

WHAT'S UP?

City staff wanted to provide the new Council members, and a refresher for existing members, information on topics that may be of interest. Last year, staff provided a binder with a lot of information – perhaps too much. In preparing for this year's information package, staff felt that a summary of obvious issues. Then, Council members could receive more information about a specific topic if desired – either individually or in a meeting – which may be more appropriate.

As Desmond Tutu wisely said about being overwhelmed by all the things in life: **“there is only one way to eat an elephant: a bite at a time.”**

Below, each Department has provided a summary of operations and is available to meet for in-depth discussions. Staff strongly encourages new Council members to meet with the Treasurer to discuss the budget in general, the Capital Improvement Plan, and the monthly financial reports as the format may not be familiar and due to the importance of understanding the reports. If there is interest to meet with any other staff, notify the Mayor or City Administrator and a date/time can be arranged.

Staff appreciates the dedication and service to our community by each of you.

GVFD

The Gustavus Volunteer Fire Department (GVFD) provides Emergency Medical Services (EMS) and responds to fire calls within the City of Gustavus and has a memorandum of agreement to respond within Glacier Bay National Park upon request. Emergency services are provided by the city with an equipped ambulance, fire engine, and two water tenders that are stocked with proper equipment to tackle most emergencies. GVFD is composed of a full-time Fire Chief who currently oversees 30 volunteers that bring a variety of skills to the department. The GVFD volunteers are organized into three categories: Dispatchers, EMS, and Fire. The volunteers started the Gustavus Volunteer Fire Department Association, a non-profit social organization that was formed in 2016 to coordinate volunteer fundraisers and to help support the GVFD volunteers. The Fire Chief is responsible for the overall management of the GVFD, project scoping and management for GVFD capital improvement projects, creating purchase orders, ordering supplies, and long-term planning for the GVFD. The fire chief generates the annual departmental operating budget in conjunction with the City Treasurer. The fire chief develops and conducts weekly evening trainings for the volunteers, alternating between EMS and fire.

Personnel: Fire Chief (1 FTE)
Assistant Chief (Volunteer)
Fire Captain (Volunteer)
EMS Captain (Volunteer)
30 volunteers within the 3 divisions

Mission: To serve our community before, during, and after an emergency.

Calendar Year 2019 Statistics:

- 63 incidents. 49 EMS calls, 14 fire calls
- Volunteers donated 1124 hours

FY20 Accomplishments:

- Received a grant to acquire and install a Tsunami Siren (mass warning siren)
- 11 new Emergency Trauma Technicians (ETTs) roaming the streets
- Federal Emergency Management Agency (FEMA) Hazard Mitigation plan is completed
- New public fire danger sign
- Small Community Emergency Response Plan is completed
- Installed new gurney in the Ambulance
- In response to the COVID-19 pandemic, stood up the Emergency Operations Center (EOC) and Incident Command System (ICS).
- Worked closely with staff and the Mayor regarding resolutions declaring an emergency, mandating social distancing, and regarding travel into and out of Gustavus in response to COVID-19.
- Networked with other EMS leaders in Southeast Alaska to compare strategies, source supplies, and share knowledge regarding COVID-19 preparation and response

COVID-19. For updates, the Fire Chief can give you specific information or you can refer to the monthly update report provided during the monthly General Meeting.

CARES Act Spending

The City of Gustavus is in the process of planning for and spending funds received through the State of Alaska as part of a disbursement of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. These funds are only to be used for items not already in the municipality's budget as of mid-March 2020, with the exception of payroll for public health and safety (i.e. Fire Chief payroll). They cannot be used to substitute for lost revenue (e.g. decreased retail tax revenue due to pandemic-induced tourism decline).

CARES Act spending is discussed at every work session and at special focused work sessions, if necessary. A spreadsheet summarizing expenditures and earmarked funds is circulated to the

council regularly. The treasurer can explain in-depth, if any council members have questions. All funds must be spent by December 30, 2020. Recently, there have been suggestions that unspent funds **may** be able to be rolled over into 2021 for use only for payroll for public health and safety (i.e. Fire Chief payroll). Official guidance on this has not yet been received.

