

**CITY OF CRAIG
COUNCIL AGENDA
DECEMBER 6, 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) Alaska Commercial Co. Liquor License Renewal

HEARING FROM THE PUBLIC

- Open for public comment
- 1) Resolution 18-21, Administrative Fees for City Website
 - 2) Resolution 18-22, Local Hazard Mitigation Plan
 - 3) Resolution 18-23, Tablet Use Policy
 - 4) Second Reading and Public Hearing of Ordinance 715, Meeting Participation via Teleconference

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) APCM October Report
- 2) Thank You from Southeast Senior Services
- 3) Letter from Gov. Walker- Klawock Airport Winter Operations
- 4) Updated DOT Statement- Klawock Airport
- 5) "Borough Hears from Ucore"
- 6) Marathon Thank You
- 7) Regional Forester for Alaska
- 8) Rural Schools Renewal

**CITY OF CRAIG
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DECEMBER 6, 2018
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CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- 1) Resolution 18-21, Administrative Fees for City Website
- 2) Resolution 18-22, Local Hazard Mitigation Plan
- 3) Resolution 18-23, Tablet Use Policy
- 4) Ordinance 715, Meeting Participation via Teleconference

UNFINISHED BUSINESS

- 1) Roadless Rule Letter/information
- 2) Review Port St. Nicholas Road Maintenance Fee Ordinance
- 3) Discussion of Designating Council Seats at Elections

NEW BUSINESS

- 1) Consider Offer for Motor Vessel Big Betty
- 2) Consider Options for Steam Donkey Components
- 3) Consider Approval, 2018 Community Economic Development Strategy (CEDS) Committee

ADJOURNMENT

ROLL CALL

Mayor Tim O'Connor called the meeting to order at 7:04 p.m. and the roll was taken. Present were, Jan Trojan, Hannah Bazinet, Dave Creighton, Julie McDonald and Michael Douville. Absent excused was Jim See.

Staff present: Jon Bolling, City Administrator; Kassi Mackie, City Clerk; Jessica Holloway, Aquatic Center Manager; Joyce Mason, Treasurer; Brian Templin, City Planner; Hans Hjort, Harbormaster; Angela Matthews, Librarian; Russel Dill, Public Works Director; Victoria Merritt, Parks and Recreation Director; Doug Ward, Parks and Public Facilities Director

Audience present: Andy Deering, Lisa Radke, Cari Wold, Jim Dennis, Brent Cole, Edward Douville, Kay Shrammack, Barbi Armstrong, Jessica Pinnick, Annette Cole, Karl Richter, Gary Barlow.

CONSENT AGENDA

- City Council Meeting Minutes of October 4, 2018
DOUVILLE/TROJAN moved to approve the consent agenda.
MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

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

Jim Dennis was present to complain to the council about the leash law on the dock. Jim is requesting that the council issue more tickets for dog waste on the dock. Jim is also concerned about the charter boat captains (in particular) making wakes through the harbor. Jim is also requesting that the drivers of the boats making a wake be issued a ticket. Hans commented that he has received a lot of complaints lately on dog waste. If this is something that the council feels the staff should enforce, they will begin issuing tickets. Mike Douville commented that the requirement previously was not that the dog be on a leash, but in commanded control. Mayor O'Connor would like to get a handle on the situation before the dogs are banned from the dock. Hans commented that many pet owners take care of the waste, but there are a few that don't. Julie asked about writing letters to boat owners and harbor users. Jon commented that if the council is prepared staff will enforce the leash law. Jan would like to have something in the newspaper warning harbor users. Dave asked about addressing the repeat offenders. The dock will be monitored by videos soon. Mike commented that the live-aboard residents may have to lose the right to have pets on the dock. Mike also asked about the mandatory speed through the harbor.

Lisa Radke commented that the dog owners are not always live-aboard.

Brent Cole Sr. was present to ask the council what mile markers are being referenced in the ordinance. Jon commented that it included the far end of Lot 1, just past the water plant. Brent is unhappy with the ordinance still and doesn't believe that PSN residents should pay for the road maintenance.

REPORTS FROM CITY OFFICIALS

Mayor/Fire Department- Mayor O'Connor has been out of town the last week and is catching up on city business.

Administrator- Jon provided a written report.

Treasurer- Joyce provided a report. Sales tax was due yesterday. \$551,000 should be returned this quarter. Joyce anticipates receiving the full projected Transient Room Tax this fiscal year.

Aquatic Manager- Jessica provided a report and was out of town.

City Clerk- Kassi provided a written report and reminded the council of the November 15th meeting.

City Planner- Brian did not submit a report and has been out of town the last few weeks. Brian participated in a training session on the Community Development Block Grant and has brought back some valuable information for that. Brian and Kassi have been working to fine-tune the new website and should have it out in the next few weeks.

EMS Coordinator- Chaundell provided a written report.

Harbormaster- Hans provided a written report and added working on the boardwalk near the cannery. Mike Douville would like to comment that the planks on the finger nearest his boat is very green and slick.

Library- Angela did not provide a written report but has four new computers at the library. Next big project for the library is the winter reading program, Angela is excited for the new event.

Police Chief- RJ provided a written report and was absent excused. The council asked about upgrading the equipment to be equipped to issue REAL ID. Jon commented that the State of Alaska will be providing the compliant equipment for this but doesn't know the details. RJ can explain more at the upcoming meeting.

Public Works- Russell provided a written report.

Parks and Rec- Victoria provided a written report and added that the harvest festival was wonderful this year. The EMS provided a free carnival last Tuesday that was well attended. There is a bazaar scheduled for the end of the month.

Parks and Public Facilities- Doug provided a written report.

READING OF CORRESPONDENCE

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

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Resolution 18-19, Authority to Participate in the Community Development Block Grant

CREIGHTON/DOUVILLE

moved to approve Resolution 18-19.
MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

Resolution 18-20, Supporting the Coordinated Public Transit Plan and Transit Priorities for Prince of Wales Island

TROJAN/BAZINET

moved to approve Resolution 18-20.

Jon declared his position on the Board of Directors but has no financial interest.

MOTION CARRIED UNANIMOUSLY BY
ROLL CALL VOTE

UNFINISHED BUSINESS

Roadless Rule Letter/Information

Jon explained that this item is a carryover from prior meeting agendas. Hannah asked about what is expected of the council with this agenda item. Jon explained the council's prior participation in commenting on the Roadless Rule, and what position the council may like to take on this agenda item. Jan supports the Alaska exemption of the Roadless Rule. Mike doesn't support overturning the Roadless Rule in its entirety. Dave commented that the city doesn't want to limit economic development opportunities. Mike explained that the only resource this would block is timber. The council decided to postpone this agenda item until there is a full council present. Mike also commented on the election and possibility of a new governor that may change the outcome, as well as Proposition 1.

NEW BUSINESS

Consider Appropriation for installation of radio equipment at the Craig Police Department

DOUVILLE/BAZINET

moved to appropriate \$5509.34 to pay the cost of installation of a new base interface module at the Craig Police Department.
MOTION CARRIED UNANIMOUSLY

Consider Aquatic Center Design Contract

DOUVILLE/TROJAN

moved to direct staff to contract with Jensen-Yorba-Lott to complete service identified in the company's August 24, 2018 design services proposal.

MOTION CARRIED UNANIMOUSLY

Consider Port St. Nicholas Road Fee

Jan asked about the undeveloped lots, and whether or not undeveloped lots would need to pay as well. Jon commented that the ordinance outlines that any lot that is along the way, undeveloped or developed is responsible for the fee. Part of the ordinance requires the city to produce a scope of work for the coming fiscal year, which would estimate the cost of maintenance which would outline the fee.

Jan commented about the Memorandum of Agreement that has been provided to her, and what that may mean for the City of Craig. Staff put together an estimate of costs with the Port St. Nicholas residents, and the cost varies from year to year. Julie commented that the entire cost of the fee isn't passed to the residents.

Dave commented that there is quite a bit of support for this ordinance.

Hannah doesn't support the ordinance and understands residents having a problem paying for a road that everyone uses.

Mike reminded the council that this fee would be maintaining what is already there, not upgrading the road. Mike believes that as the city owns the road, it is the city's obligation to pay for the maintenance as well. The Craig Tribal Association has applied for a grant to finish the road out to the water treatment plant, but it is unclear whether or not it will be awarded. Mike commented on the culverts on the hillside of the road, that were put in without any say from the city which in turn has disrupted the drainage. Julie would like to see the percentage written into the ordinance. Mike commented that it would give protection to the residents, but to come up with a percentage number, the council would need to see a plan. The council would like to see some numbers for percentages of responsibility.

Mayor O'Connor commented on staff tracking the maintenance costs through this year, so there is a solid report of costs to maintain the road.

Carrie Wold commented that the maintenance on the brush clearing that was done was ridiculous. Road maintenance on the gravel portion of the road can only be partially maintained because the road is so bad. Carrie is willing to do whatever she can, but the

amount of money that was raised on the water out Port St. Nicholas last year was substantial.

Brent Cole commented that some residents out Port St. Nicholas own multiple lots.

Jessica Pinnick commented that there are many people out the road that will lose their land due to financial instability.

Kay Shrammack commented that the CTA Grant could complicate the funds for the road maintenance. Kay also asked what Capital Improvements refers to in the ordinance and commented that the "Fee surface estate" referenced in the ordinance needs clarification. Kay doesn't see why the City believes to have an interest in the covenants.

Karl Richter doesn't quite understand why the city wanted to sign for the Port St. Nicholas Road. Jon was not privy to the 14C3 conversations, as he was hired after the discussion. The city accepted the title to lands that in the end were designed to benefit the public.

Barbi Armstrong agreed with Brent Cole that the lot needs to be defined, as well as the percentage defined in the draft ordinance. Barbi also commented that the Port St. Nicholas residents pay a fair share to the City of Craig. Mayor O'Connor commented that the amount of traffic going out Port St. Nicholas will be taken into consideration.

Gary Barlow commented that rock trucks are rolling back and forth on the road system on a Sunday, and there is traffic seven days a week on the Port St. Nicholas.

Mike asked how much money the City is willing to put into the road annually.

Ed Douville commented that the State of Alaska Law reads that the City cannot assess a fee without providing a service. Ed believes that the residents of Port St. Nicholas are already paying a fee with the inflated utility bills.

Andy Deering brought up that the City of Craig shall not obligate any third party to be required to pay maintenance on the Port St. Nicholas road.

Jessica Pinnick requested an explanation on the lien process, as the interpretation of a lien process suggests the possibility to lose land to the municipality. Julie commented her understanding of the lien process in this instance was that upon the sale of the property the municipality would be paid.

Hannah would like to consider setting a firm fee for the maintenance.

Dave would like to limit the unknowns for the residents of PSN. Deciding the percentage that the city will contribute and/or setting a flat fee for maintenance would be helpful for property owners.

The council would like to find an estimated fee, define property owner responsibility, determine the city's responsibility percentage, and determine legality.

Discussion on Designated Council Seats at Elections

Mike Douville would like to revisit prior discussion on this agenda item prior to taking action on this item.

Conflict of Interest Provisions in the Craig Municipal Code

Jan explained that this item is on the agenda to remind the council to declare conflicts of interest. Jan believes that due to the council members wearing many hats, there should be some level of removing one's self from discussions if there is some gain.

ADJOURNMENT

DOUVILLE/TROJAN

moved to adjourn at 8:50 p.m.

MOTION CARRIED UNANIMOUSLY

APPROVED _____

MAYOR TIMOTHY O'CONNOR

ATTEST _____
KASSI MACKIE, CITY CLERK



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

November 1, 2018

City of Craig
Attn: Kassi Bateman, City Clerk
Via Email: cityclerk@craigak.com
adminclerk@craigak.com

Re: Notice of 2019/2020 Liquor License Renewal Application

License Type:	Package Store	License Number:	1948
Licensee:	The North West Company (International), Inc.		
Doing Business As:	Alaska Commercial Company		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Handwritten signature of Erika McConnell in cursive.

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

City of Craig Memorandum

To: Craig Mayor & City Council

From: Brian Templin, City Planner

Date: November 20, 2018

RE: Resolution 18-21 Planning & Administration Rates

Rates for various city services are established by the city council by resolution.

With the new web site the city will allow businesses to submit business listings that will be available to visitors of the site.

The mayor has requested that we establish separate rates for in-town and out of town businesses. This would provide a benefit to businesses that collect sales tax, pay property tax, and collect bed tax but would still be available for businesses outside of town.

The following rates have been added to the schedule of Administration and Planning Fees attached to Resolution 18-21:

Business Listing on City Web Site	
Businesses within City Limits	Free
Businesses located outside of City Limits	\$100/yr

All other fees on Schedule A remain the same as adopted on July 24, 2017.

Recommendation: Moved to accept resolution 18-21, Administration and Planning Fees.

**CITY OF CRAIG
RESOLUTION 18-21**

**ESTABLISHING MISCELLANEOUS ADMINISTRATIVE FEES
PROVIDED BY THE CITY OF CRAIG TO THE PUBLIC**

WHEREAS, the City of Craig is able to provide services to the public that the public may not have access to, and;

WHEREAS, the demand for certain administrative and planning fees has increased substantially, and;

WHEREAS, the City of Craig is now offering business listings on the city web site; and,

WHEREAS, the Craig City Council considers changes to miscellaneous administrative and planning fees from time-to-time; and,

WHEREAS, the Craig Municipal Code requires the city to establish rates through resolution.

NOW, THEREFORE, BE IT RESOLVED that the Craig City Council adopts a new fee schedule for planning and administrative fees shown as Attachment A to this resolution.

BE IT FURTHER RESOLVED that these rates will become effective December 6, 2018.

Approved this ____ day of December 6, 2018.

Mayor Tim O'Connor

Kassi Mackie, City Clerk

**Attachment A
City of Craig
Administration & Planning Fee
Schedule Effective December 6, 2018**

Planning Department

Modification -	\$ 30	
Addition -	\$ 30	
Demolition -	\$ 30	
Trailer Placement –	\$ 30	
New SF Home –	\$ 60	
New Duplex –	\$ 90	
New Triplex –	\$120	
New Fourplex –	\$150	
New Apartments –	\$180 (5 units, plus \$30 per unit over 5)	
Commercial Bldg –	\$120	
Shed Permits –	\$ 15	
Conditional Use Permits –		\$ 30
Variance –		\$ 30
Temporary Use Permits –		\$ 30
Replats/Subdivision –		\$ 60
Lease/Purchase Application –		\$150

Administration Department

Returned Check Fee	\$35.00	
Fax		
Incoming		\$0.25 per page
Outgoing		\$2.50 1 st page, 1.00 additional page
Copies (Black & White)		\$ 0.25 per page
CD (Minutes)		\$10.00
Staff time for Public Records Request exceeding 2 hours		\$10/hr
Large Print Maps		
B&W		\$ 5.00 each
Color		\$10.00 each
Laminating Sheets		
Small		\$1.00
Large		\$2.00
Notary		
1 st Page		Free
Additional Pages		\$2.50 per page
Business Listing on City Web Site		
Businesses within City Limits		Free
Businesses located outside of City Limits		\$100/yr

**CITY OF CRAIG
MEMORANDUM**

To: Craig Mayor and City Council

From: Brian Templin, City Planner

Date: November 26, 2018

RE: Resolution 18-22, Adoption of Craig Multi-Hazard Mitigation Plan

The State of Alaska, Division of Homeland Security and Emergency Management and FEMA have completed final review of the Craig Multi Hazard Mitigation Plan that the council adopted on August 2, 2018. No changes were made to the plan that the council adopted in August.

