
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: January 25, 2022
Re: City Manager Report

Upcoming Deadlines: The following City deadlines are upcoming.

- March 1, 2022: Business Personal Property Tax Return Deadline
- March 1, 2022: Senior Citizen, Disabled Veteran and Fire/EMS Volunteer Real Property Tax Exemption Application Deadline
- March 31, 2022: Senior Citizen Sales Tax Refund Application Deadline

COVID-19 Update: As of the drafting of this memo on Wednesday, January 19, of we have 354 known active COVID-19 cases in Unalaska (245 categorized as Industry-Quarantined and 109 categorized as Community). Wastewater samples are positive for COVID-19, the most recent sample from January 19 was 37.1 RNA Copies/ml. This information is found on the City's COVID-19 Data Hub at <https://covid19-response-unalaska.hub.arcgis.com/>. According to the State of Alaska, 74% of Aleutian West Census Area residents age 5 and up have received their first dose, 64% are fully vaccinated, and 17% have received their booster. Some of these figures are found on the City's COVID-19 Data Hub, but are pulled from the Alaska Department of Health and Social Services Coronavirus Response Hub at <https://alaska-coronavirus-vaccine-outreach-alaska-dhss.hub.arcgis.com/>. This site has a wealth of information.

Organizationally, we are working to keep our employees healthy so that we are able to continue supporting each other and serving the community. We have implemented policies that are consistent with CDC and local health official guidance. Like other organizations on this island and worldwide, our employees are being impacted by the spread of COVID-19 in our community and we are responding accordingly.

OCCP: The City met with OCCP on January 14 to discuss the request to amend both the PPA and the MOA to provide more time to secure funding as identified in the PPA and to delay their contribution schedule to the City outlined in the MOA. Basically, OCCP continues to look for project funding support but has yet to secure such funding from interested parties. OCCP has been told by interested parties that they need to develop and prove the well field, which will take an estimated \$25 million, in order for them to accept the construction risk. City Council action is required for any amendment to the PPA or any related MOA. I requested, and have been provided with the amendments of both the PPA and MOA that OCCP requested for Council to consider. We will bring the formal request and the proposed amendments to discuss with Council in Executive Session on February 8, 2022. No formal action will be requested that evening, but Council can provide direction to the City Attorney and City Manager on how to proceed with the requests and related negotiations.

Emergency Rule Petition: Six tribal groups have petitioned the Secretary of Commerce, requesting the Department adopt an emergency regulation prohibiting Chinook salmon bycatch during the 2022 season of the Pollock trawl fishery in the Bering Sea/Aleutian Islands and to establish a cap for Chum salmon bycatch. This would basically shut the season down. Additionally, they are asking to reduce the salmon bycatch after the 2022 season to further address a decline in salmon runs. I worked with our Interim Finance Director, Natural Resource Consultant and the Federal Lobbyists on this topic to craft and distribute a letter of opposition on behalf of the City of Unalaska. Aleutians East Brought has also submitted a letter of opposition.

Fiscal Sustainability: City Council had an in depth discussion with APCM and City Staff on October 26 regarding a permanent fund. Key direction provided by Council included a \$40 million starting amount, moderate growth allocation, and a plan to begin distribution at the three year point (starting in July of 2024). Staff met again with APCM on Monday, November 8, 2021 to discuss our next steps. Since that time we have received sample ordinances and resolutions from APCM. Our City Attorney has drafted documents for City Council's use specifically. Jim Sharpe and I met with APCM to touch base and review the documents briefly on January 12. We plan to meet back up in early February to discuss next steps for both the Permanent Fund and Emergency Operations.

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." We will use this report to not only objectively define the benefit, but also define the project phases and scope for those phases. A draft Cost-Benefit Analysis Report was submitted to the City on January 19, 2022, and is included in your packet for presentation during Council's Work Session on January 25, 2022.
- *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." This directive was issued after public comment by OptimERA representatives at the City Council meeting. Available space (that is not already leased or has an easement across it) is limited on Haystack, and OptimERA had previously requested a lease agreement in a place that was leased to another entity. The Planning Department has reached out to some of the telecom companies to discuss future leasing and update information between the City and lease holders. OptimERA has applied for a new lease atop Haystack to lease the site on which they already have an antenna located. The lease was reviewed by the City attorney and has been forwarded to OptimERA for their consideration. OptimERA has provided additional comments that are currently being reviewed. The Planning Director has returned to the island and will continue discussions with TelAlaska regarding their existing lease on Haystack.