Budget/Capital Improvement Plan

The budgeting process can be confusing and frustrating, especially if you haven't worked them before. We have 2 primary categories for financing: 1) Alaska Municipal League Investment Pool (AMLIP) accounts and 2) the Operating Budget.

The AMLIP accounts are the City's investment "savings" accounts. There are seven accounts currently allocated as follows: Capital Improvements Current, Capital Improvements Long-Term, Repair & Replacement, Road Maintenance – Unencumbered, Road Maintenance – Encumbered, Reserve, and CARES Act Relief Funds.

Capital Improvement Projects (CIP) are funded by the calendar year. Departments submit scoping documents that identify the project on a City generated form, and the Council reviews and approves at a General Meeting. The Scoping Document is used to identify the project's costs utilizing estimates derived from research by the department supervisor. If approved, the department supervisor will create a capital project to be approved as part of the annual Capital Improvement Plan (CIP) approval, usually in January. Funding for CIP usually comes from the AMLIP Capital Improvement Long-Term account, with funds transferred to the Capital Improvement Current account or the checking account for approved projects.

The Operating Budget is funded by the Fiscal Year. The City's Fiscal Year (FY) is July 1 through June 30 (the Federal FY is October 1 through September 30). Staff begins working on the upcoming budget in January and requests a work session with the Council in February or March to get direction on-line-item funding. Staff proposes a very conservative budget to allow for unknown disruptions to the funding streams. For example, sales tax and other local revenues are confidently projected based on previous years, identified state revenues, and known or anticipated local changes in the economy. However, Federal funding such as the Payment In Lieu Of Taxes (PILT) and National Forest Receipts come in at different times. There is also the anticipation of the Governor's veto pen or other legislative changes in previous funding amounts.

PILT. Payment in Lieu of Taxes (PILT) is Federal revenue payments to local governments that help offset losses in property taxes due to the existence of nontaxable Federal lands within their boundaries. The original law is Public Law 94-565 dated October 20, 1976.

National Forest Receipts. National Forest Receipts (NFR) are the revenue authorized under a 1908 federal law (16 USC 500) where 25% of the annual income earned from activities within a national forest is shared with the State for distribution to boroughs, cities and regional educational attendance areas (REAAs) located within the national forest. With the passage of the "Secure Rural Schools and Community Self-Determination Act of 2000", National Forest Receipts payments to the State are based upon the average of the three highest payments made to the State during the "eligibility period" of fiscal years 1987-2000. Applications are mailed to each eligible applicant on or before July 1 and must be returned by August 15. These funds must only be used by the City's Road budget to qualify for the funds. In the past, NFR receipts exceeded annual road operating expenses, and excess funds were saved in the AMLIP Road Maintenance – Encumbered account. Currently, NFR funds are unpredictable and do not cover annual road expenses, so the AMLIP Road Maintenance – Encumbered account will be used up this fiscal year. The City created an AMLIP Road Maintenance – Unencumbered account to ensure at least three years' worth of road maintenance were available once the encumbered savings were exhausted, giving time for new options to be considered for funding road expenses.

The budget process for the Council begins with the work session where direction is given to staff for the preparation of the draft budget. The Council may want to hold a Town Hall to allow the public to see how a budget is created. An example would be to provide last year's budget spreadsheet and

explain the line-items, then allow the public to make changes to see how the changes impact the City's operations, funding, or other questions.

After the draft budget is created, staff requests a work session to prepare a smooth draft. Once the smooth draft is prepared, staff invites Council members for one-on-one meetings to go over any questions or suggestions. If necessary, the smooth draft will be discussed at the regular work session for the General Meeting to finalize any changes prior to introduction at the General Meeting. Staff prefers to submit the budget for introduction in April which publishes the budget for public comment. This way, if a Council member wants to suggest any changes it provides 2 months to work-out any adjustments. The budget must be adopted in June to be effective by July 1. As will be discussed in the Meetings and Agenda training by the City Clerk, a Special Meeting may be called to address any last-minute changes to the budget. Last-minute changes could come from a Council member or a staff request based on a change in a projected line-item. For example, the State defunds the Community Assistance Program, a program that the City receives funding from.