The last step in the adoption process now that final reviews have all been completed is for the council to pass a resolution formally adopting the plan. Resolution 18-22 is attached.

Once adopted the city will work with Alaska DHS&EM to move forward on mitigation projects outlined in the plan. A full copy of the plan is available for review.

Recommendation: Move to approve Resolution 18-22 and adopt the Craig Multi Hazard Mitigation Plan.

**CITY OF CRAIG
RESOLUTION 18-22**

Adoption of the City of Craig Multi-Hazard Mitigation Plan

WHEREAS, the City of Craig recognizes the threat that local natural hazards pose to people and property; and,

WHEREAS, undertaking hazard mitigation projects before disasters occur will reduce the potential for harm to people and property and save taxpayer dollars; and,

WHEREAS, the Craig city staff have reviewed the City of Craig Multi-Hazard Mitigation Plan and the Craig Planning Commission has conducted public hearings and recommended approval by the Craig City Council on February 7, 2018; and,

WHEREAS, the Craig Multi-Hazard Mitigation Plan has been sent to the Alaska Division of Homeland Security and Emergency Management and the Federal Emergency Management Agency for their review and has received preapproval pending City Council approval.

NOW, THEREFORE, BE IT RESOLVED that the Craig City Council, hereby adopts the City of Craig Multi-Hazard Mitigation Plan as an official plan; and,

NOW, THEREFORE BE IT FURTHER RESOLVED, that the City of Craig will submit the adopted Multi-Hazard Mitigation Plan to the Alaska Division of Homeland Security and Emergency Management and the Federal Emergency Management Agency officials for final review and approval.

APPROVED _____, 2018.

Tim O'Connor, Mayor

ATTEST _____
Kassi Mackie, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Kassi Mackie, City Clerk
Date: November 29, 2018
RE: Resolution 18-23

Attached you will find Resolution 18-23. This resolution approves the attached Tablet Use Policy for council members and the mayor.

As the council is likely aware, the FY19 Budget included funding for council iPads. The purpose of moving from paper packets to iPads was to cut down on administrative time and material costs. Staff has procured the iPads and uploaded all necessary information. They are ready for distribution upon adoption of a policy that the council supports.

Recommendation

Adopt Resolution 18-23.

**CITY OF CRAIG
RESOLUTION 18-23**

ADOPTING THE CITY OF CRAIG, ALASKA APPROVING A TABLET USE
POLICY FOR THE MAYOR AND COUNCIL

WHEREAS; at the regular meeting June 7, 2018 the council approved the FY19 operating budget which included funding for the purchase of iPad tablets for the council and Mayor, and

WHEREAS, the use of Tablets for electronic meeting material delivery will greatly reduce the use of paper resources and staff time by the Mayor, Manager and Clerk's office; and

WHEREAS, municipal participation in and promotion of recycling and other waste diversion and reduction strategies conserves valuable resources, and is the sustainable way to conduct business; and

WHEREAS, City of Craig staff held meetings to discuss and review the draft tablet use policy; and

WHEREAS, the city staff seeks formal approval of the policy from the Craig City Council.

THEREFORE, BE IT RESOLVED, that the Craig city council, by this resolution, approves the City of Craig Tablet Use Policy for the Mayor and Council attached hereto as Exhibit A and incorporated herein by reference effective December 6, 2018.

PASSED AND APPROVED by a duly constituted quorum of the city council this 6th day of December 2018.

MAYOR TIMOTHY O'CONNOR

KASSI MACKIE- CITY CLERK



City of Craig iPad Policy and Procedures

Attachment to Resolution 18-23

PURPOSE:

The City of Craig recognizes the benefits of utilizing digital communication and information and, therefore, may provide an iPad to the Mayor and each city council member for use in performing official duties. **The use of the iPads shall replace the distribution of paper copies of city council meeting packets by the Office of the City Clerk.** This policy is to ensure that users of the iPad acknowledge, understand, and respect the iPad, Internet, and usage policy.

SCOPE:

This policy applies to elected officials of the City of Craig who are issued an iPad by the City. **The explicit privileges and restrictions set forth in this policy do not attempt to cover every situation that may arise in connection with the use of this form of electronic communication. Users acknowledge, understand, and respect the underlying iPad, Internet, and usage philosophy that forms the basis of this policy.**

POLICY:

It is the policy of the City of Craig to provide iPads to the city's elected officials for the duration of their terms. Those in receipt of iPads shall adhere to this policy and procedures to ensure appropriate use and optimum functionality of city-issued communication devices. The iPad and email access that the city provides to users are tools for conducting city business. Thus, use of such tools will be primarily for City business related purposes. All of the City's computer systems, including the iPad, are public property. iPad and email activities will be traceable to the City and will impact the reputation of the City. City-issued iPads shall not be used to send or knowingly download any vulgar, discriminatory, or pornographic content. Users shall refrain from making any false or defamatory statements in any Internet forum, or from committing any other acts that could expose the City to liability.

PROCEDURES:

1. **Receipt of iPad.** The City Clerk will issue to each council member an iPad, screen protector, charger and a cover ("case") that includes appropriate software applications for use relating to City business. The City will direct all of its email and other electronic transmissions for a User to the User's City email address, which can be retrieved on the iPad. The City Clerk will be responsible for disseminating the iPad to the appropriate User and collecting the iPad to conduct updates when necessary.

Any additional accessories, such as, other model of case, adapters, and the like, shall be purchased at the expense of the elected official and shall remain the property of the official.

2. **Care of iPad.** Users are responsible for the general care of the iPad, screen protector and case issued by the City. iPads and cases must remain free of any writing, drawing, stickers, or labels that are not the property of the City.



City of Craig iPad Policy and Procedures

Attachment to Resolution 18-23

3. **Software on iPad.** The software and applications installed by the City must remain on the iPad in usable condition and be readily accessible at all times. From time-to-time, the City may require Users to return their iPads with city clerk to add or upgrade software applications or for periodic updates and syncing. In the event it becomes necessary to restore an iPad to its original condition, the City will not be responsible for the loss of any software or data deleted due to a re-format and re-image.

Any software, email messages, or files downloaded via the Internet into the City system, including a City-issued iPad, become the property of the City and may only be used in ways that are consistent with applicable licenses, trademarks, or copyrights.

The City is the sole licensee of the software included with an iPad. Any copying, modification, merging, or distribution of the software, including written documentation, by the User is prohibited. The User is responsible for complying with any and all hardware, software, service provider licensing agreements, terms of use, and applicable state and federal copyright and other intellectual property protections.

A User may not download a file or open an email attachment unless the User knows that the file or attachment comes from a trustworthy source. Downloaded files and attachments may contain viruses or hostile applications that could damage or breach the security of the City's information systems. A User will be held accountable for any such consequences that result from the User downloading a file or opening an email attachment for a purpose other than City business. If the City provides antivirus software for the iPads, users shall be required to scan attachments before opening, and to download all antivirus software updates as directed.

4. **Life of the iPad.** The technological life of the iPad is estimated at three years; therefore, the iPads will be assessed every three years and, if authorized through the budgeting process, the City will purchase upgraded devices. Replacement or upgrade decisions shall be made by City staff to ensure optimum performance and compatibility at a reasonable cost.
5. **No Expectation of Privacy.** All software and data (including, and without limitation, email, calendars, downloaded files, and web browsing history) stored on City-issued devices are subject to disclosure under State and City public records laws or for litigation purposes, unless a privilege or exception exists in the judgement of the city attorney, that justifies withholding the information.
6. **Representations.** In advocating, advancing, or expressing any individual religious, political, or personal views or opinions, Users must not misrepresent their statements as official City policy.
7. **Email Usage for City Business.** A User shall use his or her assigned City email account for all email related to City business. Emails sent or received on a User's City email account are archived and retained by the City. This account shall be synced to the User's individual iPad.



City of Craig iPad Policy and Procedures

Attachment to Resolution 18-23

8. **Acceptable Use.** The iPad and email access that the City provides to Users will be primarily for City business related purposes, such as to review City Council agenda materials and obtain useful information for City-related business. The City's computer systems, including the iPad, are public property. iPad, Internet, and email activities are traceable to the City and can impact the reputation of the City if misused. City-issued iPads shall not be used to send or knowingly download any vulgar, discriminatory, or pornographic content. Users shall refrain from making any false or defamatory statements in any Internet forum or from committing any other acts that could expose the City to liability.

City-issued iPads are not to be used for operation of a business for personal gain, sending chain letters, or any other purpose that interferes with normal City business activities. Users shall not use City-issued iPads for any illegal activity.

Except in an emergency, Elected Officials shall not use email, instant messaging, text messaging, or similar forms of electronic communications at any time during a meeting of the City Council. Elected Officials must be aware that electronic communications among Elected Officials may constitute a meeting under Title 44, Chapter 62, Article 6 of Alaska Statutes (the Alaska Open Meetings Act) and shall not conduct such communications in a manner that violates that Act. Elected Officials should consult the City Attorney for information regarding Open Meetings Act requirements related to electronic communications.

A User may download and maintain music and applications on the User's iPad; however, the items downloaded and synced to the iPad must be in compliance with Federal copyright laws and shall be acquired at the expense of the User. The City Clerk shall not install, work on, or support an application that is not issued by the City. All applications used in the course of business-related activities shall be secured in conjunction with the City Clerk.

9. **Internet-** The city does not provide internet for iPads. It is the User's responsibility to utilize a Wi-Fi network and download applicable materials to conduct city business.
10. **User Responsibility.** It is the responsibility of the User to ensure the City-provided iPad is kept in a reasonable and safe condition. Should an iPad be accidentally lost, damaged, or stolen, responsibility for replacement shall be as follows:
 - a) First time: The City shall pay half the cost of repair or replacement and the User shall pay half the cost.
 - b) Second and subsequent time: The User shall be entirely responsible for repair or replacement costs and shall replace the unit within two weeks of the equipment loss. iPads that are damaged or destroyed through intentional, reckless or negligent misuse must be repaired or replaced at the User's expense.



City of Craig iPad Policy and Procedures

Attachment to Resolution 18-23

11. **Security of the iPad.** The User is responsible for the security of all data stored on the iPad, whether related to City business or otherwise. The User will maintain appropriate password protection for data on the iPad and will not delete or modify any security features that the City loads on the iPad. A User shall notify the city clerk as soon as possible if the iPad is lost or stolen.

12. **Return of the iPad.** Users shall return their iPad to the IT Administrator or department designee when the User's term of service or employment has ended. Upon return of the iPad to the City and following the preparation of any appropriate backup files, the iPad will be wiped clean of any and all information, and issued to the User's successor in office, **except that the iPad will be gifted to the elected official, provided the official served at least 36 months in office and the iPad is at the end of its technological life. If the elected official declines the gifted iPad, the device shall remain property of the City.**

13. **Compliance with Policy.** The City reserves the right to inspect any and all files stored on iPads that are the property of the City in order to ensure compliance with this policy. Users do not have any personal privacy right in any matter created, received, stored in, or sent from any City-issued iPad, and the city clerk is hereby authorized to institute appropriate practices and procedures to ensure compliance with this policy. Any violation of this policy by elected officials may result in discipline as deemed appropriate by the Mayor. In the event of a violation of this policy by City Council members, the Mayor may recommend a remedy for the violation to the City Council for further action and disposition.

14. **Annual Review Date/Lead Review Department.** HR will review this document each July for any needed revisions.

15. **Mobile Device Acceptable Use Policy.** All users will sign the City of Craig's Use Rules, prior to receiving an iPad.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Kassi Mackie, City Clerk
Date: November 29, 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.

At the November 1st meeting the council directed staff to find more information on discussions that have occurred during meetings regarding council participation via teleconference.

At the November 9, 2009 meeting then-Mayor Millie Schoonover brought up this topic during her staff report. Millie mentioned that during her campaign for Mayor, she had been asked about council members teleconferencing in by perspective candidates. The city attorney had reported that there was nothing in the Craig code addressing this. Mike Douville commented that this could be beneficial if there is a need for a quorum this would be beneficial. Jim See would like to see a cap on how many times the council member could call in within a designated time span and would be supportive of a provision in code for this.

Recommendation

Adopt Ordinance No. 715 at second reading.

**CITY OF CRAIG
ORDINANCE No. 715**

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 2.04.165 of the Craig Municipal Code by adding the underlined text, as follows:

2.04.165 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 Thursday 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 Thursday 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: Jon Bolling, City Administrator
Date: November 30, 2018
RE: December Staff Report

1. Downtown Harbor Project

City representative Steve Silver and former Craig Mayor Dennis Watson met in Washington DC recently with staff from the Department of the Army on the harbor project. Dennis was in Washington DC primarily for IFA-related meetings, and agreed to represent the city in meeting with Army staff. The purpose of the meeting was to identify tasks needed to get the project into the formal design phase so that Army Corps of Engineers staff can begin engineering work on the project's navigational improvements, primarily the project breakwaters. As a result of the meeting, and effective follow up work by Craig City Planner Brian Templin, we expect that the Army Corps of Engineers will seek formal authorization from the Department of the Army to begin design work on the project using existing funding available to the agency. The Army Corps has also initiated a process to reprogram funds from other projects to the project here in Craig to fund the design phase; however the reprogramming process may well require some assistance from Steve and the delegation staff. As a reminder to the council, the city's share of the design work is currently set at about \$165,000, of which about \$55,000 is already in place. Staff will ask the council to consider appropriating the balance of the match as the design process elapses.

Steve and Dennis also met with the Alaska Delegation and staff on this project. The delegation continues to be very supportive.

2. Concession Stand Project

Recently I contacted a representative from POW Little League about the concession stand project proposed for Thibodeau Field. City staff removed the little league-owned Quonset hut-style components from the parking area at the site to the city's public works yard for safekeeping. In the meantime, there is interest on the part of the city and the league in considering construction of a conventional steel frame or stick-built building to house the proposed concession stand, restrooms, and storage space.

The building size is estimated at 660 square feet. At a \$60 per square foot cost (probably a low estimate), the building would run about \$40,000. The city's public works crew has already cleared the building pad and installed water and sewer lines to the building site.

3. Tract P Road

On November 6 I e-mailed a draft construction agreement to the CTA governing construction of the proposed road across Tract P. City staff will work with CTA staff on finalizing the details of the agreement, and incorporating the city's earlier comments into the proposed design drawings.

4. Status of Fisheries Disaster Relief Fund

As provided for in the Magnuson-Stevens Act, a federal fisheries disaster was declared for the poor 2016 commercial pink salmon fishery. The plan to disburse \$56 million among the impacted gear groups, processors, and communities is apparently still under review at the

National Oceanic and Atmospheric Administration. Once approved, the Pacific States Marine Fisheries Commission will implement the disbursement plan. Approval of the plan was expected by November 1, but to date NOAA has not released the document. Until released, staff has no way of accurately projecting the funding it is eligible to receive from the program.

