in a vertical rack with similar components in a room at Craig PD. The BIM is essential to proper functioning of the dispatch center's radio equipment.

Through her foresight, Craig EMS Director Chaundell Piburn included a purchase of a new BIM in a grant application she completed for the city. That allowed for purchase of a replacement module using grant funding. However, the installation of the module required an additional \$5,509.34. That amount was not included in the police department's FY2019 budget. Staff requests here that the council authorize the installation cost for the card from the city's General Fund, rather than draw the unexpected cost from the department's existing operating budget.

Recommendation

Approve by motion, appropriation of \$5,509.34 to pay the cost of installation of the new BIM.

Recommended motion: I move to appropriate \$5,509.34 to pay the costs of installation of a new base interface module at the Craig Police Department.



CRAIG POLICE DEPARTMENT
506 Second Street
P.O. Box 25
Craig, Alaska 99921

RJ Ely
Chief of Police

Date: 10-04-2018

To: Jon Bolling, City Administrator
From: Chief RJ Ely
Subject: Bimb Card / Radio Consolette Costs

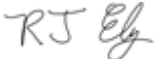
Administrator Bolling:

Per our discussions, you are aware of the Radio Consolette (aka Bimb Card) that failed and wasn't repairable. Chaundell Piburn had obtained a grant, for obtaining another Consolette, just prior to mine failing, in the amount of \$10,000.00 dollars. This grant covered the cost of the Consolette, but not the install, set up and configuration of the new Consolette.

This Consolette allows for the consent monitoring of our digital encrypted frequency and ALMR frequency. As well, having this Consolette allows for staff to maly select and/or merge frequencies together, to simplify other agencies communicating with each other.

ProComm had been contacted, arrived in September of this year and completed the install, configuration, set up and testing of this equipment.

Total Costs, not covered by the grant, \$5,509.34 dollars. This unexpected cost was not considered or known, during this year's budget preparations, which was presented to Craig City Council and approved.



RJ Ely
Chief of Police

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: September 28, 2018
RE: Consider Design Proposal for Work at Craig Aquatic Center

The city’s budget for the current year includes a \$100,000 line item to make repairs to the basin of the lap pool at the Craig Aquatic Center.

The need for the repairs is described in a 2014 Facility Condition Survey completed by the architectural firm Jensen-Yorba-Lott (JYL) of Juneau. The survey identified dozens of capital improvements recommended for the facility, many of which were addressed when the building was renovated two years ago.

Among the projects identified in the survey that remain unaddressed are refinishing the basins of the lap pool and wading pool, as well as some related tile work and corrosion removal. In addition, about half of the exterior gutter wall around the lap pool needs replacement. With funding appropriated in the current fiscal year, work should begin now on addressing needed repairs.

The condition survey details repairs recommended for the lap pool and wading pool. Both pools are reported to be in need of having existing surfacing addressed, either by removing and replacing the existing surfacing, or resurfacing the existing finish.

Several pages from the Facility Condition Survey addressing a number of upgrade recommendations are attached for your review. The options for just the proposed resurfacing project are summarized below.

	<u>Lap Pool</u>	<u>Wading Pool</u>	<u>Expected Useful Life</u>
1. Apply quartz aggregate finish	\$137,400	\$20,100	20+ years
2. Apply new marcite finish	\$ 99,400	\$14,500	11+ years
3. Resurface with marcite	\$ 96,600	\$14,100	7+ years

The condition survey also recommends completion of some related tiling work and installation of an ADA-compliant ramp into the wading pool. The cost of those changes is estimated at about \$24,000, most of which is attributable to installation of the wading pool ramp.

City staff met to discuss these projects. Our recommendation is to pursue refinishing work for both the lap pool and wading pool, and eliminate the areas of visible corrosion in the basins. The project is technical enough in nature to justify participation by an architect to detail the work for general contractors, as opposed to specifying the work in-house. To that end, I asked JYL to prepare a quote to complete design, bidding, and inspection work for the project. That quote is attached. JYL is well-positioned to complete this work given their detailed knowledge of the Craig Aquatic Center through the condition assessment, and their active participation in the 2016 renovation project. Refinishing the pool basins is essentially a continuation of work already completed at the facility.

At \$36,479, the architect’s quote consumes fully a third of the funding available in the budget. The council should be prepared to consider appropriation of additional funds to complete the resurfacing project when it considers approval of bids from general contractors. City staff would like to time the resurfacing work to coincide with the annual closure of the pool for maintenance work between May and August of 2019.

Recommendation

Direct, by motion, staff to contract with Jensen-Yorba-Lott to complete service identified in the company’s August 24, 2018 design services proposal.

