

TO: Mayor Gardner
City Council Members

FROM: Andy Varner
City Administrator

DATE: August 5, 2017

SUBJ: Monthly Report for August 2017



Here is a brief list of items we've been working on since the last report.

ALCOHOL TAX INCREASE

- Obviously police issues have taken up a good deal of time over the last month, and figuring out how to budget for new changes has made me think again about our revenue vs expenditures. Police funding comes from our general fund. One of the major drivers of police costs- if not THE driving cost- in Sand Point and almost all communities is in response to alcohol. The social and public health costs of alcohol are well known, and that is why many, many communities tax alcohol (along with tobacco and increasingly marijuana) at a higher rate than the general sales tax. I think this is something the City Council should seriously consider. Taxing at a higher rate would need to go before the voters. Any newly generated revenue from the excise tax could go directly to public safety and health services. I've attached a recent tax comparison from AML under FYI that shows that a lot of municipalities are considering such increases.

DOCK REPLACEMENT DESIGN

A few updates:

- The Incidental Harassment Authorization was posted to the Federal Register on July 5th and has a 30 day comment period. DOT have already received comments from the Marine Mammal Commission, who are generally the only ones to provide substantive comments.
- Despite the on-going coordination issues with the Endangered Species Act office in Anchorage, they have assured us that the Biological Opinion that they are responsible for issuing will coincide with the issuance of the IHA permit, around the end of August. This will allow us to finalize the environmental document and proceed with final design.
- PND will be preparing a final design proposal in preparation for the receipt of the environmental document. The pre-environmental package will be submitted this week. The review period will last 2 weeks, at which point the review meeting will be held. This is pretty good news and things are tracking on schedule.
- A couple environmental analysts attempted to travel to Sand Point on July 17 to conduct an eagle nest survey; however, they were forced to cancel due to weather delays. It is now too late in the season to conduct the survey with any meaningful results (eagles may have left the nest) but if we maintain the proposed construction period of Fall-Spring then we should avoid impacting the nesting period during the construction of the project.

SAND STORAGE SHED

- Frontline started the demo process last week and the work is ongoing. Once the project is complete and signed off we can pay their final invoice and I'll request a reimbursement from the Borough.

NEW HARBOR FLOATS

- Things are proceeding with AEB and Moffat & Nichol engineers. M&F have been working with Mooney and TDX on lighting and electrical questions lately. The project schedule calls for an installation contract to be produced in about 4 months.

AIRPORT

- DOT is currently working on the MOU between the Dept/City/PenAir. Nothing new to report since last month, they are dragging their feet. Danny Seybert and I have made multiple attempts to meet with them and move things along.

TUSTUMENA UPDATE

- According to Mark Hickey, the repairs on the M/V Tustumena are nearly finished and the vessel is scheduled to depart Ketchikan on August 8, going back into service on August 15. She is expected to make its first Chain run leaving Kodiak on Aug 23. AMHS General Manager John Falvey said he expects the vessel to be in good shape now for the winter and beyond. AMHS also intends to schedule a Chain run with the M/V Kennicott for next year in late April/early May to ensure we have a trip we can count on regardless of the Tusty's status.
- Full funding of \$244 million for replacement of the M/V Tustumena was provided in this year's capital budget. Captain Falvey said the department is moving ahead now on selection of the shipyard to construct the vessel (which could take up to 6 months), with construction expected to take 2 to 3 years.

AML

- I'll be in SE Alaska next Tuesday-Friday for the AML Summer meeting.

SEPT-OCT COUNCIL MEETINGS

- Last year the Council was very accommodating for our September meeting and we held it in conjunction with the Salmon Derby. If you folks are willing I'd like to request you consider that again, and we move the September meeting from the 12th up a week to the 5th. My family is coming again for the derby long weekend and that way I could stay a couple days after them for the meeting.
- My parents are in Alaska for my daughter's birthday during our October meeting, and if possible I would like to avoid being out of town that week they're here. I can certainly call in for the meeting.