5. Pollution Insurance

Following the discussion that the city council had on this item earlier this year, I submitted to the city's insurance broker a list of properties to consider for pollution liability coverage. Initial indications are that pollution coverage for all city-owned properties may cost between \$10,000 and \$15,000 per year above what the city currently pays. The cost provides pollution insurance coverage of \$1 million per occurrence, with a \$2 million aggregate payout per policy period. The city can ask for higher coverage amounts, but premium costs will increase with coverage amounts. Further discussion about the merits of purchasing the coverage is probably best had during the city's annual budgeting process.

When the council discussed the merits of adding pollution insurance to its range of insurance coverage, the discussion included the possibility of assessing a fee to its lease tenants to cover some of the cost of the additional coverage. For new leases, adding the pollution insurance fee is a matter of including it in the required payment. For existing leases, the city will likely have to wait to add the fee until a renewal date, or be more consistent about adding a cost of living adjustment to those leases and earmarking the increase to cover the pollution insurance costs.

6. Subpoena of Records

In November the city was notified it would be served with a subpoena from a law firm representing the owner of the *Seaborn*, one of the boats that burned at North Cove in 2017. The subpoena apparently calls for release of essentially any and all materials the city holds related to the fires. Staff is working with the city's attorney on responding to the subpoena once it is formally served to the city.

7. Tribal Conservation District Meeting

I was invited to attend the POW Tribal Conservation District meeting on November 13 and 14. The Tribal Conservation District is made up of the four federally recognized tribes on POW, and the four ANCSA village corporations based on POW. The group organized the meeting to identify projects on POW that merit funding. About twenty five people attended the meeting. The group identified seven potential projects, and then prioritized them. The project list will go into a district action plan, at which point the entity will look for implementation funding.

8. Aquatic Center Pool Basins Project

On November 20, Craig Aquatic Center Manager Jessica Holloway and I met via telephone with staff from the architectural firm Jensen/Yorba/Lott. The meeting formally starts the design process to refinish the basins in the lap pool and wading pool. The firm plans to complete its design work by March 1, at which point the project will be ready to go to bid. We should have a preliminary cost estimate for the project in January, and hopefully a contractor's bid in hand by the first of April. The project may take most of the summer to complete, although the exact dates that the facility will close and subsequently reopen have not yet been set.

The council appropriated \$100,000 for the work from earnings on the city's endowment fund.

9. POW Vocational-Technical Center

I work with other POW V-T board members to promote vocational and technical training at the POW V&T facility in Klawock. The board recently participated in training to set goals to increase voc-ed activities at the building. There is some opportunity to fund a full-time position at the center to promote additional programs offered through the facility.

10. Travel Schedule

February 2019: SE Conference Mid-Session Meeting in Juneau.

City Of Craig Memorandum

To: Mayor Tim O'Connor; Craig City Council

From: Jessica Holloway; Aquatic Manager

RE: November/December Report

Date: November 29, 2018

There isn't a lot to report this month. School swim lessons continue on. This will be our last school session until after Christmas break.

I am planning on a winter break session of lessons. I will start to advertise those lessons the second week of December. During the winter break we will have an extra open swim daily in the afternoon.

The swim team will be traveling to Ketchikan to participate in the Ketchikan Decathlon December 14th. The Winter Games meet here in Craig is scheduled for the weekend of January 19th.

I am planning to travel to Washington in the middle of February to attend the Red Cross Academy, Unfortunately/ fortunately Chris will also be traveling to Anchorage the same week for JO'S. Right at this moment it is looking like the pool will be closed that week that we are gone. If by some luck we are able to hire another 18 year old in time and are able to train them we will stay open, but at the moment that isn't the case. I will post this notice no later than January 19th so that there will be at least a month's notice for the public.

As of today, the slide is down for repair. The Wave Runners Swim Club by way of a grant was able to donate \$10,000 to the repairs. With that money we were able to purchase all new material for the slide platform and steps leading up. This is exciting. The new material is not steel so we will be eliminating a huge amount of rust and decay. We are expecting the slide to be down for about a month at the moment. That could change and I will keep you updated.

Please if you have any questions or concerns feel free to call or e-mail me.

Have a great Holiday Season.

City of Craig Memorandum

Date: November 26, 2018
To: Mayor O'Connor and Craig City Council
From: Kassi Mackie, City Clerk
Re: Clerk's Report

Council iPads

The iPad Policy is included in this packet for discussion and/or approval. iPads will be distributed this month.

Website

The website has been officially launched! Visit www.craigak.com to view the updated site, and information. Brian and I worked hard on content migration, file uploads and photos for the site, and we are proud of the finished product. We will be continuing work on the website throughout the remainder of the year.

Elections

The General election went well, aside from one hitch at the end of the evening. The State's ender card couldn't be read by the machine they provided for the election, preventing the results from being tallied here in Craig. The machine was sent to Juneau and final election results from our precinct can be found on the Division of Elections website. 461 voters (including absentee) turned out for this election.

Next Meeting(s)

December 20th
January 3rd

City of Craig Memorandum

AAMC Conference

The AAMC academy session and conference this year were unique in their content, and overall a benefit to my position as the clerk.

Sunday Academy Session- Chicken Lips

This session was a full day of fun activities to bring back to our municipalities in order to improve morale and overall happiness within our workplace. This session had some great ideas, and the presenters were extremely entertaining and easy to pay attention to, and I know that we won't have academy sessions like this every year. When I first returned and reflected on my academy and conference sessions, I thought that this could have been better utilized with some in-depth look at records retention or professionalism, or something of that nature. After I had given it some time to sink in, I believe that most all our conferences include these types of trainings and having something a little different was beneficial in its own rights this year. Many times, I feel that the city could use a little boost in morale, or some fun (funny) activities that break up the seriousness and promote "bonding" with our fellow workers. I am going to consider ways to bring the information I learned at this session back to my workplace.

Monday Morning Clerk Resources

This session discussed the many resources available for seasoned and new clerks. Most of which I had utilized or had a working knowledge about, and can't report much new or noteworthy.

Monday Morning- Conflicts of Interest

This course provided an overview of conflicts of interest both within the employees of a municipality and with regards to the council. This was aptly timed, as the council has been discussing the process for declaring a conflict, and what may be construed as a conflict by the public. I would recommend from this course that the council make a determination of what dollar amount constitutes "substantial financial gain", as the Craig municipal code doesn't actually name a specific amount. This course was of interest to me, and I thought the council may like to review it as well, so I have attached the slides from the presentation to this report.

Monday Afternoon- Chicken Lips (Keynote)

See Chicken Lips report above. Much of the same Monday Afternoon.

Tuesday Morning- By Mail Elections

The Anchorage city clerk and elections team that implemented the by-mail voting system for municipal elections presented on their successes and failures. This was an interesting session, especially when the statistics from the by-mail election showed a greater voter turn-out than with in-person voting. This may become a trend throughout Alaska, and I will be keeping up on the municipalities that decide to progress towards fully by-mail elections.

City of Craig Memorandum

Tuesday Mid-Morning- Cyber Attacks

This session reviewed the cyber-attacks that occurred this year both on the Matanuska-Susitna Borough and the City of Valdez. This discussion involved the Chief of Police and IT Specialist for Valdez as well as two IT Specialist for Matanuska. The presentation covered the notable events that led up to the attack and the recovery phase, which both entities are still navigating. This session made me a bit uneasy, and I plan to work on some measures to back up any important documents to a portable hard drive for safe keeping just in case. The questions that were asked by other clerks involved having one's municipality reviewed by specialists to see how well prepared they were for an attack. This may be something that Craig could benefit from looking into in the future.

Tuesday Afternoon- Dealing Effectively with Stress

Dr. Dee Hicks presented on the cause and effects of stress and the consequences of it both physically and mentally. An interesting topic, but overall most of the information wasn't new.

As always, most of the benefit of attending the conference is to network with other clerks. Together we came up with good ideas for improving our municipalities, supporting the clerks in Alaska and building better educational opportunities in future. I appreciate the council and administration supporting my continuing education. The points earned from attending this conference will count towards my Master Municipal Clerk designation.

ALASKA ASSOCIATION OF MUNICIPAL CLERKS

Advanced Session:

*An Ethical Compass: The Municipal Clerk's Role
in Navigating Conflicts of Interest*

Joseph N. Levesque
Shane E. Levesque

LEVESQUE LAW GROUP, LLC

AGENDA

- Explore conflicts of interest at a conceptual level, including the laws that govern them.
- Identify the various instances in which municipal clerks encounter conflicts of interest during the course of their official duties.
- Identify strategies for preventing conflicts of interest before they arise, and addressing them if and when they do.

AGENDA

- Put those strategies to the test by applying them to hypothetical scenarios.
- Address specific questions posed by attendees.

CLASSES OF MUNICIPAL ACTION

CLASSES OF DECISION-MAKING

Decisions by municipal officials generally fall into three primary classes:

- Administrative
- Legislative
- Quasi-Judicial

ADMINISTRATIVE DECISIONS

Administrative decisions are those that are made on a managerial basis, pursuant to a municipal official's discretion.

- General operational decisions.
 - Managerial decisions regarding day-to-day administration.
- First-level decisions.
 - Clerk's decision that a permit application is incomplete.

LEGISLATIVE DECISIONS

Decisions that make or interpret City policy, and affect individuals (or classes of individuals) in the community *equally*.

- Enacting ordinances of general applicability.
 - i.e., Permitting standards, setting taxes.
- Zoning or re-zoning decisions.

QUASI-JUDICIAL DECISIONS

Decisions that involve the application of established rules or policy to specific facts in order to determine the rights of a particular person, or discrete group of persons.

- Permitting decisions.
- Appeals re tax assessments.
- Reviewing proposed disciplinary actions against employees.

CONFLICTS OF INTEREST

WHAT ARE CONFLICTS OF INTEREST?

- Instances where a municipal official's actions with respect to some public matter could be influenced by some personal interest or prejudice.
- Any personal interest in the outcome of the decision is in conflict with the official's primary duty to take actions in the public's interest.

CONFLICTS OF INTEREST

In the municipal context, conflicts of interest generally fall into two categories:

- Financial Conflicts of Interest
- Personal Biases

FINANCIAL CONFLICTS OF INTEREST

A.S. 29.20.010(a)(4)

FINANCIAL CONFLICTS OF INTEREST

- These arise when a public official has a personal interest in the outcome of some official action that is financial in nature.
- Financial interests may exist when an individual, an immediate family member, or a close business associate, stands to experience a tangible financial gain or loss depending upon the outcome of official action.
- Official actions taken despite financial conflicts of interest may be invalid.

FINANCIAL CONFLICTS OF INTEREST

- Financial conflicts of interest are so common, and so troubling, that they are made unlawful by Alaska Statute.
- AS 29.20.010 Addresses Two Classes of Municipal Officials:
 - Members of a municipality's governing body.
 - Municipal employees and other officials.

MEMBERS OF GOVERNING BODIES

AS 29.20.010(a)(1)

“a member of the governing body shall declare a substantial financial interest the member has in an official action and ask to be excused from a vote on the matter;”

MEMBERS OF GOVERNING BODIES

Two Affirmative Obligations:

- Members must disclose any substantial financial interest in any matter with respect to which the body has authority to take official action.
- Members must request to be excused from participating in that action.

MUNICIPAL EMPLOYEES AND OTHER OFFICIALS

AS 20.20.010(a)(4)

“a municipal employee or official, other than a member of the governing body, may not participate in an official action in which the employee or official has a substantial financial interest.”

SUBSTANTIAL FINANCIAL INTERESTS

But when is a financial interest “substantial”?

SUBSTANTIAL FINANCIAL INTERESTS

First, if an official's financial interest in the outcome of official action meets any definition of the term that the municipality has adopted by ordinance.

- Can vary from municipality to municipality.
- Members of the governing body may be subject to a different definition than employees and appointed officials.
- Often involve a multi-step analysis.

EXAMPLES

EXAMPLE #1

The City of Pleasantville has adopted an ordinance that includes the following definition:

“Substantial financial interest” includes:

- A. A contractual relationship with the city, or with any of its agencies or agents, in an amount exceeding \$500.00;*
- B. A contractual relationship in an amount exceeding \$500.00 with any person whose personal or property rights pertaining to such relationship are the subject of specific inquiry or action by the city or its agents;*

EXAMPLE #1

- C. *An employment relationship with or serving as a member of the board of directors, of any person who is:*
- 1. The applicant initiating the action for which a public hearing is being held; or*
 - 2. The person whose personal or property rights are the subject of the specific matter under consideration; or*
 - 3. The recipient of a donation or appropriation of city assets in an amount exceeding \$500.00.*

EXAMPLE #2

In contrast, Happyville's ordinance defines "substantial financial interest" more simply, as follows:

- 1. Any interest from which the owner received or will receive more than two thousand five hundred dollars per year;*
- 2. Any interest received directly or indirectly where the affected office holder possesses or will acquire an ownership interest of two percent or more of a corporation, partnership, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust, or any legal entity operated for profit.*

SUBSTANTIAL FINANCIAL INTERESTS

Second, if a municipality has not adopted any specific definition of “substantial financial interest” then officials are prohibited from participation if they have any financial interest in the outcome.

A financial conflict of interest will be found if an official stands to receive any direct or indirect financial benefit from taking a particular action, unless it would also enjoyed by a significant number of other people.

- *Carney v. State Bd. of Fisheries*, 785 P.2d 544, 547-49 (Alaska 1990).

QUESTIONS

ADDRESSING CONFLICTS IN THE CLERK'S OFFICE

HYPOTHETICAL

The Clerk for Pleasantville receives an initiative petition that, if adopted, would outlaw the sale of alcohol in the city. The Clerk has an ownership interest in the only bar located within City limits. On its face, the petition does not meet statutory standards for certification.

May the Clerk reject the petition?

But how may the Clerk for Pleasantville properly address the situation she's found herself in?

- Formally recuse herself from participating in the decision to approve or deny the petition.
- Delegate that authority to any deputy clerk who does not have a conflict of interest.
- If the municipality does not employ a deputy clerk, request that an acting clerk be designated to oversee the petition's disposition.

HYPOTHETICAL

The Clerk for Happyville receives an initiative petition that would institute a new tax on the sale of goods within City limits. The Clerk has an ownership interest in a popular gift shop located within City limits. Again, the petition does not meet standards for certification.

May the Clerk reject the petition?

QUASI-JUDICIAL ACTIONS

- Clerks must regularly act as the point of contact between parties to quasi-judicial proceedings and the public bodies charged with deciding them.
- In doing so, clerks make important procedural decisions with respect to a variety of issues, including standing, scheduling and deadlines.
- Clerks must execute their duties as a full neutral and with complete impartiality.

HYPOTHETICAL

Cindy Citizen has decided to request a conditional use permit to operate a bar in Pleasantville. As you recall, Pleasantville's Clerk owns an interest in the only bar within the City limits. If approved, Cindy's bar would be in direct competition with the Clerk's.

The City Code charges the Clerk with determining whether applications for conditional use permits are complete, scheduling hearings, providing public notice, and establishing and enforcing deadlines for submittals.