Pages from Facility Condition Survey

07 Aquatic Systems – Pool Tanks

0711 Pool Tanks

The pools consist of three pool tanks in total that include a lap pool, wading pool and whirlpool. All pools were originally built in 1995 with steel reinforced shotcrete construction. The concrete whirlpool was replaced recently in 2012 with a Bradford welded stainless steel pool. It was reported that the main drains for all three pools are VGB compliant and recognized with the State of Alaska Division of Environmental Health, reviewing the main drains for VGB compliance was not a part of this evaluation. The lap pool and whirlpool does meet ADA requirements with an Aqua-Creek pool lift, however the wading pool does not meet ADA and requires a ramp entry.

The Lap Pool Tank is dimensioned at 75'-0' x 42'-0" with an 110,000 gallon capacity and with a perimeter concrete deck level gutter overflow system. The lap pool was full of water at the time of the review, however no visible concrete cracking, spalling or other known issues of significant concern were noted other than some local areas of rebar corrosion that is telegraphing through the pool finish that appear only cosmetic at this time. No known leaking was reported by staff. The pool finish is of a traditional painted, marcite plaster that typically has a life expectancy of less than 12 years in an indoor environment and proper care. The pool finish is in generally fair to poor condition.

Deficiency



07 Aquatic Systems – Pool Tanks

0711-1 Lap Pool Finish.

Lap Pool – Generally eroded and/or delaminated pool finish and past normal life expectancy.

Deficiency category: RR.

Remedy

Replace entire pool finish

Remaining life expectancy: < 4 years.

Option #1: Remove entire marcite finish to original concrete substrate and replace with new quartz aggregate finish (expected to last 20+ years).

Estimated Construction Cost: \$137,401

Option #2: Remove entire marcite finish to original concrete substrate and replace with new marcite finish and paint to match existing (expected to last 11+ years).

Estimated Construction Cost: \$99,367

Option #3: Leave existing marcite finish and go over existing finish with new marcite plaster and paint of same like and kind (expected to last 7+ years).

Estimated Construction Cost: \$96,614

07 Aquatic Systems – Pool Tanks

Deficiency



0711-2 Chipped Tile.

Lap Pool – there are many areas over the entire pool where the 1” x 1” tile is chipped and has sharp edges that needs replacement.

Deficiency category: RR.

Remedy

Replace chipped tile.

Remaining life expectancy: N/A.

Estimated Construction Cost: \$4,070

07 Aquatic Systems – Pool Tanks

Deficiency



0711-3 Lap Pool Gutter Grating.

Lap Pool – 75% of the lap pool grating has been replaced except for along one pool wall that is in the process of being completed. Some areas of the new gutter grating has larger gaps that can cause toe entrapment that need to be adjusted and some gutter lip is missing. It appears that there is adequate skimming except in areas where the handhold has not yet been reinstalled.

Deficiency category: RR.

Remedy

Adjust out all large gaps in grating and secure to manufacturer's instruction and finish grating replacement.

Remaining life expectancy: N/A.

Estimated Construction Cost: \$2,979

07 Aquatic Systems – Pool Tanks

Deficiency



0711-4 Lap Pool Corrosion.

Lap Pool – Corrosion is developing from rebar and/or rebar tie wire.

Deficiency category: RR.

Remedy

Remove metal wire tie or rebar a minimum of 1” back and patch pool shell with non-shrink and non-metallic grout to restore plaster finish.

Remaining life expectancy: N/A.

Estimated Construction Cost: \$1,192

07 Aquatic Systems – Pool Tanks

The Wading Pool Tank is dimensioned at 34'-0" x 16'-0" with an 11,000 gallon capacity and a skimmer overflow system. The lap pool was drained completely at the time of the review for maintenance and there was no visible concrete cracking, spalling or other known issues of significant concern were observed other than one small area of rebar and/or rebar wire tie corrosion that was telegraphing through the pool finish that is only cosmetic. No known leaking was reported by the staff. Similar to the lap pool, the wading pool finish is of a traditional painted, marcite plaster that typically has a life expectancy of less than 12 years in an indoor environment and with proper care. The pool finish is in fair to poor condition. Currently the Wading pool does not meet ADA requirements and will require a ramped entry.

Deficiency



0711-5 Wading Pool ADA Entry.

Wading Pool – Non compliant with ADA.

Deficiency category: C.

Remedy

Add new ADA ramp.

Remaining life expectancy: N/A

Estimated Construction Cost: \$21,359

07 Aquatic Systems – Pool Tanks

Deficiency



0711-6 Wading Pool Finish.

Wading Pool – Generally eroded and/or delaminated pool finish and past normal life expectancy.

Deficiency category: RR.

Remedy

Replace pool finish

Remaining life expectancy: < 4 years.

Option #1: Remove entire marcite finish to original concrete substrate and replace with new quartz aggregate finish (expected to last 20+ years).

Estimated Construction Cost: \$20,135

Option #2: Remove entire marcite finish to original concrete substrate and replace with new marcite finish and paint to match existing (expected to last 11+ years).

Estimated Construction Cost: \$14,502

Option #3: Leave existing marcite finish and go over existing finish with new marcite plaster and paint of same like and kind (expected to last 7+ years).

