

AGENDA
FOR THE REGULAR
CITY COUNCIL MEETING
FOR THE CITY OF THORNE BAY
CITY HALL COUNCIL CHAMBERS,
TUESDAY, May 1, 2018
@ 6:30 P.M.

The meeting will be preceded by a workshop beginning at 6:00 p.m.

1. CALL TO ORDER:
2. PLEDGE TO FLAG:
3. ROLL CALL:
4. APPROVAL OF AGENDA:
5. MAYOR'S REPORT:
6. ADMINISTRATIVE REPORTS:
City Administrator & City Clerk Report:
7. PUBLIC COMMENTS:
8. COUNCIL COMMENTS:
9. CONSENT AGENDA:
10. NEW BUSINESS:
 - A. Supporting All Efforts Leading to the Establishment of a Native Plant Materials Site on Prince of Wales Island Center, on Prince of Wales Island, discussion and action item: *Discussion will include reviewing a drafted letter and Resolution supporting the efforts for the establishment of Native Plant Materials Site, on Prince of Wales. Action will be to Approve the Resolution numbered 18-05-01-01, and/or authorizing the Mayor to sign a letter in support of the center.*
 - Resolution 18-05-01-01, A Resolution of the City Council of the City of Thorne Bay, in Support of All Efforts Leading to the Establishment of a Native Plant Materials Center on Prince of Wales Island Center on Prince of Wales Island, discussion and action item:
 - B. Authorizing a donation of \$500.00 from City Council Donation Funds to the Thorne Bay Fishing Derby for 2018 Derby Year, discussion and action item:
 - C. Authorizing a donation to Jim Beard Memorial Kids Fishing from City Council Donation Funds to the Fishing Derby for 2018 Derby Year, discussion and action item: *(The City Council has historically provided the USFS Jim Beard Memorial Kids Fishing Day with gift certificates towards purchasing food at the TNB Market for the barbeque, or certificates to provide as prizes or purchase of tackle from the Thorne Bay Tackle Shack)*
 - D. Supporting the retention and activation of the East Prince of Wales Fish and Game Advisory Committee on Prince of Wales, discussion and action item: *(Complete letter included in the packet)*
 - E. Authorizing Harvey McDonald, Robert Hartwell, Wayne Benner and Teri Feibel as signers for the City of Thorne Bay's First Bank Checking Account, discussion and action item:
 - F. City Council review and discussion of request for the City of Thorne Bay to support of Independent Audit of Tongass Timber Sales, discussion and possible action item: *(Draft resolution requested by David Bebe requesting support is attached)*

G. Approval of Nichole Levasseur RV Park Rental Extension, discussion and action item:

H. Authorizing the Mayor or Administrator to submit a letter support for the Young Growth Wood Quality Study the Pacific Northwest Research Station discussion and action item:

11. ORDINANCES FOR INTRODUCTION:

A. Ordinance 18-05-15-01, adopting the Budget of Operating Income and Expenses for the City of Thorne Bay, for Fiscal Year 2019 beginning July 1, 2018, ending June 30, 2019, discussion and action item:

12. ORDINANCE FOR PUBLIC HEARING:

A. Ordinance 18-05-01-01, amending Title 18-Harbor, Section 18.30.010-Live Aboard Policy, discussion and action item:

13. EXPENDITURES EXCEEDING \$2,000.00:

14. EXECUTIVE SESSION: The Council May adjourn to executive session.

15. CONTINUATION OF PUBLIC COMMENT:

16. CONTINUATION OF COUNCIL COMMENT:

17. ADJOURNMENT:

AGENDA Posted & Published: April 25, 2018- City Hall (2), A&P, SISD, USFS, The Port, Thorne Bay School,
- City Website @ www.thornebay-ak.gov;

CITY OF THORNE BAY
RESOLUTION 18-05-01-01

A RESOLUTION OF THE CITY COUNCIL, FOR THE CITY OF THORNE BAY
ALASKA, SUPPORTING ALL EFFORTS LEADING TO THE ESTABLISHMENT OF A
NATIVE PLANT MATERIALS CENTER ON PRINCE OF WALES ISLAND

WHEREAS: There is a recognized lack of available native plant materials to support forest diversity, wildlife habitat enhancement and other conservation-based efforts; and

WHEREAS: Yellow-cedar seed is not abundant, difficult and labor intensive to collect; and

WHEREAS: Inquiries to commercial sources for yellow-cedar seed, seedlings or rooted cuttings have repeatedly failed due to sustained shortages nationwide; and

WHEREAS: Yellow-cedar is experiencing climate induced decline for which there is a strategy for conservation and management; and

WHEREAS: The strategy for conservation and management of yellow-cedar is based on planting to assist and accelerate normal plant migration and cannot be implemented without planting stock; and

WHEREAS: The existing Plant Materials Center in Palmer, Alaska operated by the State does not deal with species native to southern southeast Alaska; and

WHEREAS: The USFS is on record as supporting the establishment of nurseries capable of supplying native plant materials as stated in the Corrected Notice of Intent for the Prince of Wales Landscape Level Assessment published in the Federal Register, July 06, 2017

THEREFORE, BE IT RESOLVED THAT the City Council for the City of Thorne Bay, Alaska, stands in full support of all efforts to establish a Native Plant Materials Center on Prince of Wales Island that is capable of helping meet vegetative supply needs for forest diversity, land reclamation, wildlife habitat and enhancement, beginning with yellow-cedar supply to meet the conservation and management strategy outlined in "A Climate Adaptation Strategy for Conservation and Management of Yellow-Cedar in Alaska", PNW-GTR-917, published January, 2016.

PASSED AND APPROVED this 1st day of May 2018

Harvey McDonald, Mayor

ATTEST:

Teri Feibel, CMC



CITY OF THORNE BAY

P.O. BOX 19110
THORNE BAY, ALASKA 99919
(907) 828-3380
FAX (907) 828-3374

May 1, 2018

To whom it may concern,

The City of Thorne Bay stands in full support of efforts to establish a facility capable of supplying native plant materials for industrial, cultural, land rehabilitation and land improvement activities, beginning with yellow-cedar.

Yellow-cedar is currently under review for potential listing as threatened or endangered under the Endangered Species Act, with a decision expected in June, 2018.

Yellow-cedar is experiencing decline due to climate change. A document produced by USDA (PNW-GTR-917) outlines a strategy for conservation and management of yellow-cedar which cannot be implemented without a source of seed, seedlings or rooted cuttings known as stecklings.

Yellow cedar produces very small seed cone in moderate abundance about every seven years. Gathering cone for seed is difficult and labor intensive. An alternate method of producing young yellow cedar for planting exists but requires ongoing nursery care and support. Facilities capable of this are unavailable in southern southeast Alaska.

There is an existing Plant Materials Center located in Palmer, Alaska, operated by the State. This facility does not handle plant species native to southern southeast Alaska. A Native Plant Materials Center is needed to help supply yellow-cedar among a host of other plants needed for ecological diversity, forest establishment, land reclamation, wildlife habitat rehabilitation and habitat improvement which are also unavailable commercially.

The USFS recognizes the lack of available plant materials in the Corrected Notice of Intent for the Prince of Wales Landscape Level Analysis, published July 06, 2017, which states: "The Forest Service would consider establishing or encouraging native plant nurseries that can produce seedlings and other native plant materials for reforestation, reclamation, and habitat improvement projects."

We therefore recommend and support the establishment of a Native Plant Materials Center to be located on Prince of Wales Island, Alaska with an initial emphasis on production of yellow-cedar.

Respectfully,

*Harvey McDonald, Mayor
City of Thorne Bay
Thorne Bay, AK 99919*

2018 Thorne Bay Fishing Derby

**PO Box 19125
Thorne Bay, AK 99919**

The 55th Annual Derby is sponsored by Thorne Bay Emergency Services.

April 23, 2018

The 55th Thorne Bay Fishing Derby will run from the 4th of July through Labor Day, September 3rd, this year. The committee hopes to create a derby that encourages participation by fishers of all ages, and that specifically promotes fishing and the outdoors to children. The proceeds of the derby will be used to support Thorne Bay Emergency Services.

In order to create the best derby possible, we are looking for support in all forms for prizes, for both adults and children. We understand that requests of this type come to you on a regular basis and are sensitive to that. We very much appreciate whatever you may be able to do to help us build a successful fishing derby.

There are a number of ways to help us in this endeavor:

Donate cash or gift certificates.

Donate merchandise or other prizes. (They do not need to be fishing related.)

Donate your time.

Instead of selling advertising for a booklet, we will acknowledge all donations in a program distributed at the banquet after the close of the derby without cost to those contributing.

Due to the low king salmon populations in the area we have decided not to have any king salmon prizes to discourage targeting of the species. Instead, we have moved the dates of the derby to better target silver salmon. We also will have a special division for our youngest fishers that includes Pink Salmon to encourage our youth to get out fishing on the docks and streams.

Thank you for your consideration and help again this year. Without the generous help of the many businesses and individuals in southeast Alaska, we could not make this happen. All gifts and consideration will be recognized publicly and acknowledged via a letter for tax purposes. If you wish to have items picked up, or have questions please contact Kim Redmond (208-755-0246) or Lee Burger (206-708-3805).

Thank you in advance for helping us put together a fun activity that will directly benefit southern southeast Alaska.

Greetings!

This is a reminder about the upcoming June 16, 2018, 9-1pm USFS POW Kids Fishing Day "Jim Beard Memorial" Event at Gravely Creek! We are excited to extend an invitation to you to come share a booth, activity, demonstration, or 300 registration bag goodies to share! Please rsvp with your site needs and/or availability! Thank you for your participation and support! Looking forward to seeing you!

May 14th I will be back at bprefontaine@fs.fed.us email, Thorne Bay Ranger District office 907-828-3304 please cc this email when responding!

Thank you! Brandy
907-209-4079

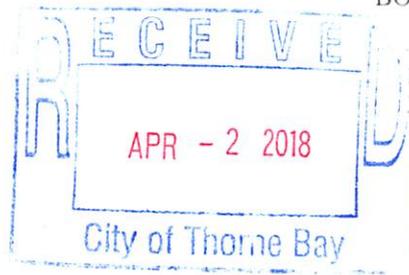


THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Fish and Game

BOARDS SUPPORT SECTION
Headquarters Office

1255 West 8th Street
P.O. Box 115526
Juneau, Alaska 99811-5526
Main: 907.465.4110
Fax: 907.465.6094



March 30, 2018

Dear City of Thorne Bay:

I'm writing to you regarding the East Prince of Wales Fish and Game Advisory Committee. Advisory committees (ACs) provide local guidance and input to Alaska's regulation-making Board of Fisheries and Board of Game. ACs are administered by the Alaska Department of Fish & Game, and regulated by the Joint Board of Fisheries and Game. The Joint Board will meet in March 2019 and may consider restructuring ACs, and we'd like your input.