HYPOTHETICAL

Which of these administrative duties may the Clerk complete?

QUESTIONS

ACTING AS ETHICAL COMPASS

ADDRESSING OTHER CONFLICTS

- One of the municipal clerk's primary duties is to assist with the administration of public meetings and quasi-judicial hearings.
- Even when clerks do not themselves have any conflict of interest with respect to the business conducted during these meetings, they still play a vital role in ensuring that conflicts are effectively spotted and addressed.

ADDRESSING OTHER CONFLICTS

- One of the municipal clerk's primary duties is to assist with the administration of public meetings and quasi-judicial hearings.
- Even when clerks do not themselves have any conflict of interest with respect to the business conducted during these meetings, they still play a vital role in ensuring that conflicts are effectively spotted and addressed.

ADDRESSING OTHER CONFLICTS

- AS 29.20.010(a)(1)-(3) establishes a specific procedure according to which members of a governing body must disclose conflicts of interest.
- First, prior to taking up official business, members must on the record declare any substantial financial interest and request to be excused from participation.
- Second, the chair must issue a ruling as to whether the member has a disqualifying conflict of interest, and if so, excuse the member from participation.

ADDRESSING OTHER CONFLICTS

- Finally, The Chair's decision may be overridden by the majority vote of all members who are present.

But what happens if the Chair has a conflict?

BIAS AND THE APPEARANCE OF BIAS

BIAS AND THE APPEARANCE OF BIAS

The constitutional right to procedural due process requires an *impartial tribunal*

This guarantees that those who serve in a quasi-judicial capacity:

- Will not make up their mind prior to the proceeding;
- Are not predisposed to find one way or the other due to their personal bias.

BIAS AND THE APPEARANCE OF BIAS

The guarantee of impartiality is so strong that, in some cases, it may even serve to invalidate quasi-judicial decisions resulting from proceedings that merely *had the appearance of bias or impropriety*.

Best Practice:

If members feel that a party could reasonably argue that the member is biased, such facts should be disclosed prior to taking up business, the member should state whether an unbiased decision may be made, and ask the Chair to rule on the issue.

THE RULE OF NECESSITY

THE RULE OF NECESSITY

What happens when *a majority* of the seated members of a quasi-judicial body has a conflict of interest, has reported *ex parte* contacts, or had disclosed facts reasonably indicating the possibility of bias?

In such instances, **any and all** conflicted members may still be permitted to participate, by operation of the “Rule of Necessity”

BREAK OUT SESSION

PUTTING IT ALL TOGETHER

1. Clerks, like other municipal officials, are prohibited from participating in any official action in which they have a substantial financial interest.
2. If there exists a local ordinance defining “substantial financial interest” that definition will control whether an official may participate in official action.

PUTTING IT ALL TOGETHER

3. If the municipality has not adopted any ordinance defining the term, officials may not participate in any official action if:
 - The official stands to receive any direct or indirect financial benefit as a result of any official action; and,
 - That benefit would not also be enjoyed by a significant number of other individuals.

PUTTING IT ALL TOGETHER

4. Although clerks are not responsible for policing the conflicts of interest that may exist for members of a municipality's governing bodies, or quasi-judicial decision-making bodies, they can protect against violations by ensuring that such bodies have processes in place to ensure ample opportunity for disclosure.

FINAL QUESTIONS

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: November 28, 2018
RE: Planning Department Staff Report – December 2018

1. Craig Harbor Development. Staff has been continuing to work with the USACE and staff members at the federal delegation offices on this issue.

Staff recently submitted a Community Development Block Grant application that would fund the engineering and design for the design work that the city will be responsible for.

The PED phase is anticipated to take the next 9 – 12 months. At the end of the PED phase the USACE will have all plans and specifications needed to bid out construction of the breakwaters. The city will be responsible for all design and construction costs for the floats, piling, approach piers, and upland improvements. Representative Kreiss-Tompkins is helping us work toward a state capital appropriation for the non-federal share of the project. The federal share of the construction project will be approximately \$26 – 29 million and the non-federal share will be \$7 – 10 million.

Staff will continue to keep the council updated as we continue to move forward with the project.

2. Tract P Access Road. Staff is waiting on CTA for discussions regarding construction schedule and process.
3. Sidewalk Development. CTA has been working on a project to provide funding for design and construction of pedestrian improvements (sidewalks) on several streets in Craig. Staff will continue to work with CTA on the project.
4. Marijuana Retail Establishments. Staff is continuing to monitor the progress of the applications to the state for the two conditional permits that have been issued for commercial marijuana retail establishments. As of 11-28-18 the permit for Thee Treasure Chest LLC (Kit Kraft and John Wright) was listed on the “incomplete” list, which means that the Marijuana Control Office staff has completed an initial review of the application and has requested changes, corrections, or additional information from them. There is no way of knowing how long it will take for the applicant to submit the additional information or there will be more information requests from the AMCO office. Once the application is deemed complete it will be submitted to the city clerk and reviewed by the Craig Police Chief and myself before being submitted to the council for any final comments/objections. Jaqie Weatherbee has still not initiated an application with the state at this time. There have not been any other applications for conditional use permits related to commercial marijuana in Craig. Staff will continue to monitor the state website for progress on these applications.
5. CEDS Committee. The CEDS committee membership approval is on the agenda for action at the December 6, 2018 council meeting. I will begin working with

the CEDS committee after the membership is approved. I had hoped to be finished with the CEDS report by December 15th, but other tasks have pushed the completion of the report back to January/February.

6. City Web Site. Kassi and I have been working with MunicodeWEB on the update and redesign of the city web site. The site went live on November 26th. We will be making edits and updates to the site over the next few months as we roll out additional services.
7. Travel and Leave Schedule:
 - a. I will be on personal leave from January 3 – 15, 2019.

Craig FIRE & EMS
PO Box 331
Craig, AK 99921



CITY COUNCIL REPORT

NOVEMBER 2018

TRAINING AND EVENTS

- **FIRE:**
- We are still waiting on the instructors to give us an official date for the 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. The chamber of commerce donated 2500 to our islands firemen about a year ago and want to make sure we can use it, and firemen from all over the island join this training.
- As fire season begins, we closely monitor our fire fighters out of town list so we have volunteers ready to respond to calls in Craig.
- Outreach: The Craig Firefighter have offered to participate in a Red Cross smoke detector campaign. People that need a smoke detector in their home can sign up to get one installed.
- **EMS:**
- We are moving things along getting our Fire, EMS and Police officers on a First Net platform through the AT&T network. They have now completed our account and we have begun the process of getting our volunteers on the platform. It will allow our volunteers to have priority broadband over any other users in the area.
- Our Haunted House was a HUGE success. We made more training money than ever.
- Right after our haunted house Kathy Peavey and Ralph Mackie hosted a Thanksgiving fundraiser for EMS. It was nicest thing anyone has ever done for EMS. It was beautiful and the food was wonderful.

I am sure most of you have heard that I gave my notice to the city of Craig. I am diligently looking for someone to step up and take the full-time position. I am dedicated to finishing a few projects for the city, like the first net system, the basic firefighter class, a fire fighter grant, plus I have two other equipment grants for EMS that I want to see completed as well. I have offered to stay on part time until the next person is trained. It is more than one person can do and I want them to have every chance at success. Chris and I are going to continue building a house in Craig and my plans are to stay on as a volunteer.

Submitted by Angela Matthews

11/1/18-11/29/18

Volunteer Hours: 30

Patron Visits: 1024

Circulation: 2094

Computer Usage: 234

Tests Proctored: 1

Meetings: 4

OWL Video Conferences: 1, Attendance: 15

Alaska Digital Library Usage: 66

Story Times: 6/ Attendance: 89

Inter-Library Loans: 25

Library Programs:

- Every Friday, 10:00 am: Preschool Story Time
- Every Thursday, 10:00am: Head Start Story Time
- Dolly Parton Imagination Library—Continuous Registrations
- November 9th OWL: Perfectly Polar Bears
- November 30th: Little Red Hen OWL Story Time

Winter Reading Program:

The 2018 Winter Reading Program started on November 17th, and we already have about 40 people signed up! I visited each of the elementary classrooms to talk about the program, and that afternoon there was a flood of students coming in to sign up! I have three craft afternoons planned, and the spots for those are already full. I may have to try to schedule a second make-your-own snow globe event!

Book Sale:

At the December 8th Holiday Bazaar, we will be selling a good amount of books that haven't been circulating over the last few years in order to make room for new books! This is a big relief to me simply because it's getting difficult to squeeze new books on the shelves. A library needs to have full shelves, but if they become too overloaded it can damage the books and discourage patrons from trying to pry them loose!

**CITY OF CRAIG
MEMORANDUM**



Date: November 29, 2018
To: Honorable Tim O'Connor, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report / November 2018

RJ Ely

ACTIVITY

Activity for October 24, 2018 through November 28, 2018. Dispatch Center took the following amount of calls for service:

Craig	1192
Klawock	288
AST	3

DEPARTMENT OF MOTOR VEHICLES

December 5, 2018 State DMV Staff & Tec Support will be in Craig, installing new hardware & software for Craig DMV to be able to issue new ID's / Driver License's, that conform with the Federal ID Act.

DMV will remain open, so staff can assure equipment / software works properly.

DISPATCHER(S)

Arletha Melton has resigned and no longer works for Police Department.

Robert Mills has been moved to full time and has completed field training, has been signed off and is covering solo shifts.

Back advertising for a part time / fill in position.

OFFICER(S)

Fully staffed.

OTHER

I will be attending the Chief's Meetings, APSC, FBI / NAA and other meetings, Anchorage first week of December.

Apsin Audit completed, results obtained and we moved out of the under 5% and ended up with a 7% of error and/or violation for system usage. Steps have been taken, issues addressed and we should be back under the 5% within a short time.

Dispatchers obtained Apsin Training / UCR Training and other specialized training from State of Alaska

Ofc. Page and Ofc. Bixler completed the SART (Sexual Assault Response Team) Training and are now members of our POW SART

Public works Report

I. Streets and Alleys:

- a. Removal of vegetation from edges of asphalt to allow storm water to drain properly. This process has been started on the east side of Craig and will continue toward the west side of Craig only on specific side streets. This form of maintenance reflects the public works Department's efforts to extend the life of the asphalt by not allowing standing water to accumulate on the edges of the pavement.
- b. PSN road monthly grading performed as required.
- c. Continued storm drain ditch clean up/ maintenance as required.
- d. Christmas street lights to be installed the week of the 3rd of December.

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 11/26/18.
- c. Water meter repair and/or replace as required.
- d. R&M Engineering is currently working on backflow prevention site plan for North and South Cove.

IV. Equipment:

- a) Street sweeper is currently in the shop. The Sweeper will be up and operational before 11.30.18.
- b) Sander and plow installed on the City dump truck in preparation for winter operations.

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. Start Alum Station installation at water treatment plant.
- b. Assist Public Facilities in removal of tree in Triangle Park.
- c. Re- locate City of Craig surplus pipe inventory from Tract P.
- d. Re-grade False Island boat haul-out parking lot-Dec. 2018- Jan. 2019.
- e. Finish Cove Street pavement-early summer 2019.
- f. Culvert section replacement on PSN Road-Dec.10th,2018
- g. Fire Hydrant installation on PSN Road- Spring 2019

Public works Report

Recreation Report for the Craig City Council, December 2018

“Tis the Season to have Bazaars! The fall Bazaar was fabulous. We had a full venue, and lots of shoppers. The Christmas Bazaar will be on December 8th from 10 to 4 at the Craig city Gym. We have always had 2 bazaars, 2 weeks apart and now are both equally full and Busy. We have enough different vendors to make each bazaar have a different flavor. More Christmas items are available at the



second bazaar. Each bazaar gets better and better.

A partner fundraising group shares the table fees and they put the tables and chairs up, help vendors and assist me as needed. The CHS AC/DC team helped with the Fall Bazaar with Jessica Hughes. The next bazaar will have the DC Close up students and Shelby Beck as the partner. We set up the Bazaar on Friday afternoon at 2:30 and vendors can set up at 3:30 or 7:30 or Saturday morning at 8am.

I appreciate Alison and Michelle, and all the office staff, signing up all the vendors. I think we have finally simplified the forms and made it easier to understand. I get to do the map, which is like putting together a jigsaw puzzle.

December 3rd the community Christmas Tree lighting and caroling event, using the tree outside of the Hill Bar. This year we have stepped it up a bit and have songbooks for the carolers!

After school continues. We follow the school calendar and will be closed during the Christmas Break. Michelle Winrod is an invaluable help working a couple of shifts a week and covering my time off. We tend to have a good turn out with Thursdays Dodgeball with the Craig Police- when available -is still our biggest day. We have 6 to 16 at the center and more at the gym. Cyndi Reeves made venison jerky with the kids last week. PHN Stacy Mank and her husband Trooper Ben Mank will be joining us about preparedness and survival skills. Keeps me hopping!

We still have our regular activities. Karate has a large group of 16 or so students. Volleyball is hit or miss but we are getting ready for the winter league in January. Jose' Cevera is still dedicated. Skating has been cancelled for the next month. We have had a low turn out and we close for the bazaars and for the Christmas party. Ballet and gymnastics classes are in the works for January. Thanks to Julie McDonald and Alison Fargo. Both are extremely popular programs.



I will be in Spain December 28 to January 13th. Happy Holidays!



Victoria



Parks & Public Facilities

11/30/2018

Staff Report –November 2018

To: Craig Mayor and City Council

From: Douglas Ward

I was on PTO from 11-16 to 11-26

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

Projects completed:

- Install credit card machine at city dock
- Repair stack on wood boiler.

