

City of Unalaska
UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
(907) 581-1251 • www.ci.unalaska.ak.us

Regular Meeting
Tuesday, January 22, 2019
6:00 p.m.

Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
James Fitch
Roger Rowland
David Gregory

Frank Kelty, Mayor

Council Members
Dennis Robinson
Alejandro Tungul
Shari Coleman

AGENDA

1. Call to order
2. Roll call
3. Pledge of allegiance
4. Recognition of visitors
5. Adoption of agenda
6. Awards / Presentations: Unalaska Department of Fire and Emergency Medical Services, Presentation of Helmets to new Firefighters
7. Approve minutes of previous meeting, January 8, 2019
8. Reports: City Manager
9. Community Input / Announcements
10. Public testimony on agenda items
11. Public hearing on Ordinance 2019-01 creating Budget Amendment #4 to the Fiscal Year 2019 Budget, creating the operating budget for the Department of Fire and Emergency Medical Services and decreasing the operating budget of the Department of Public Safety
12. Work session
 - a. Presentation of the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2018
 - b. Presentation regarding Revenue Projections and Budget Goals for Fiscal Year 2020 (July 1, 2019 through June 30, 2020)
13. Regular agenda
 - a. Unfinished Business
 - i. Ordinance 2019-01, Second Reading, Creating Budget Amendment #4 to the Fiscal Year 2019 Budget, creating the operating budget for the Department of Fire and Emergency Medical Services and decreasing the operating budget of the Department of Public Safety
 - b. New Business
 - i. Resolution 2019-02: Approving financial support for the Online Sales Tax Working Group formed by the Alaska Municipal League in the amount of \$ _____
 - ii. Approve proposed letters of support for grant applications to be submitted by the Qawalangin Tribe and the Alaska Department of Fish and Game for operation of the McLees Lake salmon weir
 - iii. Approve travel for Mayor and Council Members to attend the SWAMC Conference, February 27-28, 2019 in Anchorage
 - iv. Approve travel for Mayor and Council Members to attend the City's state lobbying trip March 18-20, 2019 in Juneau
14. Council Directives to City Manager
15. Community Input / Announcements
16. Adjournment

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David Gregory

Frank Kelty, Mayor

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Dennis Robinson
Alejandro Tungul
Shari Coleman

MINUTES

-
1. Call to order
Vice Mayor Robinson called the Regular Meeting of the Unalaska City Council to order at 6:00pm, on January 8, 2019, in the Unalaska City Hall council chambers.
 2. Roll call

Present:
Shari Coleman
James Fitch
David Gregory
Frank Kelty, Mayor (Telephonic)
Dennis Robinson, Vice Mayor
Roger Rowland
Alejandro Tungul

Absent:
None
 3. Pledge of allegiance
Council Member Rowland led the Pledge of Allegiance
 4. Recognition of visitors
Vice Mayor Robinson introduced Nils Andreassen of Alaska Municipal League (telephonic)
 5. Adoption of agenda
Fitch made a motion to adopt the agenda; Tungul seconded
Motion passed by consensus
 6. Approve minutes of previous meetings, December 11 and December 20, 2018
Coleman made a motion to approve the December 11 and December 20, 2018 meeting minutes; Rowland seconded
Motion passed by consensus
 7. Legislative: Oath of Office for Police Officer Justin Easter
The City Clerk administered the Oath of Office to Police Officer Justin Easter

8. Reports

- a. City Manager – City Manager gave his report

9. Community Input / Announcements

- Cohenour – Summer Bay Road washed out near bridge
- Burnham – PCR Activities: Youth and Adult Soccer has started; Martin Luther King Jr. event on January 21; Winter-Spring Activity Guide available now
- City Manager Thomas asked Jennifer Shockley about recruitment activities for Department of Public Safety: two days recruitment in Seattle area; working with HR for short term contracts for certified police officers.

10. Public testimony on agenda items – None

11. Work Session

Tungul made a motion to enter into Work Session; Fitch seconded
Motion passed by consensus

- a. Discussion: Request for funding from the Alaska Municipal League working group on municipal taxation of online sales
Nils Andreassen of AML led the discussion and answered questions from the Council Members regarding the funding request of the working group on municipal taxation of online sales.

12. Regular agenda

Rowland made a motion to reconvene to Regular Session; Fitch seconded
Motion passed by consensus

a. New Business

- i. Ordinance 2019-01, First Reading, Creating Budget Amendment #4 to the Fiscal Year 2019 Budget, creating the operating budget for the Department of Fire and Emergency Medical Services and decreasing the operating budget of the Department of Public Safety

Rowland made a motion to move Ordinance 2019-01 to Second Reading and Public Hearing on January 22, 2019; Gregory seconded

Roll Call Vote: Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes;
Tungul – yes; Gregory – yes;
Motion passed 6-0

- ii. Resolution 2019-01: Authorizing the Write-Off of Various Accounts Receivable

Rowland made a motion to adopt Resolution 2019-01; Tungul seconded

Roll Call Vote: Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes;
Gregory – yes; Fitch – yes;
Motion passed 6-0

- iii. Resolution 2019-02: Establishing Taxicab Rates for Calendar Year 2019

Rowland made a motion to adopt Resolution 2019-02; Fitch seconded

Roll Call Vote: Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes;
Fitch – yes; Coleman – yes;
Motion passed 6-0

- iv. Travel Approval: Approve travel for Mayor and Council to attend the NPFMC meeting, February 4-9, 2019, in Portland, Oregon

Rowland made a motion to approve travel for Mayor Kelty, Vice Mayor Robinson and Council Member Gregory to attend the February NPFMC meeting in Portland; Tungul seconded.

Motion passed by consensus

- v. Travel Approval: Approve travel for Mayor and Council to attend the AML Winter Legislative Conference, February 19-21, 2019, in Juneau

Rowland made a motion to approve travel for Mayor Kelty, Council Members Robinson, Fitch and Coleman to the AML Winter Legislative Conference in February; Gregory seconded.

Motion passed by consensus

13. Council Directives to City Manager – None

14. Community Input / Announcements

- Kelty – Travel Schedule; Russian Orthodox started their Christmas season

15. Adjournment

Gregory made a motion to adjourn; Fitch seconded

Motion passed by consensus

Meeting adjourned at 7:23pm

Marjie Veeder
City Clerk

TO: Mayor and Council
FROM: Thomas Thomas, City Manager
SUBJECT: City Manager's Report
DATE: January 22, 2019

UMC Dock Position III & IV Replacement Project

We reached substantial completion and the UMC Dock opened Monday, January 14th. We now have a working punch list for final completion. We didn't meet the final completion date of January 15th. The budget remaining is over \$1M. We will continue to work to complete this project.

Some of the punch list items are:

- Strip crane stop formwork and clean grout edges if required.
- Repair bollard rail paint at south high mast light
- Install weather stripping on bottom of man door west side of warehouse
- Repair/Replace warehouse north end roll up door
- Provide/install plastic hydrant bollard covers
- Pour additional concrete in CPEP fence post foundations and slope to drain
- Apply penetrating concrete sealer
- Anode installation
- Damaged trench drain requires repair.
- Void between fuel vaults and cable trough
- Grout material between crane rail and cable trough froze and is spalling. Remove grout full depth within damaged areas and reinstall.
- Paver blocks
- Site Cleanup

Plastic Bag Ban

The City of Unalaska's prohibition on businesses distributing disposable plastic shopping bags appears to have caused some confusion. This is intended to clarify the intent of UCO § 11.16.040 and how it shall be enforced. Section 11.16.040 is intended to decrease the number of disposable plastic shopping bags in the City on Unalaska. To achieve that end, businesses are prohibited from distributing such bags to their customers. The prohibition applies whether the bags are distributed for free or for a charge. *Businesses may not distribute disposable plastic shopping bags to their customers.*

The ordinance does not prohibit any of the following:

- A Customer may bring to the business's location the customer's own bags of any type, including disposable plastic shopping bags.

- A Business may place the customer's purchases into any bag that the customer brought to the store, including disposable plastic shopping bags.
- A Business may distribute, for free or for charge, any bag that does not fall under the definition of "disposable plastic shopping bag".

Library Building Improvement Project

The Library Building Improvement Project survey closed on January 13, 2019 with 174 respondents participating. We are in the process of reviewing the raw results and putting together a report for City Council and the public. The report will be ready by the next site visits February 11th thru February 14th.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2019-01

CREATING BUDGET AMENDMENT #4 TO THE FISCAL YEAR 2019 BUDGET, CREATING THE OPERATING BUDGET FOR THE DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES AND DECREASING THE OPERATING BUDGET OF THE DEPARTMENT OF PUBLIC SAFETY

BE IT ENACTED BY THE UNALASKA CITY COUNCIL, as follows:

- Section 1. Classification: This is a non-code ordinance.
Section 2. Effective Date: This ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY19 Budget is amended as follows:

A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.

B. The following are the changes by account line item (see page 2 for detail):

Amendment No. 4 to Ordinance #2018-04

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGETS			
A. Proprietary Funds			
Sources			
Department of Public Safety	\$ 6,601,889	\$ 1,318,445	\$ 5,283,444
Uses			
Department of Fire and Emergency Medical Services	\$ -	\$ 1,318,445	\$ 1,318,445

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 22, 2019.

