



CITY MANAGER REPORT

Reporting Period: October 29 – December 9, 2022

Prepared By: Phillip A. Zavadil, City Manager

Date: December 9, 2022

EMPLOYEE/COUNCIL CHRISTMAS PARTY

The City will be having our annual employee and council Christmas Party on December 22, 2022 at 6:00 pm in the Rec Hall. We will be doing a white elephant gift exchange.

PERSONNEL

Grants/Project Specialist

Lynn's employment agreement is expiring on January 21, 2023. Lynn has done a fantastic job for the City in preparing grant applications and assisting with managing various grants and projects for the City. Lynn has agreed to continue working for the City for another 3 years. A new 3-year employment agreement as signed and will become effective on January 22, 2023.

Public Works Director

David's employment agreement is expiring on December 31, 2022. David has chosen to not renew his agreement and will be moving back down to California. I would like to take this opportunity to thank David for his service, dedication and work for the City and community and wish him luck his future work.

INSURANCE CLAIM ON FIRE STATION ROOF

APEI sent out two roofing inspectors to inspect the fire station roof and make temporary repairs. While here they also looked at the roofs on the City Hall, Public Works, Motor Pool and Power Plant to determine what is needed to repair the roofs or if they need replacement. They will be reporting to our insurance company their findings and recommendations.

BUDGET PLANNING

Staff have been working diligently to prepare a calendar year 2023 budget for the City. On December 6 and 8, 2022 a budget workshop was held with City Council and key staff. Below is a summary of the workshops:



Strategic Financial and Organizational Goals for 2023

- Host quarterly community/Island entity leadership meetings
- Complete Capital Improvement Plan update
- Seek grant funding for CIP projects
- Seek EDA funding for developing on Community Economic Diversification Plan
- Support and encourage exploration of long-term economic development opportunities with community partners through implementation of the communitywide Comprehensive Economic Development Strategy
- Reduce expenditures to limit need to impact on use of investments
- Evaluate and adjust fees and rates
- Cap use of investments to fund ongoing operations at \$650,00

Assumptions for 2023

- Maintaining current levels of City services
- Adjustment in administrative allocation
- 12% decrease in insurance premiums
- 4.3% increase in health insurance costs
- 90/10 copay on health insurance
- Maintaining significant involvement in fisheries issues
- Monitoring and addressing forgiveness on CEIP loan
- Seek relief funding for fisheries disaster
- Fisheries disaster could last 3-5 years

Proposed 2023 Expenditure Reductions

- No travel, except to meet certifications
- No donations
- Limit purchase to “essential only”
- No funding for community event
- Ashburn and Mason reduced by \$10,000
- No Juneau lobbyist
- General engineering reduced to \$1,500
- Hiring freeze, not filling the following positions:
 - Emergency Management Coordinator
 - Administrative Assistant for Admin
 - Human Resources Specialist
 - Public Works Director
 - Assistant Public Works Director
 - Director of Public Safety
 - Harbormaster/officer

- Discontinue Telalaska and OneWeb internet and go with Starlink
- Update cell phone policy
- No payment for opting out of health insurance
- Discontinue subscription services (Belwether, SHRM, AGFOA, etc)
- Discontinue landline services except for “essential”
- Discontinue contract with Delta Medical Transport for EMS service
 - Requested funding from ACSPI and SCF
- Reduce to 2 police officers
- Portion of Salary/Wages for staff shifted to grants/contracts
- Funding for Parks and Rec Coordinator requested from CBSFA
- Funding for payment on Small Boat Harbor debt requested from CBSFA
- Funding
- Moving expenditures to distribute between funds:
 - Managed IT service moved from F102 to all funds
 - Liability insurance moved from F102 to all general funds
 - Utilities for City Hall moved from F172 and distributed between F105, 110, 114, 120, 130, 135

Entity Funding Requests

- \$10,000 requested from CBSFA for supplies for community events sponsored by the City
- Requested funding from ACSPI and SCF for Delta Medical Transport to provide EMS services.
- Funding for Parks and Rec Coordinator requested from CBSFA
- Funding for payment on Small Boat Harbor debt requested from CBSFA
- Funding for travel to NPFMC meeting requested from CBSFA

Proposed 2023 New and Revised Revenue

- Review and discussion of Rental Tax on Rental of Vehicles. Additional research will be conducted to determine cost to collect this tax, how much tax will be generated, and potential impacts on small business. This excise tax would need approval from the public before it could be implemented.
- Review and discussion of Room Tax. Additional research will be conducted to determine cost to collect this tax, how much tax will be generated, and potential impacts on small business. This excise tax would need approval from the public before it could be implemented.
- Review and discussion of Passenger Wharfage Fees. This would be a charge per head for each passenger coming into the Saint Paul Harbor off a cruise ship. This ordinance needs more detailed review by the City’s legal counsel prior to final review and approval by City Council
- Review of discussion of implementing Marijuana Regulations. These regulations would allow for the legal retail sale of marijuana. Additional research will be conducted to determine cost to collect this tax, how much tax will be generated, parties that might be interested in a small business, and finding assistance for those interested in starting a small business.
- Increase in housing rent by 10-30% depending on number of rooms
- Restructuring of City wharfage fees