My records show the last East Prince of Wales AC meeting was held in January 2009. We'd like to know if there is desire to retain and activate the East Prince of Wales AC, interest in combining representation of your community with other nearby communities, no interest in activation at this time, or any other suggestions you have.

If you would like to activate your AC, please contact me (below) and I will be happy to assist. The state Board of Game is soliciting proposed regulation changes for the Southeast region to be considered in January 2019, making the timing for reactivating the AC very relevant. Schedules for fisheries and game Board meetings are enclosed with the pertinent deadlines for proposals and public comment submission. I'm also enclosing information about the Joint Board's meeting in March 2019 and the proposals they're soliciting to be considered at that time.

Please let me know your thoughts on the East Prince of Wales AC, and if I can be of assistance in any other way. I can be reached at 907-465-6097 and Jessalynn.Rintala@alaska.gov.

Kind regards,

A handwritten signature in blue ink that reads "Jessalynn Rintala".

Jessalynn Rintala
Southeast Regional Coordinator

Enclosures

Cc: City of Coffman Cove, City of Whale Pass, Organized Village of Kasaan, former AC members Harley Black, Jana Carpenter, Jim Baichtal, Raymond Slayton, William Thomason, William Welton



Understanding the Advisory Committee Process



Want to know more?
To find out more about advisory committees, contact your regional coordinator.

Arctic Region
442-1717

Interior Region
459-7263

Southwest Region
842-5142

Southcentral Region
267-2354

Southeast Region
465-4110

Western Region
543-2433

It comes as a surprise to many Alaskans to learn that the state's hunting, trapping, and fishing regulations are NOT made by the Alaska Department of Fish and Game (ADF&G).

This job falls to the Board of Game and the Board of Fisheries. Each board is a group of seven people appointed by the governor and approved by the legislature.

Advisory committees play a key role in the regulatory process. While the Boards of Game and Fisheries make the final decisions on proposed regulations, they rely on advisory committees to offer their local perspective on fish and wildlife issues that are of interest to the committee by submitting proposals and providing comments on proposals.

What are Advisory Committees?

Advisory committees are local groups authorized by Alaska Statute 16.05.260. This statute gives the Joint Board of Fisheries and Game direction to establish advisory committees for the purpose of providing a local forum for the collection and expression of opinions and recommendations on matters related to the management of fish and wildlife resources. Currently there are 84 advisory committees that represent communities across the state. Each advisory committee is comprised of up to 15 locally elected members with expertise in local fish and game issues.

Advisory Committee Meetings & Roles

Advisory committee meetings are open to the public and provide a local forum for the public, advisory committee members, ADF&G and other agency staff to discuss fish and wildlife issues. Meetings focus on developing and evaluating regulatory proposals and consulting with individuals, organizations, and agencies on fish, wildlife, and habitat issues. Advisory committee membership, uniform rules and responsibilities are defined in regulation in 5 AAC Chapter 96, and their functions are supported by ADF&G Boards Support Section through local regional coordinators.

How to Get Involved

For more information about advisory committee meetings and membership, please visit www.boards.adfg.state.ak.us or contact an ADF&G regional coordinator (see list at left).

The Value of Working Together

Advisory committees serve as a forum to bring individuals, agencies, and interested organizations together to review important fish and game resource matters. These forums not only provide an opportunity for collaboration and communication, keystones to forging regulatory change with the boards, but serve to strengthen relationships among each of these parties in their work to improve Alaska's fish and game resource.

How Regulations are Made

The Public



People bring concerns to their local advisory committee, submit their own proposals directly to the boards, and provide written comments and oral testimony to the boards.

Local Advisory Committees



Advisory committees discuss local wildlife observations and issues, seek information from ADF&G, submit proposals to the boards, review submitted proposals, and provide written comments and oral testimony to the boards.

ADF&G



ADF&G submits proposals to the boards and provides biological information to the boards and advisory committees.

Board of Game



Board of Fisheries

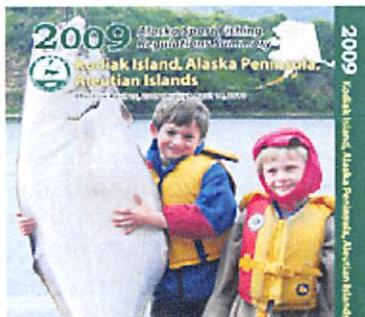


The Boards consider advisory committee and public comments, and information from ADF&G regarding proposals. Decisions on proposals are reached by a majority vote of the Board and written as regulations.

The regulations are given legal review and made official by the Lt. Governor.

Want to know more?

www.boards.adfg.state.ak.us



After regulations are approved, the **Hunting, Trapping, and Fishing Regulations** books are produced by ADF&G. Regulations are enforced by the Alaska Wildlife Troopers.





Alaska Board of Game
P.O. Box 115526
Juneau, AK 99811-5526
(907) 465-4110
www.boardofgame.adfg.alaska.gov

ALASKA BOARD OF GAME
2018/2019 Cycle
Tentative Meeting Dates

Meeting Dates	Topic	Location	Comment Deadline
January 10, 2019 (1 day)	Work Session	Petersburg	TBA
January 11-15, 2019 (5 days)	Southeast Region Game Management Units 1-5	Petersburg	December 28, 2018
March 15-19, 2019 (5 days)	Southcentral Region Game Management Units 6, 7, 8, 14C and 15	Anchorage	March 1, 2019

Total Meeting Days: 11

Agenda Change Request Deadline: Thursday, November 1, 2018

(The Board of Game will meet via teleconference to consider Agenda Change Requests following the November 1 deadline.)

Proposal Deadline: Tuesday, May 1, 2018



ADF&G • Boards Support Section

www.boards.adfg.state.ak.us

ALASKA BOARD OF FISHERIES 2018/2019 Cycle Tentative Meeting Schedule

Bristol Bay Finfish; Arctic, Yukon, and Kuskokwim Finfish; Alaska Peninsula, Aleutian Island, and Chignik Finfish; Statewide Finfish and Supplemental Issues

PROPOSAL DEADLINE: Tuesday, April 10, 2018

Meeting Dates	Topics	Location	Comment Deadline
October 17-18, 2018 [2 days]	Work Session ACRs, cycle organization, Stocks of Concern	Anchorage The Lakefront	Oct. 3, 2018
November 28- December 4, 2018 [7 days]	Bristol Bay Finfish	Dillingham TBD	Nov. 14, 2018
January 15-19, 2019 [5 days]	Arctic / Yukon / Kuskokwim Finfish	Anchorage Sheraton Hotel	Jan. 2, 2019
February 21-27, 2019 [7 days]	Alaska Peninsula / Aleutian Island / Chignik Finfish	Anchorage Sheraton Hotel	Feb. 7, 2019
March 8-11, 2019 [4 days]	Statewide Finfish and Supplemental Issues	Anchorage Sheraton Hotel	Feb. 20, 2019

Total Meeting Days: 25

Agenda Change Request Deadline: August 17, 2018 [60 days prior to fall worksession]

Amended August 28, 2017



CALL FOR PROPOSALS

THE ALASKA JOINT BOARD OF FISHERIES AND GAME CALLS FOR PROPOSED CHANGES TO REGULATIONS FOR LOCAL FISH AND GAME ADVISORY COMMITTEES, PROCESS FOR ADOPTING REGULATIONS, AND ADVISORY COMMITTEE CLOSURES

PROPOSAL DEADLINE: TUESDAY, MAY 1, 2018

The Joint Board of Fisheries and Game is accepting proposed changes to its regulations pertaining to local fish and game advisory committees and the process for adopting fish and game regulations to be considered at its next regulatory meeting, scheduled for March 2019. The following sections of Title 5 Chapters 96 and 97 of the Alaska Administrative Code will be considered:

5 AAC Chapter 96 – Local Fish and Game Advisory Committees

- Article 1: Local Fish and Game Advisory Committee Regulations
 - Section 010. Establishment of a local fish and game advisory committee system
 - Section 020. Creation of local fish and game advisory committees
 - Section 021. Establishment of advisory committees
 - Section 040. Qualifications for members
 - Section 050. Functions of local fish and game advisory committees
 - Section 060. Uniform rules of operation
- Article 3: Administration of Local Fish and Game Advisory Committees
 - Section 410. Distribution of local fish and game advisory committees
 - Section 420. Review of requests for local fish and game advisory committees
 - Section 440. Board assistance
 - Section 450. Committee status and change of status
 - Section 460. Attendance at meetings
- Article 5: Adoption of Fish and Game Regulations
 - Section 600. Meetings
 - Section 610. Procedures of developing fish and game regulations
 - Section 615. Subsistence proposal policy
 - Section 625. Joint board petition policy
 - Section 630. Special meetings
 - Section 640. Regular meetings
 - Section 660. Compliance
- Article 6: General Provisions
 - Section 910. Definitions

Chapter 97 – Advisory Committee Closures

- Article 1: Areas of Jurisdiction
 - Section 005. Areas of jurisdiction for advisory committees
- Article 2: Emergency Closures
 - Section 010. Advisory committee emergency closures

Proposals may be submitted by mail, fax, or online:

Online: www.adfg.alaska.gov/index.cfm?adfg=process.jointboard
Email: dfg.bog.comments@alaska.gov (Adobe PDF documents only)
Mail: ADF&G, Boards Support Section
P.O. Box 115526 Juneau, AK 99811-5526
Fax: (907) 465-6094

Proposals must be received by **Tuesday, May 1, 2018** at the Boards Support Section office in **Juneau**. (A postmark is **NOT** sufficient for timely receipt.)

Interested parties are encouraged to submit proposals at the earliest possible date. The Joint Board of Fisheries and Game proposal form, including the online proposal form, is available online at www.adfg.alaska.gov/index.cfm?adfg=process.jointboard. Proposal forms are also available at any Boards Support office. Proposals must be submitted on the current approved form and contain a contact telephone number and mailing address. Email addresses are also appreciated. Please print or type the individual's or organization's name as appropriate.

Providing clarity on the proposal form helps the board, advisory committees, and the public more fully understand the proposed regulatory changes. Proposals that are incomplete or unclear may be omitted from the proposal book. You are encouraged to contact the Boards Support Section staff if you have questions or need assistance with completing the proposal form.