Dennis M. Robinson
Vice Mayor

ATTEST:

Marjie Veeder
City Clerk

**Fiscal Year Budget Amendment
and Schedule of Proposed Accounts**

1) General Fund - Operating Budget

Transferring appropriations for the Communications group to the Department of Public Safety what remains establishes the budget for the Department of Fire and Emergency Services

		To			From						
		Org	Object	Current	Requested	Revised	Org	Object	Current	Requested	Revised
I.											
B.)	Salaries & Wages	01021251	51100	1,715,294	411,612	2,126,906	01021551		809,469	(411,612)	397,857
	Temp Employees	01021251	51200	7,500	-	7,500	01021551		56,640	-	56,640
	Overtime	01021251	51300	199,632	20,115	219,747	01021551		73,419	(20,115)	53,304
	Health Insurance Benefit	01021251	52100	547,822	148,863	696,685	01021551		297,730	(148,863)	148,867
	FICA/Medicare Match	01021251	52200	144,495	26,277	170,772	01021551		71,875	(26,277)	45,598
	PERS Employer Benefit	01021251	52300	482,987	87,613	570,600	01021551		226,235	(87,613)	138,622
	Unemployment Insurance	01021251	52400	7,343	-	7,343	01021551		3,950	-	3,950
	Workers Comp Insurance	01021251	52500	47,694	12,019	59,713	01021551		24,037	(12,019)	12,018
				<u>3,152,767</u>	<u>706,499</u>	<u>3,859,266</u>			<u>1,563,355</u>	<u>(706,499)</u>	<u>856,856</u>
	Legal	01021252	53230	4,000	-	4,000	01021552		500	-	500
	Training Services	01021252	53260	58,200	5,000	63,200	01021552		19,100	(5,000)	14,100
	Education Reimbursement	01021252	53264	4,000	1,000	5,000	01021552		2,000	(1,000)	1,000
	Other Professional Svc.	01021252	53300	18,000	-	18,000	01021552		44,600	-	44,600
			121212	-	-	-	01021552		-	-	-
	Software & Hardware Support	01021252	53410	8,000	-	8,000	01021552		-	-	-
	Water & Sewer	01021252	54110	1,000	100	1,100	01021552		1,850	(100)	1,750
	Solid Waste	01021252	54210	2,700	225	2,925	01021552		6,975	(225)	6,750
	Custodial Svc & Supplies	01021252	54230	15,500	990	16,490	01021552		13,000	(990)	12,010
	Repair & Maint. Svc.	01021252	54300	5,000	-	5,000	01021552		4,000	-	4,000
	Building/Land Rental	01021252	54410	1,050	-	1,050	01021552		3,400	-	3,400
	Telephone/Fax/TV	01021252	55310	20,000	4,075	24,075	01021552		6,800	(4,075)	2,725
	Network/Internet	01021252	55320	3,000	-	3,000	01021552		-	-	-
	Radio	01021252	55330	14,500	-	14,500	01021552		10,000	-	10,000
				-	-	-	01021552		-	-	-
	Advertising	01021252	55901	1,000	150	1,150	01021552		500	(150)	350
	Printing & Binding	01021252	55902	1,250	-	1,250	01021552		1,000	-	1,000
	Travel & Related Costs	01021252	55903	52,650	3,900	56,550	01021552		31,950	(3,900)	28,050
	Banking & CC Fees	01021252	55904	3,600	-	3,600	01021552		-	-	-
	Postal Services	01021252	55905	3,000	200	3,200	01021552		800	(200)	600
	Membership Dues	01021252	55906	1,870	200	2,070	01021552		1,950	(200)	1,750
	Permit Fees	01021252	55907	50	-	50	01021552		-	-	-
	Employee Moving Costs	01021252	55908	40,000	-	40,000	01021552		-	-	-
	Investigations	01021252	55909	13,000	-	13,000	01021552		-	-	-
	Impound Fees	01021252	55910	6,000	-	6,000	01021552		-	-	-
	Recruitment Costs	01021252	55911	31,000	-	31,000	01021552		4,000	-	4,000
	General Supplies	01021252	56100	39,500	1,500	41,000	01021552		63,000	(1,500)	61,500
	Safety Related Items	01021252	56101	1,000	1,000	2,000	01021552		15,000	(1,000)	14,000
	Disaster Supplies	01021252	56106	3,000	-	3,000	01021552		-	-	-
	Office Supplies	01021252	56120	7,000	1,000	8,000	01021552		4,000	(1,000)	3,000
	Computer Hardware & Software	01021252	56150	7,000	-	7,000	01021552		1,500	-	1,500
	Uniforms	01021252	56160	15,500	1,500	17,000	01021552		21,500	(1,500)	20,000
	Electricity	01021252	56220	18,500	1,500	20,000	01021552		32,500	(1,500)	31,000
	Propane	01021252	56230	100	-	100	01021552		200	-	200
	Heating Oil	01021252	56240	14,100	1,200	15,300	01021552		31,200	(1,200)	30,000
	Gasoline for Vehicles	01021252	56260	20,000	-	20,000	01021552		4,000	-	4,000
				-	-	-	01021552		2,500	-	2,500
	Food, Beverage for City Programs	01021252	56310	500	-	500	01021552		500	-	500
	Business Meals	01021252	56320	300	-	300	01021552		200	-	200
	Employee Appreciation	01021252	56330	4,000	742	4,742	01021552		4,450	(742)	3,708
	Books & Periodicals	01021252	56400	1,600	250	1,850	01021552		2,000	(250)	1,750
	Grants (Supplies)	01021252	56450	13,755	-	13,755	01021552		-	-	-
	Grants (SHSP)	01021252	56454	-	-	-	01021552		-	-	-
	State Seizure Funds	01021252	56460	91,771	-	91,771	01021552		-	-	-
	Machinery & Equipment	01021252	57400	-	-	-	01021552		-	-	-
				<u>545,996</u>	<u>24,532</u>	<u>570,528</u>			<u>334,975</u>	<u>(24,532)</u>	<u>310,443</u>
	Machinery & Equipment	01021253	57400	-	-	-			45,171	-	45,171
	Allocations IN-Debit	01021254	58920	-	(105,975)	(105,975)	01021554	58910	-	105,975	105,975
	Total Other Expenses			<u>-</u>	<u>(105,975)</u>	<u>(105,975)</u>			<u>-</u>	<u>105,975</u>	<u>105,975</u>
	Total Expenses			<u>3,698,763</u>	<u>625,056</u>	<u>4,323,819</u>			<u>1,943,501</u>	<u>(625,056)</u>	<u>1,318,445</u>
	Corrections total					<u>959,625</u>			-		
	Department of Public Safety after Reorganization					<u>5,283,444</u>					

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
 From: Clay Darnell, Finance Director
 Through: Thomas Thomas, City Manager
 Date: January 8, 2019
 Re: Ordinance 2019-01, Budget Amendment #4 to the FY19 Budget
 Budget impact with the creation of the Department of Fire and Emergency Medical Services

SUMMARY: This memo provides detail to the impact on the FY19 budget in relation to the creation of the Department of Fire and Emergency Medical Services and related changes to the budget for the Department of Public Safety.

PREVIOUS COUNCIL ACTION: On December 11, 2018, Council adopted Ordinance 2018-11, which created the Department of Fire and Emergency Medical Services and made numerous related changes to code. On December 20, 2018 there was a motion to reconsider action on Ordinance 2018-11, which was not successful.

BACKGROUND: Ordinance 2019-01 provides the detail line item budget information to fund the newly created Department of Fire and Emergency Medical Services, which are transferred from available funds appropriated for the Department of Public Safety.

DISCUSSION: This detail budget amendment transfers previously appropriated funds to the newly established Department of Fire and Emergency Medical Services to the extent necessary to fund the new department without increasing the total amount of the FY19 appropriation for the Department of Public Safety. The summary amounts below and the detail line items set forth on page 2 of the budget amendment represent annual appropriations.

	Police & Admin	Corrections	Fire, EMS Communications	Current Budget
Public Safety Department	3,698,763	959,625	1,943,501	6,601,889
	Police & Admin	Corrections	Communications	Proposed Budget
Public Safety Department	3,698,763	959,625	625,056	5,283,444
			Fire & EMS	Proposed Budget
Fire Department			1,318,445	1,318,445

ALTERNATIVES:

Alternative 1: Approve the Budget Amendment represented by Ordinance 2019-01.

Alternative 2: Modify the Budget Amendment represented by Ordinance 2019-01 with whatever changes the Council proposes and the new amounts will be reflected in the second reading of the Ordinance.

FINANCIAL IMPLICATIONS: This budget amendment transfers existing appropriations to fund the new Department of Fire and Emergency Medical Services and there is no overall increase or decrease to the FY19 Budget.

LEGAL: There are no legal issues.

STAFF RECOMMENDATION: Staff recommends adoption of Ordinance 2019-01.

PROPOSED MOTION: I move approve Ordinance 2019-01 and schedule it for second reading and public hearing on January 22, 2019.

CITY MANAGER'S COMMENTS: I recommend the Council approve Ordinance 2019-01 and schedule it for second reading and public hearing on January 22, 2019.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Clay Darnell, Finance Director
Through: Thomas Thomas, City Manager
Date: January 22, 2019
Re: Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending
June 30, 2018

Mr. Dan Rozema, a partner with the national certified public accounting firm of KPMG, will be here (weather and flights allowing) to present the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending June 30, 2018.

Mr. Rozema's presentation was not available at the time the council packet was prepared, but will be provided on January 22, 2019.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Clay Darnell, Finance Director
Through: Thomas Thomas, City Manager
Date: January 22, 2019
Re: FY20 Revenue Projections

SUMMARY: For the 2020 fiscal year we are providing a total General Fund revenue estimate of \$30,316,698 for your review. This is a 4% decrease or \$1,057,461 from the fiscal year 2019 Budget. These numbers are not fixed and will change as the budget process moves forward and we receive updated information. Based on revenue projections we can begin the discussion with council to develop consensus to formalize these estimates for the next fiscal year. This is the first step in the process, and we are open to suggestions from the Council, the public and management as we move forward with this process.

PREVIOUS COUNCIL ACTION: Each year the revenues are adjusted. This is the first time that council has seen this estimate for the next year's budget process.

BACKGROUND: There are many external factors affecting the revenues of the City. Anything that affects the fishing industry can ultimately impact the City's tax revenue. Our fish tax revenues are based on quotas allocated for the sustainable fishery resources of the Bering Sea and Aleutian Islands that are landed in Unalaska, and the prices paid for that product to the harvesters by the processors. This year, decreases in cod and crab production will be partially offset by an increased Pollock harvest and increased inshore landings related to the Northern Victor operation. Delays in tax payments made to the State cause delays in payments to the City and this makes it even more difficult to make accurate predictions.

DISCUSSION: The City has historically budgeted quite conservatively on all of its revenues, especially the major revenue sources. A more detailed explanation of the attached documents is given below.

General Fund - Major Revenue Sources Projected FY20: This page provides written detail regarding why major revenue sources have increased, decreased or remained the same.

General Fund Major Revenue Sources FY2020 Projections: This graph shows the major revenue sources and their percentage of the total General Fund revenue of the City. Investment earnings are still budgeted in the general fund to fund operations.

Real Property Tax: Staff is projecting an increase of \$200,000.

Personal Property Tax: Staff is projecting an increase of \$200,000.

Sales Tax: Since FY18 receipts continued to reflect a decline in sales tax revenues we are projecting a \$250,000 decrease.

