



## CITY OF SAINT PAUL

100 GORBATCH STREET PO BOX 901  
SAINT PAUL ISLAND, ALASKA 99660  
907-546-3100 (MAIN) 907-546-3188 (FAX)  
WWW.STPAULAK.COM LIKE US ON FACEBOOK

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### CITY MANAGER REPORT

**Reporting Period:** October 26, 2016 – January 13, 2017

**Prepared By:** Phillip A. Zavadil, City Manager

**Date:** January 12, 2017

#### **ADMINISTRATION**

##### **Capital Improvement Plan**

I continued work on drafting the CIP narrative, project list and ranking criteria. I still need to meet with Ed Paulus and Mike Dahl to prioritize the project list based on the proposed ranking criteria. The plan is to present the 2017-2021 CIP to City Council at a February council meeting.

##### **Strategic Planning**

Key City staff and a couple City Council members attended a strategic planning session facilitated by Shelly Wade and Molly Mylius with Agnew::Beck on December 7, 2016. The session was highly productive and provided an opportunity for staff to contribute to the development of a vision, mission, values and strategic plan goals for the City for the next three years.

On December 9, 2017, I met with Shelly and Molly to review the draft strategic plan. On December 19, 2016, I emailed the draft strategic plan to council members and City staff to gather comments on the plan.

In December, I worked on entering the strategic goals and task into a project management software titled Basecamp. This software will allow the City to task out and track progress on work related items to achieve the strategies and goals of the plan.

On January 12, 2016, I met via teleconference with Shelly and Molly to review the status of the plan and the next steps. I am still waiting for additional comments from council and staff on the plan. At an all staff meeting next week I plan to review the elements of the plan with all City staff.

##### **Personnel**

##### **Personnel Policies and Procedures and Employee Handbook**

While visiting family in Kansas I had time to work on a half dozen personnel policies. Jed Smith with DCRA typed into MS Word the City's current personnel policies. The Personnel Policy Committee will meet on January 26<sup>th</sup> to develop an outline for the new personnel policies and then beginning assigning drafting the policies to staff.

### **All Staff Meetings and Events**

On October 31, 2016, we hosted a Halloween BBQ for staff and City Council Members. Several staff participated in the Halloween Costume Contest. Stephanie was the 1<sup>st</sup> place winner of the contest with her costume Bud Light Year. Stephanie received a full paid day off. Denise was the second-place winner and received a half paid day off. Several staff participated in some games. The BBQ was great fun and enhanced team building.

On December 22, 2016, we hosted a City Christmas Party. This event was also a great success.

We will be conducting an all staff meeting on January 16<sup>th</sup>. Topics of discussion will include the strategic plan review, performance and attendance expectations for the new year, and scheduling performance evaluations and employee development.

We have tentatively scheduled an all staff network and team building event for some time in March.

### **Director of Public Safety/Chief of Police**

On November 9, 2016, the new Director of Public Safety/Chief of Police, Zachery Lamblez arrived on island. I picked him up from the airport and assisted with getting him settled and orientated into City housing and his office. On December 10, 2016, we conducted a meeting with all the Public Safety staff to introduce new chief. Additionally, Chief Lamblez and Officer Bourdukofsky were sworn in and took the oath of office. She had not gone through that process to date. I continued to work with and orientate Chief Lamblez throughout the week of November 14<sup>th</sup>.

### **Public Works Director**

In late October 2016, the hiring committee for the Public Work Director position completed in-person and telephone interviews with two applicants for the position. After some discussion with the committee and some follow up questions between the applicants and myself, I selected Edward Paulus to serve as the new Public Works Director. Ed started work on November 21, 2016 and had an easy three-day work week with the scheduled Thanksgiving holiday. I worked with and orientated Ed throughout the first week and half.

### **Performance Evaluations and Employee Development**

Also, while visiting family in Kansas I worked on developing the forms, templates and process for conducting annual employee performance evaluations and preparing individual employee development plans. I will begin working with the Finance Department in February to conduct performance evaluations and prepare development plans for each employee in that department. I will work with the directors of the other departments to schedule those department employees later in the year.

### **Terminating Agreement with Petro Star**

We finally contacted representatives from Petro Star. During the Fish Expo in Seattle Phyllis talked with Don Castle and others about updating our agreement with them. Mr. Castle responded to several of my emails and telephone messages with an email on December 3, 2016 stating that he would have Mark Hughes contact me later in the week to set up a time to discuss

and review the agreement. I finally received a telephone message from Mr. Hughes on January 6, 2017 and spoke with him on the telephone on January 10, 2017. We had a good discussion regarding changes we needed to make in the agreement. I informed him we would like to see a higher rate on the Through Put Fee, which is currently at \$0.12 per gallon as well as the Profit Sharing percentage which is currently at 25%. Mr. Hughes stated that he would have a draft version of the new agreement to me sometime next week. I am planning to follow up with Mr. Hughes early next week.