Throughout the year, Non-Code Ordinances (NCOs) are introduced to adjust the budget projections to actual income and expenses that are occurring. Most of these NCOs are simply moving funds from one line-item to another.

Please read through the current fiscal year's budget document and the current Capital Improvement Plan as it provides extensive background on current City operations. The Treasurer is available for appointments anytime to go over financial information or capital projects.

Endowment Fund. The City has an Endowment Fund stored in an Alaska Permanent Capital Management (APCM) account with the investment firm Charles Schwab. These funds are untouched except for those funds used by the Endowment Fund Grant. Details of the Endowment Fund can be found in the Title 4, Section 4.13 Gustavus Endowment Fund. The Endowment Fund Grant Policy and Procedure is in Resolution CY19-14.

Disposal & Recycling Center (which includes the Community Chest)

I would like to welcome the two newest members of the Council, Tania and John, and many thanks to Brittany for being willing to serve as our Mayor and to Joe Vanderzanden for serving as our Vice-Mayor.

My regular hours at the DRC are Tuesday through Friday, generally from 10 AM through 5 PM and I am more than happy to give you a tour and/or discuss Gustavus's solid waste issues. I don't mind discussing DRC related issues outside of office hours – if I am available.

Everyone is familiar with the basic function of the DRC: dealing appropriately with the community's solid waste stream. We re-use or recycle as much of it as we can and what we cannot be re-used, recycled or composted is compressed and landfilled in our ever-growing waste mound.

To help keep you informed and to inform the public, I put a lot of time in to writing the DRC's quarterly reports which you will see in your meeting packets. They are also available on-line:

<https://cms.gustavus-ak.gov/drc> the Q reports are at the top of the page. Also, on this page are links to important DRC documents.

At the end of each Q report I provide an update of the DRC's current projects. Briefly, the current DRC projects are:

- Food waste composting facility improvements - replacing the Quonset and improving the composting yard
- Completion of the In-flow storage yard (previously referred to as the pre-processing storage yard)
- Specifying and purchasing a 20' long x 8' wide x 8' high container designed for household hazardous waste storage
- Planning for the new main building, three phase power and new horizontal baler

In addition to these important projects is my work on the Solid Waste Management Plan or SWMP. Basically, the SWMP is an extension of the City's Disposal and Recycling Center General Operations Plan and documents the planned improvements to our facility. Eventually this document will have a closure plan for the existing waste mound, its projected life, and options for what to do with non-recyclable waste once the mound has reached capacity in **3 – 6 years**.

I know our two newest Council members have an interest in DRC operations and policy and I encourage you to review the two most recent quarterly reports. In the May report I discussed the litter and food waste dumping issue.

CITY CLERK

I am a part time City Clerk working up to 30 hours per week and supervised by the City Administrator. Below is an abbreviated list of my responsibilities. Whether you are new to the council or an old hat, there is always a lot to learn or re-learn, I would love to meet one on one with each of you or in small groups to dive in a little deeper with regard to the list below.

- All meeting preparation including agendas, packets, notices, council cheat sheet for council meetings.
- Responsible for action minutes and zoom
- All meeting follow-up tasks.
- Act as parliamentarian to the council
- Provide for the codification of ordinances using the Municode system
- Maintains city website and public bulletin boards
- Administers the city records retention schedule
- Responsible for municipal elections
- if requested, assists the Mayor and Council in writing and revising ordinance and policy related to City administration
- Staffs city hall during publicly open hours
- Public Notary

You should become familiar with CoG Policy & Procedure, CoG Resolutions, CoG Ordinances, Title 29, Parliamentary Procedure, OMA, Quasi-Judicial Activity and Ex Parte Contacts. Please let me know if you need help finding any resources.