Raw Seafood Tax: This tax is projected to remain stable at FY19 levels.

Fisheries Business Tax: This tax is tied to the Raw Seafood tax and we are projecting a corresponding increase of \$500,000 due to a full year of receipts from the Northern Victor.

Resource Landing Tax: Staff is projecting a decrease of \$500,000 based on actual tax receipts in FY18 and the Northern Victor moving shore side.

Investment income: Staff is projecting an increase of \$100,000 based on actual receipts for FY18 and an increase in interest rates.

Other Revenues: Staff is projecting a decrease because the final \$1.2M reimbursement from the 1% Sales Tax Fund occurred in the prior year. The City also paid off General Obligation Bond Series 2009-2 causing a decline in Debt Reimbursement Grants.

I would like to thank Mayor Frank Kelty for his assistance in preparing this document. The projections for fisheries take many hours to research the quotas, the price and future trends.

ALTERNATIVES: This is work session item for discussion.

FINANCIAL IMPLICATIONS: This projection shows revenues are somewhat stable based on the current year activity and information from the State of Alaska. We will be monitoring these amounts and will adjust as we move forward with the FY20 Budget development.

LEGAL: There are no legal implications.

STAFF RECOMMENDATION: No staff recommendation; this is a discussion item only.

PROPOSED MOTION: No action proposed.

CITY MANAGER'S COMMENTS: The revenue projections provided are based on a similar approach to conservative budgeting that the Council has approved for the last 7-10 years.

CITY OF UNALASKA
General Fund Major Revenue Sources - Projected
Fiscal Year 2020 Budget

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Projections 2020	Increase / Decrease
1 Real Property Tax The City had a property reassessment in fiscal year 2018, and this revenue projection was calculated using the fiscal year 2018 certified tax assessment roll times the current mill rate of 10.5.	3,862,354	4,085,050	4,233,663	4,347,513	4,300,000	4,500,000	200,000
2 Personal Property Tax The personal property tax revenue projection was calculated the same as the real property tax revenue projection.	1,907,363	1,836,163	1,797,663	1,797,663	1,800,000	2,000,000	200,000
3 Sales Tax City of Unalaska sales tax continues to be related to the price of crude oil because approximately half of the sales tax generated in Unalaska is from fuel sales. The 2018 ANS West Coast average price for crude oil was \$71.44 which is an improvement over the prior years average price of \$54.29.	8,020,397	7,757,315	7,411,475	7,045,535	7,250,000	7,000,000	(250,000)
4 Raw Seafood Tax The locally collected 2% Raw Seafood tax is projected to decrease FY19. This is due to decreases in Cod and Crab production, partially offset by increased an increased Pollock harvest.	4,981,770	5,123,372	4,657,385	4,475,150	4,200,000	4,200,000	0
5 AK Fisheries Business Tax The State of Alaska Shared Fisheries Business Tax is also projected to decrease the prior year.	3,639,448	4,099,315	4,276,287	4,014,323	3,300,000	3,800,000	500,000
6 AK Resource Landing Tax AK Resource Landing Tax is projected to be more conservative due to uncertainty of harvested quantities	5,014,309	3,034,438	8,272,661	4,532,106	5,000,000	4,500,000	(500,000)
7 Investment Income Investment income continues to be low due to suppressed interest rates in the market.	871,070	1,307,140	494,829	700,045	1,400,000	1,500,000	100,000
8 Other Revenues Other revenues include intergovernmental payments, charges for services and other non-major revenue sources. This is detailed out in a graph and spreadsheet included in this packet.	9,582,353	4,669,058	4,371,249	5,786,800	4,124,158	2,816,698	(1,307,461)
Total	37,879,064	31,911,849	35,515,211	32,699,134	31,374,158	30,316,698	(1,057,461)



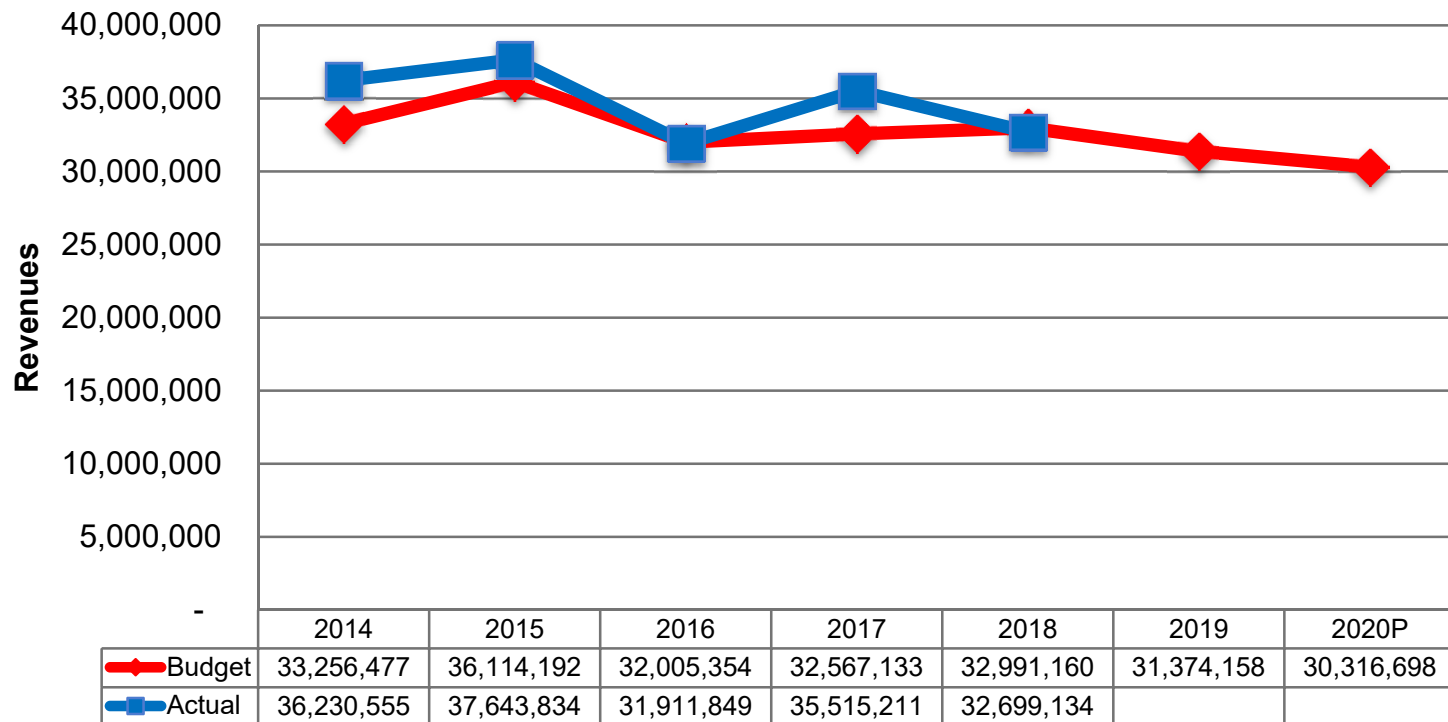
FY20 REVENUE PROJECTIONS

PURPOSE OF GENERAL FUND REVENUE PROJECTIONS

- Sustainability
 - Ensure that expenditure budget does not exceed projected revenue.

- Comparison of Budget to Actual
 - Reconciliation of what we anticipated in prior years vs. actual revenues received

GENERAL FUND REVENUE BUDGET VS. ACTUAL

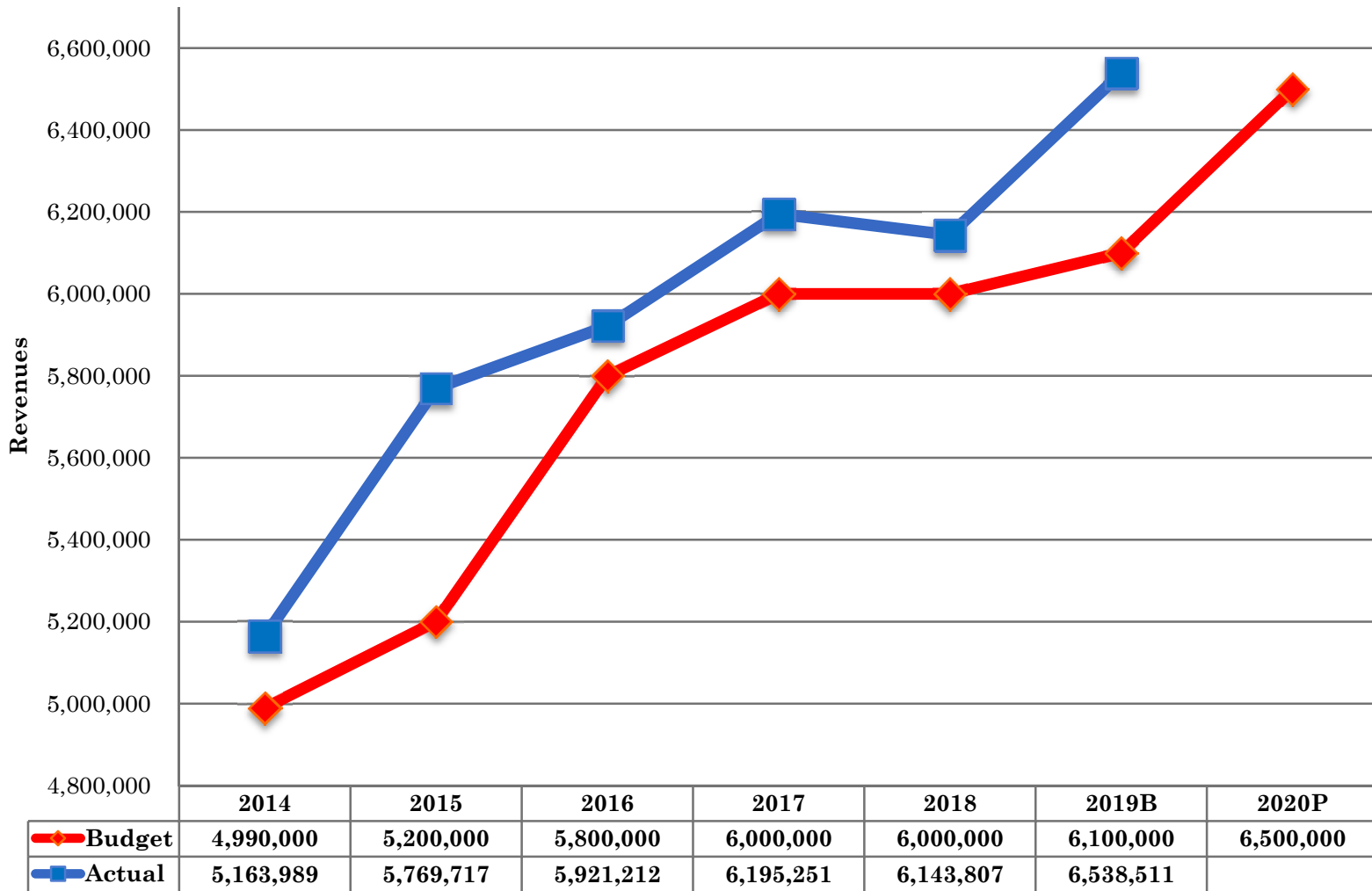


MAJOR REVENUE SOURCES

Real & Personal Property Tax

- Calculated off the most recent Assessed Value, using 2018 Assessed Values
- Mill Rate – 10.5
 - Staff is not recommending any mill rate adjustment