Projects currently in progress:



















- Remove and replace slide platform at Aquatic center.
- Build new box covers for planters along Helipad road.
- Install wireless bridge from burn pit to P.D. (on hold)
- Installation of security cameras throughout Harbor Facilities.(on hold)

Work Orders Completed Since Last Report:



Parks & Public Facilities

11/30/2018

-  High-1834-Replace batteries in fire alarm panel.xls
-  High-1835-Install LED tubes in dispatch office.xls
-  High-1836-Replace bearings in TOYO blower motor.xls
-  High-1837-Change oil in air compressor.xls
-  High-1838-Repair stack on woodboiler.xls
-  High-1839-Unclog mop sink.xls
-  High-1840-Add electrical outlet at work table in shop.xls
-  High-1842-Install new LED wall pack on Public Works building.xls
-  High-1843-Repair waste oil heater.xls
-  High-1844-Move soccer nets to youth center.xls
-  High-1845-Relace filters in AHU at city gym.xls
-  High-1846-Install credit card machine on crane at city dock.xls
-  High-1847-Remove washing machine.xls
-  High-1848-Install chemical injection apparatus for Jessica.xls
-  High-1849-Fix faucet gasket in mop sink at Harbors.xls
-  High-1850-Reapair drywall in HR office.xls
-  High-1851-Re hang camera in cell 4.xls
-  High-1853-Replace lights at city dock.xls

CITY OF CRAIG

Account Statement - Period Ending October 31, 2018



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

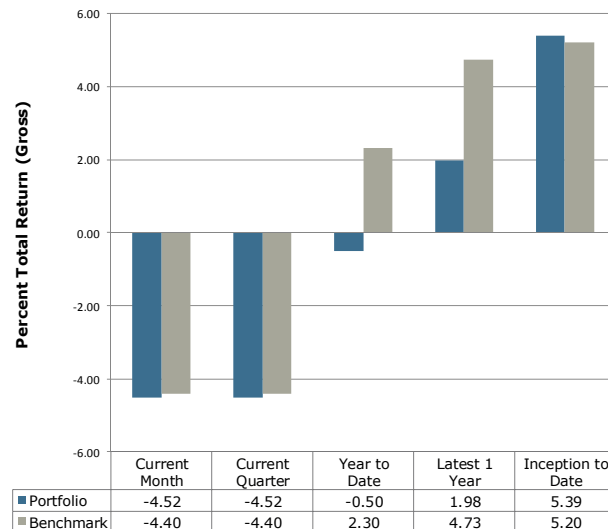
Portfolio Value on 09-30-18	10,414,026
Contributions	0
Withdrawals	-2,601
Change in Market Value	-477,727
Interest	6,951
Dividends	0
Portfolio Value on 10-31-18	9,940,649

MANAGEMENT TEAM

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

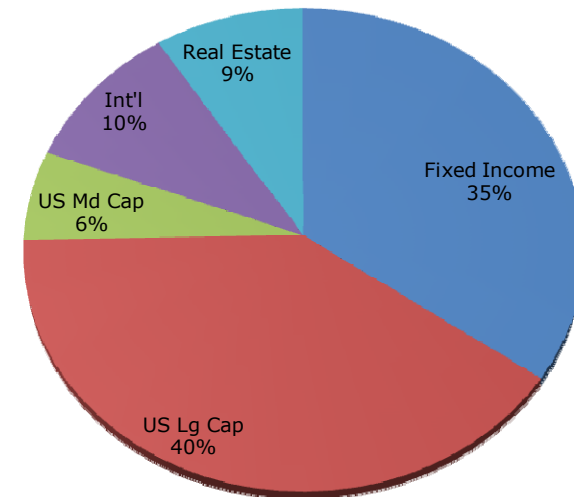
INVESTMENT PERFORMANCE

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.

Please note that your 093018 value changed as a result of a pricing change for JP Morgan Betabuilders REIT ETF

Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
CITY OF CRAIG
October 31, 2018

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	3,402,619	34.2	20% to 45%
Cash (0.0%)	47,549	0.5	na
Subtotal:	3,450,168	34.7	
EQUITY (56%)			
US Large Cap (40.0%)	3,974,202	40.0	30% to 50%
US Mid Cap (6.0%)	600,765	6.0	0% to 10%
Developed International Equity (10.0%)	1,003,718	10.1	5% to 15%
Subtotal:	5,578,685	56.1	
ALTERNATIVE INVESTMENTS (10%)			
Real Estate (10.0%)	911,796	9.2	5% to 15%
Subtotal:	911,796	9.2	
TOTAL PORTFOLIO	9,940,649	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
October 31, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
4,630	FHLMC POOL G14203 4.000% Due 04-01-26 Accrued Interest	104.56	4,841	101.90	4,717	0.05	185	15	1.43
					15	0.00			
			4,841		4,733	0.05		15	
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		47,549		47,549	0.48			
CORPORATE BONDS									
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	99.92	49,960	0.50	1,050	303	2.43
100,000	HSBC USA INC 2.375% Due 11-13-19	99.61	99,608	99.24	99,243	1.00	2,375	1,108	3.12
50,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	54,602	102.12	51,059	0.51	2,187	182	3.45
50,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	49,962	97.24	48,622	0.49	1,125	550	3.40
50,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	48,141	95.39	47,697	0.48	975	162	3.42
50,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	102.56	51,279	98.13	49,065	0.49	1,437	184	3.46
50,000	COMCAST CORP 2.850% Due 01-15-23	101.83	50,917	96.83	48,415	0.49	1,425	420	3.67
50,000	AFLAC INC 3.625% Due 06-15-23	106.03	53,016	99.99	49,993	0.50	1,812	685	3.62
50,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	48,916	93.34	46,669	0.47	1,100	229	3.73
50,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	52,590	99.98	49,991	0.50	1,937	484	3.88
50,000	METLIFE INC 3.600% Due 04-10-24	105.46	52,732	99.34	49,670	0.50	1,800	105	3.73
50,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	49,941	95.89	47,946	0.48	1,650	238	4.09
50,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	53,978	99.08	49,538	0.50	1,950	162	4.05
50,000	ANHEUSER-BUSCH INBEV FIN 3.650% Due 02-01-26	103.01	51,506	95.12	47,561	0.48	1,825	456	4.44
50,000	TARGET CORP 2.500% Due 04-15-26	96.45	48,223	91.44	45,721	0.46	1,250	56	3.83
50,000	LOWE'S COS INC 3.100% Due 05-03-27	100.08	50,039	93.88	46,942	0.47	1,550	766	3.95

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
October 31, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
	Accrued Interest		865,693		6,092 834,187	0.06 8.39		6,092	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
14,685	SPDR S&P 500 ETF	143.69	2,110,124	270.63	3,974,202	39.98	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
3,300	ISHARES CORE S&P MIDCAP 400 ETF	102.62	338,645	182.05	600,765	6.04	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
8,575	ISHARES ETF CORE MSCI EAFE	56.65	485,797	58.78	504,038	5.07	NA		
8,000	ISHARES MSCI EAFE INDEX FUND CLOSED-END FU	61.59	492,725	62.46	499,680	5.03	NA		
			978,522		1,003,718	10.10			
REAL ESTATE									
12,025	JPMORGAN BETABUILDERS MSCI US REIT ETF	76.56	920,584	75.82	911,796	9.17	NA		
U.S. TREASURY									
50,000	US TREASURY NOTES 1.500% Due 10-31-19	99.40	49,701	98.79	49,396	0.50	750	2	2.73
150,000	US TREASURY NOTES 1.250% Due 10-31-19	99.42	149,126	98.57	147,861	1.49	1,875	5	2.70
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	100.99	100,988	1.02	3,500	1,617	2.84
150,000	US TREASURY NOTES 1.750% Due 10-31-20	99.91	149,866	97.81	146,719	1.48	2,625	7	2.88
175,000	US TREASURY NOTES 1.875% Due 12-15-20	99.17	173,549	97.93	171,377	1.72	3,281	1,246	2.89
100,000	US TREASURY NOTES 2.125% Due 08-15-21	99.29	99,291	97.85	97,848	0.98	2,125	450	2.93
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	97.32	72,987	0.73	1,500	8	2.94
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	97.30	97,297	0.98	2,000	924	2.94
125,000	US TREASURY NOTES 2.125% Due 06-30-22	97.13	121,416	97.10	121,377	1.22	2,656	895	2.96
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	94.88	142,318	1.43	2,437	1,126	2.98
150,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	149,593	98.59	147,879	1.49	3,937	674	2.97
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	97.83	122,285	1.23	3,125	662	2.99

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
October 31, 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	92.77	157,714	1.59	2,337	400	2.99
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	96.48	96,481	0.97	2,375	503	3.04
100,000	US TREASURY NOTES 2.000% Due 08-15-25	98.81	98,807	93.39	93,387	0.94	2,000	424	3.09
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	90.14	90,141	0.91	1,625	751	3.10
150,000	US TREASURY NOTES 2.000% Due 11-15-26	97.14	145,717	92.08	138,117	1.39	3,000	1,386	3.12
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	92.99	116,235	1.17	2,812	1,299	3.15
	Accrued Interest				12,381	0.12			
			2,176,231		2,122,791	21.35		12,381	
AGENCIES									
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	100.52	100,522	1.01	3,750	354	2.42
100,000	FHLMC 1.700% Due 09-29-20	99.73	99,730	97.59	97,591	0.98	1,700	151	3.00
100,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.86	99,865	96.58	96,579	0.97	2,000	922	2.90
100,000	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25	100.00	100,000	95.79	95,788	0.96	2,850	55	3.58
50,000	FHLB 3.625% Due 03-19-27	99.82	49,910	97.47	48,733	0.49	1,812	211	3.98
	Accrued Interest				1,694	0.02			
			450,915		440,908	4.44		1,694	
TOTAL PORTFOLIO			7,893,104		9,940,649	100	81,710	20,183	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 10-01-18 To 10-31-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
10-29-18	10-31-18	SPDR S&P 500 ETF	200.0000	52,577.25
INTERNATIONAL EQUITY FUNDS/ETF				
10-29-18	10-31-18	ISHARES MSCI EAFE INDEX FUND CLOSED-END FU	8,000.0000	492,724.95
				545,302.20
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
10-31-18	10-31-18	MANAGEMENT FEES		2,485.16
				2,485.16
INTEREST				
AGENCIES				
10-24-18	10-24-18	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25		1,425.00
CASH AND EQUIVALENTS				
10-15-18	10-15-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		16.41
CORPORATE BONDS				
10-01-18	10-01-18	APPLIED MATERIALS INC 3.900% Due 10-01-25		975.00
10-01-18	10-01-18	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21		1,093.75
10-10-18	10-10-18	METLIFE INC 3.600% Due 04-10-24		900.00

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 10-01-18 To 10-31-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
10-15-18	10-15-18	TARGET CORP 2.500% Due 04-15-26		625.00
				3,593.75
FNMA & FHLMC				
10-15-18	10-15-18	FHLMC POOL G14203 4.000% Due 04-01-26		15.76
U.S. TREASURY				
10-31-18	10-31-18	US TREASURY NOTES 1.750% Due 10-31-20		1,312.50
10-31-18	10-31-18	US TREASURY NOTES 2.000% Due 10-31-21		750.00
10-31-18	10-31-18	US TREASURY NOTES 1.500% Due 10-31-19		375.00
10-31-18	10-31-18	US TREASURY NOTES 1.250% Due 10-31-19		937.50
				3,375.00
				8,425.92

PRINCIPAL PAYDOWNS

FNMA & FHLMC				
10-15-18	10-15-18	FHLMC POOL G14203 4.000% Due 04-01-26	97.55	97.55
				97.55

SALES, MATURITIES, AND CALLS

INTERNATIONAL EQUITY FUNDS/ETF				
10-29-18	10-31-18	ISHARES ETF CORE MSCI EAFE	7,950.0000	460,135.07

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 10-01-18 To 10-31-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
U.S. TREASURY				
10-29-18	10-30-18	US TREASURY NOTES 1.250% Due 10-31-19	75,000	73,936.20
				534,071.27
SOLD ACCRUED INTEREST				
U.S. TREASURY				
10-29-18	10-30-18	US TREASURY NOTES 1.250% Due 10-31-19		466.20
				466.20
WITHDRAW				
CASH AND EQUIVALENTS				
10-01-18	10-01-18	CASH RECEIVABLE		850.00
10-02-18	10-02-18	DIVIDEND ACCRUAL		2,778.29
10-19-18	10-19-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		2,600.77
10-31-18	10-31-18	DIVIDEND ACCRUAL		19,158.02
				25,387.08
				25,387.08

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 10-01-18 Through 10-31-18

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
10-15-18	97.55	FHLMC POOL G14203 4.000% Due 04-01-26	102.00	97.55	-4.45
10-29-18	7,950.0000	ISHARES ETF CORE MSCI EAFE	450,388.65	460,135.07	9,746.42
10-29-18	75,000	US TREASURY NOTES 1.250% Due 10-31-19	74,563.15	73,936.20	-626.95
TOTAL GAINS					9,746.42
TOTAL LOSSES					-631.40
			525,053.81	534,168.82	9,115.01

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 10-01-18 To 10-31-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CASH RECEIVABLE					
10-01-18			Beginning Balance		850.00
10-01-18	10-01-18	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-850.00
10-31-18			Ending Balance		0.00
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
10-01-18			Beginning Balance		29,605.20
10-01-18	10-01-18	dp	Interest	APPLIED MATERIALS INC 3.900% Due 10-01-25	975.00
10-01-18	10-01-18	dp	Interest	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	1,093.75
10-01-18	10-01-18	dp	Transfer from	CASH RECEIVABLE	850.00
10-02-18	10-02-18	dp	Transfer from	DIVIDEND ACCRUAL	2,778.29
10-10-18	10-10-18	dp	Interest	METLIFE INC 3.600% Due 04-10-24	900.00
10-15-18	10-15-18	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	15.76
10-15-18	10-15-18	dp	Interest	TARGET CORP 2.500% Due 04-15-26	625.00
10-15-18	10-15-18	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	97.55
10-15-18	10-15-18	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	16.41
10-19-18	10-19-18	wd	Withdrawal	from Portfolio	-2,600.77
10-24-18	10-24-18	dp	Interest	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25	1,425.00
10-29-18	10-31-18	dp	Sale	ISHARES ETF CORE MSCI EAFE	460,135.07
10-29-18	10-31-18	wd	Purchase	SPDR S&P 500 ETF	-52,577.25

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 10-01-18 To 10-31-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
10-29-18	10-31-18	wd	Purchase	ISHARES MSCI EAFE INDEX FUND CLOSED-END FU	-492,724.95
10-29-18	10-30-18	dp	Sale	US TREASURY NOTES 1.250% Due 10-31-19	73,936.20
10-29-18	10-30-18	dp	Accrued Interest	US TREASURY NOTES 1.250% Due 10-31-19	466.20
10-31-18	10-31-18	dp	Transfer from	DIVIDEND ACCRUAL	19,158.02
10-31-18	10-31-18	dp	Interest	US TREASURY NOTES 1.750% Due 10-31-20	1,312.50
10-31-18	10-31-18	dp	Interest	US TREASURY NOTES 2.000% Due 10-31-21	750.00
10-31-18	10-31-18	dp	Interest	US TREASURY NOTES 1.500% Due 10-31-19	375.00
10-31-18	10-31-18	dp	Interest	US TREASURY NOTES 1.250% Due 10-31-19	937.50
10-31-18			Ending Balance		47,549.48
DIVIDEND ACCRUAL					
10-01-18			Beginning Balance		21,936.31
10-02-18	10-02-18	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-2,778.29
10-31-18	10-31-18	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-19,158.02
10-31-18			Ending Balance		0.00

CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending October 31, 2018



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

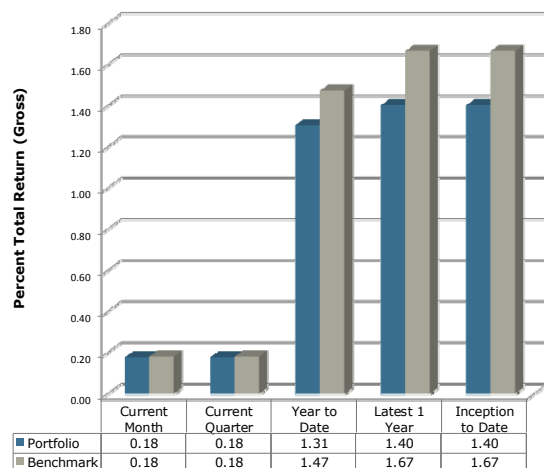
Portfolio Value on 09-30-18	3,025,013
Contributions	0
Withdrawals	0
Change in Market Value	3,009
Interest	2,386
Dividends	0
Portfolio Value on 10-31-18	3,030,408