Estimated Construction Cost: \$14,091

07 Aquatic Systems – Pool Tanks

Deficiency



0711-7 Wading Pool Surface Corrosion.

Corrosion is developing from rebar or rebar tie wire.
Deficiency category: RR.

Remedy

Remove metal wire tie or rebar a minimum of 1” back and patch pool shell with non-shrink-non-metallic grout and restore plaster finish.
Remaining life expectancy: N/A

Estimated Construction Cost: \$953

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.01 Option 1 - Replace and Upgrade Lap Pool Finish with Quartz Aggregate Finish	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Remove existing marcite finish	4,686	SF			1.25	5,858	1.25	5,858
New quartz finish to walls and floor	4,686	SF	5.30	24,836	8.50	39,831	13.80	64,667
Extra for lane markers (6)	414	LF	2.00	828	3.75	1,553	5.75	2,381
Extra for depth markers	10	EA	40.00	400	55.00	550	95.00	950
SUBTOTAL:				\$ 26,064		\$ 47,792		\$ 73,856
Labor Premium Time	16.70%					7,981		7,981
SUBTOTAL:								\$ 81,837
General Conditions, Overhead and Profit	40.00%							32,735
Contingency	12.50%							14,322
Escalation to 2016	6.60%							8,507
TOTAL ESTIMATED COST:								\$ 137,401

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.01 Option 2 - Replace and Upgrade Lap Pool Finish with New Marcite Finish	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Remove existing marcite finish	4,686	SF			1.25	5,858	1.25	5,858
New marcite finish	4,686	SF	3.15	14,761	6.20	29,053	9.35	43,814
Extra for lane markers (6)	414	LF	2.00	828	3.75	1,553	5.75	2,381
Extra for depth markers	10	EA	40.00	400	55.00	550	95.00	950
SUBTOTAL:				\$ 15,989		\$ 37,014		\$ 53,003
Labor Premium Time	16.70%					6,181		6,181
SUBTOTAL:								\$ 59,184
General Conditions, Overhead and Profit	40.00%							23,674
Contingency	12.50%							10,357
Escalation to 2016	6.60%							6,152
TOTAL ESTIMATED COST:								\$ 99,367

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.01 Option 3 - Upgrade Existing Lap Pool Marcite Finish	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Clean existing and apply new colored marcite finish	4,686	SF	3.15	14,761	7.15	33,505	10.30	48,266
Extra for lane markers (6)	414	LF	2.00	828	3.75	1,553	5.75	2,381
Extra for depth markers	10	EA	40.00	400	55.00	550	95.00	950
SUBTOTAL:				\$ 15,989		\$ 35,608		\$ 51,597
Labor Premium Time	16.70%					5,947		5,947
SUBTOTAL:								\$ 57,544
General Conditions, Overhead and Profit	40.00%							23,018
Contingency	12.50%							10,070
Escalation to 2016	6.60%							5,982
TOTAL ESTIMATED COST:								\$ 96,614

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.02 - Replace 1"x1" Chipped Tiles	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$

Remove and replace 1"x1" chipped tiles with new tiles (assume 2% of pool area)	94	SF	7.70	724	15.50	1,457	23.20	2,181
SUBTOTAL:				\$ 724		\$ 1,457		\$ 2,181
Labor Premium Time	16.70%					243		243
SUBTOTAL:								\$ 2,424
General Conditions, Overhead and Profit	40.00%							970
Contingency	12.50%							424
Escalation to 2016	6.60%							252

TOTAL ESTIMATED COST:	\$ 4,070
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HMS Project No.: 14096

07 - AQUATIC SYSTEMS	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Deficiency 0711.04 - Lap Pool Corrosion Repairs								

Cut back ties and rebar 1" deep, patch pool finish (quantity assumed)	10	EA	15.00	150	48.00	480	63.00	630
SUBTOTAL:				\$ 150		\$ 480		\$ 630
Labor Premium Time	16.70%					80		80
SUBTOTAL:								\$ 710
General Conditions, Overhead and Profit	40.00%							284
Contingency	12.50%							124
Escalation to 2016	6.60%							74

TOTAL ESTIMATED COST:	\$ 1,192
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HMS Project No.: 14096

07 - AQUATIC SYSTEMS	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Deficiency 0711.05 - Wading Pool ADA Ramp								
Construct new ADA pool access ramp complete with finishes and railings	80	SF	55.00	4,400	75.00	6,000	130.00	10,400
Miscellaneous cut and patch	48	SF	10.00	480	15.00	720	25.00	1,200
SUBTOTAL:				\$ 4,880		\$ 6,720		\$ 11,600
Labor Premium Time	16.70%					1,122		1,122
SUBTOTAL:								\$ 12,722
General Conditions, Overhead and Profit	40.00%							5,089
Contingency	12.50%							2,226
Escalation to 2016	6.60%							1,322
TOTAL ESTIMATED COST:								\$ 21,359