REAL & PERSONAL PROPERTY TAX BUDGET VS. ACTUAL



MAJOR REVENUE SOURCES

Fish Taxes

○ Raw Seafood Tax

- Locally collected 2% Tax paid by fisheries
 - Anticipated decreases in cod and crab production will be partially offset by increases in Pollock harvest and inshore landings since the Northern Victor operation is now in Unalaska

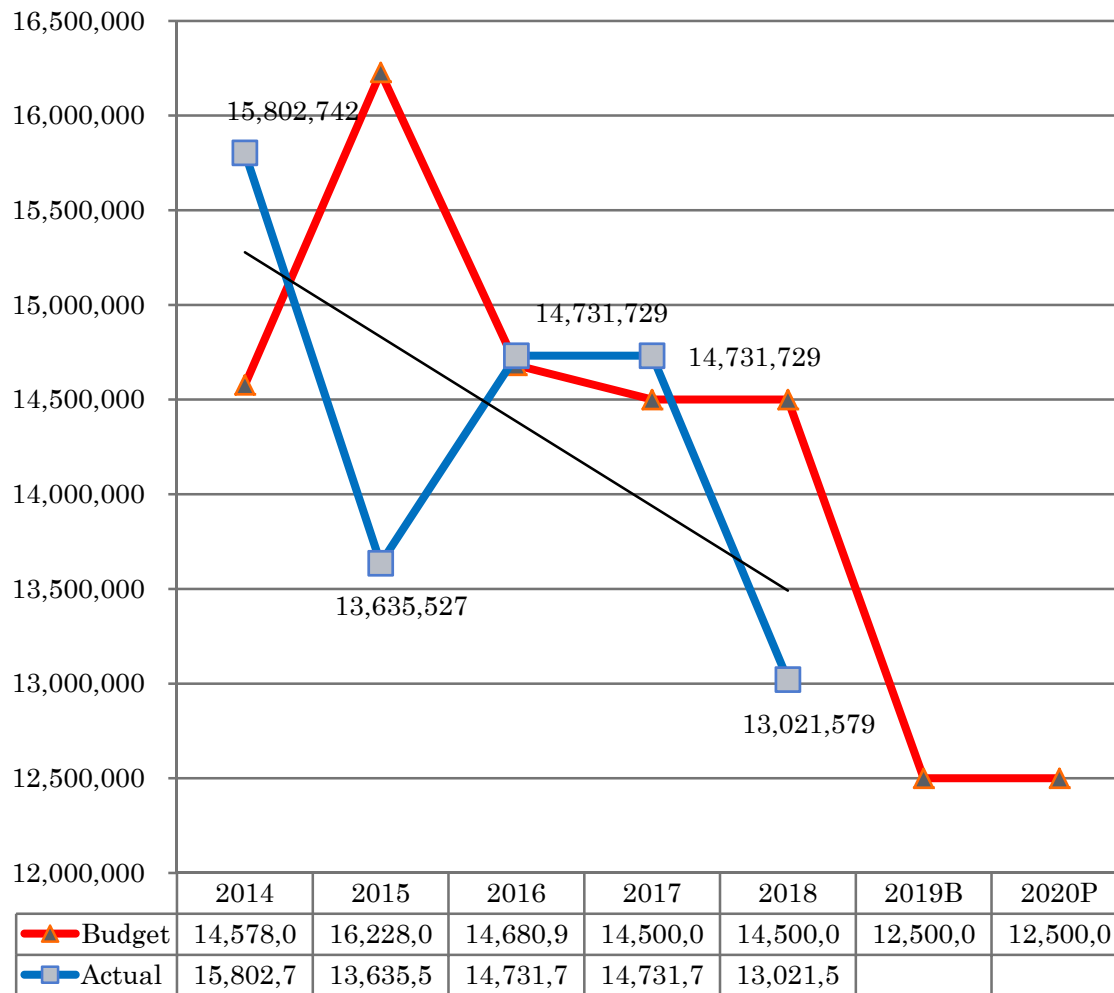
○ Fisheries Business Tax

- State of Alaska shared tax of 1.5% from a 3% State tax on local fisheries
 - Anticipated increase due to full year impact of Northern Victor

○ Resource Landing Tax

- State of Alaska shared tax of 1.5% from a 3% State tax on offshore processors
 - Anticipate decrease in revenue due to full year impact of Northern Victor

FISH TAXES BUDGET VS. ACTUAL



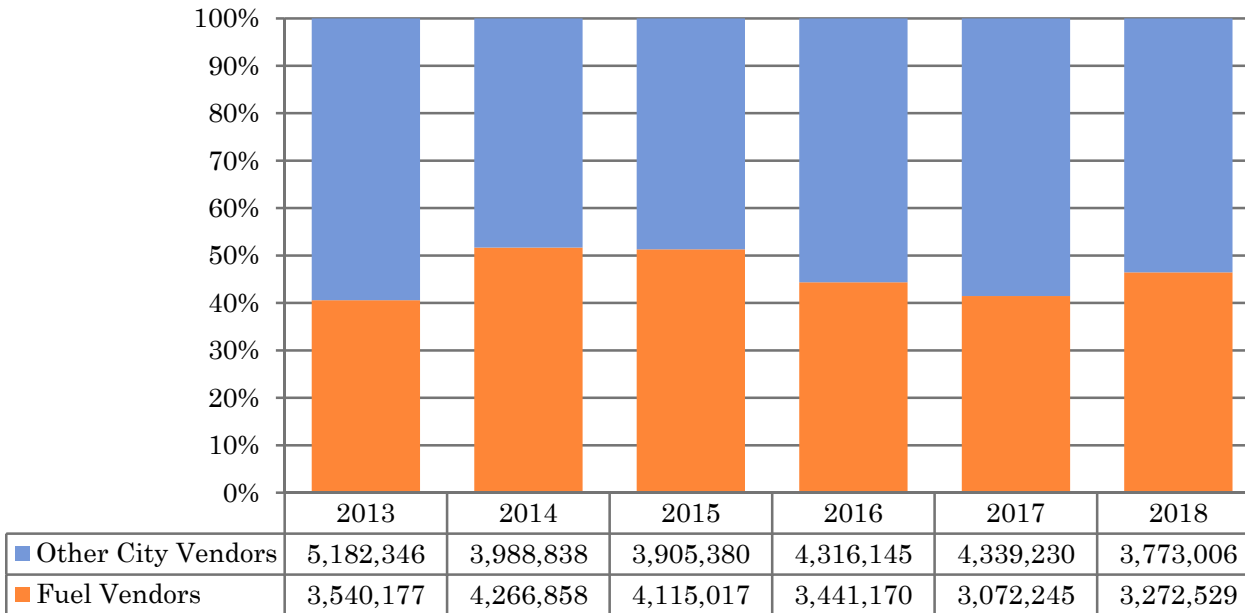
MAJOR REVENUE SOURCES

Sales Tax

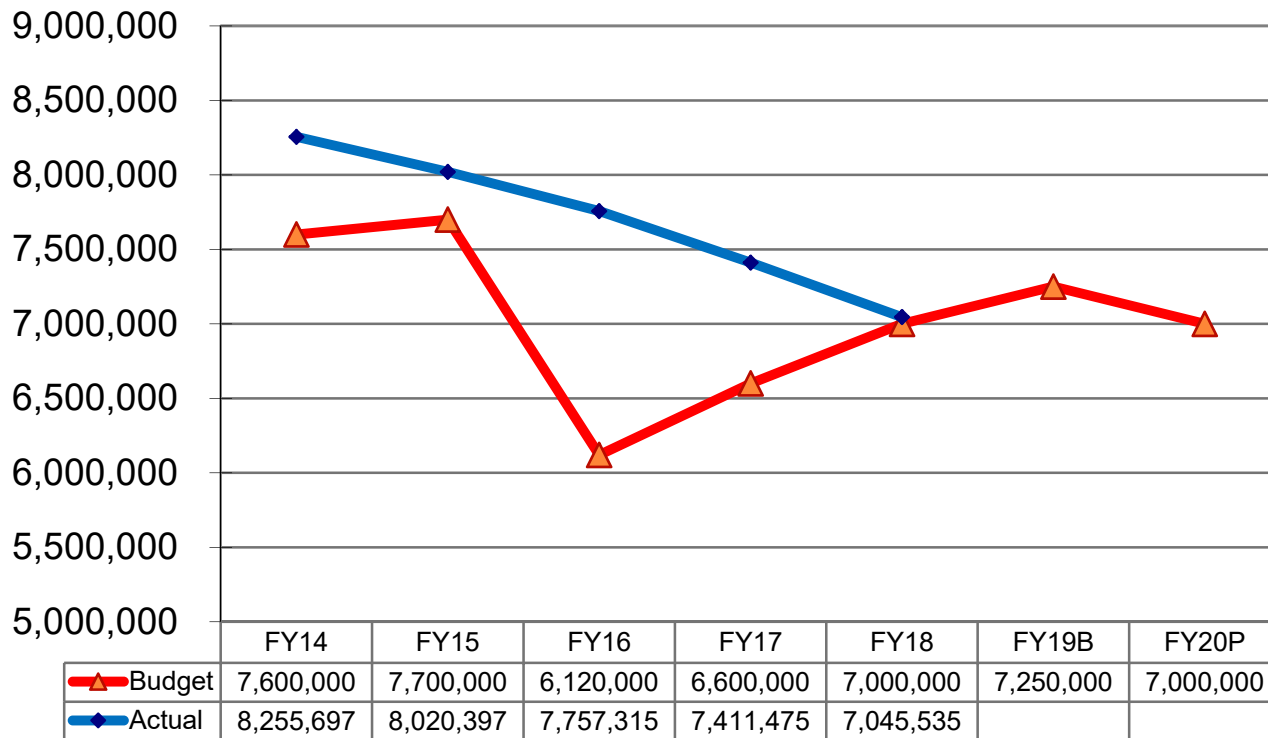
- 3% Total Tax
 - 2% recorded in General Fund
 - 1% recorded in 1% Special Revenue Fund

