

Mayor's Report for June 9, 2022, General Meeting

1. New City Administrator Kathy Leary is on board. Kathy Leary started in her new position June 1, with the retirement of Tom Williams, who served us admirably for almost four years. Kathy brings to the job her long history here in Gustavus, plus experience working in various Alaska organizations statewide. She has been busy getting up to speed on projects and the budget with help from Tom Williams, who is now in the temporary part time role of Administrative Analyst, and Phoebe Vanselow, who is now in the temporary part time role of Financial Analyst. Those temporary positions are slated to continue through July 31 to assure transition continuity.

2. City Budget. *Repeating my rationale from last month:* Since January City Administrator Tom Williams and Treasurer Eduarda Loggins have worked hard to develop an FY23 operating budget that meets my expectations for improving the quality and availability of City services and will enable us to take better advantage of grants for infrastructure improvements to improve living and working conditions in Gustavus. The budget is the financial expression of our operating plan and is the tool that makes it possible. As in every past year, the operating budget is conservatively crafted to assure operating expenses remain well below revenue receipts for the year with fully-funded provisions for future major repairs and maintenance of city facilities and safe margins for unexpected events. The budget balances with a substantial surplus even after conservative estimates of income and expense. Those annual surpluses are the funding source for capital improvements. As our community has grown (48% between 2010 and 2020) our local businesses have been successful, and our sales and bed tax revenues have grown steadily. As an effective and respected local government, we have also been successful in capturing state and federal funding for municipalities. The budget applies our steadily improving financial condition to serving the community better every year. With this trend the city can continue to improve service quality for our existing publicly-approved functions with no need to increase tax rates for the foreseeable future. *And we can do so while maintaining the distinctive character of our community.*

Maintaining and developing productive city staff is key to meeting the expectations of Gustavus residents and being a distinctive community in Alaska. The FY23 operating budget funds staff pay adjustments to reflect cost of living increases and to assure fair and competitive compensation for the demands of the jobs and the skills of the incumbent employees. It also provides for an increase in work hours for administrative staff in City Hall to allow the offices to be open five days a week and to capture grants and execute public works projects made possible by new Federal infrastructure funding. Each year we sock away savings to repair and replacement accounts. This year we also are applying a portion of the flood recovery reimbursement funds received from FEMA to a new budget line for emergency and disaster recovery. That budget line will be available for immediate use in a disaster (such as the December 2020 flood), allowing the city to contract response services without drawing from funds appropriated for routine operations and without needing the council to meet specially to appropriate funds for the emergency. Absent a qualifying emergency the funds will be unspent at year end and will roll over to the same budget line for the next fiscal year.

Update: I have prepared for the general meeting a budget amendment to adjust the administrative salary budget line downward now that we have hired a new City Administrator and can now project the actual costs for that position. The adjustment also reduces the budget line for Emergency and Disaster

recovery from \$85,000 to \$50,000. *I am recommending that the budget be approved with these amendments.*

3. FEMA flood recovery and mitigation funding. Tom Williams is working with new City Administrator Kathy Leary and Treasurer Eduarda Loggins to build familiarity with the FEMA process for our flood recovery projects and to get our recently completed projects invoiced to the system to assure that approved expenses result in actual payment to the city. It's a very bureaucratic system so takes time.

4. Fairweather Road Ditches and Culverts. Glacier Bay Construction completed the ditching and culvert-installation project along the north side of Fairweather Road, completing and improving ditches and installing new culverts where none existed. They also cleaned and excavated the ditch along the west side of Pleasant Avenue to the intersection with Fairweather. This project will greatly reduce area flooding from heavy storms and reduce maintenance needs for both roads. Thanks to Glacier Bay Construction for completing this project effectively. Funding is from the City Road Maintenance budget.

5. Large Culvert Riprap at Gravel Pits. Glacier Bay Construction has also completed installing protective rip rap at the large culvert under Wilson Road where it becomes Rink Creek Road at the Gravel Pits. The project now guards against future washout and loss of the large culvert during flood events, as nearly occurred in the August 2021 river overflow flood. The invoiced cost of this is being submitted to FEMA for reimbursement using the flood prevention/mitigation funding they have offered us. It's another fine job by our road contractor, Glacier Bay Construction.

6. Wilson Road Drainage Improvement. Glacier Bay Construction successfully completed this project to excavate and improve ditches along Wilson Road near the Chase Drive intersection to capture and carry away flood waters during heavy rain events such as we had in December 2020. The project replaced a damaged, undersized culvert under Wilson Road at Chase Drive with a 24" diameter culvert to carry flood water from the west side of Wilson to the deep ditch on the east side and on to Glen's Ditch. The project also extended the deep ditch on the east side of Wilson north past the ADF&G cabin and install a culvert under the ADF&G driveway. The intent is to divert any flood water on Wilson Road away from the adjacent subdivisions that were flooded in December 2020. Funding will be recovered via the new FEMA mitigation grant.

7. Tong Road drainage and flood recovery. Glacier Bay Construction is the winning bidder for the RFQ put out last month for this project to replace two flood-damaged culverts along Tong. Construction is likely to begin after July 1. FEMA funding is approved for a portion of the project as recovery from the December 2020 flood. The city road maintenance budget will fund extra ditching beyond the limits of the FEMA-funded project.