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.06 Option 1 - Replace Wading Pool Finish with Quartz Aggregate Finish	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Remove existing marcite finish	694	SF			1.25	868	1.25	868
New quartz finish to walls and floor	694	SF	5.30	3,678	8.50	5,899	13.80	9,577
Extra for depth markers	4	EA	40.00	160	55.00	220	95.00	380
SUBTOTAL:				\$ 3,838		\$ 6,987		\$ 10,825
Labor Premium Time	16.70%					1,167		1,167
SUBTOTAL:								\$ 11,992
General Conditions, Overhead and Profit	40.00%							4,797
Contingency	12.50%							2,099
Escalation to 2016	6.60%							1,247
TOTAL ESTIMATED COST:								\$ 20,135

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.06 Option 2 - Replace Wading Pool Finish with New Marcite Finish	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Remove existing marcite finish	694	SF			1.25	868	1.25	868
New marcite finish	694	SF	3.15	2,186	6.20	4,303	9.35	6,489
Extra for depth markers	4	EA	40.00	160	55.00	220	95.00	380
SUBTOTAL:				\$ 2,346		\$ 5,391		\$ 7,737
Labor Premium Time	16.70%					900		900
SUBTOTAL:								\$ 8,637
General Conditions, Overhead and Profit	40.00%							3,455
Contingency	12.50%							1,512
Escalation to 2016	6.60%							898
TOTAL ESTIMATED COST:								\$ 14,502

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.06 Option 3 - Upgrade Existing Wading Pool Marcite Finish	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$
Clean existing and apply new colored marcite finish	694	SF	3.15	2,186	7.15	4,962	10.30	7,148
Extra for depth markers	4	EA	40.00	160	55.00	220	95.00	380
SUBTOTAL:				\$ 2,346		\$ 5,182		\$ 7,528
Labor Premium Time	16.70%					865		865
SUBTOTAL:								\$ 8,393
General Conditions, Overhead and Profit	40.00%							3,357
Contingency	12.50%							1,469
Escalation to 2016	6.60%							872
TOTAL ESTIMATED COST:								\$ 14,091

HMS Project No.: 14096

07 - AQUATIC SYSTEMS Deficiency 0711.07 - Wading Pool Corrosion Repairs	QUANTITY	UNIT	MATERIAL		LABOR		TOTAL	TOTAL
			RATE	TOTAL	RATE	TOTAL	UNIT RATE	MATERIAL/LABOR
			\$	\$	\$	\$	\$	\$

Cut back ties and rebar 1" deep, patch pool finish (quantity assumed)	8	EA	15.00	120	48.00	384	63.00	504
SUBTOTAL:				\$ 120		\$ 384		\$ 504
Labor Premium Time	16.70%					64		64
SUBTOTAL:								\$ 568
General Conditions, Overhead and Profit	40.00%							227
Contingency	12.50%							99
Escalation to 2016	6.60%							59

TOTAL ESTIMATED COST:	\$ 953
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Quote from JYL

DESIGN SERVICES PROPOSAL



SUMMARY

Project: Craig Pool Refinishing (18049)

SERVICES	FEE	TYPE	EXPENSES	TAX	TOTAL
Pre-Design	\$1,930	Lump sum	\$825	\$0	\$2,755
Schematic Design	\$4,740	Lump sum	\$0	\$0	\$4,740
Construction Documents	\$11,266	Lump sum	\$0	\$0	\$11,266
Bidding and Negotiations	\$2,727	Lump sum	\$0	\$0	\$2,727
Construction Administration	\$12,691	Time/Expense	\$2,300	\$0	\$14,991
TOTAL					\$36,479

PROGRAMING/CONCEPT DESIGN SERVICES

Project:

STAFF:	Architect						Interior Design			Construction Manage			Drafter		Exec A	Cler A	ACC	TOTAL
	PMgr	A-III	A-II	A-I	Int III	Int II	ID-III	ID-II	ID-I	CM-III	CM-II	CM-I	D-II	D-I	EA	CA	A	
	\$170	\$140	\$125	\$110	\$95	\$85	\$140	\$115	\$65	\$140	\$120	\$95	\$95	\$85	\$80	\$40	\$85	
ARCHITECTURE:																		
Project Management	1																	
Preparation																		
Travel Time				4														
Site Investigation				8														
Draft Report				4														
Final Report																		
Submittal																		
Subtotal Hours	1	0	0	16	0	0	0	0	0	0	0	0	0	0	0	0	0	17
Subtotal Dollars \$	170	0	0	1,760	0	0	0	0	0	0	0	0	0	0	0	0	0	1,930

CONSULTANTS:

- Civil Engineering, Geotech Investigation
- Structural Engineering
- Mechanical Engineering
- Electrical Engineering
- Hazardous Materials Investigation
- Landscape Architecture
- Cost Estimating
- Energy Analysis

