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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Erin Reinders, City Manager  
Date: March 9, 2021  
Re: City Manager Report

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**Upcoming Deadlines:** The following filing and application deadlines and events are coming up.

- March 15, 2021 Deadline for elected officials to file Annual Public Official Financial Disclosure (POFD) – for Mayor, Council, School Board and Planning Commission
- March 31, 2021 Deadline to apply for Senior Citizen Sales Tax Refund. Applications available on the city website and the vestibule at city hall.

**Strategic Planning:** Strategic Planning meetings are now planned for the week of August 9-13, 2021. The facilitator will meet with the Mayor and City Council on Thursday, August 12 (9:00-3:30) and Friday, August 13 (9:00-1:00). This will be after the facilitator works with the Director Team earlier in the week. This process will help Council set goals and focus areas that best address community needs and your vision for the future. With added focus, this will help us use our resources more effectively and sustainability. Please keep these dates on your radar.

**CAPSIS Funding Requests and Additional Potential Support:** We submitted Unalaska's project funding requests into CAPSIS, the state legislative Capital Project Submission and Information System, on February 15, 2021. This is a way to communicate capital project priorities for consideration by the legislature during the capital budgeting process. After talking with Dianne Bloomer, we kept our projects the same as last year. We requested varying levels of funding assistance for the following projects: Captains Bay Road and Utility Improvements (an identified funding priority), Bobby Storrs Boat Harbor A & B Float (an identified funding priority), General Hill Booster Pump, Pyramid Water Treatment Plant Micro Turbines, and the Cruise Ship Terminal. The Bobby Storrs Boat Harbor A & B Float is specifically identified on a potential State of Alaska GO Bond. Dianne is following that.

We received word from our Federal Lobbyist that there may be an opportunity for federal support on specific projects through earmarks. Brad Gilman suggests we identify two projects. Specifically that we focus on additional support for the entrance channel dredging project as well as one of the CAPSIS projects. He also recommended we consider Bobby Storrs Boat Harbor A & B Float, General Hill Booster Pump or Pyramid Water Treatment Plant Micro Turbines. Staff is reviewing to determine what is most appropriate at this time, with Brad's guidance.

**FY21 Financial Update:** Council was presented with the January financials at the last Council meeting, and it was pointed out that our revenues were down from last year at this time. The City tried to plan for this in the FY21 budget. When preparing the FY21 budget, the COVID-19 pandemic was beginning. As a result of the uncertainty, we budgeted for significantly decreased revenues, and staff cut operating expenditures accordingly. Year to date (month ending January 2021), the General Fund revenues are at just over \$23 million, and we have \$30 million budgeted for General Fund revenues -- meaning we have already received 77% of our budgeted revenues.

We have spent 48% of the General fund budgeted expenses. For context, we are 58% of the way through FY21.

**FY22 Budget Process:** Staff is working hard on preparing the FY22 budget, and all its components. Again, with uncertainty remaining for FY22 and operational needs continuing, this year will be more challenging than last to present a balanced budget. Additional revenues may need to be sought or consideration may be given to using reserves. Alternately, services may need to be limited, operational improvements requiring funding may need to be paused, projects and purchases may need to be postponed. Or the approach could be somewhere in between. Your feedback in budget related work sessions is greatly appreciated. At the last meeting we understood the consensus as being that now is not the time to increase rolling stock and equipment, with the potential exception of a loader for Ports Department and a smaller scale back up generator to assist the Waste Water Division. We also understood the consensus as being that now is not the time to increase number of FTE's. We thank you for the feedback and will proceed accordingly.

**State's Airport Master Plan Update:** Marc Luiken, the State's consultant for the project, has reached out to meet with Staff regarding one of the alternatives they are exploring. They are trying to set up a meeting for the week of March 8. The Ports Director and Planning Director will be involved in this discussion.

**Innovative Readiness Training (IRT):** Chris Salts with OC, Chris Price with the Q-Tribe and I continue to meet monthly, in keeping with the MOU signed in August. The Tribe submitted a request for IRT support in a feasibility study for a local military presence. This concept was referenced in the IRT Community Assessment from this past fall, and will provide additional information that we all may find useful.

We are developing a presentation to summarize the report, key recommendations and action items, and some ideas for future IRT support applications. Later this month we plan to share this with City Council, Tribal Council and OC's Board to garner their input and identify opportunities to work together. This will include some shared ideas we can work on together, as well as ideas from each organization (where there may still be potential for collaboration). The goal is to have a number of ideas so that whatever the training needs for IRT may be, the community of Unalaska could have a project that would fit.

After considering the recommendations and action items in the IRT's initial Assessment as well as discussion with staff, ideas at this point for future IRT assistance with city projects include:

- Development of a Pavement Management Plan.
- Creation of an International Port of Dutch Harbor Development Plan for Iliuliuk Bay and Dutch Harbor.
- Projects identified in the CMMP will also serve as a resource in identifying concepts for future IRT applications. Projects could include:
  - Assistance with the Gasification project.
  - Assistance with the design and reconstruction of the Icy Lake Road.
  - Assistance with the Captains Bay Road and Utility Improvements.

**Geothermal PPA:** The City Team met with OCCP on February 26 and heard update on the project status at that point. They have requested an extension of the deadline to obtain funding. Council will hear the update and more about this request tonight. As communicated previously, OCCP is working through the permitting process with the Army Corps of Engineers, in hopes to begin access road construction this spring. We were invited by the Corps to be a signatory on a

Memorandum of Agreement for the project. The Tribe and OC have also agreed to be signers of the MOA. I need to review the draft MOA that the Corps has just released.

**Vaccine Rollout:** The Qawalangin Tribe of Unalaska, the City of Unalaska, the Aleutian Pribilof Islands Association, and the Iliuliuk Family Health Services Clinic continue working together with the shared goal of getting vaccines into arms. We meet together on a regular basis. City staff, primarily PCR and Fire/EMS, is assisting with hosting APIA and IFHS Vaccine Events at the Community Center. We are currently exploring a potential funding option through DHSS to help support these efforts. Discovery Health representatives are also on island assisting with industry care and vaccinations.

**COVID-19 Emergency:** I thank City staff for all they continue to do both in response to and in spite of our current state of emergency, and encourage you to do the same. Staff is focused on continuing to provide critical public services, safely adjusting operations, responding to outbreaks and adapting to pandemic related regulatory changes. This includes not only our regular duties but also: coordinating regular news releases with the IFHS; assisting vessels with COVID related issues; participating in calls with the State and other agencies addressing outbreaks, response measures, and updates; managing the isolation site; assisting with vaccine clinics; and monitoring and testing waste water samples for the virus. Incident Commanders (Melanee representing the Clinic and I representing the City) meet together weekly with the Mayor. City staff meets on a weekly basis to discuss any necessary actions and updates. The Unalaska Unified Command Stakeholder group meets on a monthly basis.

**Directives to the City Manager:** One directive to the City Manager remains outstanding:

- *Options for Increased Tobacco Tax (11/27/18). Ongoing.* City Clerk Marjie Veeder has worked with our city attorneys on this complex topic and at various work sessions. The Ordinance addressing what has been the general consensus up to this point is before City Council this evening. I thank the clerk for her continued efforts on this project.