
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: August 10, 2021
Re: City Manager Report

Strategic Planning: As we have discussed previously, the in-person Strategic Planning facilitator is set to meet with the Mayor and City Council on **Thursday, August 12 (9:00-3:30) and Friday, August 13 (9:00-12:00)**. The facilitator will first meet with the Executive Team as a group and, with their input, will then meet with the Mayor and City Council. This process will help Council set focus areas for the near future to best address community needs and your vision. With added focus, this will help us to use our resources more effectively. Meetings will take place in the Makushin Room at the Grand Aleutian Hotel. This has been postponed numerous times over the course of the last two years; looking forward to this time together.

State Legislative Fly-In to Unalaska: The Fly-in was a huge success, and was a good follow-up up to the virtual lobbying effort earlier this year where Council Members advocated for Unalaska and Council's priorities with legislators and others. The Fly-In provided an opportunity to see in person what was discussed and to meet numerous community members. It was also an opportunity to advocate for PCE and demonstrate our trilateral partnership with the Tribe and OC. I thank staff for all their help with putting this together! As we move forward, Dianne Blumer suggests we alternate a lobby trip to Juneau with hosting a Legislative Fly-in to Unalaska every other year. She did however suggest we plan on a trip to Juneau in the spring of 2022 because we missed this past year due to COVID-19 restrictions.

COVID-19 Update: The Mayor, IFHS director Melanee Tiura and I continue to meet on a weekly basis for a status review and to discuss potential responses. The clinic continues their ability to meet the need of local patients and surrounding industry members. The number of cases and hospitalizations continue to grow, with all regions at high alert levels. We did issue a special news release on July 28, 2021, addressing the increased local risk factor to medium, the delta variant of the virus, local case counts, vaccination counts, and encouraging all eligible folks to get vaccinated. We hope to issue an updated news release the week of August 9th. All current active cases on the island are isolated, and we are unaware of any community spread. The City continues waste water surveillance. The composite sample for August 3 remained positive, but the viral load is decreasing from the sample collected on July 29. While our risk level threshold and potential mitigation measures outlined in our Emergency Response Plan still serve as a guide, we are considering updating the plan to address the change in environment (i.e. widely available vaccines and increased understanding of the virus). Melanee Tiura will likely be available during the meeting to provide a timelier update.

Senator Murkowski Visit: I have confirmed with Brad Gilman and OC that Senator Murkowski will be visiting Unalaska on **August 16th** with Secretary of Energy Jennifer Granholm to obtain a greater understanding of the Makushin geothermal resource. The City is not organizing this visit, but given the visitors I also do not want to lose an opportunity to extend hospitality! At Brad Gilman's recommendation, I reached out to Natalie Cale and Chris Salts at OC regarding any role

that the City might play in this visit. I will be on personal leave that week, so JR Pearson will be Acting City Manager in my place. JR is meeting with Chris on Friday August 6 to discuss this more. I have let Natalie and Chris know that JR, the Mayor and Michelle Price can be available as needed for this visit.

Lt. Hugh Douglas with the 351st Civil Affairs Command in California also plans to be in town during this time. Many might have met him last year when he was in town for the IRT assessment. He has been working with the Tribe and OC on travel plans.

Federal Lobby Efforts: Sebastian O’Kelly, with City’s Federal lobbyist team, will be available to meet with City Council members and the Mayor on **Monday, August 30, between 9 and 11** at City Hall. Please let the Mayor or I know if you are interested. I also plan to have staff meet with Seb to review some of the challenges that the City might encounter as we prepare for and transition to geothermal. Together, I want to begin researching related opportunities and support programs that may be available. The more brains thinking about this and developing solutions, the better.

As you recall, Council focused on the later suggested dates for a potential three-day federal lobby trip when we discussed this at the last Council meeting. Brad Gilman says he needs four weeks lead time to plan for the trip. Focus is now on the following dates:

- November 29 – December 2
- December 6 – December 9

As a reminder, Brad and team will do their best to fill the schedule, but there is continued uncertainty about meeting in-person due to changing COVID-19 restrictions, and what the requirements might be. Brad suggests bringing proof of vaccination and purchasing refundable tickets in case the trip is canceled.

Given the travel dates above and the local election in October, we plan to address these two items at the **October 12** Council meeting (with Brad or Seb hopefully participating via ZOOM):

- Travel approval for Washing DC Lobbying Trip
- Adopt State and Federal Priorities

Fiscal Sustainability: As you recall, City Council has requested criteria for use of the rainy day fund and triggers to assist with the City’s overall fiscal sustainability. The Interim Finance Director and I continue discussions with financial advisors from Alaska Permanent Capital Management (APCM) to see how they might assist in this effort and other efforts to better address our fiscal sustainability. We plan on having a **Special Council Work Session on September 13th** to discuss the strategy for the Rainy Day Fund and other investments with APCM, including the potential for a Permanent Fund to help supplement our revenues. This will include an educational piece as well. APCM will be at the regular Council Meeting the following night, September 14, to provide their annual APCM Investment Presentation.

Current Directives to the City Manager:

- *Cost Benefit Analysis for Captains Bay Road Project (March 30, 2021). Progressing.* The directive reads, “Implement a cost-benefit analysis for the proposed road improvements and utility expansion for Captains Bay Road.” Given the magnitude of the Captains Bay Road

project, we are confident that this analysis will serve us well but we are unsure of the cost for such a service. An RFP was issued on Friday, June 11th with a due date of July 15th. The RFP outlines the project itself and what we are looking for in an analysis, which includes identifying potential funding opportunities. We received two proposals and DPW is currently preparing the material to bring to Council at the August 24, 2021 Council meeting.

- *Utility Infrastructure Fund (May 25, 2021). Complete.* The directive reads, “Work with the City Attorney to prepare an ordinance amending Chapter 6.40 of the Unalaska Code of Ordinances to increase the sales tax levy by one percent (1%) for the purpose of funding a Utility Infrastructure Fund to supplement the Utility Proprietary Funds.” The Clerk has drafted the ordinance. This item was discussed at the July 27, 2021 meeting for the ordinance’s first reading. What is before you tonight has been revised based on amendments. A final approval this evening allows for this to be on the ballot in October.
- *Haystack Communications Site (July 27, 2021). Initiated.* The directive reads, “Start the process to terminate leases on Haystack for communications and work to upgrade and allow equal access to facilities for communications on Haystack with new leases.” I have asked the Planning Director to take the lead here. The Planning Department has long managed the leases on Haystack, and has been striving to improve the lease process and situation for years. This month or next, Staff plans to present an overview of the current complex situation on Haystack, and work that has been done so far. We can then discuss next steps and receive further direction.