Subtotal		\$0
Overhead/Profit	10%	\$0
Total		\$0

TOTAL PRE-DESIGN SERVICES FEE	\$1,930
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SCHEMATIC DESIGN SERVICES

Project:

STAFF:	Architect						Interior Design			Construction Manage			Drafter		Exec A	Cler A	ACC	TOTAL
	PMgr	A-III	A-II	A-I	Int III	Int II	ID-III	ID-II	ID-I	CM-III	CM-II	CM-I	D-II	D-I	EA	CA	A	
	\$170	\$140	\$125	\$110	\$95	\$85	\$140	\$115	\$65	\$140	\$120	\$95	\$95	\$85	\$80	\$40	\$85	
ARCHITECTURE:																		
Project Management																		
Disc Coor/Doc Review	1			8														
Agency Consul/Rev																		
Schedule Dev/Monitoring																		
Cost Estimates																		
GoToMeetings																		
Schematic Design Dwgs				24														
Outline Specs				8														
Energy Analysis																		
Code Analysis																		
Presentations																		
Quality Control	1																	
LEED																		
Submittal																		
Subtotal Hours	2	0	0	40	0	0	0	0	0	0	0	0	0	0	0	0	0	42
Subtotal Dollars \$	340	0	0	4,400	0	0	0	0	0	0	0	0	0	0	0	0	0	4,740

CONSULTANTS:

- Civil Engineering, Geotech Investigation
- Structural Engineering
- Mechanical Engineering
- Electrical Engineering
- Hazardous Materials Investigation
- Landscape Architecture
- Cost Estimating
- Energy Analysis

Subtotal		\$0
Overhead/Profit	10%	\$0
Total		\$0

TOTAL SCHEMATIC DESIGN SERVICES FEE	\$4,740
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CONSTRUCTION DOCUMENT SERVICES

Project:

STAFF:	Architect						Interior Design			Construction Manage			Drafter		Exec A	Cler A	ACC	TOTAL
	PMgr	A-III	A-II	A-I	Int III	Int II	ID-III	ID-II	ID-I	CM-III	CM-II	CM-I	D-II	D-I	EA	CA	A	
	\$170	\$140	\$125	\$110	\$95	\$85	\$140	\$115	\$65	\$140	\$120	\$95	\$95	\$85	\$80	\$40	\$85	
ARCHITECTURE:																		
Project Management	4																	
Disc Coor/Doc Review																		
Agency Consul/Rev																		
Schedule Dev/Monitoring																		
Cost Estimates																		
Meetings																		
Construction Dwgs				24														
Specifications				48														
Energy Analysis																		
Code Analysis																		
Presentations																		
Quality Control	4																	
LEED																		
Submittal																		
Subtotal Hours	8	0	0	72	0	0	0	0	0	0	0	0	0	0	0	0	0	80
Subtotal Dollars \$	1,360	0	0	7,920	0	0	0	0	0	0	0	0	0	0	0	0	0	9,280

CONSULTANTS:

Civil Engineering	
Structural Engineering	\$1,805
Mechanical Engineering	
Electrical Engineering	
Hazardous Materials Investigation	
Landscape Architecture	
Cost Estimating	
Energy Analysis	
Subtotal	\$1,805
Overhead/Profit	10%
Total	\$1,986

TOTAL CONSTRUCTION DOCUMENT SERVICES FEE	\$11,266
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BIDDING AND NEGOTIATION SERVICES

Project:

STAFF:	Architect						Interior Design			Construction Manage			Drafter		Exec A	Cler A	ACC	TOTAL
	PMgr	A-III	A-II	A-I	Int III	Int II	ID-III	ID-II	ID-I	CM-III	CM-II	CM-I	D-II	D-I	EA	CA	A	
	\$170	\$140	\$125	\$110	\$95	\$85	\$140	\$115	\$65	\$140	\$120	\$95	\$95	\$85	\$80	\$40	\$85	
ARCHITECTURE:																		
Project Management	2																	
Disc Coor/Doc Review																		
Agency Consul/Rev																		
Schedule Dev/Monitoring																		
Pre Bid Meeting																		
Bidding Materials				2														
Addenda				2														
Bidding/Negotiation				12														
Analysis of Alts/Subs																		
Special Bidding																		
Bid Evaluation																		
Construction Contract																		
Subtotal Hours	2	0	0	16	0	0	0	0	0	0	0	0	0	0	0	0	0	18
Subtotal Dollars \$	340	0	0	1,760	0	0	0	0	0	0	0	0	0	0	0	0	0	2,100

CONSULTANTS:

- Civil Engineering
- Structural Engineering \$570
- Mechanical Engineering
- Electrical Engineering
- Hazardous Materials Investigation
- Landscape Architecture

Subtotal \$570
 Overhead/Profit 10% \$57
 Total \$627

TOTAL BIDDING AND NEGOTIATION SERVICES FEE	\$2,727
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CONSTRUCTION ADMINISTRATION