All proposals are reviewed prior to publication. Language that is emotionally charged detracts from the substance of the proposal and may draw opposition not germane to the element(s) of the proposal. Such language may be edited or deleted prior to publication. **Proposals that do not meet the call will not be accepted.**

Proposals published in the proposal book will be referenced with the appropriate Alaska Administrative Code citation and include a brief description of the action requested. Proposal books are sent to advisory committees and the public for review and comment. Proposals will be posted online at www.adfg.alaska.gov/index.cfm?adfg=process.jointboard. Those submitting proposals are encouraged to review the proposal book at their earliest convenience to ensure proposals are included and accurate. Noted errors and omissions should be reported to Boards Support immediately.

Responsive proposals received by the proposal deadline will be considered by the Joint Board of Fisheries and Game at a meeting to be scheduled in March 2019. The public is encouraged to visit the Joint Board of Fisheries and Game website frequently for news and information regarding this meeting.

For more information, please contact the Alaska Board of Fisheries and Game Executive Directors at (907) 465-4110.



Alaska Board of Game

P.O. Box 115526

Juneau, AK 99811-5526

(907) 465-4110

www.boardofgame.adfg.alaska.gov

CALL FOR PROPOSALS **ALASKA BOARD OF GAME** **2018/2019 Meeting Cycle**

The Alaska Board of Game calls for proposed changes to hunting and trapping regulations for the Southcentral and Southeast Regions.

PROPOSAL DEADLINE: TUESDAY, MAY 1, 2018

The Alaska Board of Game (board) is accepting proposed changes for hunting and trapping regulations for the Southeast Region (Game Management Units 1, 2, 3, 4 and 5) and the Southcentral Region (Game Management Units 6, 7, 8, 14C and 15), including the following topics:

Hunting seasons and bag limits, including subsistence and general hunts for all species; trapping seasons and bag limits; big game prey populations and objectives for intensive management; predation control areas implementation plans; restricted areas, including controlled use areas, management areas, closed areas, and closures in state game refuges.

Proposed changes to regulations under 5 AAC Chapter 92, Statewide Provisions, specific to game management units within these regions will also be accepted. This includes regulations under the categories of: general provisions, permit conditions and provisions, methods and means, possession and transportation, and the use of game. Please specify game management units or areas/regions for which the proposal applies.

The following topics will be considered for all Game Management Units:

Brown Bear Tag Fee Exemptions

Reauthorization of Antlerless Moose Hunts *(State statute requires all antlerless moose hunts be reauthorized annually.)*

Proposals may be submitted by mail, fax, or online:

Online: www.adfg.alaska.gov/index.cfm?adfg=gameboard.proposal
Email: dfg.bog.comments@alaska.gov *(Adobe PDF documents only)*
Mail: ADF&G, Boards Support Section
P.O. Box 115526 Juneau, AK 99811-5526
Fax: (907) 465-6094

Proposals must be received by Tuesday, May 1, 2018 at the Boards Support Section office in Juneau. (A postmark is NOT sufficient for timely receipt).

You are encouraged to submit proposals at the earliest possible date on Board of Game proposal forms available from the Boards Support Section regional offices and on the website at: www.adfg.alaska.gov/index.cfm?adfg=gameboard.proposal. All proposals must contain an individual's name and an organizational name if appropriate, contact telephone number, and address. Regional proposals must specify the applicable region or game management unit.

Providing clarity on the proposal form helps the board, advisory committees, and the public more fully understand the proposed regulatory changes. Proposals that are incomplete or unclear may be omitted from the proposal book. You are encouraged to contact the Boards Support Section staff if you have questions or need assistance with completing the proposal form. All proposals are reviewed and formatted prior to publication. Proposals published in the proposal book will be referenced with the appropriate Alaska Administrative Code citation and include a brief description of the action requested. Proposals with emotionally charged language will be rejected or redacted as they detract from the substance of the proposals, may draw opposition not germane to the element(s) of the proposal, and may elicit nonresponsive charges from the public/board members. Proposals not meeting this call or submitted late will not be published.

Following publication, proposal books will be available to the advisory committees, agencies, and the public for review and comment. Proposals will be available online at www.boardofgame.adfg.alaska.gov.

Proposals received per the above "Call for Proposals" deadline will be considered by the Board of Game at their Southeast Region Meeting, scheduled for January 2019, and the Southcentral Region Meeting, scheduled for March 2019. For more information, please contact the ADF&G Boards Support Section at (907) 465-6098, or email kristy.tibbles@alaska.gov.

Beebe Testimony Petersburg Borough 4 Apr. 2018

Hi my name is David Beebe, I am representing myself and all members of the tax paying public concerned about the state fiscal crisis and the federal deficit as it relates to funding the schools and roads of the Petersburg Borough.

It's highly likely that most Assembly members have been unaware of the details of the leaked agency documents of the USFS Washington office review, or the Findings of fact relating to the Petersburg Ranger district in its maladministration of the Tonka timber sale. I'll read just one portion of the findings of that report. (I quote), ***"The cost of not inspecting and not following the contract and the (NEPA) prescriptions was close to \$2 million..."***

That's \$2 million which would have gone to the Petersburg school District, and borough roads through Secure Rural Schools funding while we are in the midst of a state fiscal crisis.

I would now like to provide for the assembly a News report of last December 2017 detailing an identical circumstance on the Francis Marion National Forest in South Carolina.¹ What is most striking about this report is the identical pattern of maladministration and failure of the agency to investigate, and hold accountable the perpetrators which allowed what appears to be large-scale timber theft occurring to the detriment of local communities.

If there is anything to draw from these identical circumstances whether it's on the Petersburg Ranger district of the Tongass or the Francis Marion National Forest, is that the existing agency culture is institutionally incapable of holding its employees and line officers personally, and professionally accountable for maladministration resulting in millions of dollars of losses to communities.

In conclusion I am requesting the assembly draft a resolution requesting sufficient funding to allow for an independent investigation by the Inspector General to review what happened on the Petersburg Ranger district and Thorne Bay Ranger district.

Finally, I'd like to hear from the mayor if this matter of maladministration was discussed in the recent Washington DC trip lobbying for Secure Rural Schools funding. My concern is the assembly might think that this recent infusion of money would suggest that "the fix is in," but unfortunately this is merely treating just a symptom of the larger Agency problem. That cannot be fixed until an independent investigation occurs, and the agency and the individual perpetrators are held accountable.

Thank you for this opportunity to speak to this matter.

¹ <http://www.counton2.com/news/call-collett-tons-of-trees-cut-illegally-on-public-lands-represents-loss-of-government-revenue/1031563768>

Hi Teri,

Please find attached, letters of concern recently submitted to the Petersburg Borough Assembly on the matter of the Findings of fact by a ten member investigation team of the Washington Office (USFS). The Washington Office Activities Review (WO Review) was conducted in the summer of 2016 investigating the Big Thorne Ranger District (BTRD) administration of the Big Thorne Timber Sale, and the Petersburg Ranger District (PRD) administration of the Tonka Timber Sale on the Lindenberg Peninsula of Kupreanof Island.

The WO Review documents were not intended to be revealed to the public. However, they were leaked to a nonprofit government watchdog group by the name of, Public Employees for Environmental Responsibility (PEER).

The findings of the WO Review was published in a PEER News release that was posted to the Associated Press wire. Also included in the news release were other documents of interest including a white paper documenting prior large-scale timber theft on the Tongass National Forest. However, to my knowledge, none of the for-profit media chose to report on this leaked agency document. However, CoastAlaska's News director, Ed Schoenfeld produced a one minute and 45 second News report on April 4, 2017 and it was distributed by KRBD, and KTOO.

The WO Review findings of fact revealed disturbing evidence of systemic corruption on both Ranger districts of the maladministration of both timber sales which were also conducted as Integrated Resource Timber Contracts. The financial consequences of this maladministration according to the WO Review Findings cost the communities of Thorne Bay and the Petersburg borough a loss of revenues of several millions of dollars. These revenues would have otherwise helped fund schools and roads as well as restoration projects in the vicinity of both communities. However the CoastAlaska news report failed to detail these consequences to our communities. Instead the report merely linked to the information provided by PEER, and misleadingly titled the story, "Group says Forest Service mishandled timber sales" while using the lede, "A Washington, D.C., environmental group is accusing the Tongass National Forest of breaking its own timber-sale rules." The problem with this of course is these are not merely accusations by an environmental group, but rather findings of fact by an internal special investigation by the agency itself. As could be expected, a downplaying of the gravity of their findings occurred. Coincidentally, an identical situation occurred in the Francis Marion National Forest in South Carolina, and reported on by the local TV news station.

I would encourage the Thorne Bay City council to consider the full ramifications of the WO Review. These include the loss of funding to restoration of habitat impacts critical to sustaining subsistence deer hunting, as well as the Secure Rural Schools funding in the midst of the protracted State fiscal crisis.

Attachments:

1. Becky Knight's testimony before the Assembly yesterday.
2. A copy of the Forest Service Washington Office Activity Review
3. Letter to USDA Inspector General Phyllis Fong from Public Employees for Environmental Responsibility (PEER) requesting a forensic audit and for determination of a method to recover the funds due communities.
4. E&E article
5. Links to other related PEER/FS documents and info on the PEER website:
6. David Beebe's Testimony to the borough.

<https://www.peer.org/news/news-releases/forest-service-scalped-on-tongass-timber-sales.html>

Please note that there are also links to five related documents at the bottom of that webpage, including the WO Activity Review and the Tonka Post Monitoring Report.

There are two other postings on PEER's website, and both have additional related documents. The link above is from April, and there are others from June and July:

<https://www.peer.org/news/news-releases/national-forests-remain-vulnerable-to-timber-theft-and-fraud.html>

<https://www.peer.org/news/news-releases/forest-service-wants-to-pay-more-in-money-losing-timber-sale.html>

Becky Knight and myself will be working jointly on a draft resolution for borough consideration, and if this is something the city council would like to consider as well, we would be willing to share our draft resolution with you after consideration by the Petersburg borough.

Respectfully,

David Beebe

E&E News PM

Late-Breaking News

Green group asks IG to probe Tongass timber sales

[Scott Streater](#), E&E News reporter | E&E PM | April 3, 2017



A clearcut section of Tongass National Forest. Photo by Alan Wu, courtesy of Flickr.

A government watchdog group says poor oversight by the Forest Service of two large timber sales in Alaska's Tongass National Forest resulted in "staggering monetary losses" that hurt local communities and the nation's largest forest.

Public Employees for Environmental Responsibility, or PEER, says the Forest Service allowed contractors at the two 2015 timber sales to cherry-pick the trees they wanted to remove without much oversight. As a result, more valuable western red cedar and Sitka spruce trees were cut and removed, while most of the white hemlock that the service wanted removed in the name of forest health was left standing, the group charged.