- Approx 46% of sales tax collected by the City is from Fuel Taxes

General Fund Sales Tax by Vendor Type – Five Year History

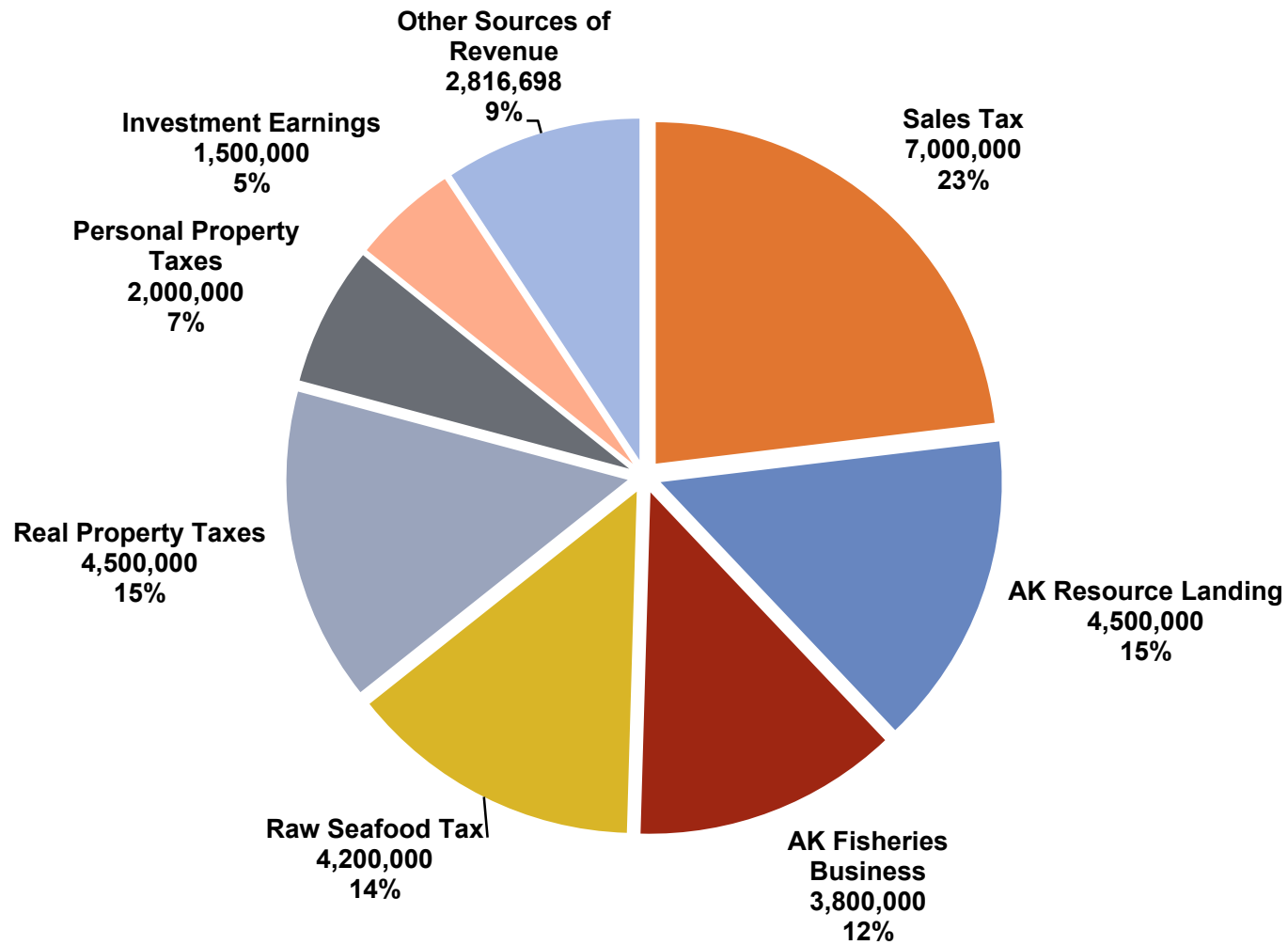


GENERAL FUND SALES TAX



FY20 GENERAL FUND REVENUE

\$30,316,698



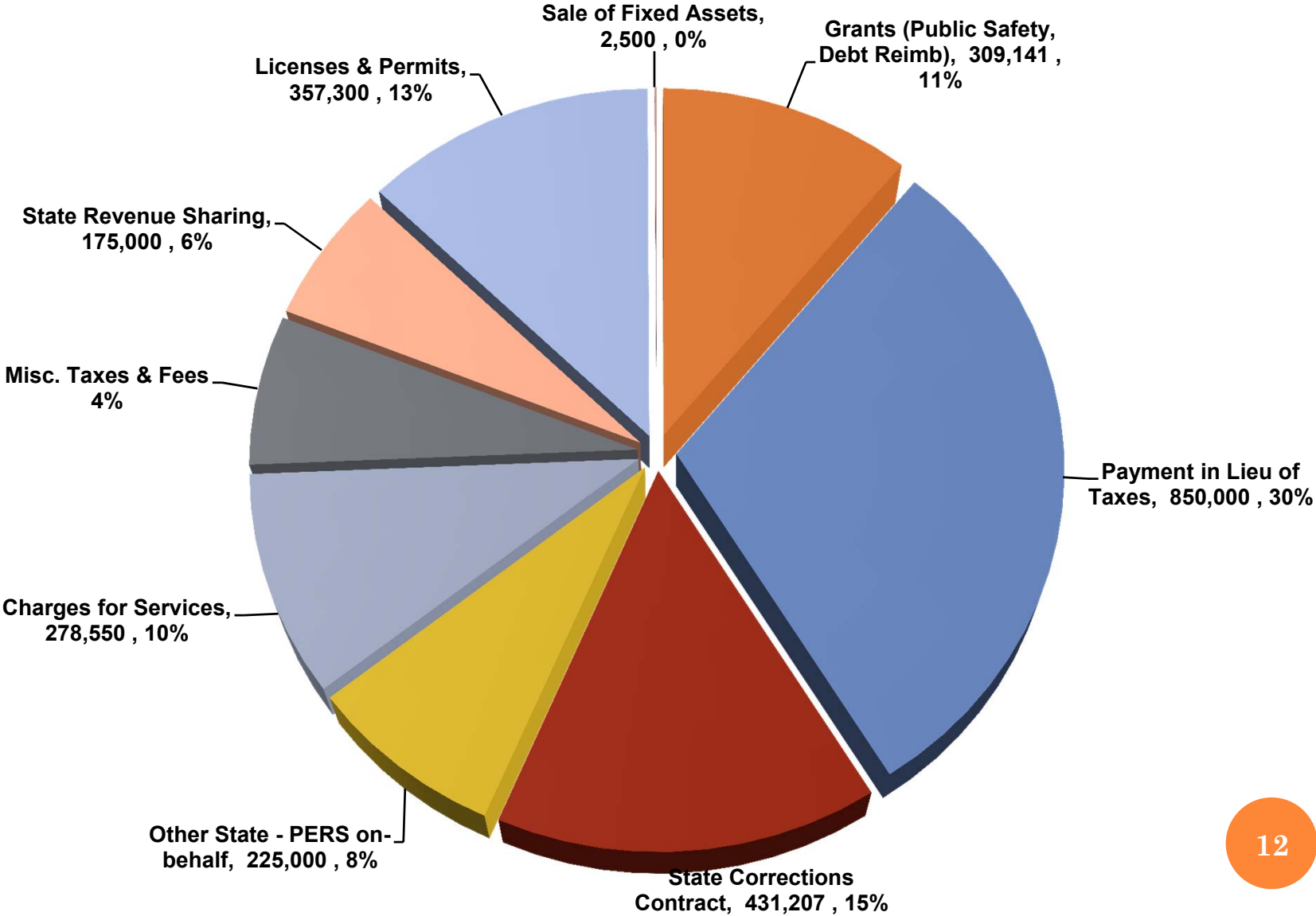
OTHER REVENUE SOURCES

- Grants (Public Safety, Library, Debt Reimbursement)

- Operating Transfers in
 - CEM General Fund Loan repayment \$1,200,000 from 1% Fund

- Alaska State Shared or Generated
 - Payment in Lieu of Taxes
 - Revenue Sharing
 - State Corrections Contract
 - State on Behalf for PERS

FY20 OTHER REVENUE SOURCES \$2,816,698



QUESTIONS

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Clay Darnell, Finance Director
Through: Thomas Thomas, City Manager
Date: January 22, 2019
Re: Fiscal Year 2020 Budget Goals

SUMMARY: This memo provides information regarding recommended FY20 Budget Goals. The FY19 Budget Goals are attached, along with staff recommendations for FY20, and will be utilized to help direct the preparation of the budget once approved.

PREVIOUS COUNCIL ACTION: The City Council has reviewed budget goals at the beginning of each budget cycle since about 2002. Council will consider the FY20 Budget goals at the January 22, 2019 work session and may take action by resolution at the February 12, 2019 Council Meeting.

BACKGROUND: Much of what we do as a municipal government is legislatively or code driven. City staff will continue seek ways to perform our service to the community more efficiently in an effort to reduce costs and increase our effectiveness.

DISCUSSION: The City Council Goals for the FY19 Budget Year are attached and include recommendations for FY20. Key points on various issues impacting the budget goals are provided below.

Personnel: Any proposed increase to the total number of full-time equivalent (FTE) positions will be fully evaluated and justified during the budget approval work sessions. There are currently 159 full time personnel and 40 part-time positions (12.17 FTE) resulting in a total of 171.17.