Project:

STAFF:	Architect						Interior Design			Construction Manage			Drafter		Exec A	Cler A	ACC	TOTAL
	PMgr	A-III	A-II	A-I	Int III	Int II	ID-III	ID-II	ID-I	CM-III	CM-II	CM-I	D-II	D-I	EA	CA	A	
	\$170	\$140	\$125	\$110	\$95	\$85	\$140	\$115	\$65	\$140	\$120	\$95	\$95	\$85	\$80	\$40	\$85	
ARCHITECTURE:																		
Project Management	4																	
Pre-Construction Conf Clarifications				4														
Submittal Review				4														
Testing/Inspection				16														
RFIs/RFPs/CO'S				16														
Field Observations																		
1 @ 10 hours				10														
Substantial Compl Insp																		
1 @ 10 hours				10														
Final Completion Insp																		
x @ x hours																		
Close-out	2			10														
Subtotal Hours	6	0	0	70	0	0	0	0	0	0	0	0	0	0	0	0	0	76
Subtotal Dollars \$	1,020	0	0	7,700	0	0	0	0	0	0	0	0	0	0	0	0	0	8,720

CONSULTANTS:

Civil Engineering	
Structural Engineering	\$3,610
Mechanical Engineering	
Electrical Engineering	
Hazardous Materials Investigation	
Landscape Architecture	
Subtotal	\$3,610
Overhead/Profit	10% \$361
Total	\$3,971

TOTAL CONSTRUCTION ADMINISTRATION SERVICES FEE	\$12,691
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CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 26, 2018
RE: Port St. Nicholas Road Maintenance Fee

In May the council last reviewed a version of an ordinance establishing a fee to offset the city's cost to maintain the Port St. Nicholas Road. Since that review I have worked again with the city's attorney and city staff to edit the draft. Attached is the revised version. The edits include a change to the effective date of the ordinance, some formatting changes, and some changes to the section detailing when the annual maintenance report and plan of work are due to the council.

As a summary, below is a description of how the fee process would work, based on the text in the draft ordinance, and assuming the work revolves around the city's fiscal year, and not the calendar year.

1. Per 12.10.040.A, city staff prepares the annual maintenance report by September 30. The report details work tasks and expenses to maintain the PSN Road for the prior fiscal year. The report is presented to the city council via a council meeting agenda item.
2. The council, per 12.10.020, likely at a meeting occurring shortly after the meeting where it receives the annual maintenance report, approves a resolution setting a per lot fee for PSN Road maintenance. The fee is based on a percentage of the total cost of maintenance of the road detailed in the annual maintenance report.
3. City staff then issues billing statements to the PSN property owners, based on the fee set by the council resolution. This may occur in December. A formal appeal process then begins per 12.10.080.
4. City staff produces the plan of work, (per 12.10.040) documenting the work planned for the PSN Road for the coming fiscal year. This report is due to the council by December 31 via council meeting agenda item.
5. The process restarts at step 1.

This process provides for scheduled public comment at steps 1 and 4, a public hearing at step 2, and a formal appeal process at step 3.

This arrangement has the city billing PSN property owners in arrears for PSN road maintenance. Work done during a given July 1-June 30 fiscal year is billed out the following November/December, after the city council sets the fee. This arrangement results in a long lag time between the time the city incurs road maintenance expenses and the time when the fees are due. Staff may be able to shorten that lag time, depending on how quickly we can compile costs for a given fiscal year. Initial costs will include costs to build an accurate list of addresses in order to mail out statements.

The basis for the proposed PSN road maintenance fee is found at various provisions of Alaska Statutes and the Alaska Constitution. Some property owners at PSN have voiced doubts about the authority of the City of Craig to assess and collect a road maintenance fee, and have retained

the services of an attorney, who has contacted city staff as to the matter. If the council chooses to adopt an ordinance implementing the road maintenance services and fee, it should be prepared to defend the action in court. The outcome of such litigation, like any court action, is uncertain.

When the council reviewed the May 2018 draft version of the document, it was prepared to move ahead with introduction of the ordinance. If that is still the case after reviewing the updated version attached here, staff will prepare the ordinance for first reading.

**CITY OF CRAIG
ORDINANCE NO. _____**

**ADDING CHAPTER 12.10 TO THE CRAIG MUNICIPAL CODE PROVIDING FOR
ROAD MAINTENANCE AND CAPITAL IMPROVEMENTS ALONG THE PORT ST.
NICHOLAS ROAD AND ESTABLISHING A FEE FOR MAINTENANCE AND
IMPROVEMENTS**

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

WHEREAS, the City of Craig exercises general powers per Alaska Statutes 29.35.010 and other enabling statutes; and,

WHEREAS, Section 1, Article 10 of the Alaska Constitution provides that a liberal construction shall be given to the powers of local government units; and

WHEREAS, Alaska Statutes 29.71.800 defines streets to include roads;