- Increase crab pot and harbor storage fees by 15%
- Increase planning and zoning fees by 15%
- Adjust utility rates to make sure they are operating in the positive

Investment Goals

- Cap use at \$650,000 per year
- Manage cash flow and cover shortfall in operational costs over the next 3-5 years
- Reinvest in higher yield interest
- Continue to use interest for operational costs
- Need to plan for unexpected

MEMO FOR CITY LEGAL COUNSEL ON EXECUTIVE SESSIONS

Based on some misunderstandings on how, when, and what topics can be brought up by the City Council for discussion in executive session I thought it would be helpful for the Council, staff and community to seek some guidance and clarity from the City's legal counsel. Attached is a memo that has been prepared for Council review.

AGREEMENTS/CONTRACTS/GRANTS

VSW Lift Station Replacement

Kuna Engineering working on the project design report, which will include 35% complete drawing set of the new lift stations. Kuna is waiting for design specs on external pumps and fiberglass tanks in order to complete the report.

EDA Small Boat Harbor Utilities

On December 7, 2022, Lynn Sterbenz and I participated in a with Tobey Clark from the EDA to discuss the transfer for our project to a new EDA project engineer Brain Alvis.

We are waiting for Brian to review and approve our Request for Proposals document for consultant to provide, architectural, design, and construction management services for this project.

We are in discussions with TDX regarding the new easements needed for the sewer portion of this project. If new easements are not granted, we will need to remove the sewer portion from this project. The new easement for the sewer would need to be granted prior to construction.

USDA Loan for Electric Utility Work

Lynn and I have been working on gathering documents needed to complete the loan process and have had several meetings with the USDA loan office and our electrical engineers.

AEA Renewable Energy Grant

On November 7, 2022, Lynn and I met virtually with John Lyons, Beverly Woods, and Chris Mandregan with TDX Power and TDX, to discuss jointly applying for the AEA Renewable Energy grant to conduct

a review of our community energy needs and develop a energy plan. After further discussion and review, we determined that this grant is not the right fit for the planning that is needed.

State of Alaska EMPG Grant

Lynn and I attended a grant kick off meeting on November 10, 2022. We are in the process of preparing a request for proposals document to gather bids for a contractor to prepare a community emergency operations plan for the City.

AEA Bulk Fuel Farm Funding

On November 10, 2022, Lynn and I had a discussion with staff at Alaska Energy Authority regarding the improvements needed at the City bulk fuel farm. AEA has some funding available and we are working with them to access the funding for gas station, day tank, piping and meter improvements.

Island X Public Viewing, Youth Film and Surf Workshop

The City has received three grants to bring the director/producer of Island X to the island for a public viewing of the film, and to conduct a film and surf workshop with youth. On December 7, 2022 Lynn, Katia and I had a planning meeting with the partners on the grants to determine a schedule for the viewing and workshops. Tentatively we are looking at mid-April 2023 to show Island X to the community and conduct a film and surf workshop with our youth.

See Project/Grant Specialist’s report for more information on grants.

HARBOR PLANNING TEAM

The Harbor Planning Team met on November 1, 2022 to review the status of improvement projects identified in the Saint Paul Harbor Feasibility Study, discuss impacts from Typhoon Murbok, and discuss future projects. The minutes from this meeting are *attached*.

DEPARTMENT OF PUBLIC SAFETY

Personnel

Officer McMicken resigned and was going to be staying until January, however plans changed, and he left earlier. Officer McMicken has taken a job with Cordova Police Department. I would like to thank Ryan for his service to City and community and wish him luck in Cordova.

Sergeant Carter resigned. He is currently on his rotation off and will not be returning to the island. I would like to thank Clint for his service to City and community.

New Police Sergeant. An offer was made to John Murduck for the position of Police Sergeant. If John accepts the offer, he will be arriving on island January 5, 2023. John will be moving to the island permanently from Utah. John has over a 25-year career in law enforcement.

Dispatch. At this time, we only have two dispatchers working, Denise and Caitlin. We are working on finding additional dispatchers so as not to overwork Denise and Caitlin. I have worked with Denise and Caitlin on a work schedule to allow them a couple of days off each week. When we do not have dispatchers to answer calls for service the phone is being forwarded to the officer on call. We hope this

is a temporary solution and can hire additional dispatchers soon. I would like to thank Denise and Caitlin for their service, dedication, and commitment to make sure when people call for help there is someone there to help them.

EMS

On November 4, 2022, Cara Lestenkof-Mandregan and I met vitally with Seth Ransom, Business Development Manager with LifeMed Alaska to discuss their medivac services to the island, communication improvements, fueling needs and other topics regarding medivac service.

The stretcher in the ambulance has needed new batteries, which are on order.

Jerry is currently on island and will be replaced by Courtney.

Calls for Service

See the attached call for service data for September, October, and November 2022.