Use of the City Attorney

Resolution 2011-08 provides the policy and procedure for communicating with the City attorney. The intent of this policy is to maintain a written record of queries and the attorney's responses. Also, through the procedures the Mayor will be able to recognize what issues are of concern, if there are multiple Council members interested in the same issue, and likely reduce costs by providing the City attorney with a single inquiry versus multiple inquiries and potentially multiple responses.

Gustavus Beach

The City entered into a Cooperative Resource Management Agreement (CRMA) with the State of Alaska Department of Natural Resources (DNR) that includes requirements to comply with the Development Plan constructed by the beach advisory committee.

Since the adoption of the CRMA between the City of Gustavus and the DNR, we have observed some elements of the agreement that could be improved upon. A draft amendment to the CRMA providing suggested changes that reflects the direction that the City would like to see for the protection and preservation of the Gustavus Beach Park while providing the community with a level of use commensurate with a park with these characteristics was sent to DNR on August 13, 2020. The changes focus on changes to the legal description that accurately reflects Tracts A and B. The description accounts for isostatic rebound that will increase the size of the Tract A. The Development Plan contains most of the changes as it reflects the input received by the community and the direction of the City Council.

PFAS

There are 2 separate issues with polyfluoroalkyl substance (PFAS): community drinking water contamination from use of Aqueous Film Forming Foam (AFFF) and use of AFFF by the Gustavus Volunteer Fire Department (GVFD) for a residential fire.

The first issue of community drinking water contamination was first reported to the City by the state in September 2018. The source of contamination was the Gustavus Airport's use of AFFF for firefighting and training. Tests of wells were conducted and a series of maps for the results followed. There has not been resolution of the issue for the affected property owners although drinking water has been provided in the interim.

The City Council formed an advisory committee, the Gustavus Water Action Committee (GWAC) to address, among other things, the PFAS contamination issue. Working with the Gustavus PFAS Action Committee (GPAC), ideas and information were shared and reported to the Council. As part of the work a GWAC committee member completed a historical use of AFFF that is available for review; the report was created through interviews and records check.

The second issue is from a residential fire in 2015 when the GVFD responded to a brush fire at 77 Same Old Road. At the time, PFAS had not become a known concern to the City. The GVFD did what it was supposed to do and put the fire out. To extinguish the fire and prevent it from spanning the few feet from the source of the fire into the forest sparking a wildfire, the GVFD used the only firetruck able to access the property. This fire truck had been purchased from the State of Alaska Dept. of Transportation (ADOT) (it was an ADOT Gustavus Airport truck) and unfortunately included AFFF in its tanks, which was used to extinguish the fire.

There is a large volume of information on this subject. Staff can meet with any Council members who are interested in the background. There is also a large binder of information you can get from the Clerk.

Strategic Plan

Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful.

A strategic plan is a document used to communicate with the organization the organizations goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise. A strategic plan is primarily a visioning document that is designed for 5-year periods with annual reviews.

The Council worked for a couple years constructing the framework for an update to the Strategic Plan; the current Strategic Plan is from 2005. A draft was completed summer 2019 and presented to the public during a Town Hall meeting. There was tremendous participation and several pages of comments were received via sticky-notes as part of the commenting process during the events. The comments have been incorporated into the Strategic Plan document tables but are still incomplete. Some comments were only objectives and did not have accompanying strategies. The Council thought it best to wait for the new members to join the process before moving further.

The strategic plan is in need of completion and work on the it has been postponed until the new Council had been seated.

Roads

The Roads department (department is a term used to describe the budgeting category, not an actual department) includes several functions. In addition to road development, maintenance, repair, and

other projects, the Roads category includes Civil Work Permits for work in City maintained roads, and operation of the gravel pit used for pit run material for the roads.

Civil Work Permits. Civil work permits are required for work in City-maintained road easements and rights-of-way for any ground-disturbing work in City-managed or City-maintained road easements or rights-of-way serving city properties such as City Hall, the Library, DRC, Salmon River Small Boat Harbor, and the Fire Hall within the boundaries of the City of Gustavus. It does not apply to private roads or driveways except where they intersect city roads within the public road easement. Procedures do not apply to road maintenance activities directed or conducted and overseen by the city. The Policy and Procedure includes the Civil Work Permit application process and provides for a fee/penalty of \$200 for violation.

