
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: September 14, 2021
Re: City Manager Report

Upcoming Deadlines: The following city deadlines and events are coming up.

- Tues. October 5: Unalaska General Election, in person voting at City Hall, polls open 8am to 8pm. Absentee voting at City Hall, Monday-Friday, 8am-5pm, through October 4.
- Fri. October 8: Canvass Committee Meeting to count absentee & questioned ballots, 10am at City Hall.
- Wed. October 20: Second Half property tax payments due.

Fiscal Sustainability: City Council discussed actions that might be taken in support of fiscal sustainability with our financial advisors from Alaska Permanent Capital Management (APCM) on September 13 and September 14. Generally, the next steps are as follows. This is a large and important undertaking.

1. APCM will model an alternative aggregate portfolio for consideration (based on Council's discussion on September 14) and produce a few slides showing the data. Staff will review this with APCM, and Staff will work to identify some of the implications of the options operationally. Once the options and impacts are relatively clear, this will be shared with City Council to determine the amounts in each portfolio.
2. APCM will help with language providing a mechanism to transfer money from the "Rainy Day" fund. Then, APCM will work with staff to develop an Investment Policy Statement. This will require Council discussion and eventual formal action.
3. APCM will build a framework, an Investment Policy Statement, and distribution policy for a longer dated perpetual fund, i.e. Permanent Fund. This will entail working with staff, city attorney, discussion with Council and formal Council action.

Crab Closures and Reductions: Bristol Bay Red King Crab will remain closed for this season, and things continue to not look good for Bering Sea Snow Crab. At this point, we are estimating about a 500K hit to the budget for the Bristol Bay Red King Crab closure. We originally anticipated the Bering Sea Snow Crab to be reduced by 50%, meaning a hit of about \$1.2 million. At that point we were looking at an estimated \$1.7 million impact. It appears, however, that the reduction for Snow Crab will be greater than originally anticipated. We should know something for certain around October 8, 2021, at which time we will begin work re-estimating the financial impact to this year's revenues and begin to identify options for next steps. Staff will coordinate this with the assistance of our lobbyists and fisheries consultant. Once we have this information prepared, we will come to Council for further discussion on how Council might want to respond organizationally and how best to alert our state and federal officials of this situation and its impact. As I mentioned previously, we can't really identify the specific impact this will have on port related revenue but, in general, this typically negatively impacts wharfage revenue, and positively impacts dockage revenue.

Lobby Efforts: The Federal Lobby trip is planned for December 6 – December 9. As a reminder, Brad and team will do their best to try and fill up the schedule but there is continued uncertainty as to the potential to meet in person and what the requirements might be. Seb indicated that they would work to set up both in person (where possible) and Zoom type meetings, which could be successfully adapted if the trip has to be canceled. Brad also suggested bringing proof of vaccination, and purchasing refundable tickets in case the trip is canceled. The current plan is that Council will hear from Seb O’Kelly and Rick Marks on federal legislative and fisheries issues, adopt the priorities via resolution, and approve travel for the Lobby trip on October 12.

Council will receive a State Legislative update from Dianne Blumer on November 9. We will also consider the next round of State Legislative Priorities. Final priorities will be set via resolution in the following meeting, based on the discussion that evening. I will be working with Dianne in the meantime to craft some suggested priorities; she has shared similar guidance as our Federal team in looking at our Capital Projects. We are beginning to discuss the State Lobby Trip, and planning for contingencies with COVID-19. Focus is March 2 – 4 or March 9 – 11 at this point.

Strategic Planning Next Steps: City Council discussed next steps for the Mission Statement, and worked to refine the goals and focus areas at the September 14 Council Meeting. Tonight, Council will take formal action adopting the Mission Statement. I still need to work through the feedback received on the Goals and Focus areas and plan to bring that back to City Council at a future meeting for continued discussion. I am working to break out what appears to be Focus Areas and what might be crafted in specific and actionable goals. More to come. Even with the unanswered questions, there are certainly areas where a shared vision (i.e. Arctic Port) was clear and I was able to work that into the identification of and justification for the legislative priorities.

Unalaska Trilateral and IRT: The Qawalangin Tribe of Unalaska, on behalf of the Trilateral, has formally requested assistance of the Department of Defense’s Innovative Readiness Training Program (IRT) to develop a feasibility study and related support efforts for an Arctic Port with a joint Navy and Coast Guard installation in Unalaska. This is a follow-up from the 2020 IRT Community Assessment that recommended an increased military presence in Alaska and building select military infrastructure in Unalaska to support the Arctic development. The idea of such a request was shared with and received much support from City Council, the Tribal Council and OC Board earlier this year. This also compliments City Councils discussions on Goals, Focus Areas, and Legislative Priorities related to Arctic Port, economic diversification and increased military presence in Unalaska. The Tribe has issued a public notice regarding this application.

Air Transportation: Air transportation is one of the items in the Goal and Focus Area discussion that was a clear area of concern; and it’s related a long standing Council Legislative priority. Although the City is not in direct control over these items, the following air transportation updates impact us all.

- State DOT and their consultants held a Stakeholder meeting on the Airport Master Plan on Thursday, September 16. A public meeting will be held on **September 30 on Zoom from 5:30pm to 7:30pm**. This will also be on KUCB. The plan focuses on a 150 foot by 150 foot EMAS on both sides of the runway. This includes access along the sides of the EMAS and allows for 4,350 feet of useable runway.
- The latest I heard is that the Alaska Airline Mileage plan agreement with Ravn should be fully operational by the end of the first quarter of 2022.
- I have been told that Aleutian Airways is now hoping to begin direct flights round trip from Anchorage to Unalaska in late October or early November. They have had some delays on the FAA testing side due to COVID concerns. The Saab 2000 are ready to go. Pilots are in flight school. They also plan to be available for charter flights.

CARES Act: The topic of CARES Act funding came up at the September 14, 2021 City Council meeting a few times. CARES Act spending was discussed at numerous Council meetings and staff has worked diligently to utilize those funds in keeping with Council direction, feedback and formal action, our own policies, and with ever changing Treasury Guidance on CARES. We are working up a report to communicate how this funding was used by Fiscal Year, as the expenditures now span three fiscal years (FY20, FY21 and FY22).

Fireworks: Council only had enough funding budgeted to pay for one City sponsored big fireworks show this fiscal year. That show was the Independence Day show. The Unalaska chapter of the Alaska State Firefighter Association is interested in doing a show similar to what they did last New Year's Eve, and has submitted a proposal and request to City Council. This is scheduled for the work session this evening. Staff has worked to process the proposal in a manner similar to other non-profit requests and can prepare an agreement for Council to take action in a future meeting, should Council choose to support the request. If this were to become an annual request, this would be rolled into the community support grant program for nonprofit organizations.

National Community Survey (NCS): The Planning Department is preparing the second National Community Survey for Unalaska. The results from this survey can be compared to those from the previous survey in 2017. Our goal is to do the survey every few years so that we can compare and track progress in addressing community needs. Planning Director Bil Homka has provided the following information:

We have finalized the survey questions for the NCS with Polko. Polko will begin mailing invitations later this month, and the data collection period for the mailed and online surveys will run September 23 to November 11. The results will be available in early December.

Directives to the City Manager: There are two outstanding directives, both progressing as outlined below.

- *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. Council approved Resolution 2021-56 to award a contract in the amount of \$234,019.75 for this analysis at the August 24, 2021 meeting.
- *Haystack Communications Site (July 27, 2021). Progressing.* 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. Staff presented an update of the current complex situation on Haystack at the September 14, 2021 Council work session. Work continues.