WHEREAS, the City of Craig provides maintenance and capital improvements to the Port St. Nicholas Road outside the Craig city limits; and,

WHEREAS, the City of Craig is authorized to provide services, including streets, outside its boundaries per Alaska Statutes 29.35.020, and may regulate the use and operation of streets outside its boundaries to the extent that the jurisdiction in which they are located does not regulate them; and,

WHEREAS, there is no jurisdictional entity within the Port St. Nicholas Road as defined in this ordinance that provides maintenance to and improvement of the Port St. Nicholas Road in the manner proposed in this ordinance; and,

WHEREAS, the City of Craig has a property interest in the Port St. Nicholas Road consisting of an easement and fee simple title to a surface estate conveyed by quitclaim deed; and,

WHEREAS, the City of Craig assumed responsibility for the maintenance of the Port St. Nicholas Road as a condition imposed by the State of Alaska for the State of Alaska to accept the federal funding to pave the road; and

WHEREAS, the City of Craig assumed all the rights of ownership from Shaan Seet contained in the Declaration of Protective Covenants, Restrictions, Easements and Agreements, as recorded August 14, 1984 at Book 124 in the Ketchikan Recording District, including but not limited to determining a reasonable manner to partially reimburse the City of Craig for providing maintenance and improvement to the Port St. Nicholas Road; and

WHEREAS, the maintenance and improvements to the Port St. Nicholas Road by the City of Craig benefits the owners of lots along the Port St. Nicholas Road; and

WHEREAS, the Council finds it to be an unfair burden on the residents of the City of Craig to bear the entire cost for the maintenance and improvement of the Port St. Nicholas Road; and

WHEREAS, Alaska law does not allow the City of Craig to establish the Port St. Nicholas Road as a service area because the service could be provided by annexation of the Port St. Nicholas area to the City of Craig; and

WHEREAS, maintenance, repair, and improvement activities on the Port St. Nicholas Road are a significant cost to the City of Craig; and

WHEREAS, by adoption of this ordinance, the Craig City Council authorizes the delivery, outside of the city's municipal boundaries, of road operation, repair, maintenance, construction, improvements and any other road services and facilities as described in this ordinance; the council further authorizes the exercise of the powers necessary for the provision of those services.

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 January 1, 2019.

Section 4. Action. This ordinance establishes a new chapter at 12.10 of the Craig Municipal Code.

Chapter 12.10

Port St. Nicholas Road Maintenance and Improvement and Road Maintenance and Improvement Fee - Extraterritorial

Sections:

- 12.10.010 Road Maintenance and Improvement Fee.**
- 12.10.020 Setting of Fee.**
- 12.10.030 Use of Fee.**
- 12.10.040 Annual Maintenance Report; Plan of Work.**
- 12.10.050 Prohibition Applied to Delinquent Properties.**
- 12.10.060 Notices to Property Owner.**
- 12.10.070 Notices from Property Owner.**
- 12.10.080 Appeal; Judicial Review.**
- 12.10.090 Definition.**

12.10.010 Road Maintenance and Improvement Fee

- A. The owner of record of any lot or property intersecting with the Port St. Nicholas Road, or any lot or property that lies within 350 feet of the Port St. Nicholas Road, shall pay to the City of Craig a road maintenance and improvement fee.
- B. Road maintenance and improvement fee bills shall be mailed by regular US Mail to property owners of record on a regular basis as established by the City Council.
- C. Each bill rendered shall be due when mailed. All bills not paid within sixty (60) days of the mailing date shall be considered delinquent.
- D. At any time after the account becomes delinquent, a notice of delinquency may be sent to the owner.
- E. Upon delinquency, the city may lien the delinquent property in accordance with Chapter 1.20 of the Craig Municipal Code and provide notice of the lien to the owner of record. The city may seek to recover the delinquent fee and costs of collection, including attorney's fees, by any manner allowable by law.
- F. Chapter 12.10 applies to areas outside the city limits.
- G. Each lot owner shall be responsible for providing the City of Craig with a valid mailing address. The City of Craig shall have no responsibility other than mailing to the last known address as provided by the lot owner.

12.10.020 Setting of Fee

The city council shall from time to time set, by resolution, the road maintenance and improvement fee to reimburse the City of Craig for a portion of the cost to operate and maintain the Port St. Nicholas Road.

12.10.030 Use of Fee

- A. Fees collected under this section shall be held in a special revenue fund, subject to annual audit and reporting in the same manner as other special revenue funds maintained by the city.
- B. Road maintenance and improvement fees collected will be appropriated from time to time by the city council to meet maintenance, repair, capital improvement, and operational costs of the Port St. Nicholas Road.