Council authorized a total of 173.17 full time equivalent (FTE) employees, including the Natural Resource Analyst and the Building Inspector that were identified as authorized but unfunded positions.

General Fund Surplus/Deficit: While projected revenues are down, we anticipate the ability to once again have a budgeted surplus in FY20.

Proprietary Funds: City owned housing is used as an incentive for recruitment and retention, therefore, while we conservatively budget operations and renovations, a gap in funding will continue. In addition, the cost to operate the Airport continues to increase faster than the revenue gains.

Operating Expenses: Although the goal is set at a maximum increase of 3% for non-personnel expenses, the Directors will prepare their proposed budgets understanding any non-personnel increases will have to be justified and evaluated to ensure that the level and quality of services to the public is maintained or improved.

Capital Projects: The CMMP is currently being developed. A presentation of the draft projects, with a special focus on FY20, is planned for the February 12 Council Work Session.

Revenues: Projected revenues for the Propriety Funds will be presented along with the draft budget later in the budgeting process. Rate studies for Water, Wastewater and Solid Waste were completed in FY17 and a rate study for Electrical was completed in FY16. Adjustments have been made accordingly and with Council approval. Port related tariffs and fees were evaluated in FY17, with Council approved adjustments made in July and August of 2017.

Projected revenues for the General funds for FY20 will be presented on January 22, 2019. We anticipate this to be similar to last year's, but a slight decrease is anticipated. No change to the mil rate is recommended at this time.

Debt Service: As Council is aware, the City has incurred debt in the Ports Fund for the UMC, Positions 3 and 4 Project.

ALTERNATIVES: Various alternatives exist. As Staff traverses the budget process we will seek ways to perform our work more efficiently in an effort to reduce costs and increase our effectiveness.

FINANCIAL IMPLICATIONS: Financial implications will be brought forward during the budget presentations.

LEGAL: None.

STAFF RECOMMENDATION: No action is required at the work session stage. Recommended changes from last year's budget goals are noted on the attached sheet. Approval of the Budget goals by resolution is proposed for the February 12, 2019 meeting.

ATTACHMENTS:

1. FY19 Budget Goals, with Recommendations for FY20
2. Draft Resolution 2019-3 for action on February 12, 2019

CITY COUNCIL FY19 BUDGET GOALS

Personnel Goals

Any proposed increase to the total number of full-time equivalent (FTE) positions will be fully evaluated and justified during the budget approval work sessions.

General Fund Surplus/Deficit

The General Fund operations will be budgeted without a deficit. The Council may appropriate additional funds from surplus to cover costs of capital projects.

Proprietary Funding

Staff will continue to seek ways to balance budgets in the proprietary funds.

Operating Expenses

The City Manager's proposed FY19 General Fund budget shall not increase more than 3 percent for non-personnel expenditures.

The total amount available to fund the Community Support Program grants will continue to follow the formula of up to 3.4642% of the five-year average revenue for the General Fund and up to all of the Bed Tax Fund balance for the most recently completed fiscal year. (Revenues do not include Other Financing Sources.)

City management shall continue to examine ways to reduce expenditures without significantly impacting the level and quality of services to the public.

City management shall continue to examine ways to reduce inventory without significantly impacting the level and quality of services to the public.

Capital Projects

New capital assets or maintenance of existing capital assets will be limited to projects approved by Council in the CMMP, which will include projects that are mandated or required by statute, projects that maintain our existing infrastructure, projects that address life, safety, or health issues, and projects that support the economic development of Unalaska.

The replacement and maintenance plans for all existing capital assets will be reviewed annually.

The vehicle and heavy equipment fleet requirements will be reviewed annually and reduced where appropriate without significantly impacting services provided to the public.

Revenues

Proprietary Fund rate studies will be completed every three years and presented to council.

The mil rate will be reviewed annually to establish an appropriate mil rate to maintain infrastructure and operations.

Debt Service

The City will not incur new debt without appropriate analysis to show impacts to rates or taxpayers, and will not incur new debt unless the capital asset is eligible for a debt reimbursement program; is mandated by State or Federal government; or is needed to address life, safety or health issues.

The City may incur debt for its Proprietary Funds provided there is a documented plan to pay the debt through rate adjustments.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2019-3

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE COUNCIL'S
GOALS FOR THE FY20 BUDGET

WHEREAS, budget guidelines help to ensure that the budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council has discussed and selected the attached set of budget goals for FY20; and

WHEREAS, management will utilize the adopted goals as guidelines when developing the FY20 budget.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council adopts the attached goals as a guideline for developing the FY20 budget.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 12, 2019.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

FY20 Budget Goals Discussion

Personnel

- FY 19 Budget Goal:
 - **Any proposed increase to the total number of full-time equivalent (FTE) positions will be fully evaluated and justified during the budget approval work sessions.**
- Staff recommends no change to the FY19 Budget Goal:
 - **FYI - “There are currently 159 full time personnel and 40 part-time positions (12.17 FTE) resulting in a total of 171.17 FTE.”**

General Fund Surplus/Deficit

- FY 19 Budget Goal:
 - **The General Fund operations will be budgeted without a deficit. The Council may appropriate additional funds from surplus to cover costs of capital projects.**
- No change recommended for FY20 Budget Goal.

Proprietary Funding

- FY 19 Budget Goal:
 - **Staff will continue to seek ways to balance budgets in the proprietary funds.**
- Staff recommends no change in the FY20 Budget Goal:

Operating Expenses

- FY19 Budget Goal:
 - **The City Manager's proposed FY19 General Fund budget shall not increase more than 3 percent for non-personnel expenditures.**
- No change recommended for FY20 Budget Goal.

- FY 19 Budget Goal:
 - **City management shall continue to examine ways to reduce expenditures without significantly impacting the level and quality of services to the public.**
- No change recommended for FY20 Budget Goal.

- FY19 Budget Goal:
 - **City management shall continue to examine ways to reduce inventory without significantly impacting the level and quality of services to the public.**
- No change recommended for FY20 Budget Goal.

Operating Expenses (Continued)

- **FY19 Budget Goal:**
 - **The total amount available to fund the Community Support Program grants will continue to follow the formula of up to 3.4642% of the five-year average revenue for the General Fund and up to all of the Bed Tax Fund balance for the most recently completed fiscal year.**
- **No change recommended the following FY20 Budget Goal**
- **FYI – The FY20 funding formula provides for a funding target of \$1,308,026 for FY20 compared to \$1,350,179 for FY19.**

Capital Projects

- FY19 Budget Goal:
 - **“New capital assets or maintenance of existing capital assets will be limited to projects approved by Council in the CMMP, which will include projects that are mandated or required by statute, projects that maintain our existing infrastructure, projects that address life, safety, or health issues, and projects that support the economic development of Unalaska.”**
- No change recommended for FY20 Budget Goal.

Capital Projects (Continued)

- FY19 Budget Goal:
 - **The replacement and maintenance plans for all existing capital assets will be reviewed annually.**
- No change recommended for FY20 Budget Goal.

- FY19 Budget Goal:
 - **The vehicle and heavy equipment fleet requirements will be reviewed annually and reduced where appropriate without significantly impacting services provided to the public.**
- No change recommended for FY20 Budget Goal.

Revenues

- FY19 Budget Goal:
 - **Proprietary Fund rate studies will be completed every three years and presented to council.**
- No change recommended for FY20 Budget Goal.

- FY19 Budget Goal:
 - **The mil rate will be reviewed annually to establish an appropriate mil rate to maintain infrastructure and operations.**
- No change recommended for FY20 Budget Goal.

Debt Service

- FY19 Budget Goal:
 - **The City will not incur new debt without appropriate analysis to show impacts to rates or taxpayers, and will not incur new debt unless the capital asset is eligible for a debt reimbursement program; is mandated by State or Federal government; or is needed to address life, safety or health issues.**
- *No change recommended for FY20 Budget Goal.*
- FY19 Budget Goal:
 - **The City may incur debt for its Proprietary Funds provided there is a documented plan to pay the debt through rate adjustments.**
- No change recommended for FY20 Budget Goal.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2019-02

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING FINANCIAL SUPPORT FOR THE ONLINE SALES TAX WORKING GROUP FORMED BY THE ALASKA MUNICIPAL LEAGUE IN THE AMOUNT OF \$_____

WHEREAS, the U.S. Supreme Court issued a decision in the case of *South Dakota v. Wayfair* which provides the opportunity of collecting sales tax on online transactions; and

WHEREAS, the Supreme Court ruling included the requirement of a single state-level administration; and

WHEREAS, there are nearly one hundred municipalities in Alaska that levy sales tax, including the City of Unalaska; and

WHEREAS, these taxing municipalities are members of the Alaska Municipal League (AML); and

WHEREAS, the mission of AML is to support its members and local government; and

WHEREAS, AML formed a Working Group to respond to the interests of Alaska Municipalities in regard to collecting sales tax on online sales; and

WHEREAS, AML requested financial support from the City of Unalaska and other Alaska municipalities for this effort; and

WHEREAS, the Unalaska City Council deems it important to support the efforts of AML in this regard and be involved in the Working Group so that an informed decision can be made about collecting sales tax from online sales in the City of Unalaska.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves funding for the AML Working Group regarding online sales tax in the amount of \$_____.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 22, 2019.

Dennis M. Robinson
Vice Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Thomas Thomas, City Manager
Date: January 22, 2019
Re: Resolution 2019-02, supporting the Alaska Municipal League Working Group regarding collection of sales tax from online transactions by Alaska municipalities

SUMMARY: The Alaska Municipal League (AML) requests the City of Unalaska's financial support of their Working Group to advance the possibility of collection of sales tax from online transactions by Alaska municipalities. They are requesting \$7,500 to assist in this effort.

PREVIOUS COUNCIL ACTION: During the council work session on January 8, 2019, Council discussed AML's funding request. Several council members voiced support of being involved with the AML Working Group and council directed the City Manager to prepare a resolution approving funding for council's consideration.

BACKGROUND: AML requests the City of Unalaska's support of their Working Group to advance the possibility of online sales tax collection by Alaska municipalities. They are requesting \$7,500 from the City to assist in their efforts.

AML has commitments secured from like-minded municipalities, including the cities of Ketchikan, Bethel, Soldotna and Kenai, the Ketchikan Gateway Borough, and the City and Borough of Juneau. They expect other taxing jurisdictions to follow soon, in support of their fundraising goal of \$100,000.