MANAGEMENT TEAM

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

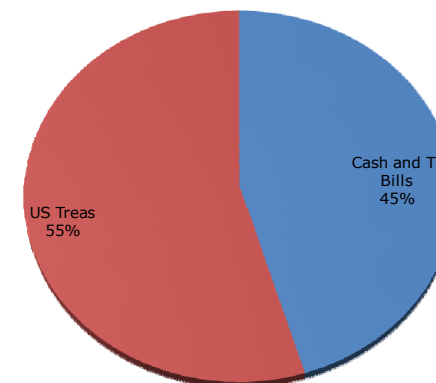
INVESTMENT PERFORMANCE

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: 2.30% Average Maturity: 0.35 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
October 31, 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		30,346		30,346	1.00			
U.S. TREASURY									
550,000	US TREASURY NOTES 1.125% Due 01-15-19	99.53	547,415	99.77	548,724	18.11	6,187	1,833	2.25
550,000	US TREASURY NOTES 1.625% Due 04-30-19	99.44	546,936	99.58	547,680	18.07	8,937	25	2.48
560,000	US TREASURY NOTES 1.625% Due 07-31-19	99.25	555,810	99.26	555,867	18.34	9,100	2,300	2.62
	Accrued Interest				4,157	0.14			
			1,650,161		1,656,428	54.66		4,157	
TREASURY BILLS									
350,000	US TREASURY BILLS 0.000% Due 12-11-18	99.70	348,948	99.76	349,160	11.52	NA	0	2.15
500,000	US TREASURY BILLS 0.000% Due 12-13-18	99.62	498,082	99.75	498,750	16.46	NA	0	2.13
500,000	US TREASURY BILL 0.000% Due 03-14-19	99.00	495,021	99.14	495,724	16.36	NA	0	2.33
			1,342,050		1,343,634	44.34		0	
TOTAL PORTFOLIO			3,022,558		3,030,408	100	24,225	4,157	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG - SCHOOL FUNDS
From 10-01-18 To 10-31-18

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
TREASURY BILLS				
10-05-18	10-09-18	US TREASURY BILLS 0.000% Due 12-13-18	500,000	498,081.60
10-05-18	10-09-18	US TREASURY BILL 0.000% Due 03-14-19	500,000	495,021.00
10-19-18	10-22-18	US TREASURY BILLS 0.000% Due 12-11-18	350,000	348,947.57
				1,342,050.17
				1,342,050.17
INTEREST				
CASH AND EQUIVALENTS				
10-15-18	10-15-18	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		345.06
U.S. TREASURY				
10-31-18	10-31-18	US TREASURY NOTES 1.625% Due 04-30-19		4,468.75
				4,813.81
SALES, MATURITIES, AND CALLS				
TREASURY BILLS				
10-18-18	10-18-18	US TREASURY BILLS 0.000% Due 10-18-18	350,000	350,000.00
				350,000.00

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG - SCHOOL FUNDS
From 10-01-18 Through 10-31-18

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
10-18-18	350,000	US TREASURY BILLS 0.000% Due 10-18-18	347,896.16	350,000.00	2,103.84
TOTAL GAINS					2,103.84
TOTAL LOSSES					0.00
			347,896.16	350,000.00	2,103.84

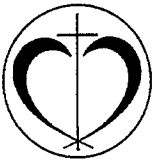
Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF CRAIG - SCHOOL FUNDS
From 10-01-18 To 10-31-18

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
10-01-18			Beginning Balance		1,017,582.83
10-05-18	10-09-18	wd	Purchase	US TREASURY BILLS 0.000% Due 12-13-18	-498,081.60
10-05-18	10-09-18	wd	Purchase	US TREASURY BILL 0.000% Due 03-14-19	-495,021.00
10-15-18	10-15-18	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	345.06
10-18-18	10-18-18	dp	Sale	US TREASURY BILLS 0.000% Due 10-18-18	350,000.00
10-19-18	10-22-18	wd	Purchase	US TREASURY BILLS 0.000% Due 12-11-18	-348,947.57
10-31-18	10-31-18	dp	Interest	US TREASURY NOTES 1.625% Due 04-30-19	4,468.75
10-31-18			Ending Balance		30,346.47



Southeast Senior Services

A Division of Catholic Community Service, Inc.



Helping elders in Southeast Alaska stay healthy, safe and independent

November 1, 2018

Mr. Jon Bolling
City Administrator
City of Craig
PO Box 725
Craig, AK 99921

Dear Mr. Bolling:

We want to thank the City of Craig for its generous support of our Craig/Klawock Senior Center. We are pleased to report the following services provided by our Craig/Klawock Senior Center staff in the first quarter of the Fiscal Year 2019:

- * 13 senior citizens received 454 home-delivered meals.
- * 68 senior citizens received 998 congregare meals.
- * 60 senior citizens received 1,022 rides.

Please contact me at (907)463-6154 or Marianne.mills@ccsjuneau.org if you would like additional information.

Sincerely,

Marianne Mills
Program Director

MM/acb

BILL WALKER
Governor



P.O. Box 110001
Juneau, AK 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

RECEIVED
NOV 08 2018

November 5, 2018

Mr. Jon Bolling
City of Craig
P.O. Box 725
Craig, AK 99921

Dear Mr. Bolling:

Thank you for sharing with Governor Walker your concerns regarding winter operations at the Klawock airport. I have discussed this matter with the Governor, and we want to assure you that maintaining such an important transportation link, serving so many communities on Prince of Wales Island (POW), is, and has been, a top priority for the Department of Transportation and Public Facilities (DOT&PF) and this Administration. It is unfortunate that the recent increase in scheduled air carrier service to the island has created confusion concerning the State's support for this facility. Please allow me to clarify and outline a solution for moving forward.

By way of background, the state has been grappling with an historic fiscal deficit for several years; requiring the administration to reduce the State's operating budget by over 25 percent. These reductions were keenly felt everywhere, including the Southcoast Region of DOT. Despite these significant cuts, the Southcoast Region has continued to maintain its traditional service on POW, including emergency operations, clearing 355 road miles in time for school buses in the morning, and plowing the airport for scheduled flights.

Absorbing those budget cuts without reducing the traditional service on the island has stretched the Department to the extreme. So when, this winter, they also had to contend with air carrier service growing from a 7:00 am - 6:00 pm day, to a 6:00 am -8:00 pm day; something had to give.

The simplest solution would be to commit additional resources to the operation. However, as the state is still running large deficits, this was not deemed a practical short-term solution. Instead, the Department chose to do what it does in other locations and seek fees for after hour callouts. This is where some confusion and miscommunication unfortunately arose.

When Department staff attempted to communicate their solution to air carriers, air carriers were left with the impression the Department would be cutting back on its traditional hours of support, including support for emergency operations, as well as requiring additional fees. This is not what the Department intended to convey. For this reason, they issued a clarifying statement detailing their intentions to continue providing traditional support to the Klawock airport, including support for medevacs.

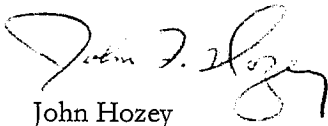
Mr. Jon Bolling
November 5, 2018
Page 2

However, this still left unresolved the issue of how to cover the newly expanded flight schedule. Initially, the callout fee proposed by the Department was \$1,000 per hour, which created a financial strain on the carriers. The Department then re-evaluated this charge and was able to reduce the rate to \$250 per hour. By combining an authorization for some overtime with a significant reduction to the callout rate for after-hours, the Department was able to present a financially feasible solution, which will enable air carriers to operate their expanded schedule this winter.

Please note that this is a compromise solution, meaning it is not ideal for either party, given their particular circumstances. However, it is a reasonable short-term approach. Longer-term solutions that would require additional resources should be explored and vetted in future legislative and budgetary processes.

For a more detailed description of these latest changes to Klawock's airport operations, please see the attached updated statement from DOT&PF.

Sincerely,



John Hozey
Deputy Chief of Staff
Office of Governor Bill Walker

Enclosure: DOT&PF Updated Statement



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Transportation and Public Facilities

Southcoast Region
6860 Glacier Highway
P.O. Box 112506
Juneau, AK 99811-2506
Main: (907)465-1763
Fax: (907)465-3124
dot.alaska.gov

UPDATED DOT&PF Statement on Klawock Airport Winter Operations

November 5, 2018

DOT&PF is committed to protecting the safety of the traveling public and supporting commerce.

DOT&PF is taking steps to address the recently expanded flight schedule for service to Prince of Wales (POW) Island at the Klawock Airport:

- DOT&PF will extend the Klawock Maintenance Station's regular daily hours of operation from the Monday – Friday, 5:00 am – 1:00 pm, winter schedule that DOT&PF has used for the past five or more years.
 - Operating hours for the 2018-2019 winter season will be Monday – Friday, 5:00 am – 2:30 pm.
 - DOT&PF will accomplish this change by moving one employee to a Monday – Friday, 6:00 am – 2:30 pm shift.
 - The new hours are also possible due to a recent change to collective bargaining agreements covering staff at the Klawock station that increased the workday from 7.5 hours to 8.0 hours.
- DOT&PF will continue to provide limited after hours evening and weekend snow and ice control at the airport when workers are otherwise called out to work on POW highways, assuming overtime at a similar level as during recent winters. This includes up to one callout per weekend specifically for the airport.
- DOT&PF is reducing the after-hours charge for snow and ice management at rural airports (authorized by 17 AAC 45.035) from \$1,000 per hour to \$250 per hour for each piece of equipment used. Typically, DOT&PF uses one piece of equipment at a time for snow and ice management at the Klawock airport. In the event expanded operating hours and commitment to limited overtime are insufficient to allow an air carrier to operate its desired schedule, the air carrier may request after hours service under the revised regulation.

Protecting safety and supporting commerce are essential functions for DOT&PF. The combination of limited overtime and afterhours charges will allow DOT&PF to provide these essential functions at Klawock Airport while still maintaining the extensive POW road system.

Emergency medical transportation flights have and will continue to receive full service

Emergency medical transportation flights are exempt from after hours charges under 17 AAC 45.035. It has always been DOT&PF's policy to provide immediate services for medevacs at no additional charge to the emergency transport carrier. DOT&PF will continue to offer support at the Klawock Airport for medical and lifesaving operations.

"Keep Alaska Moving through service and infrastructure."

Changes to airport operating hours may impact DOT&PF's winter road maintenance during extreme snow events

DOT&PF classifies Klawock Airport as an unattended airport. However, DOT&PF does offer services at the airport during the Klawock Maintenance Station's regular daily hours of operation.

The newly added commercial flights pose a logistical challenge for winter operations around POW on days with snowfall events. DOT&PF workers serving the airport are also plowing roads between the 8 communities and 355 lane miles of highway on POW. These winter operations are essential functions for safety, transporting children to school, the movement of goods and freight, and more.

Although DOT&PF workers started at 5:00 am in the past, the first flights did not depart from Klawock Airport until 7:00 am. Workers were able to concentrate early morning efforts on POW highways. The addition of a 6:00 am departure will necessarily divert some of this effort to the airport. Additionally, having one worker start an hour later to cover more flights in the afternoon will affect operations on the highways.

DOT&PF will continue working with air carriers to offer after-hours operations in compliance with regulations that minimize costs to air carriers and DOT&PF.

(See facts below about DOT&PF's service on Prince of Wales Island.)

DOT&PF accomplishes wide-ranging responsibilities on Prince of Wales with limited resources.

- 6 Employees
- 355.8 lane miles of roadway responsibility
- 19.3 lane miles of airport responsibility
- Regular operating hours at the Klawock Maintenance Station are from 5:00 am – 2:30 pm Monday through Friday
 - Allows DOT&PF to plow most highways prior to school buses departing, and then monitor roads for homeward-bound buses.
 - Allows DOT&PF to have most highways cleared on the most days for the 8:00 am Interisland Ferry departure from Hollis.

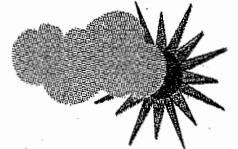
DOT&PF provides service to eight communities on Prince of Wales Island. All of these communities have schools. The DOT&PF sets winter schedules for the Klawock Maintenance Station to best provide safe routes for school buses and parents transporting children to school.

- Klawock
- Craig
- Thorne Bay
- Whale Pass
- Naukati Bay
- Hydaburg
- Coffman Cove
- Hollis

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46°/34°

Weather, page 3

DAILY NEWS

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12 PAGES



Boro hears from Ucore

By ZACHARY HALASCHAK
Daily News Staff Writer

The highlight of Monday's Ketchikan Gateway Borough Assembly meeting was a presentation on Ucore Rare Earth Metals' planned rare earth element separation facility.

Randy McGillivray, vice president of project development for Ucore, began with a slideshow presentation detailing Ucore's plans and explaining more about what rare earth elements are and the process that goes into separating them from feedstock.

McGillivray said that although Ucore has a 100 percent stake in the Bokan-Dotson Ridge project site on Prince of Wales Island, for now the company is looking at developing an element separation facility here on Revillagigedo Island, a process that is currently in the due diligence phase.

Ucore is looking at purchasing a piece of land around mile 10 of North Tongass Highway to be used for the facility.

According to McGillivray, the facility would use cutting edge molecular recognition technology featuring ligands — customized molecules that attract specific elements — to extract the rare earth resources, an undertaking that is new to the industry.

The elements themselves are a hot commodity, used in everything from cell See 'Borough Assembly,' page 5

Debra Call swings by KTN

Borough Assembly

Continued from page 1

phones to guided missiles.

"I like to tell people that if it has a screen and a motor — an electric motor — than it probably has rare earth elements in it," McGillivray said.

McGillivray said Ucore hopes that the new separation facility would begin production by 2020, with it up to full capacity three years later.

The goal is that the facility would turn a profit allowing Ucore to explore the opportunity of developing the Bokan-Dotson Ridge mine, which is rich in rare earth elements, in the future.

"We're going to defer the development of the mine, but we're still going to build a portion of the mill for separating out rare earth (elements)," McGillivray said. "That means that we have to purchase feedstock from other countries."

Following his presentation, all of the Assembly members had questions, and many expressed concerns from constituents regarding the environmental impact of the separation facility.

McGillivray said that although this is a new undertaking, there has been planning put into place in order to meet regulatory standards.

"The most significant byproduct that we and the community should be concerned about is radioactivity," McGillivray explained. Although, he said that the feedstocks that Ucore are planning to use at the new facility are "extremely low" in radioactive minerals. Some Assembly members expressed

concern with where the waste from the planned facility would go. McGillivray said that it would not be stored locally.

"Any waste material that occurs from this facility will not be stored in Southeast Alaska," McGillivray said, noting that it would be shipped to a secure disposal area.

Assembly Member Susan Pickrell inquired about the safety of the workers and others who might come in contact or be near materials used during the separation process. McGillivray said that the entire process is self-contained.

"I guarantee you that this is a safe process, it's totally self contained," McGillivray said. "... There will be regulations around the handling of that material."

Assembly Members Alan Bailey and Sven Westergard wondered about how final the location was. Bailey asked if they would consider other properties for the facility should they be offered. He mentioned Gravina Island in particular.