The Forest Service missed out on close to \$4 million it should have collected based on the value of the timber extracted, PEER alleged today in a [letter](#) to Agriculture Department Inspector General Phyllis Fong, requesting that the IG "conduct a forensic audit to determine the true extent of losses to the taxpayer."

Also today, PEER submitted a separate [letter](#) asking Senate Agriculture, Nutrition and Forestry Chairman Pat Roberts (R-Kan.) and ranking member Debbie Stabenow (D-Mich.) that before the committee confirms the next Forest Service chief and other top USDA officials, they get the nominees to commit that they will "ensure that all future timber sales protect both the forest resources and the taxpayer's pocketbook."

"Despite being stewardship sales to improve forest health, the agency allowed companies to ignore prescriptions by 'favoring removal in the larger diameter, more valuable species groups, such as western red cedar and spruce' while significantly undercutting far less valuable hemlock," according to the letter signed by PEER Executive Director Jeff Ruch.

"In short, we are asking you to take steps to ensure that new leadership in and overseeing the [Forest Service] are committed to ensuring that future sales yield the fair market value they are supposed to produce and protect the forest resource," Ruch's letter concludes.

In the letter to Fong, Ruch said undervaluing timber sales and not collecting the money owed to the federal government harmed local communities near the national forest in southeast Alaska.

The Secure Rural Schools and National Forest Receipts programs require that "a portion of all Tongass timber sale proceeds go to local communities and schools. Depressed sale values therefore cost both the U.S. taxpayers and Alaskan schoolkids. PEER is also asking you to determine if there [is] any mechanism for recovering funds rightfully owed to both the [Forest Service] and the Alaskan communities and schools."

A Forest Service spokeswoman said the agency could not comment on this story by publication time.

One of the timber sales — the Big Thorne timber project — was designed to provide "bridge timber" to allow mills to stay in business until more second-growth trees are old enough to cut.

The project was the subject of a lengthy court battle, with the 9th U.S. Circuit Court of Appeals in early 2015 denying a request by environmental groups to halt the timber sale ([Greenwire](#), April 17, 2015).

PEER, in its requests to the Senate and IG, focused on the agency's Washington Forest Management Activity Review of timber sales and stewardship contracting across the Forest Service's Region 10.

The [review](#) found that the Forest Service did not provide proper oversight of the two timber sales and that companies removed far more valuable species than contracted.

PEER points to a post-harvest monitoring [report](#) that found during one sale, far less of the white hemlock that the Forest Service wanted removed was actually harvested.

That report says that for the second timber project, called the Tonka timber sale, "only 14.2" percent of the white hemlock was removed, compared with 90 percent of Sitka spruce and 84 percent of Alaska yellow cedar.

The review noted that the Forest Service could not "produce a written contract or other 'pertinent documentation' for this high-volume sale," among other problems.

"This national forest runs major commercial timber sales like a cookie jar without a lid," Ruch said.

He also said that the Forest Management Activity Review's call for "an independent review [to] inform solutions and prevent similar issues in future timber and stewardship contracts" has run into what PEER called a stonewall.

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**WASHINGTON OFFICE ACTIVITY REVIEW
OF
TIMBER SALE ADMINISTRATION, SALE PREPARATION,
STEWARDSHIP CONTRACTING, NEPA AND TIMBER THEFT PREVENTION
REGION 10**

June 12-20, 2016

**REPORT
USDA FOREST SERVICE
WASHINGTON, D.C.**

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WASHINGTON OFFICE ACTIVITY REVIEW
TIMBER SALE ADMINISTRATION, SALE PREPARATION,
STEWARDSHIP CONTRACTING, NEPA AND THEFT PREVENTION
REGION 10 - Alaska
2016

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**FOREST MANAGEMENT ACTIVITY REVIEW
REGION 10- ALASKA
June 12 – 20, 2016**

I. INTRODUCTION

Type of Review

A Forest Management Activity Review focusing on timber sale and stewardship contracting activities in Region 10, including preparation, administration, and timber theft prevention was conducted from June 12–20, 2016. The review team examined and evaluated regional guidelines, program direction, accounting procedures, and accomplishments at the regional office and forest level. The Forest Service internal review system guidelines (FSM 1410) were used to conduct this review.

Need for Review

Preparation and administration of timber sale and stewardship contracts are key areas of resource management and critical for the attainment of resource objectives. National Environmental Policy Act (NEPA) disclosure, decision implementation, and theft of timber from National Forest System land continues to attract national attention. The last similar review in Region 10 was completed in 2001. A limited review of the transaction evidence appraisal (TEA) system was conducted in 2003. A functional assistance trip was conducted in 2013 to discuss the residual value appraisal system being used. The intent of this review is to follow up on these past findings and recommendations to determine where progress has been made and identify any areas that continue to need attention.

Review Objectives and Major Areas of Emphasis

1. Evaluate compliance with national policies and directions pertaining to preparation and administration of timber sale and stewardship contracts, delegations of authority for timber disposal, NEPA decision implementation, and timber theft prevention procedures
2. Follow up on Action Items from 2001 Activity Review and 2013 Functional Assistance Trip conducted by the Washington Office (WO) including use of timber information manager (TIM), timber sale accounting, and the appraisal system
3. Evaluate implementation of authorities from the 2014 Farm Bill including stewardship, Good Neighbor Authority, and designation by prescription
4. Evaluate implementation of silviculture prescriptions for consistency with land management objectives and NEPA decisions
5. Review implementation of NEPA decisions and monitoring during timber sale and stewardship contract preparation and administration
6. Evaluate the adequacy and effectiveness of the organizational structure and the coordination of the forest management program at all levels

7. Evaluate the training and skill level of forest management program employees
8. Evaluate regional and forest training and certification programs related to sale preparation and sale administration
9. Evaluate the management controls for log accountability and payments
10. Evaluate the management controls for sale appraisal, contract preparation, permit issuance, and reporting
11. Evaluate implementation of national policy and standards regarding transportation planning, road maintenance, and construction methods

Review Approach

The review was conducted on the Tongass National Forest and included the review of the Big Thorne timber sale and to a lesser extent the Tonka Integrated Resource Timber Contract (IRTC) stewardship contracts. This review covers office records, discussion with field personnel, and observation of procedures applied on the ground. Dave Harris, Director for Forest Management in Region 10, served as the review team liaison responsible for coordinating the Region's interdisciplinary participation in the review, arranging for review of materials and travel within the Region. An in-person closeout report was provided with findings and observations before the team left on Monday, June 20, 2016, which was followed by a final written report after the review.

II. COMMENDATIONS

1. Dave Harris provided excellent logistical support for all aspects of this review. The travel and lodging for more than ten individuals by plane, boat, and truck covering four overnight locations and numerous short stops, was extremely challenging and the team recognizes, especially after the fact, how much effort he and his team must have expended to make the trip as flawless as it was.
2. Safety was seamlessly incorporated into the review itinerary. Inspections and briefings were conducted sometimes openly, sometimes subtly, personal protective equipment and mandatory pre-flight safety training was provided as appropriate. Dave and his team did an excellent job of mitigating the hazards that are inherently part of doing business in Alaska.
3. Dave Harris and his team provided very comprehensive pre-review electronic documentation, which was very useful in preparing for this review.
4. Tongass National Forest (NF) and District personnel who participated in the review are commended for providing the team with candid insights and information. Their willingness to speak openly about the issues, challenges, and successes, of which there are many, speaks to the great potential for improving the work environment and team atmosphere across the Tongass NF. There is no doubt that the management team and staff

of the Tongass NF consists of dedicated professionals who are striving against monumental headwinds to achieve the results the public expects.

5. In light of the political pressure and tight deadlines, the Forest should be commended for their ability to complete the project within the timeframe.

III. FOLLOW UP TO ACTION ITEMS FROM 2001 ACTIVITY REVIEW

Adaptive Management: The Timber Program Review in 2001 found that partial harvest prescriptions failed to adequately identify future vegetation management objectives or options. Should the Forest continue partial cutting and uneven-aged management, the review report recommended developing silviculture prescriptions needed to implement the new strategy including an appropriate update to the forest plan. The 2016 review found that the Forest is following these recommendations.

The Program Review found that non-painted trees in diameter limit prescriptions may not be meeting all resource objectives and recommended that the Region define under what conditions diameter limit prescriptions are to be used. The Region's 2001 Action Plan addressed implementation of this recommendation. The 2016 review found that the Region has transitioned to partial harvest prescriptions based upon a basal area (BA) removal approach.

Log Accountability: The 2016 review found that the Region is following the recommendations in the review report and in their action plan.

Financial Accountability: The 2001 review found that following a long delay in filling the position dealing with automated timber sale accounting (ATSA) and other business management activities, problems were identified that needed attention. The recommendations were for the Region to identify problems and conduct workshops to train personnel on resolving the problems and to continue functional assistance trips intended to ensure that quality work is being accomplished in a timely fashion. The Region's action plan addressed the recommendations.

The 2016 review found that there continues to be problems with filling vacancies. The combination of skillsets of those individuals currently in ATSA and other business management activities, the impact of the unfilled regional position, and the normal logistical challenges in the Region is impeding their ability to conduct workshops and functional assistance trips.

B. FOLLOW UP ON RECOMMENDATIONS OF TIMBER SALE APPRAISAL FUNCTIONAL ASSISTANCE TRIP (FAT) (2013)

Overview: The issues identified in this FAT have been or are being addressed. Many of the issues are addressed in the June 2016 direction letter from the Regional Forester to the Tongass NF Supervisor.

IV. ISSUES AND FINDINGS

Note: An issue is a general description of a subject area containing findings. A finding is an observation of an activity that does not meet policy and needs corrective action to bring it into compliance with national or regional policy. Issues are not listed in order of importance or priority.

ISSUE 1: Financial Issues

FINDING 1: Salvage Sale Fund (SSF) collection plans have been approved for use on the Tonka and Big Thorne Stewardship sales. Distribution of funds to SSF reduces the funds available to support stewardship projects.

DISCUSSION: Deriving receipts from the sale of products designated for removal through stewardship contracting projects is a secondary objective to achieving land management goals. In accordance with 16 U.S.C. 2104 (d)(2)(3) and 2014 Farm Bill, Sec 8205(2)(3) cash receipts realized from stewardship sales are to be used to fund other stewardship projects and are not considered to be monies received from the National Forest System or the public lands under any provision of law.

In accordance with Forest Service Handbook (FSH) 2409.19, 67(1)(c) cash revenue from stewardship projects can only be distributed to the SSF to reimburse the SSF expenditures incurred in preparing the project.