AML will prepare for a single state-level administration, led by municipalities, by:

- Compiling and reviewing municipal tax codes
- Identifying and reviewing definitions and exemptions, and compare these with SSUTA (the Simplified Sales and Use Tax Agreement)
- Developing a tax variability matrix to account for caps and exemptions
- Negotiating between municipalities for agreed definitions
- Developing a solicitation for a sales tax administrator ("middle-man") to provide sales tax boundary mapping and software
- Developing a governance authority
- Producing public outreach materials and a municipal FAQ

AML will use this funding to engage a contractor to complete the bulk of this work, and supplement staff time as they convene municipalities, help with negotiations, and otherwise support the effort.

DISCUSSION: I believe that it is important for the City of Unalaska to be involved in the AML Working Group to research this issue and the potential formation of a statewide body to administer the collection of sales tax from online transactions within the state.

The guidance from the Supreme Court, as it relates to online sales tax, requires single state-level administration. Since Alaska does not have a statewide sales tax, and since we have nearly 100 taxing municipalities, this requires a different kind of coordination. All taxing jurisdictions are members of the Alaska Municipal League, and AML has the mission to support members and local governments. The best way AML can do this is to help coordinate the cooperation between municipalities toward the formation of a body that can collect and remit online sales tax on behalf of municipalities. The City of Unalaska derives a significant amount of revenue from its sales tax, and the potential to increase that from online sales tax collection is an important next step. AML can ensure that Unalaska stays at the table in helping to decide what this looks like in Alaska, even as AML works with Unalaska to answer questions to inform the decision to implement.

ALTERNATIVES: The Council can decide to financially support AML's Working Group or take no action.

FINANCIAL IMPLICATIONS: Council has sufficient funding in their operating budget to cover this expenditure.

LEGAL: There are no legal issues.

PROPOSED MOTION: I move to adopt Resolution 2019-02.

CITY MANAGER COMMENTS: I recommend Council adopt Resolution 2019-02.

ATTACHMENTS: AML's funding request and working group memorandum.



One Sealaska Plaza, Suite 200 ♦ Juneau, Alaska 99801
 Tel (907) 586-1325 ♦ Fax (907) 463-5480 ♦ www.akml.org

As you know, AML has been working to respond to municipal interest in the online sales tax opportunities now that *Wayfair* decision has been issued by the Supreme Court. This decision allows for taxation of internet sales with strict program requirements.

An initial working group has outlined the following steps that need to be conducted in preparation for single state-level administration:

- Compilation and review of municipal tax codes
- Identification and review of definitions and exemptions, and comparison with SSUTA
- Tax variability matrix to account for exemptions
- Negotiation of agreed-to definitions
- Solicitation for a sales tax administrator (“middle-man”) to provide sales tax boundary mapping and development of software
- Development of governance authority
- Production of public outreach materials and municipal FAQ

The goal is to establish a municipal-driven, independent arm of AML, that would conduct all online sales tax administration on behalf of municipalities, thereby fulfilling the terms outlined in *Wayfair*. This might evolve, but we believe it has the most potential for success.

In order to move forward, AML invites those municipalities that stand to benefit from successful implementation to contribute financial support. AML will then engage a contractor to complete the bulk of this work, even as staff assist by convening municipalities, help with negotiations, and otherwise support the effort.

Please consider contributing to this effort. The budget is estimated to be \$100,000 to complete the majority of initial tasks. Those who contribute will be included in the analysis matrix. We’ve designed the following levels to help us meet our budget for this activity:

- | | |
|--|----------------|
| • Over \$25 million in sales tax revenue | \$12-15,000 |
| • \$10-25 million in sales tax revenue | \$7,500-10,000 |
| • \$5-10 million in sales tax revenue | \$4,000-5,000 |
| • \$1-5 million in sales tax revenue | \$1,000-2,500 |
| • Over \$200,000 in sales tax revenue | \$500-1,000 |

We hope that you will be able to contribute in a meaningful way, consistent with your budget and ability to support our work. Please don’t hesitate to contact me with questions or to discuss the scope of work and contribution.

Sincerely,

Nils Andreassen

AML Working Group: Online Municipal Sales Tax

Purpose of Working Group: Review, research and discuss outstanding online sales tax questions, and provide a potential pathway for implementation in Alaska that is responsive to municipal interests.

Goals of Working Group:

- Ensure local tax authority and choice is respected
- Maximize municipal government revenue options
- Balance municipal revenue with costs to citizens
- Avoid statewide sales tax by State of Alaska, or displacement of local rates

Background on Online Sales Tax:

- Recent Supreme Court *Wayfair* decision extinguishes physical presence requirement
 - Continued national and legal challenges potentially, but states generally moving forward
- Case establishes some requirements for implementation
 - Meeting the “threshold” of sales
 - Streamlining
 - Single state-level administration
 - Uniform definitions
 - Simplified rates
 - Software/safe harbor
- Alaska one of five states where municipalities have taxing authority, and only one without statewide sales tax
 - Other states ahead of Alaska in addressing – municipalities working with state to implement, have formed commissions to work through issues
- Sales tax in Alaska is implemented by a majority of incorporated municipalities, and a significant source of their annual budget
 - Online sales are estimated by DoR at \$1 billion, with 50% of that in Anchorage and Fairbanks (without sales tax); total revenue would be estimated within the individual municipalities
 - While an online sales tax levels the playing field for Alaska businesses, and increases potential revenue for municipalities, Alaskans are ultimately paying this – some municipalities may not want this and may choose not to participate
 - The view elsewhere is that this is a tax that is currently due but hasn’t otherwise been collected, and is thus not a “new” tax

Options for Alaska municipalities:

1. No action by AML – state action probable
2. Individual municipal implementation – AML to provide model code change but chance of success is minimal
3. AML develops (semi-) independent authority for implementation
 - a. AML to negotiate with municipalities streamlined exemptions and definitions
 - b. SSUTA requires state or state-designated administration
 - i. AML to propose Alaska Municipal Sales Tax Commission
4. State implementation – AML to work within state-driven process
 - a. Increased likelihood of statewide sales tax

- b. Potential requirements to decrease municipal sales tax levels and comply with state-determined definitions and exemptions

Working Group recommendations to AML:

- AML should work with members toward the establishment of an independent authority, operated as an arm of AML as a service program, or in close association (similar to JIA or AMLIP)

Implementation

1. If Alaska municipalities want to benefit from retailers remitting a municipal sales tax on online sales, several things need to occur. AML leading this effort toward a (semi) independent authority makes sense.
2. The following should happen simultaneously, or in lockstep
 - Determine the nexus/threshold of online sales at the state level – i.e.; at what level will online sales be considered applicable to sales taxes (how much business should a retailer have in the state, through online sales, before taxes set in; this protects small businesses). South Dakota, which argued the *Wayfair* case, set theirs at \$100,000.
 - Review and streamline all current municipal tax codes
 - Definitions – align with SSUTA as much as possible
 - Exemptions – this will be more difficult, and we may have to consider a mechanism for remand to taxpayers from different communities
 - Determine baseline items that are applicable to online sales tax, based on commonality between municipalities
 - Map (or collect maps of) sales tax boundaries – this doesn't currently exist in all communities, and not in one place, but will be essential to implementation
3. AML to work with members to determine governance of an independent body
4. AML to determine service provider – software, return, audit functions
5. Legislation may be needed to allow municipalities to enable this process and to participate in an authority/commission of this type.
6. Legislation may also be needed if the group elects or needs to join the SSUTA, which is named in *Wayfair*, but not essential to state-level administration

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Date: January 22, 2019
Re: Letters of Support for Grant Applications relative to operation of the
McLees Lake Salmon Weir

SUMMARY: Both the Alaska Department of Fish and Game and the Qawalangin Tribe requested the city provide letters of support for their grant applications to operate the salmon weir at McLees Lake. The council is asked to approve the content of those letters.

PREVIOUS COUNCIL ACTION: In April 2018 Council discussed the lack of funding available to the Alaska Department of Fish and Game to operate the weir and the potential impacts in the community.

DISCUSSION: The requests for the letters of support are attached. The proposed letter for ADFG was approved by their representative. No response was received from the Q-Tribe as to approval of the content of the letter.

ALTERNATIVES: The council may choose to supply the letters of support as suggested; may edit the content of those letters; or choose not to supply letters of support.

STAFF RECOMMENDATION: None, this is a council decision.

PROPOSED MOTION: I move to approve the letters of support for grant applications being submitted by the Alaska Department of Fish and Game and the Qawalangin Tribe.

ATTACHMENTS:

- Requests from ADFG and the Q-Tribe
- Proposed letters of support

Marjorie Veeder

From: Whiteside, Cassandra J (DFG) <cassandra.whiteside@alaska.gov>
Sent: Friday, January 04, 2019 10:26 AM
To: Mayor Kelty; Marjorie Veeder
Cc: Fox, Elisabeth K C (DFG)
Subject: McLees Lake weir funding letter of support

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning,

My name is Cassie Whiteside and I am the Assistant Area Management Biologist for the Alaska Peninsula and Aleutian Islands with the Alaska Department of Fish and Game. If funding for the McLees Lake weir is secured, I would be the project lead. The Fisheries Resource Monitoring Program grant through the U.S. Fish and Wildlife Service, Office of Subsistence Management has been announced, and I am working on the grant application to fund and operate the McLees Lake weir from 2020-2023. I am writing to ask if the City of Unalaska could write a letter of support for the McLees Lake weir. Letters of support from the local community will strengthen my application package. If this is something the city is willing to do, please include in the letter why the McLees Lake weir is important to the community and why that resource is important to local subsistence users.

I would like to have the application package complete by February 15th. Therefore, I would like all letters of support by February 8th, so I may incorporate them into the application. Please let me know if the City of Unalaska is able to write a letter and send it by February 8th.

Thank you,

Cassie Whiteside

Cassandra (Cassie) Whiteside

Alaska Peninsula and Aleutian Islands
Assistant Area Management Biologist
Phone (Summer, Cold Bay): (907) 532-2419
Phone (Winter, Kodiak): (907) 486-1882

CITY OF UNALASKA
43 Raven Way - P.O. Box 610
Unalaska, Alaska 99685
Tel (907) 581-1251 FAX (907) 581-1417



Unalaska, Alaska

January 23, 2019

United States Department of Interior
Office of Subsistence Management
1011 East Tudor Road MS 121
Anchorage, Alaska 99503-6199

Re: Letter of Support, Alaska Department of Fish and Game Grant Application
Fisheries Resource Monitoring Program Grant, U.S. Fish and Wildlife Service,
Office of Subsistence Management

Dear Sir or Madam:

This letter is written in support of the grant application submitted by the Alaska Department of Fish and Game to the Fisheries Resource Monitoring Program through the U.S. Fish and Wildlife Service, Office of Subsistence Management.