8. Same Old Road drainage. Glacier Bay Construction installed a new culvert at the road bend between Tim Sunday's house and Chuck Bales' house to relieve ponding water and flooded roads along a section of Same Old Road. In a later phase we intend to ditch the east side of that North-South road section and the south side of the East-West running section as far as End of the Trail and install culverts to improve drainage and reduce frequent flooding issues along the road. This improvement may be delayed for a hydrology study that would qualify it for Federal funding.

9. Annual Road Maintenance Contract. We prepared a new RFQ for annual maintenance that for the first time included also snow plowing, and emergency disaster repairs. The added boiler plate to make the contract comply with federal contracting rules for FEMA reimbursement has led us to consider some changes and postpone the RFQ. We will seek an extension with our existing road maintenance contractor for a month or so to continue it into early FY 23 while we address some language changes.

10. Grandpa's Farm Road Bridge. Following the Notice to Proceed issued last month after project award, the bridge manufacturer submitted the design for the bridge package, and it has been approved by our consulting engineers at Dowl Engineering. We then issued the second Notice to Proceed for manufacturing and construction of the bridge. Western Wood Structures is manufacturing it this month and when complete the package will be shipped to Gustavus. Glacier Bay Construction, the winning bidder for the project is expected to complete the installation in August. This project is 100% funded by US Fish and Wildlife with funds from the Bipartisan Infrastructure Bill.

11. Good River Bridge Repairs. This 1985 timber bridge needs repairs to keep it functional and safe for decades to come. PND Engineers on April 29 completed a site evaluation of specific deficiencies identified previously in an Alaska DOT bridge inspection report. They further evaluated the bridge embankment at the northwest corner of the structure where a stream has been cutting an incised channel next to the embankment. The consultant submitted an initial report on June 6, 2022 with recommendations for repairs to the structure, but is still completing the geotechnical evaluation on the approach embankment problem at the northwest corner of the bridge. In the meantime, they did not note any significant structural risks to the bridge or any reason to apply reduced load limits. Once the report is received, we will identify funding and contract repairs. I suspect substantial work will be needed for the embankment/stream problem, for which we will seek an infrastructure grant once we have the full report and cost estimate from the engineers.

12. Grant Funding for Major Projects. Solstice Alaska Consulting, a grant writing firm, has been contracted to help us apply for major project grants. They are developing applications for several projects, including the Bike/pedestrian trail along Gustavus Rd, Mountain View Rd, and Dock Rd and for a wave barrier for the state dock. They are keeping an eye out for opportunities that fit our list of prospective capital projects.

13. Parking area improvement for previous Golf Course "Meadow Trails." Glacier Bay Construction quickly completed an improvement of the parking area along Dock Rd used by walkers on the trails onto the previous golf course lands between there and the Beach Park, and onto the City's harbor lot accessed from that location. It's another very nice improvement by Glacier Bay Construction. Thanks!

14. Governor's Visit. Governor Dunleavy made an unannounced visit to Gustavus on Sunday May 15, and called me to ask for a chat at the Foxes Den restaurant. I was pleased to visit with him for an hour, and to be joined by Toshua Parker in the discussion. He asked us about the Gustavus economy, electric rates, the hydrogeneration facility, the intertie, tourism, population changes, and more. Toshua and I teamed up to share perspectives and I feel Gov Dunleavy gained a new appreciation for our vibrant community. Toshua and I appreciated his interest.

15. USDA Visit. On Monday May 30, I had the pleasure of giving a morning tour of Gustavus to Julia Hnilicka, the Alaska State Director for USDA Rural Development. Julia's department serves Rural Housing and Community Facilities Development. Their Telecoms program funded the grant to ByteNet

for their fiber optic build out in Gustavus. I was pleased we could catch up with Janusz Kunat at one of his installation sites along Chinook Dr, to discuss his program. Janusz showed us the locations at the Foxes' Den and at the Community Center where his system servers will be located.

17. DNR Visit. On Tuesday, June 7, Megan Hillgartner and John King from Department of Natural Resources South East Office came to Gustavus for a day tour of the Beach Park lands and the Salmon River Harbor where we have Cooperative Resource Management Agreements. Councilmember Jim Mackovjak and I spent most of the day with them to get them around and help them understand lands issues here relevant to our relationship with DNR. Neither Megan nor John had been in Gustavus before so it was an opportunity to build understanding with key staffers who serve Gustavus. Megan is working with the Southeast Lands Director, Ben White, to complete DNR's approval of the Beach CRMA updated management plan. She also evaluated the disputed sectionline easement along the south edge of the Pinewoods Subdivision recently and Jim took her to that site. John King works on land transfers to municipalities. We asked for his advice on a potential purchase of the central harbor tract, which the City did not previously select. He advised us on the process and indicated we could also be transferred the submerged lands along the river where the floats extend for the cost of a survey of that area. John also noted that the City needs to follow up on applying the survey instructions for the small parcel offshore of Pleasant Island at Bull Moose Cove where we store the steel float during winters. We met with Kathy Leary at City Hall during the day, and she will be following up on that need.

18. ATV Trail or Track. I'm working with Bruce McDonough as he forms an ATV interest group to identify opportunities for development of recreational ATV opportunities in Gustavus. The idea is to find a site or area to build an interesting and challenging ATV track or a trail system that would expand ATV enjoyment opportunities in a way that also respects the natural environment. I am enthusiastic about helping them advocate for their vision as it is developed further.