RECOMMENDED ACTION: Cancel Salvage Sale Plans associated with any stewardship contracts and remove from ATSA if the stewardship projects were not prepared with salvage sale funds.

FINDING 2: Advance Deposit requirements for payment prior to cutting under E.2.1.2 Advance Deposits of the Big Thorne IRTC, are not being met. Advance deposits are only being required for the minimum amount of 30 days, however cutting and hauling operations exceed projected volume and value, resulting in an account balance that consistently falls below the mandatory 10-day cut suspension balance requirement.

DISCUSSION: Contract statement projections do not accurately reflect advance deposit needs, and the review team identified several instances where operations were not adequately covered. No documented evidence of suspension of operations or revised operating plans was found. Lack of adequate coverage of minimum advance deposits is putting the Forest Service and the contracting officer (CO) at risk of financial loss, resulting in personal liability for the CO if payment is not received from the contractor for timber removed.

RECOMMENDED ACTION: Bring projected cut and removal volume and value in line with operating plans and actual production. Require sufficient cash or payment guarantee to cover actual production. Provide additional training on advance deposits and calculating projections. Ensure projections are accurately reported on the monthly statement and billings and collection of advance deposits is timely.

FINDING 3: A complete official contract record was not available. Records are located at multiple locations and while sale preparation documentation was provided from a second location, these files did not include official, signed, hardcopy documents to support the awarded contract.

DISCUSSION: The official contract records are not in compliance with FSH 2409.15 Sale Administration Handbook, Chapter 14 and FSH 6209.11 Records Management Handbook, Chapter 40. The Tongass NF contract records appear to be dispersed between several locations; however, the Forest was unable to provide official approved documents when requested from local offices. One complete official record is not being maintained with the CO. It is critical that the CO maintains a complete record and accurate documentation of all records to administer the contract. Forest Management directives on contract records identify the required documents that should be printed and maintained in hardcopy. For example, the contract record located at the Petersburg Supervisor's Office with the CO did not include pertinent environmental analysis disclosure and decision documents. Financial internal controls also provide for specific documentation requirements found at FSM 6503 POLICY (31 U.S.C. 3512(c), General Accounty Office (GAO)-14-704G Federal Internal Control Standards (pages 47 and 48). Finally, agency records management requires a hardcopy contract record with a 30-year retention.

RECOMMENDED ACTION: Ensure that all pertinent documents are submitted to the CO for printing and filing in a single official contract record.

FINDING 4: No documentation was included in the CO's official files from the Engineering Representative(s) or Construction Inspector.

DISCUSSION: Electronic copies were made available but were still in an editable form (MSWord Document). The last recorded visit to the Big Thorne stewardship sale was in March of 2016.

RECOMMENDED ACTION: Consolidate all engineering inspection reports and any other correspondence into the official file with the CO. Review documentation and project/sale visit requirements in FSH 2409.15, Chapter 10 and regional supplement R-10 2409.15-2006-2. The supplement requires Engineering Representatives to use form R10-2400-25a, Timber Sale Inspection Report. If electronic copies of documentation are submitted, place a hard copy in the official file.

FINDING 5: Corporate certifications on various legal instruments, including the stewardship or timber sale contract, are not properly executed.

DISCUSSION: When the legal entity is a corporation, the corporate signature must be certified by a different member of the corporation. Signers cannot self-certify the validity or authenticity of their corporate representation. Also, no witnesses should sign a contract with a corporation as they do not provide any legal certification for the corporate signer. Contracts are not executed properly. Corporation certification is "self-certified."

RECOMMENDED ACTION: Ensure that all legal instruments, e.g. contracts, bonds, etc., are executed by a corporation officer, and are properly certified.

FINDING 6: Project plans, certifications, or other documents that must be signed by a Line Officer under FSM 2404 are being signed by staff identified as signing “for” the Line Officer.

DISCUSSION: Line Officer approval that cannot be re-delegated, such as Gate Certifications or Salvage Sale Plans, must be signed by the Line Officer or their designated Acting. Signatory authority is delegated as Acting Forest Supervisor or Acting District Ranger. The title on the official document should identify the signer as the designated acting and not signing for the Line Officer, as the authority cannot be re-delegated outside the line organization.

RECOMMENDED ACTION: Discontinue the practice of signing documents “for” the Line Officer and ensure the title is documented as “Acting.” Review letters of delegation for Acting’s to insure that authority for signing official documents is specifically delegated.

ISSUE 2. Need For Accountability and Compliance with the Regional Timber Theft Prevention Plan.

FINDING 1: No Law Enforcement and Investigations (LE&I) inspection reports were found in the Big Thorne Project file.

DISCUSSION: Region 10 Timber Theft Detection and Prevention Plan requires Law Enforcement Officers (LEO) to document site visits on standard timber sale inspection report R10-2400-25a. Completed inspection reports will be retained in timber sale folders and LE&I files. The LEO indicated that timber sale site visits had been conducted and documented only by using FS Form 5300-1 Incident Report and was only maintained by LE&I and not provided to timber sale administrator (SA).

RECOMMENDED ACTION: Follow Region 10 Timber Theft Detection and Prevention Plan for documenting timber sale inspections.

FINDING 2: Load receipt use requirements are not being followed.

DISCUSSION: Load check conducted during site visit found the load receipt attached with only two randomly placed staples instead of the standard of 5 staples as shown on the receipt. Correct attachment of load receipts is required as a method to prevent the reuse of load receipts. The SA communicated the infraction to the purchaser representative and the CO. No record of load receipt field checks was found in the contract records.

RECOMMENDED ACTION: Each truck check should include a thorough inspection of the load receipt and attachment method with results documented on the timber sale inspection report and to LE&I. There may be a need to improve the specific direction and training for completing and documenting these truck checks.

ISSUE 3: Engineering portions and administration of the Big Thorne Stewardship Contract did not meet standards.

FINDING 1: Nationally required Forest Service supplemental specification (FSSS) used to make the standard specifications applicable to timber or stewardship contracts were not included in the specified road packages. Supplemental specifications 230 Brushing and 30311(01) Blading, do

not follow or meet the standards of handbook direction for Forest Service Supplemental Specification development.

DISCUSSION: Specific supplemental specifications remove all references to Federal Acquisition Regulations (FAR). While others remove language already covered by provision or require reference back to a provision. The specifications appear to be a maintenance T-spec copied into the specified road package. Blading 30311(01) is not listed in the table of contents for the road package under the Big Thorne Stewardship.

RECOMMENDED ACTION: Future sales shall include all nationally required supplemental specifications or required supplements for use in other divisions in the specified road package. See list below:

FSSS 101.01 dated 01/22/2009 or FP-14 equivalent FSSS

FSSS 101.04 dated 11/06/2007 or FP-14 equivalent FSSS

FSSS 104.03 dated 02/22/2005 or FP-14 equivalent FSSS.

FSSS 106.01 dated 07/31/2007 or FP-14 equivalent FSSS.

FSSS 107.08 dated 03/29/2005 or FP-14 equivalent FSSS.

FSSS 201.06 dated 02/18/2005 or FP-14 equivalent FSSS.

Supplemental specifications shall include the information listed in FSH 7709.56–72.2-Use of Specifications. See supplements from other regions for examples of blading and brushing requirements.

FINDING 2: Supplemental specifications did not have any approval dates.

DISCUSSION: There was no way to tell that the supplements used in the specified road package were approved at a national, regional, or forest level for use. The supplemental specifications used to modify the FP must not replace or modify mandatory Division 100 FSSS.

RECOMMENDED ACTION: Future sales shall include supplemental specifications that are approved by the appropriate authority whether at the national, regional or forest level. Supplemental specifications shall include the information listed in FSH 7709.56–72.2-Use of Specifications.

ISSUE 4: The Big Thorne Project did not follow national policy in implementing the Gate System.

FINDING 1: For the Big Thorne project, Gates 1-6 were not implemented sequentially.

DISCUSSION: FSH 2409.18, Chapter 10 states that each gate must be closed out prior to initiating the next gate. The project record and supporting documents clearly show overlap in all of the Gates except for Gate 6. This includes Gate 2, the NEPA stage, continuing all the way through Gate 5. NEPA needs to be completed and the decision signed prior to moving forward with the rest of the project.

When the Roadless Rule exemption was rescinded, the project dropped 2,500 acres and roads in the Inventoried Roadless Areas from the original pool of units. Due to this change a second Gate 1 was initiated, and a key part of Gate 1 should have been documentation of whether the revised proposal is economically feasible. This was not completed. A project plan was included for the initial Gate 1, but it is not clear that an updated Gate 1 document was signed. The project plan located within the project record corresponds with the initial Gate 1 completed in 2010, but there is no plan completed in 2012. Gate 1 is used to inform Gate 2, and failure to fully complete the revised Gate 1 prior to initiation of Gate 2 caused issues moving through the NEPA process.

RECOMMENDED ACTION: For future projects, ensure policy direction is followed by moving through the gate system sequentially and ensuring each gate is closed before the next one is initiated. Gate 2 should be emphasized, ensuring that NEPA is completed prior to moving on to Gate 3. Ensure all required documentation is included in the project record.

ISSUE 5: Use of Designation by Prescription (DxPRE) is not following direction or achieving results as described in the provision.

FINDING 1: The WO-Special Provision K-C.3.5.5 Designation by Prescription (4/04) is not being properly used.

DISCUSSION: Approved for use in April 2004, this provision requires the purchaser marking of leave trees prior to harvest. The way the provision was used in Big Thorne IRTC does not require any purchaser marking of leave trees prior to cutting. The current (05/15) version of this provision allows for purchaser selection of cut and leave trees without prior marking, but also requires a companion provision for inspection, which is not present in the April 2004 provision.

Directives supporting the use of Designation by Prescription are found in FSM 2440, which were updated effective May 23, 2015. The previous version of this directive supported the April 2004 version of the Designation by Prescription special provision, which required purchaser marking of leave trees for approval prior to cutting. Any changes to national directives at the regional level must result in a more restrictive interpretation and not a less restrictive interpretation of the WO-FSM/FSH (FSM 1113.2-Supplements).

RECOMMENDED ACTION: Develop a method for adapting national policy to meet regional needs that is within the regional authority. Changes to national timber sale contract provisions requires approval by the WO-Director of Forest Management. The team noted that current regional policy, by File Code 2430 letter dated September 2, 2015, has updated the previous letter of direction.

FINDING 2: Designation by Prescription provision is not being administered as required by the contract resulting in a heavier than expected BA retention and lower volume removal.