We understand that if awarded, grant funds will be used to operate the McLees Lake salmon weir for 2020-2023. McLees Lake empties into Reese Bay on Unalaska Island. The McLees Lake sockeye salmon run is an important subsistence resource for the community of Unalaska and accounts for approximately 70% of our annual subsistence harvest. The weir is an integral management tool for Unalaska's largest subsistence salmon resource and a valuable data collection project for long term monitoring of the system's health and productivity.

In 2018 ADFG was not able to monitor fish counts at the weir because their 2018 grant application was not selected to receive funding, and ADFG funding is not available due to budget cuts. The 2017 fish count was reportedly low, with 13,195 sockeye salmon passing through the weir. This falls short of the streams average of 31,000 fish. The community felt the effects of those lower numbers in 2018 and we need data collected so that informed decisions can be made as to future subsistence fisheries.

A dedicated fisheries biologist at McLees Lake and operation of the salmon weir are crucial to subsistence fisheries for the community of Unalaska.

Sincerely,

CITY OF UNALASKA

Dennis Robinson
Vice Mayor

December 31, 2018

Frank Kelty, Mayor
City of Unalaska
43 Raven Way
Unalaska, AK 99685

Dear Mr. Kelty,

The Qawalangin Tribe of Unalaska's environmental department is working on a proposal for the 2020 Partners for Fisheries Monitoring Program grant. I am writing to request a letter of support from you on our behalf.

The Partners Program is intended toward capacity building of resource management for rural residents of Alaska engaged in a subsistence way of life. Funding from this grant can be used for biologists, social scientists and outreach/educator positions. We intend to join with stakeholders in cooperative management of subsistence resources while additionally promoting youth awareness and engagement in environmental conservation efforts regarding subsistence resources in the Aleutians.

Our proposal features McClees Lake as a priority. McClees Lake is a crucial site for our local salmon run in Unalaska and plays a large role particularly for our subsistence fisheries. As of 2018 the Alaska Department of Fish and Game has been unable to monitor fish counts at the Wislow weir due to budget cuts. The 2017 fish count was reportedly low, with 13,195 sockeye salmon passing through the weir. This falls short of the streams average of 31,000 fish. While the region has felt the effects of those lower numbers in 2018, we will not have that data collection to refer to for answers. A big part of our grant proposal is to build up the necessary steps for implementation of a weir at McClees's Lake in partnership with the states' Alaska Peninsula and Aleutian Islands Assistant Area Management Biologist.

Objectives featured in our proposal include supporting a fisheries biologist position to build a fisheries program that will support the McClees Lake sockeye stock assessment project, as well to begin to assess other fish resources in and around Unalaska. A dedicated fisheries biologist can assist the Tribe and other partners in sustainable fisheries management for the community. The Partners program will also be utilized to strengthen relations between the Tribe and the Alaska Maritime Refuge through educational outreach with the community and youth in Unalaska.

With this program it is our goal to scientifically identify how to best manage the changes in our land and water resources. The next step would be expanding communication with state officials and natural resource offices. We would concurrently like to share our findings and improve the environmental dialogue with relevant entities such as the City of Unalaska and neighboring

communities who share our natural resources in order to better include local knowledge in decision making processes on the state level.

The contribution of a letter of support from you would make a big difference in the success of our efforts. The deadline for our grant proposal is January 31, 2019. Letters of support should be sent to the Qawalangin Tribe in Unalaska at the following address for inclusion in our grant application package. We also ask that letters of support be sent to us electronically via email to ensure a copy is received by the deadline.

Address: Qawalangin Tribe of Unalaska
ATTN: Chris Price
P.O. Box 334
Unalaska, AK 99685

Email: Shayla.qtribe@gmail.com

Phone: (907) 581-2920

We will be in touch again soon to answer any questions you may have. We appreciate your consideration.

Sincerely,

Shayla Shaishnikoff

Shayla Shaishnikoff
Qawalangin Tribe of Unalaska
Environmental Department

CITY OF UNALASKA
43 Raven Way - P.O. Box 610
Unalaska, Alaska 99685
Tel (907) 581-1251 FAX (907) 581-1417



January 23, 2019

Chris Price
Environmental Department
Qawalangin Tribe of Unalaska
P.O. Box 334
Unalaska, AK 99685

Re: Letter of Support - 2020 Partners for Fisheries Monitoring Program Grant

Dear Mr. Price:

The City of Unalaska supports the Qawalangin Tribe of Unalaska in their efforts to build capacity and manage resources for the subsistence residences of Unalaska. This letter is written in specific support of the Q-Tribe's application for a grant under the 2020 Partners for Fisheries Monitoring Program.

We understand that if awarded, a portion of the grant funds will be used to support operation of the McLees Lake salmon weir in partnership with the State of Alaska, Department of Fish and Game. McLees Lake empties into Reese Bay on Unalaska Island. The McLees Lake sockeye salmon run is an important subsistence resource for the community of Unalaska and accounts for approximately 70% of our annual subsistence harvest. The weir is an integral management tool for Unalaska's largest subsistence salmon resource and a valuable data collection project for long term monitoring of the system's health and productivity.

In 2018 the Alaska Department of Fish and Game was not able to monitor fish counts at the weir due to budget cuts. The 2017 fish count was reportedly low, with 13,195 sockeye salmon passing through the weir. This falls short of the streams average of 31,000 fish. The community felt the effects of those lower numbers in 2018 and we need data collected so that informed decisions can be made as to future subsistence fisheries.

Operation of the salmon weir will assist the Q-Tribe and other partners in sustainable fisheries management for the community, as well as helping the tribe reach their goal of strengthening relations between the Tribe and the Alaska Maritime Refuge through educational outreach with the community and youth in Unalaska.

Sincerely,

CITY OF UNALASKA

Dennis Robinson
Vice Mayor

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Shaina Schamp, Administrative Coordinator
Through: Thomas Thomas, City Manager
Date: January 22, 2019
Re: Southwest Alaska Municipal Conference

The SWAMC Economic Summit & Membership Meeting will on February 27-28, 2019 in Anchorage. The draft meeting agenda is attached.

NOTE FROM CITY CLERK: The City Clerk advises that if more than one Council Member travels to this conference, that there will be no quorum for the February 26 Council Meeting. Code requires that three Council Members be physically present at the meeting and two Council Members have already indicated they will be out of town on February 26.

Estimated travel costs for one traveler are:

Air Fare	\$	1,015.00
Lodging in Anchorage	\$	300.00
Registration	\$	330.00
Per Diem	\$	520.00
TOTAL	\$	2,165.00

As of January 17, 2019, the available funds in the Council travel budget are: \$52,818.99.

The Travel Policy for the Mayor and Council indicates that no more than three Council Members are to travel to the same meeting or conference; that travel be conducted in the most direct and economic manner possible to accomplish City business; and that at least twenty-one days prior to an upcoming trip, the council will discuss the travel, identify the Council Members to travel, and approve the travel by motion.

Wednesday, February 27th – First Day of Conference

8:00 Registration & Networking Breakfast – Silent Auction on display in ballroom

8:30 Opening and Welcome – President Skinner, Executive Director Griffin

8:45 Governor Dunleavy (*invited*)

9:15 Legislative Update and dialogue

~~~ Break ~~~

**10:30 Drones: Racing for Education**

~~~ Break ~~~

11:15 Public Private Partnerships at Work in Fisheries

- Effect of Tariffs on Fisheries Value
- Fish Taxes Impact on Municipal Economies

12:00 Networking Lunch, Plated

- Marketing Alaska's Value-Added Seafood

1:00 Sponsor Appreciation

1:20 Exhibitor's Announcements

1:30 Resource Development Roundtable

~~~ Break ~~~

**2:45 Visualizing the Future – Case Study on using VR for Energy Management Training**

~~~ Break ~~~

3:15 Advanced Manufacturing in Seafood Processing

- Rebuilding Port Moller for the 21st Century
- The Cutting Edge of Fish Processing Technology
- Collaborative Robots to Foster Innovation in Seafood Handling
- Advances in Cold Chain Automation Improves Utilization of Alaska Fisheries
- New Process to Improve Surimi Utilization
- Designing Fish Processing Plants for the Future

5:30 President's Reception – Quarter Deck

Thursday, February 28th – Second Day of Conference

8:00 Registration & Networking Breakfast

8:30 Opening and Welcome

8:35 Energy Roundtable

~~ Break ~~

9:45 Southwest Alaska Comprehensive Economic Development Strategy

10:15 Sponsor Appreciation

~~~ Break ~~~

**10:40 SWAMC's 2019 Membership Meeting**

**12:00 Networking Lunch, Buffet – Southwest Alaska Slideshow**

**1:00 Community Resilience Roundtable**

~~ Break ~~

**2:15 Infrastructure Roundtable**

~~~ Break ~~~

3:30 A Dynamic Ocean – Opportunities and Threats

- Managing an Ecosystem in Flux
- A Hot Time in the North Pacific, and Insights into the Future
- Diversifying for Value-Added Opportunity

5:00 Conference Wrap-up

DRAFT

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Shaina Schamp, Administrative Coordinator
Through: Thomas Thomas, City Manager
Date: January 22, 2019
Re: City's 31st Annual Lobbying Trip

The City's annual lobbying trip will be on March 18-20, 2019 in Juneau. This includes a constituent dinner on Monday, March 18 and our seafood reception on Tuesday, March 19, as well as various meetings with legislators on all three days.

Estimated travel costs for one traveler are:

| | | |
|----------------------|----|----------|
| Air Fare | \$ | 1,370.00 |
| Lodging in Anchorage | \$ | 200.00 |
| Lodging in Juneau | \$ | 500.00 |
| Vehicle Rental | \$ | 200.00 |
| Per Diem | \$ | 660.00 |
| TOTAL | \$ | 2,930.00 |

As of January 17, 2019, the available funds in the Council travel budget are: \$52,818.99.

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