### **Director and Administration Meetings**

I have set up weekly meeting with the department directors. The purpose of these meetings are to review and coordinate department projects, services, personnel issues and other necessary information.

Additionally, we will begin to have quarterly meetings with the department directors and the City administrative staff. These meetings will focus on higher level City wide topics like departmental coordination, personnel matters, policies and procedures, and other topics as necessary.

### **Comprehensive Maintenance Planning**

Part of the comprehensive maintenance planning is to setting up system and processes for the workers to follow, so most of the time spent during this reporting period has focused on setting up the JobCal database. Many of the Public Works staff that will be using JobCal and I participated in a training on November 22, 2016. Ed, Emily and I met on November 29<sup>th</sup> and December 5<sup>th</sup> to plan and set up the database. We tentatively are planning to have the JobCal database fully operational and implemented by sometime in February.

### **Funding Request to CBSFA**

On December 4, 2016, I submitted on behalf of the City three separate proposals for funding to CBSFA. The first proposal requested \$47,250 to assist the City with travel costs associated with attending the NPFMC meetings. The second proposal requested \$14,215 to assist the City with funding an on-site Leadership/Supervisor training by International Success Academy. The third proposal requested \$31,199 to assist the City with EMS training, recruitment and a power assisted stretcher for the ambulance. CBSFA will review these requests at their meeting next week. If funded this will help reduce expenses for the City in the CY2017 budget.

### **Contracts for Professional Services**

I have been working on updating contracts for the consulting, engineering, and legal firms that the City has been doing business with. I discovered that we do not have written contracts for many of the firms with do business with. I contacted Ron Baird to see if he could assist me with preparing a standard contract template that we could use. Ron agreed that it would be in the City's best interest to have written contracts for those we do business with and gladly assisted with preparing a template. The contract template is complete and I have sent contracts to the following firms for review: DTB (Mateo), Northstar Networking (Jim Newman), Polarconsult, and Ronald Baird. To date I have received signed contracts from Ron Baird and a revised contract from DTB. I am still waiting to hear back from Northstar Networking and Polarconsult. I still need to prepare contacts for Sedor, Wendlandt Evans & Filippi, and Vector Engineering (Jim Gray).

### **Local Fisheries Meeting**

On November 15, 2016, the City hosted a meeting to discuss fisheries issues. In attendance at the meeting were myself and Mateo for the City; Amos and Pat with Tribal Government; and Phillip, Myron, Ray and Heather with CBSFA. Simeon and Phyllis, and Marissa attended via telephone. The general discussion at the meeting surrounded the idea of declaring a fisheries disaster due to the low crab quote. It was the consensus that we would not pursue a disaster declaration now. Other fisheries related issues were also discussed.

### **MOU Between City and Tribal Government**

On December 12, 2016, Chief Lamblez and I met with representatives of the Tribal Government (Amos, Pat, Marissa, Charlene, Kristie, Dylan) to discuss revising a previous Memorandum of Understanding (MOU) that was in place between the Department of Public Safety and the Department of Community Safety and Peace. This meeting went extremely well and we were all in agreement to move forward with revising the MOU to reflect the desired working relationship between the City and Tribal Government to mutually promote the safety, health, and welfare of persons residing on St. Paul Island through close cooperation and continuous communication. The plan moving forward is to finalize a Master MOU that outlines the basic working relationship and then proceed with the develop of specific addendums to the Master MOU that will address specific cooperative needs in the following areas: Strategic Planning; Data Sharing and Analysis; Multidisciplinary Team; Domestic Violence/Sexual Assault Response Team; Tribal Court Orders; Equipment; Funding; Training; Background Check (Tribal Access Program); Mutual Aide; Emergency Management; Emergency Services; Civil Diversion. We are excited about the possibility of new partnerships being developed. Some of these specific areas may be addressed in the upcoming Strategic Community Policing and Problem Solving Training that is taking place on January 19<sup>th</sup> and 20<sup>th</sup>.