Building off of that, Assembly Member AJ Pierce asked directly about what advantages Ketchikan has over Gravina for a location. McGillivray said that the issue with Gravina Island is access, although he said if there was some sort of other offer that Ucore would still look into it.

"(The planned location) was our preferred site for many reasons — so it's our preferred site — but we're in the due diligence period right now, we have not purchased the property."

McGillivray said, "and if there is something that we should know about in terms of an offering, I think that's appropriate."

When asked about potential employment opportunities for locals arising from the facility, McGillivray said that Ucore expects about a dozen or so positions when it begins production, with a total of approximately two dozen employees at peak production.

He also said that one of Ucore's priorities is to put an emphasis on hiring locally in the community and using local contractors during the construction phase.

Assembly Member Judith McQuery wondered about the quantities of material that would potentially be moved through the facility. McGillivray said that ultimately the goal is a facility that could process 5,000 tons of feedstock per year.

A recurring theme from the Assembly was one of uncertainty. Some noted that they aren't scientists so it can be tough for them as elected officials and for their constituents to understand how the facility works and what safeguards are in place for the community.


Rodney Dial encouraged Ucore to have some sort of marketing campaign or to provide further information to residents who might be concerned with having a rare earth element separation facility on the island.

"I certainly take your message, and I've written down 'open house,'" McGillivray said. "We should develop some flow sheets and have some diagrams showing what we envision to construct for the local residents. That makes a lot of sense to me."

Also Monday, the Assembly:

- Heard a quarterly update from Pat Tully, director of the Ketchikan Public Library.
- Heard an update from First City Homeless Services.
- Confirmed McQuery as vice mayor.
- Confirmed Assembly member committee appointments.
- Approved a resolution establishing criteria and process for waiving after-the-fact application fees for zoning permits.
- Welcomed Adam Thompson as the new borough assessor.

The next Assembly meeting is scheduled for Nov. 19.



Ketchikan Indian Community

ANNUAL ELECTION

Monday, January 21, 2019



10/28/18

Our 2019 Committed Sponsors & Supporters

POW Chamber of Commerce
Tongass Communications
B-3 Contractors, Inc.
Tongass Electric
City of Craig

Klawock RV Park, LLC
The Healing Touch
Tyler Rental
Log Cabin Resort and RV Park
Island Christian Academy
Ernie Anderson Family

The Bread Box
Klawock River Inn
Baskets and Bullets

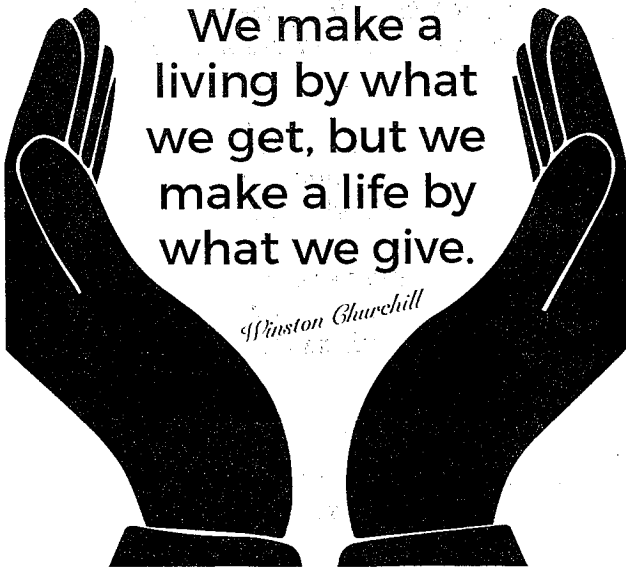
*Thank you
City of Craig
For joining our growing list of sponsors.*

*As you know it takes a lot of money and man-
power to stage this annual event, and we are
receiving the first wave of that support!*

*We are 10 percent of the way there, all of which
has been contributed by our early sponsors and
supplorters listed on the back!*

*We intend to send out periodic news bulletins
along the way to let you know the highlights of
our 20th Anniversary event!*

*A marathon of thanks from
Jean, Ann, Jan, Toni, Trina,
Kelli, Gretchen and Tom.*





NEWS RELEASE

For Immediate Release
Contact: (202) 205-1005
Twitter: [@forestservice](https://twitter.com/forestservice)

Forest Service Chief announces new Regional Forester for Alaska Region

WASHINGTON, Nov. 30, 2018 — USDA Forest Service Chief Vicki Christiansen announced today the appointment of David Schmid as regional forester for the Forest Service's Alaska Region. As regional forester, Schmid will oversee management of more than 22 million acres of National Forest System lands in Southcentral and Southeast Alaska.

Schmid has been acting regional forester in Alaska for the last eight months filling in behind Beth Pendleton who retired in April.

"David's more than 30 years of experience and his commitment to maintaining strong relationships with people, stakeholders and communities make him exceptionally well qualified for this job," Christiansen said. "I'm also pleased that he's bringing both his leadership skills and 23 years of experience on the Chugach and Tongass National Forests to this role."

David joined the Forest Service first as a volunteer in Minnesota. After graduating college, he worked as a fisheries and watershed program leader on the Chugach National Forest and as a district ranger on the Tongass National Forest. Following his time in Alaska, he served as the national fish program leader in Washington DC, and as the director of biological and physical resources in the Southern Region. For the last four years he has served as the Deputy Regional Forester in the Northern Region based in Missoula, Montana.

The mission of the USDA Forest Service is to sustain the health, diversity, and productivity of the nation's forests and grasslands to meet the needs of present and future generations. The agency manages the 193 million acres of National Forest System land, provides stewardship assistance to non-federal forest landowners, and maintains the largest forestry research organization in the world.

For more information about the U.S. Forest Service visit <http://www.fs.fed.us/>.

#

PUBLIC LANDS

Lawmakers call for one-year Secure Rural Schools renewal

[Kellie Lunney](#), E&E News reporter. Published: Thursday, November 29, 2018

A bipartisan group of senators yesterday urged the chamber's leadership to include in any year-end legislation a one-year reauthorization of a program that many rural communities rely on to pay for schools, roads and other critical services.

The Secure Rural Schools program, which expired Sept. 30, compensates counties in states such as Washington, Oregon and Utah that have withstood massive timber sale losses as well as a downturn in logging and milling jobs.

"Over the last nearly two decades, SRS has been a critical lifeline for over 775 counties in over 40 states across the country by helping fund more than 4,400 schools, road maintenance, law enforcement, and search and rescue operations," said the [letter](#) from 25 Republicans and Democrats to Senate Majority Leader Mitch McConnell (R-Ky.) and Minority Leader Chuck Schumer (D-N.Y.).

Sens. Mike Crapo (R-Idaho) and Ron Wyden (D-Ore.) led the request to renew the popular program with fans on both sides of the aisle during the lame-duck session. Wyden helped shepherd SRS into law in 2000.

Crapo, Wyden and Idaho Republican Sen. Jim Risch earlier this month introduced legislation to extend the program through fiscal 2019. The senators would like to see that bill embedded into a larger legislative vehicle during the last few weeks of the current congressional session.

The March fiscal 2018 omnibus package reauthorized SRS for fiscal 2017 and 2018; lawmakers let it lapse this fall. The last authorized payments will go to communities in calendar year 2019 if Congress doesn't renew the program.

Without congressional action to reauthorize the statute, SRS counties revert to a less lucrative law that entitles them to 25 percent of revenues from national forests.

SRS lapsed in fiscal 2016, which caused an average decrease of more than 80 percent in payments to counties, according to the National Association of Counties. The program provided \$281.9 million in fiscal 2017 to hundreds of mostly rural communities for infrastructure and other important services.

In September, Wyden said he was "kicking around a new idea" with Crapo for SRS that involved potentially establishing a permanent "endowment" fund to provide "stable, increasing, reliable funding for county services, roads and schools."

But the Democrat said at the time the proposal wasn't set in stone ([E&E Daily](#), Sept. 7).

Yesterday's request was an attempt to buy time for SRS, the lawmakers said.

"As we work to establish a permanent county payments solution, diversify rural economies, improve forest management and forest health, strengthen historic forest revenue sharing with local governments, and ensure that our forests provide a range of values such as clean water, jobs, and wood fiber for local economies, a short-term reauthorization of at least one year is critical to provide fiscal certainty for forested counties," said the senators' letter.

**CITY OF CRAIG
MEMORANDUM**

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

This item returns to the council with the thought that the full membership will be present at the December 6 meeting to determine if the council wishes to adopt a formal position on the matter.

The September 28 memo and attachments are included again here as a reminder of the background on this issue.

Since staff's September 28 memo to the council, the State's Alaska Roadless Rule Citizen Advisory Committee completed its work. Its report is available at <http://dnr.alaska.gov/> (or I can e-mail a copy to you by request). While a majority of the advisory committee membership favored a total exemption from the Roadless Rule, the group did not agree to or recommend a given course of action regarding the exemption. Instead, the group provided options to the Governor's Office to consider for analysis. All the options the group put forth would ease land use restrictions imposed by the Roadless Rule.

A decision on the state's exemption request lies with the US Department of Agriculture, which I understand will render a decision through a National Environmental Policy Act (NEPA) process. The city may have the opportunity to provide formal comments during that process.

Recommendation

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

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.

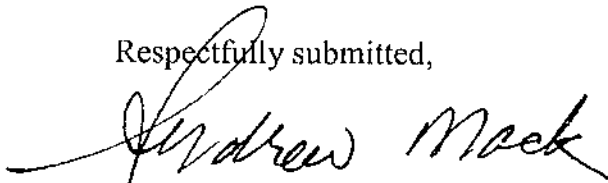
VI. CONCLUSION

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".

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

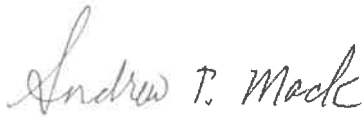
11. **NON-FUND OBLIGATING DOCUMENT.** Nothing in this MOU shall obligate either the Forest Service or the State to obligate or transfer any funds. Specific work projects or activities that involve the transfer of funds, services, or property among the various agencies and offices of the Forest Service 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.

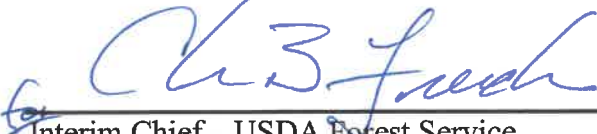
STATE OF ALASKA:



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

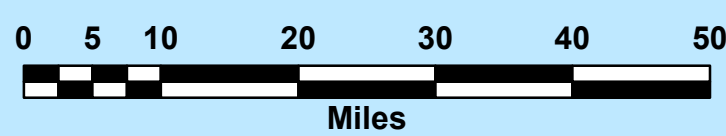
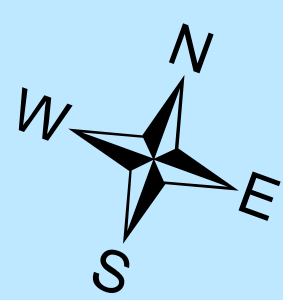
Roadless Area Inventory

**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



GULF OF ALASKA

DIXON ENTRANCE

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: November 29, 2018
RE: Port St. Nicholas Road Maintenance Fee Draft Ordinance

At its November 1 meeting the city council reviewed a draft PSN Road fee ordinance. That review prompted requests from the council for additional information in order to consider setting the road fee in the draft ordinance rather than by resolution, as the previous version of the ordinance provided. Requests from individual council members included determining

1. the total annual cost of maintenance of the PSN Road;
2. the annual cost to the city; and,
3. the annual cost to PSN residents.

In response to the council's requests, you will find attached a revised ordinance, and an updated estimated yearly cost of maintenance of the PSN Road.

Estimated Costs

Public Works Director Russell Dill updated previous versions of annual cost estimates to maintain the PSN Road. You will find his estimates in the attached maintenance narrative. Please note that the estimates are based on maintenance of the portion of the PSN Road between the city limits and a point just east of the city's water treatment plant. Based on the assumptions in the narrative, a typical year's maintenance cost may amount to about \$41,000. Of course, when on-the-ground conditions vary measurably from assumptions in the narrative, actual costs will change.

Whatever the actual costs amount to, setting the fee by ordinance requires settling on either a fixed dollar amount or a percentage of annual costs attributable to PSN property owners.

Fixed Dollar Amount

A fixed dollar amount would, presumably, remain the same from year to year once set in place by ordinance and codified into the municipal code. It would provide PSN property owners the most certainty as to the annual out of pocket cost to support maintenance of the road. At the same time, setting a fixed dollar amount fee runs the risk of collecting more than was actually spent on maintenance for a given year. It also risks collecting substantially less as a percent of total maintenance costs than the council intended in years when maintenance costs may be unusually high.

As to collecting the fee, the fixed dollar amount method allows the city to bill the fee in advance of the year for which the maintenance work occurs, rather than in arrears as in the percentage of annual cost approach.

Percent of Annual Costs

Setting a percent of annual costs fee provides for a certain proportion of reimbursement to the city of annual maintenance costs. This option collects the fee in arrears based on costs reported

to the council. While this method provides for certainty of percentage allocation, it does not fix the annual dollar amount attributable to property owners at PSN because the maintenance costs will vary from year to year.

If the council concludes that less than one hundred percent of the annual maintenance cost should be allocated to PSN properties, it must choose some basis for selecting the proportion allocated to PSN. Based on public comment and local knowledge of usage of the road, non-resident traffic includes:

- use of the road by city personnel;
- use of the road by residents at the south side of PSN, who are not subject to the fee;
- use of the road by the public for any number of reasons, including hunting, fishing, POW Shooting Club traffic, collecting firewood, and other uses.

If one assumes that most of the traffic on the road is attributable to the subdivision's residents/property owners, either by use of personal vehicles or commercial vehicles serving subdivision properties, then assignment of more than one-half of the cost to PSN properties is a reasonable starting point for consideration. From there the council may adjust the portion of costs allocated to PSN properties based on a discussion of categories of road users raised by the public or by the council itself.

As an example, based on the attached maintenance narrative, if the council sets the PSN contribution at 50 percent of annual maintenance costs, then for the typical maintenance year, the approximately 180 PSN properties subject to the ordinance would contribute collectively some \$20,475.26, or about \$113.75 per lot. If maintenance costs for a given year were higher, then the contribution per lot would increase; if lower, the per lot contribution decreases.

Next Step

Given the stated interest of some council members to provide some certainty as to the fixed dollar amount or percentage of costs that is recoverable through the PSN Road maintenance fee, at this point the council should make a policy decision as to whether to set in the ordinance a percentage of recoverable annual maintenance cost or a fixed dollar amount recoverable through the road maintenance fee. Section 12.10.020 of the attached draft ordinance (highlighted in yellow) includes the two options for the council to consider.

I made other changes to the draft ordinance that are also highlighted in yellow. Those changes add references to the city water main within the road. The text emphasizes the importance of the water main to the city, but makes clear that fees collected under the ordinance may not be spent on maintenance of the water main.

Recommendation

That the council direct staff to incorporate either a fixed dollar amount fee or a percent of annual costs fee into the draft ordinance at Section 12.10.020, and then direct staff to schedule the revised ordinance for first reading.