DISCUSSION: Field observations (Big Thorne Unit 24) and Forest monitoring of the Big Thorne and Tonka IRTC contracts provide a mixed picture with regards to whether BA objectives are being met. Overall it would appear that there is a tendency for the purchaser to remove less than the prescribed BA by species, favoring removal in the larger diameter, more valuable species groups such as western red cedar and spruce. A thorough analysis should be conducted to determine if there is a skew in volume removal that is not consistent with the cruise and appraisal

to the larger diameter trees and higher value species such as western red cedar and spruce and away from hemlock.

Discussion with District and Forest personnel indicate that there is a wide variance in the amount of volume being removed from acre to acre. Whether this is intentional or by accident, the provision, as written, does not indicate that this is the desired result, and that the 50 percent or 25 percent reduction by species should be distributed through all of the species and across the cutting unit.

RECOMMENDED ACTION: Reevaluate the BA retention requirements and establish a method for determining compliance that can be administered during the harvesting process. If the results of cutting under current contracts are acceptable to the responsible line officer, then an adjustment should be made to the timber designation in the contract, cruise, and appraisal methods to account for this fall down in total volume and increased BA retention.

FINDING 3: Prescriptive timber designation criteria based on BA by species is not adequate to achieve a predictable end result and the inspection process is not well defined by the DxPre provision.

DISCUSSION: The prescriptive timber designation that relies only on BA of trees by species to be removed has resulted in an uneven pattern of cutting and acceptable removal is difficult to verify by inspection.

The prescriptive criteria in K-C.3.5.5 requires that a table be attached to describe the BA to be removed in each cutting unit. The table that is supplied also contains two additional prescription requirements as follows:

The Forest Service will provide a table to the contractor showing the approved BA removal by species for each cutting unit. The Forest Service will also provide a table that converts diameter at breast height (DBH) to BA.

The contractor will be required to submit a unit by unit record of the BA of each species cut each day and will stop cutting the species when the BA limit is reached. This record will also provide a DBH by species for each tree cut.

The Forest Service has provided the BA by species table to the contractor. No record was found of how the purchaser's unit-by-unit record of BA of each species cut each day were analyzed or used to determine compliance. There was an indication that these "cutting cards" supplied by the contractor's timber fallers for the Big Thorne IRTC were being kept on the resource specialist's desk at the Thorne Bay district office but the team was unable to follow up due to time limitations. The timber sale administrator determines if proper BA removal is occurring by cumulative, individual tree BA tally from the purchaser and comparing that to unit BA by species as a whole. The individual tree BA tally is not valid until the unit is completed.

RECOMMENDED ACTION: The cutting card system of inspection should be replaced in future contracts with a BA/acre sampling system that is not reliant on the purchaser's own data to monitor the progress of cutting. The system should measure compliance on an acre basis using a standard BA variable plot sampling method.

Consider changing the characterization of the individual tree selection, uneven-aged management system, to “variable density thinning” with a range of spacing tolerances and some additional selection variables such as species and minimum and/or maximum diameter. The current limitation of no more than a 2-acre opening with no spacing sideboards is not enforceable.

FINDING 4: Non-contract documents are being used to reference contract requirements under DxPre.

DISCUSSION: A separate, non-contractual requirement for determining how to implement the BA removal/retention criteria is provided to the contractor and is called a “Prescription Addendum” in addition to the BA table. This addendum includes further explanation of how the prescription is to be interpreted and inspected. This is not referenced in the contract. It indicates that a variable plot sampling method should be used by the SA to determine if “appropriate BA by species is being retained.” The inspection method detailed in this addendum is separate from the “cutting card” inspection.

There is only one criteria established for this DxPre in the contract and that is BA to be cut by species. The Big Thorne IRTC required either 25 percent of the BA is to be cut (75 percent retention) or 50 percent of the pre-treatment BA cut in DxPre units. If additional criteria are required they should be incorporated into the DxPre provision and made part of the sample contract prior to advertisement.

In general, it is difficult to see that BA targets are being met by DxPre. Inspection is based on contractor/purchaser supplied data with no defined process for independently confirming whether the criteria is being met. This obfuscates the acceptability of the end result. This form of contractor self-inspection should provide for independent inspection by the Government, such as is done in service and construction contracts.

RECOMMENDED ACTION: Incorporate timber selection criteria from the prescription addendum into the contract language that describes how timber is to be selected. Use the 5/15 version of the DxPre provision in future contracts and include a companion inspection provision that incorporates the inspection language from the addendum. Design the field cruise based on the prescription designation guide, and use the same method for the inspection procedure in the companion special provision.

FINDING 5: Included timber is not being required for removal.

DISCUSSION: Utility grade Sitka spruce and hemlock are subject to optional removal provision K-C.1.2#. (05/10). This provision requires the contractor to pay for, but elect not to, remove this material. This material may not be getting cut in proportion to its presence in the DxPre stands partially because it is not required to be removed. All hemlock—without regard for product, is shown as a species required to be cut in the contract. The contractor has indicated that the utility will not be removed so it is likely to represent a higher percentage of the retained hemlock component in the residual stand when that product is the only product in individual trees.

Note that the lump sum payment for this utility product is based on the advertised volume in a scaled sale. This is problematic because the estimated volume is based on a lower precision estimate, and therefore is less reliable, than would normally be found in a presale measurement

contract. Estimating the volume under this BA removal designation is very difficult for the cruiser to do with any accuracy.

RECOMMENDED ACTION: Timber that is not required to be cut and removed should be classified under Special Provision K-C.1.1-Timber Subject to Agreement. This volume may be considered as add-volume for attainment purposes but should not be considered sold volume at the time of contract award because it is well known and expected that the contractor/purchaser will opt to leave it in the woods. The effects of leaving all of the utility hemlock, either standing or down, should be a consideration in the silvicultural prescription.

The Region 10 Special Provision K-C.1.2# Optional Removal provision should be restricted to products that generally can be expected to be removed during normal market conditions, but may be subject to periodic downturns in the market.

ISSUE 6: Temporary Roads are Left Open

FINDING 1: Temporary roads are being left open to provide the public with access to firewood areas.

DISCUSSION: Temporary roads are a challenge with respect to travel management. Region 10 has completed travel management motor vehicle use map (MVUM) designation as well as identification of the minimum road system. Forest Service policy prohibiting motor vehicle use, except as authorized by the MVUM, is problematic for Line Officers that would like to leave timber sale temp roads open to the public for several years following commercial activities. Delaying temp road decommissioning is also problematic for the SA and the CO as road decom may be the final work remaining for contract close out. The National Forest Management Act (NFMA) requires temp road closure and revegetation within 5 years of project completion, and leaving these roads open, but not technically open on the MVUM, diminishes public understanding and acceptance of the Agency's travel regulations.

RECOMMENDED ACTION: Address the time period for leaving temporary roads left open for public access in the NEPA decision and how the MVUM will address these opportunities. Address how temporary roads will be closed after the sale is closed using funding from KV or other sources to maintain compliance with NFMA. Temporary roads to be left open must be shown on the contract area map as "Remain Open" (G.6.3.1). This is not a discretionary decision that can be made by the CO after the sale is awarded.

ISSUE 7: Region's appraisal program does not reflect the latest selling values.

FINDING 1: The Region has not updated the appraisal program to their most recent set of cost and selling value data.

DISCUSSION: The appraisal program should reflect the most recent cost and selling value information available. Other tasks in the appraisal arena may be impeding the effort to maintain cost information that is up to date.

RECOMMENDED ACTION: This task should be given priority and completed as soon as possible.

V. OBSERVATIONS

Observations do not require any specific action but the region is encouraged to review and develop strategies to address the observations.

1. FINANCIAL ACCOUNTABILITY

The official source document for reporting scale volumes should be the certificate from the Third Party Scale Organization (TPSO) and does not need to be manually duplicated on a FS-2400-66b Additional Scale Volume Report. The Forest should continue to provide a clear audit trail, by summarizing the multiple certificates into a monthly volume by Species, Product, and Unit of Measure value using a spreadsheet; however, the official source is the certificate of volume. The WO will work with the regional measurements staff and the new accounting system (Forest Product Financial System-FPFS) developers to provide for a transfer of electronic scale from the TPSO to FPFS.

A Raft Inventory tracking system is no longer being used as designed in the 1980s. The Tongass timber resource assistant receives the Raft ID from the TPSO with the scaling certificate. The certified scale value is currently being manually entered into ATSA twice, one with a Raft ID and "hauling" volume and then manually entered as Volume Scaled with the associated Raft ID. This redundancy can be eliminated by discontinuing the Raft Inventory process in ATSA. There is still a need to identify a decked value for billing with charges, but the estimated deck value is not tracked by a Raft ID.

2. DELEGATION OF AUTHORITY

Regional Forester letters delegating contracting authority do not need to include bonding officer authority. All COs are bonding officers by delegation and further delegation is irrelevant.

The Regional Forester delegates authority to the named individual CO to dispose of timber under the Regional Forester's authority. The Tongass NF Supervisor then has the additional task of assigning individual contracts to the two Forest COs.

3. LAW ENFORCEMENT

Based on the lack of documentation of interactions with the sale preparation and sale administration personnel, it appears that LE&I personnel should strive to work closer with timber sale administrators including conducting joint timber sale inspections and attending pre-work meetings.

4. ENGINEERING

The unit is showing Method of Measure on the Schedule of Items, Estimate of Quantities and Project Work Descriptions sheets. Method of Measure is not valid when using FP-03 (or FP-14). All quantities are an Estimated Quantity unless denoted on the plans as a Contract Quantity as stated in FP-03 Section 109 and associated required national Forest Service supplemental specifications (FSSS).

Deposits for Reconstruction Engineering Services (DRES) were not collected on either project the team reviewed. While this is an optional provision, DRES can be used as a source of funding for engineering work associated with timber sale/steward projects.

The utilization standards listed in FSSS 212 (no date) does not include minimum diameter at DBH. The region should consider changing the supplement to remove specific utilization standards and instead reference the standards listed in A.2 of a stewardship or regular timber sale contract. FSSS 201.06 dated February 18, 2005, gives the appropriate language. Small trees not meeting utilization standards that need to be cut should be treated as slash.

Complex road stream crossings should employ the more rigorous Aquatic Organism Passage (AOP) design protocol. Consideration is given to environmental restoration goals and objectives, particularly stream protection and restoration, with the Big Thorne stewardship contract that includes four AOP culvert replacements. Engineering has coordinated with other staffs in meeting stream restoration objectives employing a simplified AOP design method.

There was miscommunication with the design engineer in identifying all of the road segments needing work, which resulted in specified road changes as the Big Thorne project was administered. These changes resulted in stumpage rate adjustments and subsequently decreased potential retained receipts. Further design changes may result in the need to pay with CMRD.