### **Other**

- In early November Phyllis and I conducted a walk-through inspection of a majority of the City housing units to develop a maintenance and repair list. We budgeted in the CY2017 budget to complete a portion of the repairs to City housing.
- The Public Safety Officers and I assisted setting up for the Veterans Dinner.
- I attended CBSFA's annual meeting on November 13<sup>th</sup>.
- I attending a meeting regarding civic center lease. Amos and Aquilina attended the meeting in person and Pat was on the phone. The result of the meeting is that the Tribal Government (TG) did not want to commit to a long-term lease at this time mainly due to other projects happening within the TG. We will continue a year to year lease, until such time the TG is ready to enter a longer-term lease. The TG is requesting funding from CBSFA to assist with the roof, heating system and other repairs to the building.
- I met with Amos and Pat regarding the Haul Road relocation, the drainage issue around the A-Dorm and Vessel Repair Facility and a water line being run to the new building. We will be working together to seek grants to address these items. There is a new BIA grant coming out soon that might be a possibility.
- Pamela Lestenkof, Ed and I met in early December regarding solid waste management planning. Tentatively we plan to meet this month with Pam to develop a new integrated solid waste management plan.

## **FINANCE (120)**

### **Finance Department Meetings**

I continue to host monthly Finance Department meetings with the staff.

### **Finance Director**

Currently, we have not found a suitable candidate. The position will continue to be advertised.

### **2017 Budget**

In late October and early November, I worked with staff from the various departments and divisions to assist in the development of the department budgets for 2017.

Stephanie, Wanda, Nadia and I all worked extremely diligently to prepare the Calendar Year 2017 budget. We hosted a budget workshop with the City Council on December 1, 2016. Not all council members were able to attend the workshop.

The City's CY2017 Budget was developed based on the following:

### **CY2017 Strategic Financial and Organizational Goals**

For 2017 it was my objective to attempt to align the City's strategic financial and organizational goals as closely as possible by implementation of strategic investments and protection measures that are consistent between financial goals, the draft City Strategic Plan, and draft Capital Improvement Plan to include:

- Investing in our PEOPLE by:
  - Improving staff capacity and expertise
  - Improving citizen understanding of city finances and functions
  - Making Saint Paul Island a safer place to live
- Investing in our INFRASTRUCTURE by:
  - Improving city processes
  - Replacing/updating related equipment and software
  - Constructing new, improving and adequately maintaining vital community facilities
- Protecting our REVENUE by:
  - Consistently attending NPFMC
  - Diversifying the City's economic portfolio

### **CY2017 Budget Assumptions**

When reviewing the CY2017 budget please keep in mind that the following assumptions were made in the development of this budget:

- Significant reduction in fish tax revenue
- Council passes ordinance on 2% tax on halibut = \$40,000 (next meeting)
- Council passes ordinance on increasing refuse rates by 10%
- Investments into our PEOPLE, INFRASTRUCTURE, and REVENUES
- Maintaining current levels of City services
- Maintaining significant involvement in fisheries issues
- Creation of a Maintenance and Capital Reserve Fund

### **Balanced Budget**

While a balanced budget may achieve finance stability it will not achieve organizational stability. In low crab quota years, I expect that we will run a deficit in the general fund. The 2017 budget that I have presented to Council achieves organizational stability while reducing the impact to savings and investments. A financially stable or balanced budget (one that we do not take any funds from savings) would result in organizational instability, resulting in significant reductions to Funds 102, 103, 104; significant limits to travel and capital and maintenance improvements; and layoffs. All these result in a forced reduction in services to the community. After analysis of past and current budgets we are at the minimum budget that we need to sustain current services.

I will have a power point presentation at the meeting that will provide more information and detail on strategic financial and organization goals, historical revenues and expenditures, and cash and investment position.

### **Loan for Electric Utility Work**

At previous Council meetings and at the budget workshop I presented the idea of taking out a loan to address deferred maintenance needs and upgrades to the Electric Utility including the power plant. On November 2, 2016, Mike Dahl and I met to review and finalize the maintenance and upgrade list for the utility. As some may recall we had previous meetings and discussions with Alaska Energy Authority and Northrim Bank regarding funding for the items on this list. On January 10, 2017, Stephanie and I met over the phone with Allen Hippler from Northrim regarding terms of a loan and to answer some questions he had regarding the utility and the projects. Allen indicated that he wanted to check with AEA regarding funding for our projects. Allen stated he was looking at the following terms: \$2,000,000 loan over 7 years with a 3.5% interest rate; monthly payments of \$26,800 for a total of \$321,600 a year. After some discussion with Stephanie and Phyllis, I have determined that a loan is not a viable option at this time for the following reasons: 1) the interest rate is higher than most of the rates we are earning on our investments; 2) the utility could not make the annual payments on the loan without operating in the red for the term of the loan; 3) we have approximately \$7,000,000 in cash and investment in Fund 310 that could be used to pay for the maintenance and upgrade items.

### **Harbor (340)**

The snow crab season started and boats are delivering crab. As of January 13<sup>th</sup> 500,000 pounds from five boats has been delivered. A seasonal Harbor Officer has been hired. The Harbor Master developed a schedule to ensure the appropriate level of officer coverage at the docks during the crab season.