12.10.040 Annual Maintenance Report; Plan of Work.

- A. The Public Works Department shall prepare an annual maintenance report. The report shall include a description of all capital and maintenance activities performed within the road corridor during the course of the reporting period. The report shall also include an accounting of all fees collected and all expenses incurred during the reporting period. The report shall be provided to the City Council no later than 90 days following the end of the reporting period.
- B. The Public Works Department of the city shall prepare an annual plan of work and budget estimating the work tasks and the capital and operational costs for the Port St. Nicholas Road. The annual plan of work may include road brushing, plowing, sanding, sweeping, striping, surfacing, grading, excavation, maintenance of culverts and drainage structures, repair and maintenance of asphalt and concrete, and all other tasks and costs reasonably related to operation, maintenance, and improvement of the road. The annual plan shall be

presented to the City Council for review no later than 180 days following the end of the reporting period.

12.10.050 Prohibition Applied to Delinquent Properties

The City of Craig shall not approve or authorize installation of a new water service connection, where no service previously existed, to any property for which the fees required to be paid by the property owner of record under this chapter are delinquent.

12.10.060 Notices to Owner

Notices from the City of Craig to the owner of record will be given in writing and either mailed to or delivered to the owner's last known address. Where conditions warrant in emergencies, the city may notify the owner verbally by telephone or messenger or by text message or e-mail.

12.10.070 Notices from Owner

Notices from owners to the city shall be in writing and mailed to Craig City Hall or delivered to the office of the city clerk at Craig City Hall.

12.10.080 Appeal; Judicial Review.

- A. An owner of record who receives a billing pursuant to 12.10.010 of this chapter may file a protest in writing to the city administrator within thirty days (30) of the mailing of the bill in accordance with 12.10.010. The protest shall state all of the factual and legal grounds for the protest and submit all supporting documents to be considered by the city administrator in deciding the protest. Any outstanding bill for the road maintenance and improvement fee must be paid in full at the time of the filing of the protest. The failure to submit full payment of any outstanding bill shall result in the city clerk notifying the owner of record that the protest is incomplete and not in compliance with this provision and will not be considered by the city administrator. The decision of the city administrator shall be a final decision and shall be provided to the owner of record by certified mail.

- B. Judicial review by the Superior Court, First Judicial District, at Prince of Wales Island, Alaska, may be had by filing a notice of appeal in accordance with Alaska Rules of Appellate Procedure 602(a)(2) no later than thirty days (30) after the city's receipt of the return of service of the decision of the city administrator to the owner of record.

12.10.090 Definition

Except where otherwise defined in this chapter, "Port St. Nicholas Road" is defined as the 60 foot wide road corridor beginning at the intersection of the City of Craig municipal boundary with the Port St. Nicholas Road, and ending at Station 278+89.57, a point 29.57' bearing S88°32'W of Point of Curvature No. 37 of the Port St. Nicholas Road, as shown on Sheet 11 of 14 of Plat 95-57, Ketchikan Recording District.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 24, 2018
RE: Designation of Council Seats on Municipal Ballot

Council member Jan Trojan asked that this item be placed on the council's November 1 meeting agenda.

In Craig, city council seats are undesignated, meaning that those candidates receiving the most votes win the available council seats. Some communities designate their council seats, typically with a letter or number, and require candidates choose which seat to seek. Upon canvassing the ballots, the candidate with the most votes for a specified seat wins that seat.

The council discussed the designated seat approach to local city council elections as recently as May 2008. The council took no action following that discussion to designate city council seats.

Section 29.20.130 of Alaska Statutes specifies that all city council seats are elected on at-large basis unless provided for otherwise by ordinance. Other sections of statute may also apply to designating council seats.

Should the council wish to change the format of how candidates compete for city council seats (and/or school board seats), staff can conduct the needed research and return with a report or draft ordinance.

Council member Jan Trojan may wish to initiate this conversation at the November 1 council meeting.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: October 24, 2018
RE: Conflict of Interest Provisions in the Craig Municipal Code

Councilmember Jan Trojan has asked this item be scheduled for discussion by the council. Jan will initiate discussion on this item.

Background

The Officers and Council rules section of the city's municipal code (Section 2.04) contains two sections of particular note as to conflicts of interest: Sections 2.04.130 and 2.04.270.

Section 2.04.130 requires a city council member to declare a substantial financial interest in an "official action" by the council. This section was adopted into the city's municipal code in 1989. This section goes on to prohibit city employees or officials from participating in an official action where the employee or official has a substantial financial interest.

Section 2.01.270 exempts public officials in Craig from completing a report of financial and business interests otherwise required at section 39.50 of Alaska Statutes. CMC 2.01.270 was adopted into the municipal code in 1976 after a vote by the city's electorate. Craig is one of about 132 local governments in Alaska whose public officials are not required to complete the disclosure form.

While public officials in Craig are not required to file a statutory financial disclosure form, those officials are still required by law to declare if a substantial financial interest exists. Once such a declaration is made, CMC 2.04.130 spells out steps to follow to rule on the declared conflict.

Councilmember Jan Trojan can articulate her thoughts on this matter when this agenda item is called by the mayor.