Region 10 timber sale contracts include temporary road construction unlike anywhere else in the country as soft muskeg soils cannot support logging trucks or equipment without a significant amount of rock to create road templates up to two or more feet thick. Much discussion revolved around temporary and specified roads. While observed temp road construction does not conflict with policy, the intent of many of these road templates may be to store them for future use, which is more in line with maintenance level 1 National Forest System roads. Road cost is a significant factor in sale marketability as new specified roads that are designed by an engineer may be 50 percent more expensive. Temporary roads should be carefully considered as timber sales are designed. Specified roads may be more appropriate where the road template is intended to be used in the future and where resource protection, stream geomorphology, or topography are concerns.

Region 10 Engineering is directly involved in supporting the timber program with CMRD funding. The regional engineering group has a good understanding of and working relationships with other regional directorates. The National Construction Certification Program including certification for timber sale engineering representatives (ER) and construction inspectors is managed well with a dozen certified timber sale ER's and Construction Inspectors

5. NEPA

The Big Thorne project NEPA contract did not include the Statement of Objectives and Statement of Work that were crafted by the Tongass NF. This resulted in several issues throughout the project when it came to enforcing certain parts of the contract. There needs to be clear communication between the CO and the Line Officer, and a level of oversight provided to ensure the appropriate measures and language are included in the contract.

There were times with the Big Thorne project where more coordination and oversight should have been provided by the Line Officer and the interdisciplinary team (IDT) to the NEPA contractor. For example, the Logjam environmental impact statement (EIS) was used by the NEPA contractor as a template; however, there were many significant differences between the Big Thorne and Logjam projects, and it should have been clarified that the Logjam EIS was an example, not a template. Additionally, several standards and guidelines had been changed since the Logjam project. Several of these issues became apparent at the beginning of the process and more direct oversight and direction should have been provided to try and prevent future problems. There are also instances where the NEPA contractor seemed to make decisions rather than following the direction of the Line Officer or the IDT.

The Prince of Wales IDT ended up doing a considerable amount of work that they wanted the NEPA contractor to do, preventing them from completing other NEPA analyses and adding additional cost. When difficulties with the NEPA contractor continued, it may have been more efficient to use more people from the three IDTs across the Forest, considering the political and external pressures for this project and using a contractor for some of the smaller projects to keep other NEPA projects moving. Depending upon circumstances specific to a project, using a contractor may not always be the most efficient or effective choice.

Gate 2 was completed by the NEPA contractor; it is important that FSM direction be followed and Gate 1 be completed prior to Gate 2. This becomes even more important when using a contractor. The Gate 1 unit pool was rendered ineffective by the rescission of the Roadless Rule exemption and deletion of the associated harvest units and volume. This significantly modified the alternatives being analyzed. A new Logging System and Transportation Analysis (LSTA) unit pool was created to meet the purpose and need and additional field recon was needed for the units added to the project at this time. Field reconnaissance of new units was occurring at the same time NEPA was already being completed for the existing unit pool.

The notice of intent (NOI) and scoping letter for Big Thorne were sent out approximately one month prior to the Roadless Rule exemption being rescinded. The Forest should have been thinking about the possibility of the exemption being rescinded and preparing for it, to the extent possible. If they saw that the Roadless Rule exemption was likely going to be rescinded, it's possible it might have been better to wait to issue the NOI and scoping letter and to have a more complete Gate 1.

6. ORGANIZATIONAL AND WORKFORCE EFFECTIVENESS

Mission critical succession planning to fill vacancies in timber resource positions is not keeping ahead of the turn-over. Recently hired employees lack critical experience, while higher rates of absenteeism have led to a backlog of processing harvesting data and maintaining documentation. On the Tongass NF, timber resource duties at the supervisor's office are divided into two positions, reducing efficiency through workload distribution while not contributing to closing the backlog of work.

The loss of experienced timber sale resource staff to support TIM and ATSA is impacting the Region. The Tongass NF timber resource specialist is providing regional support and representation on the national timber sale accounting cadre in addition to assigned duties. While regional needs are less than a full-time equivalent, inexperienced and absent district staff require

timely support and ongoing training. The Forest is conducting district log accountability audits and is actively working to resolve issues. Changes in financial accountability direction and systems requires leadership and support to district resource staff.

Currently the pre-award and post-award business processes are separated between two timber resource specialists on the Tongass NF. Normally, the timber resource position handles the solicitation, bid opening, award and sale administration that includes expertise in both TIM and TSA business processes. This organization of major duties maintains a continuity of contract financial administration over time and supports consistency and coordination of solicitation through post-award activities.

The Forest could develop a workforce structure that provides critical part-time regional support, blends ATSA and TIM support duties more efficiently, and identifies opportunities to capitalize on the current staffing to establish a "trainee" position. For example, combine part-time regional duties with the Forest position (GS-11/12). With the combining of pre-award and post-award, use the full-time equivalent (FTE) to fill a lower-graded position to absorb the remaining Forest-level duties (GS-9). Create a trainee position (GS-5/6) at the Forest or a District depending on workload and location of trainer.

The Tongass NF is now operated and managed as one forest administrative unit with staff and offices across the communities that comprise the Forest. While the single administration of the Forest conforms to the common agency structure, coordination, cooperation, and collaboration can be slowed or opportunities completely missed because staff and line employees are located in different locations and on different islands.

Experience and longevity among both the regional and Forest staff is evident. A veteran staff has seen and experienced much, which contributes to the ability to focus under intense political and public pressure. In the near-term of 1-3 years, the Alaska Region should recruit replacement staff so that the eventual transition is both measured and orderly. The senior staff can provide information, perspective, and context to the replacement employees about living and working on a unique National Forest. Mentoring and succession planning will become more important as experienced personnel retire. The Forest Engineer is aware of this challenge and is prioritizing workload assignments while encouraging newer employees to gain experience and advance through the engineering representative (ER) certification program. If timber sale activities significantly decrease, as some have forewarned, the region would face a painful realignment and reorganization with significant budget reductions. If the Region 10 timber program were to decline significantly, staffs including engineering would lose capacity in personnel and facilities that would be very difficult to maintain and would be difficult to restore.

7. SALE PREPARATION-APPRAISALS

Appraisals (Volume Appraised Versus Volume Cut): Appraisal group volumes used for the Big Thorne Sale do not reflect the volumes actually being cut. While the appraisal lists hemlock (a severely deficit appraisal group) at 48 percent of the total sawtimber sale volume; the actual hemlock sawtimber volume being cut is much less. If that trend continues, the true value of this sale based upon the appraisal group volumes cut is much greater than the current appraised value. Based upon the appraisal, required removal of hemlock sawtimber reduces the value of the sale in excess of \$50.00/mbf. Fixed costs (road construction, etc.) are not included in this figure since

they would have to be covered by the remaining appraisal group volumes if the hemlock sawtimber volume were not considered. Under the current appraisal, required removal of the hemlock sawtimber (34,040 mbf) represents a reduction in sale value exceeding \$1,700,000.00. If the hemlock sawtimber volume is not being removed, then sale value based upon what is actually occurring on-the-ground has been under-represented.

Appraisals (Appraisal Average Stem Size versus Cut Stem Size): Based upon the site visit during the review, there was a predominance of larger stems being cut in the helicopter (uneven-aged management) unit. If this observation is representative of the entire sale, there are appraisal implications. The average dbh, average volume per tree, and average volume per piece cut are probably skewed compared to values used in the appraisal. When compared to the values derived from the sale cruise information and used in the appraisal, actual logging costs associated with handling of this material are likely to be less costly. The value of timber actually cut would then be higher than the amount estimated in the appraisal.

Appraisals (Utility Logs): Currently the Region includes this material at a fixed rate (\$2.00). However, they require payment for the entire amount shown in the appraisal and listed in the contract. For the Big Thorne Sale, the volume of utility logs is second only to the hemlock appraisal group (27,524 mbf). While listed on the 2400-17 as optional, payment is required. Removal is optional. If payment is required, then this material should be appraised. Given the low-value to non-existent market for this material, the results from appraising this material will often (and maybe always) result in a deficit sale. To require payment for utility logs and to take credit for volume sold, this material should be appraised. If that process results in a deficit situation, then the material could be offered as truly optional at a fixed price such as under Special Provision K-C.1.1#-Timber Subject to Agreement.

8. REVIEW PARTICIPATION

Participation by the wildlife biologist, fisheries biologist, archaeologist and landscape architects were a noticeable absence from the specialists assigned to the Region and the Forest. Other than an office presentation by the IDT leader (fisheries biologist) and District Wildlife Biologist, these disciplines were not represented in any of the review's field trips. The inclusion of specialists in wildlife, fisheries, and archaeology from both the Regional Office and Forest would have provided perspective and context for the mitigation measures and/or enhancement objectives surrounding issues related to terrestrial and aquatic organisms or cultural/historic resources.

VI. CONCLUSIONS

The WO Review Team recognizes that few of the recommended actions will be easy to implement, and that leadership and staff at the regional and Forest levels already recognize the need to take some of the recommended actions. The team believes that addressing these items in a "one team" approach may be the most effective way to get to the desired result. The review team and the entire WO-Forest Management staff support your objectives of supporting local communities with economically viable timber sales while protecting natural resources and the Government's many interests in Southeast Alaska.

Due to issues identified with the sale preparation and administration of Big Thorne, we recommend an independent review of those aspects be conducted as a follow up to this review.

We believe this will inform solutions and prevent similar issues in future timber and stewardship contracts. The WO Forest Management staff is available to provide support for problem solving and training upon request from the Region.