**CITY OF CRAIG
DRAFT 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, 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, Alaska Statutes 29.71.800 defines streets to include roads; 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 surface estate conveyed by quitclaim deed; and,

WHEREAS, the Port St. Nicholas Road contains a water main that is the sole means of transmission of potable water between the city's water treatment plant and its water customers, which includes both city residents and many Port St. Nicholas residents, and constitutes vital public infrastructure for city and Port St. Nicholas residents; and,

WHEREAS, ongoing maintenance to the Port St. Nicholas Road benefits the water main by ensuring reasonable access to and functioning of the main; 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 benefit the owners of properties 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 Fee Set.**
- 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 tract 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 Fee Set

The annual road maintenance and improvement fee is set at \$_____ per lot or tract.

-or-

The annual road maintenance and improvement fee is set at _____ percent of the actual cost per year as reported in the Annual Maintenance Report.

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. Fees collected under this chapter shall not be used for the maintenance, repair, capital improvement, or operational costs of the city's water main within 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.

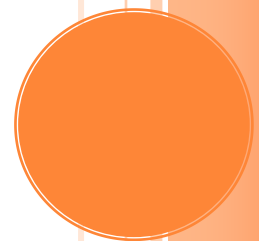
12.10.090 Definition

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.

PORT SAINT NICHOLAS ROAD MAINTENANCE NARRATIVE

Russell Dill

11/9/2018



PORT SAINT NICHOLAS ROAD MAINTENANCE NARRATIVE

There are two major objectives of the City of Craig Public Works Department in maintaining Port Saint Nicholas Road. These two major objectives are to be accomplished through the City of Craig basic road maintenance plan.

The two major objectives are **Basic Maintenance**, and **Safety**. The City of Craig Public Works Department has developed a maintenance plan that will help to achieve these objectives. The Public Works Department is committed to serving the community of Craig with integrity, expertise, fiscal responsibility and dedication.

Components of Port Saint Nicholas Road

There are two components to the Port Saint Nicholas Road, the paved section which is approximately 3.5 miles long, and the gravel section which is approximately 1.8 miles long. Aspects of the two components are:

- Culverts
- Shoulders
- Striping
- Surface
- Base
- Subgrade
- Trees and vegetation
- Bridge
- Ditches
- Signs

Services provided through the Basic Maintenance Plan

1. Grading the Gravel Portion;

Grading needs to be performed a minimum of thirteen times per year and spot grading as needed. The Public Works Department has estimated a minimum of 104 operation hours, and 250 tons of 1.5” minus surface material to accomplish basic grading operations.

2. **Culvert Maintenance;**

Culvert maintenance to be performed on as needed bases.

3. **Asphalt Maintenance;**

Three major areas in maintaining a paved road are the Surface, Base, and Subgrade. All areas will be addressed on as needed bases with sweeping performed a minimum of four times per year.

4. **Snow removal and Sanding;**

It will require a minimum of 10 cubic yards of material to sand 5.3 miles of paved road. Sanding may be performed up to twice a day depending on road conditions. Estimates are based on an average of 10 snow days for Southeast Alaska.

5. **Striping;**

Striping should be performed every three years. Estimates for striping are based on 2014-2015 Fiscal year cost which was \$0.30 per linear foot.

6. **Bridge Maintenance;**

Dog Salmon Creek, bridge number 2089 is inspected biennially by Alaska Department of Transportation and Public Facilities. On May 19th 2018, the bridge was inspected. There are three minor maintenance tasks listed in the report which are: Remove gravel and debris from the shoulders of the deck to allow water drainage, clean compression joints and re-pour seals at abutments, cut brush and trees around and under bridge.

7. **Guard Rail Maintenance;**

Port Saint Nicholas Road Project dated January 15th, 2008 indicates installation of guard rails. If guard rails were to be installed, there would be maintenance service associated with this infrastructure component.

8. **Shoulder Brushing;**

Estimate clearing production rate is 5 operation hours per mile if maintenance is performed every year. Use of brusher is incorporated into the production rate.

Equipment Rates

Equipment rates are based on Owning and Operating analysis performed by Public Works Department. Rates include operator costs.

Equipment	Rate per hour
Motor Grader	\$113.93
Roller	\$83.24
Backhoe	\$104.26
Dump Truck	\$139.45
Street Sweeper	\$120.74

Material Costs

Material costs are based on Rock Prices per Ton from Southeast Roadbuilders (Klawock Rock Prices-2017)

Material	Price Per Ton
1.5" Minus	\$18.50
Pit Run	\$12.50
3" Jaw Run	\$15.80
Hot Mix	\$90.00
Washed Sand	\$22.50

GRADING THE GRAVEL PORTION				
EQUIPMENT AND LABOR				
	<i>UNITS</i>	<i>QUANTITY</i>	<i>RATE</i>	<i>TOTAL</i>
MOTOR GRADER	HR	104	\$113.93	\$11,848.72
ROLLER	HR	52	\$83.24	\$4,328.48
1.5" MINUS	TON	250	\$18.50	\$4,625.00
				\$20,802.20
CULVERT MAINTENANCE				
EQUIPMENT AND LABOR				
BACKHOE	HR	0	\$104.26	AS NEEDED
DUMP TRUCK	HR	0	\$139.45	AS NEEDED
1.5" MINUS	TON	0	\$18.50	AS NEEDED
PIT RUN	TON	0	\$12.50	AS NEEDED
3" JAW RUN	TON	0	\$15.80	AS NEEDED
CORRUGATED POLY PIPE	FT	0	\$28.94	AS NEEDED
				\$0.00
ASPHALT MAINTENANCE				
EQUIPMENT AND LABOR				
STREET SWEEPER	HR	16	\$120.74	\$1,931.84
DUMP TRUCK	HR		\$139.45	AS NEEDED
BACKHOE	HR		\$104.26	AS NEEDED
ROLLER	HR		\$83.24	AS NEEDED
HOT MIX	TON		\$90.00	AS NEEDED
				\$1,931.84
SNOW REMOVAL AND SANDING				
EQUIPMENT AND LABOR				
DUMP TRUCK	HR	30	\$139.45	\$4,183.50
SAND	TON	100	\$22.50	\$2,250.00
MOTOR GRADER	HR	15	\$113.93	\$1,708.95
				\$8,142.45

STRIPING	FT	22,528	\$0.30	\$6,758.40
BRIDGE MAINTENANCE				
EQUIPMENT AND LABOR				
Brush removal	HR	1	\$109.00	<i>AS NEEDED</i>
Expansion joint restoration	6FT STX	10	\$134.00	<i>AS NEEDED</i>
Street Sweeper	HR	1	\$120.74	<i>AS NEEDED</i>
				\$0.00
GUARD RAIL MAINENANCE				
	FT	6,580	\$40.00	\$0.00
SHOULDER BRUSHING				
EQUIPMENT AND LABOR				
ASPHALT	MILE	3.5	\$531.25	<i>\$1,859.38</i>
DIRT	MILE	1.8	\$531.25	<i>\$956.25</i>
				\$2,815.63
<i>SUMMARY</i>				
GRADING				<i>\$20,802.20</i>
CULVERT MAINTENANCE				<i>\$0.00</i>
ASPHALT MAINTENANCE				<i>\$1,931.84</i>
SNOW REMOVAL/SANDING				<i>\$8,142.45</i>
STRIPING				<i>\$6,758.40</i>
BRIDGE MAINTENANCE				<i>\$0.00</i>
GUARD RAIL				<i>\$0.00</i>
BRUSHING				<i>\$2,815.63</i>
BILLING COSTS				<i>\$500.00</i>
TOTAL				\$40,950.52

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council From:
Kassi Mackie, City Clerk Date:
November 29, 2018
RE: Designation of Council Seats

At the November 1st meeting the council requested more information regarding designating council seats as this item had been up for discussion previously.

During the May 1, 2008 meeting the council deliberated the merits of designated seats versus the popular vote. City council members Wanda Rice, Millie Schoonover, and Greg Head didn't see a benefit to moving to designated seats.


Jim See didn't agree and felt that more people may choose to run if they knew they were able to choose not to run against a candidate, or to purposely run against another candidate.

Karen Head commented that it may take some of the voter's rights away, as a candidate who received fewer votes than another, may still be placed in a seat instead of the candidate who obtained more votes. Wanda wanted the option to vote for the best candidates for the seats instead of just one seat. The council decided not to take any action at this meeting.

Alaska Statutes permit either approach regarding council seats. Staff contacted municipal clerks from Southeast Alaska to discuss what is done in other smaller and larger municipalities. Petersburg had also emailed about the exact same question the very next day. They are also deliberating the merits of moving to designated seats. Sitka, Homer, Petersburg, Wrangell, Haines, Skagway, Seward and Ketchikan all use the "popular vote" method for placing candidates in seats. Some of the municipalities I interviewed didn't always have this method and utilized designated seats for a long period of time. In my conversation with staff at the Wrangell Borough, their view is that having seat specific terms would make more sense if a community had designated districts, as is the case in Juneau. For the smaller communities, the circumstances are different, and it creates confusion. Wrangell reports that elections have been a **lot** smoother for now that the community doesn't have seat-specific terms. Even so, Coffman Cove and Thorne Bay both have designated council seats.

Recommendation: The council should discuss the merit of designating council seats or leaving the council composition as is.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: November 21, 2018
RE: Consider offer for motor vessel Big Betty

In August 2017, the City of Craig took title to the motor vessel *Big Betty*. Title came via settlement of a complaint filed in District Court by the prior owner of the vessel. The vessel has been blocked up on city property at the industrial park since December 2015.

Recently the city received a written offer (copy attached) from Mr. Jim Stuckey to remove the vessel from the industrial park. The offer provides for the removal of the vessel's engines and gears (which will remain property of the city) and a \$500 cash payment to the city. In return the city would launch the vessel at no cost to Mr. Stuckey after he has made repairs to the hull.

I am told that the vessel's engines have value, and likely can be sold at auction once they are removed.

Mr. Stuckey's offer for the *Big Betty* is fair. It presents little or no risk to the City of Craig. If carried out, the offer results in the permanent removal of the vessel from city property in 2019. The alternative to the city is spending staff time removing the engines and gears ourselves, and then, short of finding a buyer for a boat with a damaged hull, having to find a way to dispose of the hull, the cost of which would likely be more than the \$500 cash payment that is part of Mr. Stuckey's offer.

Recommendation

Accept, by motion, Mr. Stuckey's offer to purchase the M/V *Big Betty*.

11-5-2018

To the Craig Alaska City Council

From: Jim Stukey, Resident Craig, Alaska

Greetings,

After speaking with the Craig Harbormaster, I propose to purchase the Cabin Cruiser located at the Western most spot in the False Island parking area. I have a need for the hull and the City would retain the engines and gears to do with as they like. I will remove the Engines and Gears with the guidance and help of Richard Klein. I am still working full time, but have from Thanksgiving until the first third of December scheduled to remove the equipment. I will also pay the Harbor Dept. Five Hundred Dollars for the Hull. I will need until early spring to make repairs to the hull and ready it for its next adventure. Then the harbor dept. will, at no charge or liability put the vessel back into the water. Then it will go away never to be seen again by the City of Craig.

Sent Via Email

Jim Stukey

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: November 29, 2018
RE: Steam Winch Components at Cannery Property

Recently, Mr. Greg Head asked about the disposition of the steam winch components stored on the cannery property. Greg is interested in acquiring the smaller of the two winches with the goal of rebuilding the unit to an operational condition. Greg offered to purchase the unit

Background

The steam winch (also referred to as steam donkey) components were a fixture on the cannery property for decades, when the site was used actively to support the local seine fleet. The steam winch components were used to haul seine boats to and from the water for maintenance work and seasonal storage. The equipment was removed from its original site to another location on the cannery property when the property beneath and around the shelter underwent cleanup of contaminated soils prior to the city purchasing the site. The equipment has remained stored outside on the property for some ten years.

Status of Equipment

The equipment has some historical value. At the same time, the equipment is also in poor condition, and will need work if there is interest in eventually displaying it in town somewhere.

Options

The council at this point should discuss the options before it, including:

- Leave the equipment as-is for the time being;
- Offer Greg Head the opportunity to work on the equipment, with some agreement in place as to returning the equipment to the city;
- Solicit proposals from the public to recondition or in some way improve the condition of the equipment.

Recommendation

That the council discuss options for the steam winch components and provide direction to staff on a preferred option.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: November 29, 2018
RE: 2018 Community Economic Development Strategy (CEDS) Committee

Economic development is important to Craig's sustainability. City staff, the planning commission, and the city council all have processes to provide input to where the city directs resources, staff time, and support for economic development.

The purpose of the CEDS Committee is to solicit input on economic and related quality of life development priorities from local businesses, non-profits, service agencies, the Craig Tribe, Craig School District, planning commission, city council and the general public. This committee will supplement work done by city staff, planning commissioners, and council members and add another perspective to the city's development priorities and strategies. This process is in addition to, not a replacement for, the annual Capital Improvement Projects Resolution and other planning documents that the city prepares.

The work of the CEDS will be based on the general goals and strategies that are outlined in the 2017 Craig Comprehensive Plan. Appendix D of the approved comprehensive plan will be updated annually with a new CEDS report. The CEDS committee will be comprised of members representing various groups in Craig. It is likely that there will be about 20 members of the committee.

At the September 20, 2018 regular council meeting the council approved the formation of the CEDS committee and the general membership categories. Staff reported at that meeting that it would bring the final committee member list to the council for approval.

In addition to the agencies, businesses, non-profits, public members, and city boards/commissions there are two seats reserved for the Craig Mayor and City Council. The council should nominate two members to participate in the committee and add them to the approved committee list.

Besides the two council/mayor seats the following committee members should be appointed:

Craig Mayor and City Council

(Should be nominated at the December 6, 2018 council meeting)

Craig Planning Commission

Barbara Stanley

Millie Schoonover

Craig Library Board

Jeff Lundberg

Carolyn Gardner (alternate)

Craig Harbor Committee

Pat Tyner, Craig Harbor Advisory Committee Member

Craig City School District

Chris Reitan, Superintendent
Zack Scheidecker, Maintenance Supervisor (alternate)

PeaceHealth

Matt Eisenhower, Executive Director of Community Health and Foundation

Shaan-Seet, Inc.

Ed Douville, President

Prince of Wales Chamber of Commerce

Sharilyn Zellhuber, Board President

US Forest Service

Matt Anderson, District Ranger
Tyler Gunn, Deputy District Ranger (alternate)

Business Members

Gail Slentz, SE Alaska Bookkeeping and Administrative Services

Non-Profit Organizations

Community Connections

Brynn Bolling
Bess Clark (alternate)

PAWS

Allison Weyhmiller
Shannon Crossthwaite (alternate)

HOPE

Tiffany Mills
Tammy England (alternate)

Recommendation 1: Discuss and nominate two members of the Craig City Council/Mayor to the committee.

Recommended Motion 1: I move to add the nominated council members to the 2018 CEDS membership list.

Recommendation 2: Discuss and approve the 2018 CEDS Committee list shown above.

Recommended Motion 2: I move to adopt the 2018 CEDS Committee recommended by staff.