Roads. Roads are an ongoing topic of discussion. Council members Taylor and Clark have been the Council representatives that focus on road issues. The road maintenance, snowplowing, and previously road brushing contracts are issued annually. Road expenditures are usually for grading, surfacing (gravel to fill potholes, reestablish road crowns, etc.), brushing, snowplowing, culvert repair/replacement or installation if necessary. Additional funds for capital improvement road projects come from the AMLIP Capital Improvement accounts.

A draft Roads Plan that is intended to identify current problems such as clogged ditches, no ditches, drainage issues such as damaged culverts, etc. has been prepared. In addition, the Roads Plan will prepare a maintenance schedule that will rotate by area of the town, prescribing routine maintenance such as previously described to reduce costs of reacting to emergency work or damaged assets. Finally, the Roads Plan will identify future Capital projects such as bridges, new roads or new ditches. The Roads Plan and maintenance schedule is available if the Council would like to discuss.

Gravel Pits. The gravel pits are the source of material for all the road work. With the leasing of 3 pits to private business and restriction in the use of the other pits because of fish, the City only draws gravel from 1 pit for a total of 4 pits being actively excavated. The City had the property surveyed in 2019 and identified additional land area for expanding the size of several pits. The new area will likely extend the useful life of the pits but still only provides a limited extraction life, likely 2-5 years depending on need.

The City has discussed options for better extraction methods. Two methods are being considered: a bailing system which is a bucket that crosses the pond, digging as it crosses; the other is a suction dredge that sits on a floating platform and uses a tube to reach the material and a pump to “suck” the material out. The suction dredge appears to be less expensive to own and operate.

Library

Mission Statement. The mission of the Gustavus Public Library is to provide community members and visitors of all ages with a welcoming and supportive environment to freely access information, materials, and programming; to support literacy and life-long learning, facilitate connection to place and culture, and meet the recreational, social, intellectual, and cultural needs of the community.

Overview. Below is a general overview of the Library’s operations. The Library Directors would like to invite council members to an informal question and answer via Zoom.

The Gustavus Public Library provides the public with a wide selection of materials including nonfiction and fictional books for all ages, fiction and nonfiction DVDs, magazines, kits, and audio material. The library’s collection includes items specifically requested by community members, along with books by local and regional authors, books about Alaska and Southeast Alaska, and a selection of recently released materials researched and selected by the library directors. The library also offers public computers and 24/7 WiFi for internet access, as well as free access to e-books and audiobooks. The e-book collection is available for checkout by members of the public who have been issued a library card. The library offers diverse programs and events for all ages, including a Summer Reading program, and supports students at the Gustavus School, homeschooling families,

and adult students through services like test proctoring. The library is open six days a week, utilizing a strong core of volunteers to support its daily operation.

The Library Administrative Director is responsible for the overall management of the Gustavus Public Library, project scoping and management for library capital improvement projects, creating purchase orders, ordering supplies, and long-term planning for the library. This position assists the Library Services Director with training and coordinating volunteers. The Library Administrative Director generates the annual departmental operating budget in conjunction with the City Treasurer. She also performs the duties listed below for the volunteer desk sitters.

The Library Services Director oversees operations, services, and creation and implementation of the daily programs that get patrons in the door. The Library Services Director focuses on developing these programs for diverse age groups and interests. This position is responsible for training and supervising volunteers, writing news articles and monthly newsletters, and communicating with the public through email and social media. She collaborates with the Library Administrative Director on matters of general library operations and administration (such as budgeting and ordering library materials), and forms partnerships with other organizations, such as the Gustavus School and National Park Service, to develop library programs that meet the current needs and interests of the community.

The volunteer desk sitters are responsible for recording library use statistics, checking out materials to patrons, checking in and shelving materials, collecting money for copies and faxes, and providing assistance to patrons as they are able.

Library Roof. At the direction of the Council, we began on the replacement of the metal roofing panels that have had gaping holes left in them from failure of the snow guards, and which has now turned into a reconstruction of the entire library roof from its peak downwards until the end of the rotted boards are reached. We have had an engineer on site who gave us a report with detailed information on how to deal with this issue.

Our roof, and the entire building, is constructed of SIP panels, which have poor performance history in Southeast Alaska. Problems have been attributed to moisture getting into the panels and rotting the sheathing. Typically, the source of the moisture is interior condensation getting into the panels and turning to water. This, however, is not the case for our library. The engineer confirmed this by inspecting the attic, where there is no sign of rot.

Up on the roof, the metal ridge vent was removed to expose the tar paper, which was cut to expose the foam. The edges of the SIP top layer of sheathing had rot. There was also significant rot about a foot down from the ridge. The engineer did not look any further, so the extent of the rot is unknown.

A local contractor had stated concerns that the damage to the building reaches beyond the roof and requires a comprehensive scope of work beyond what has been published in previous RFQ's. Given that three previous RFQ attempts have been published and the City has received no responses, staff believed it was necessary to take a different approach to discover the extent of the water damage to the building and modify the funding for the project to \$150,000.

An RFP was released, and the Council awarded the contract to Gustavus Construction. As of the date of this report, the contractor has not yet signed the contract. However, we expect to have the contract signed shortly and a scheduled identified.

Doing Business in Gustavus

There are folks doing business in Gustavus without business licenses and do not pay the sales tax. A discussion that identifies how "business" is defined is necessary to identify where compliance needs to be applied. For example, the lemonade stand is arguably not a business. Similarly, the garage sale is not a business – unless the "garage sale" is a flea market. That is, someone buys items from around

the area (e.g. Juneau, Sitka, Hoonah, Gustavus) and then sells the items as a garage sale. In that example the activity is likely a business. Then there are the clear business operations such as contractors, carpenters, charter operations, etc. that are operating without a business license. Title 4 Requirements - Section 4.15.030 – Imposition of sales tax.

Every seller making sales, rentals or performing services subject to taxation under this chapter shall collect taxes imposed by this chapter from the buyer at the time of collection and shall transmit the same, monthly, to the city.

What is retail sale? Title 4 has specific language that is inclusive of most activities associated with a business.

Retail sale: Any sale of real or tangible personal property including barter, credit, installment, and conditional sales for any purpose other than resale in the regular course of business. The delivery of goods in the city by a seller whose principal place of business is outside the city to a buyer or consumer is a retail sale made within the city if such retailer maintains any office, distribution, or sales house, warehouse or any other place of business, or solicits business or received orders through any agent, salesman, or other type of representation within the city.

There are persons operating as a business in Gustavus that are not complying with Title 4. There are several concerns with this situation including, but not limited to, equity, fair treatment, loss of the public's money, and a financial advantage for those not adding the required 3% to the cost. Where the 3% is added but not submitted to the City is a question of theft and should also be considered.

At a Council work session discussing the subject, the following procedures were established.

- Between the work session and March 3, 2020 Council members would talk to those they know that are in violation of the City's Sales Tax Ordinance.
- March 4th staff would send letters to those known to be operating businesses without a business license and/or is not remitting sales tax

The procedures below were established but not implemented because of the COVID-19 pandemic. However, these procedures could begin if the Council directs staff to continue.

- After 30 days from the date of the letter, if compliance or arrangements have not been made, staff posted the violation notice at the Post Office, Library, and City Hall
- After 30 days from the date of posting, I will contact the city attorney and direct that a letter be sent to the person/owner/operator, etc.
- If compliance hasn't been achieved in the timeframe established by the city attorney's letter, I will direct the city attorney to begin lien proceedings

City Administrator

As your City Administrator, I am proud to assist our town with implementing the direction of the Council addressing the many issues of our local government. The staff is a fantastic team of dedicated and hard-working folks and we are excited to work with the Council in facing the many challenges.

Thank you again for your commitment to our community. How can we assist you?