APPENDIX A. ITINERARY FOR THE REVIEW

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat-Monday
June 12	June 13	June 14	June 15	June 16	June 17	June 18-20
<p>WO Participants</p> <p>L48 points to JNU</p>	<p>Intro with RF-Break for 9 AM RLT call.</p> <p>RC Records/Programs review</p> <p>Depart Juneau- Petersburg on flight</p> <p>AS 64 @ 2:45 PM JNU-P-Burg. Charter/LEI?</p>	<p>Petersburg 50 Entrance-Project Records-TSA, Big Thorne, Tonka, etc. LEI- local LEI, ENG with Dave Morton etc., Records review</p> <p>AS 64 @ 4:20 PM- Petersburg to KTN</p>	<p>Entrance with Forest Supervisor: (Meeting location is now Discovery Center-) Overview of Forest Plan Amendment effort, large scale planning efforts, Transition YG presentation by Spores: AFA/Industry Alcan sort yard-</p> <p>1:45 PM Charter flight(s) over POW and into Craig or Hollis (Rental dependent)</p> <p>Late PM intro to Island with Matt Anderson- Craig RD- BT Lessons learned etc.</p> <p>We will plan presentations and pizza at District office until 6-6:30 ish to set the stage for field visits to Big Thorne and other items on the island on Thursday and Friday.</p>	<p>Viking Mill Visit- Big Thorne Project area</p> <p>Big Thorne Project area—Steelhead Creek area. Helicopter DXP unit, Possible active cable and or shovel logging. On the ground review of planning thru prep thru contract thru admin and accountability.</p> <p>Mike Sheets, Ted Sandhofer, Jim Bauer etc.</p>	<p>Small Mills, Active small sale?- Thorne Bay- Sandy Beach road units- cable-helicopter</p> <p>Additional Sites dependent upon WO Team needs and desires to see.</p> <p>Charter Flight TB to KTN=- Depart TB at 3:00- WO Team. (Potential that return flight may depart Hollis instead- schedule will adjust accordingly)</p> <p>Petersburg Group Charter at 3:30</p>	<p>Sat-Sun- review team prepare draft Report.</p> <p>Monday, June 20th- Closeout in Ketchikan Supervisors Office. RF via VTC if possible-</p> <p>9:45- dependent upon end of normal RLT call.</p> <p>L48 contingent schedule return flights beginning at about 1:30 PM southbound</p>
Overnight in Juneau @ Goldbelt Lodge	Overnight in Petersburg @ Scandia House	Overnight- Ketchikan @ Cape Fox	Overnight – Craig @ Ruth Anne's	Overnight Craig @ Ruth Anne's	Overnight Ketchikan @ Cape Fox	2 Nights Ketchikan @ Cape Fox

SAMPLE Resolution

City of Thorne Bay, Alaska RESOLUTION NUMBER _____

A RESOLUTION REQUESTING: USDA'S INSPECTOR GENERAL TO: (1) CONDUCT A FORENSIC AUDIT OF THE TONKA AND BIG THORNE INTEGRATED RESOURCE TIMBER CONTRACTS, AND (2) RESTORE PAYMENT OF FUNDS THAT THE AFFECTED COMMUNITIES SHOULD HAVE BENEFITED FROM

WHEREAS, the 2016 Washington Office Activity Review (WO Review) investigated execution of the Tonka and Big Thorne Integrated Resource Timber Contracts on the Petersburg and Thorne Bay Ranger districts of the Tongass National Forest and made important *formal findings and recommendations*; and,

WHEREAS, the WO Review findings of fact revealed systematic failures in the administration, monitoring, and enforcement of the above timber contracts; and,

WHEREAS, the WO Review's findings of fact and supporting documentation reveal that several millions of dollars of revenue from the above timber contracts – amounting to nearly \$2 million for the Tonka contract and \$1.7 million for the Big Thorne contract – *were not collected* due to misadministration or maladministration of the contracts; and,

WHEREAS, those uncollected revenues entail significant losses to the City of Thorne Bay and City of Thorne Bay, because revenues that would have been generated from Integrated Resource Timber Contracts on the Petersburg and Thorne Bay Ranger districts would fund local businesses to implement restoration and stewardship projects; and,

WHEREAS, the WO Review recommended “*an independent review* [to] inform solutions and prevent similar issues in future timber and stewardship contracts” (emphasis added), yet no apparent, meaningful action has been undertaken by the agency during the nearly two years since the Review was conducted; and,

WHEREAS, unless the Washington Office's recommendations are fully followed, the Central Tongass and Prince of Wales Landscape Level Analyses – which the agency is planning and which will result in timber sales – will also result in monetary losses to the both agency and local governments;

THEREFORE, BE IT RESOLVED, the City of Thorne Bay, Alaska requests that:

1. the USDA Inspector General to conduct a forensic audit of the Tonka and Big Thorne Integrated Resource Timber Contracts in order to determine: (a) the amount of money the Forest Service should have collected from the timber contracts, (b) why those funds were not collected and what misadministration or maladministration occurred, and (c) the amount of money that should have been available for restoration and stewardship projects recovered; and
2. Rep. Don Young and Sen. Lisa Murkowski to find out whether the Inspector General has sufficient funds to conduct that audit, and that they secure such additional funds as may be needed; and

PASSED AND APPROVED this 1st day of May, 2018, by a duly constituted quorum of the
Thorne Bay City Council

Harvey McDonald, Mayor

ATTEST:

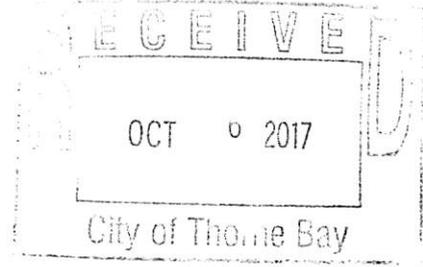
Teri Feibel, CMC

cc

Dave Zimmerman, Petersburg District Ranger
Matt Anderson, Craig District Ranger
Tyler Gunn, Thorne Bay District Ranger
Earl Stewart, Tongass Forest Supervisor
Vickie Christiansen, Interim Chief of the USFS
Regional Foresters Beth Pendleton and David Schmid
Rep. Don Young
Senator Dan Sullivan
Senator Lisa Murkowski
Rep. Jonathan Kreiss-Tompkins
Senator Bert Stedman

Oct. 05, 2017

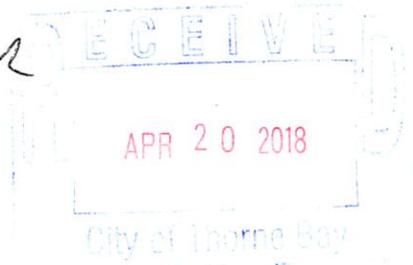
To The Thorne Bay City Council
From Paul and Nichole Le Vasseur



We would like to inquire if we can get an extension to stay in the Thorne Bay City trailer park. We are currently waiting for our contract to be completed for our property from the State of Alaska. They have indicated that the contract process can take 4 to 6 months to complete, ours began during July.

We would appreciate if you would accept our request to remain in the park until such time that we can finalize our contract and push a pad to move our trailer to our property. We are anticipating that this should be achieved by March or April 2018.

Nichole LeVasseur
~~XXXXXXXXXXXXXXXXXXXX~~



*I would like to ask for an extension for another 6 months. we are working on the property still.
Thank you.
Nichole LeVasseur
April 20.2018.*

May 1, 2018



CITY OF THORNE BAY

P.O. BOX 19110
THORNE BAY, ALASKA 99919
(907) 828-3380
FAX (907) 828-3374
reception@thornebay-ak.gov

October 12, 2017

Paul and Nichole LeVasseur
P.O. Box 19411
Thorne Bay, AK 99919

I am writing to notify you that your request of a six month extension at the Thorne Bay city trailer park has been approved. The contract has been extended through April 2018.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Roseland".

Lisa Roseland
City of Thorne Bay



Date: April 9, 2018

To Whom It May Concern:

For over a decade, the USDA Forest Service has played a central role in identifying and helping to navigating public-agency path forward toward securing consensus on a plan to become less-reliant on old growth logging and transition to young growth harvesting on the Tongass National Forest. In 2016, this effort culminated in an historic agreement signed by the Tongass Advisory Committee (TAC), with members from conservation, industry, Alaska native, government, and outdoor recreation and fishing interests, setting a course for transitioning to young growth harvesting. The TAC agreement identified the need for additional forest inventory work to be conducted on the Tongass as quickly as possible, and underscored the need for young growth product manufacturing and marketing research to be conducted in tandem with inventory efforts.

Since 2016, efforts have been ongoing to collect inventory data and develop new growth and yield models for the young-growth resource. Over 40,000 acres of young growth have been inventoried through an agreement with the State of Alaska. An additional \$1 million dollars authorized by Congress in March 2018 will support completion of this inventory in 2018. Additionally, under the direction of the Alaska Region, the USDA FS Pacific Northwest Research Station has just finalized the design of a large scale, peer-reviewed young growth wood quality study that would aid in answering questions regarding the suitability of the young-growth resource used in the manufacture of traditional and value-added products, and provide much needed information on emerging small log processing technologies and market potential. The Southeast Alaska Young-Growth Wood Quality Study is intentionally broad in scope and engages several partners, including the Alaskan wood products industry, other Forest Service entities (e.g., State and Private, Forest Products Laboratory), universities, and small log processing equipment manufacturers. While the primary objective of this study is to evaluate wood quality from a products perspective, we are leveraging study results to gain valuable information on logging utilization, biomass, wood measurement systems, carbon capture, and scale appropriate technology.

Significant progress has been made on preparing the study for full field implementation by summer 2018, assuming funding availability. The Alaska Region has supported this study and invested almost \$1 million on funding and in-kind support. The current study timeline is to have all harvest, manufacturing, and marketing results available for industry and public use by 2020. The Alaska Region Forest Service leadership recognizes the value of this work and supports this Southeast Alaska Young-Growth Wood Quality Study moving forward as quickly as possible. The Alaska Region Forest Service welcomes the potential for a public-private partnership in helping to move this project forward as originally scheduled.

Sincerely,


BETH G. PENDLETON
Regional Forester
USDA, Forest Service



YG Study Support

Dear _____

We **WHOEVER** would like to express our strong support for the Young Growth Wood Quality Study the Pacific Northwest Research Station has scheduled to begin this summer. Regional Forester, Beth Pendleton, has recently stated her interest in seeing this study financially supported and implemented this year. We support her interest and efforts to begin this project in 2018.

The timber industry has been a significant part of the economy of Prince of Wales Island for decades. We recognize the industry will need to evolve if timber is going to continue to be a significant part of the local economy in the future.

Thousands of acres of YG are approaching or have reached a commercially viable size and the number of acres of YG reaching a commercially viable size is increasing by thousands of acres a year. This includes, USFS lands, State of Alaska stands, Mental Health stands and Private Corporation timber stands across POW Island and much of SE Alaska.

We understand that Old Growth timber will continue to be a part of the industry for some time. We also believe that now is the time to implement and begin to take a transition to YG seriously. A transition is going to take time. There will be much to learn about YG wood qualities, markets, efficient harvest methods and numerous other aspects of what will be, in many ways, a much different industry.

The value of beginning this study now will help establish the knowledge and information to move the transition forward. The information and knowledge gained, will transfer and be a valuable asset to all entities with significant holdings of timber lands on POW Island as well as all timber land holders in SE Alaska.

We believe there is a bright future for the timber industry looking forward. We should embrace the opportunity to establish and support an industry that is based on a sustainable supply, is environmentally balanced, provides employment for the local work force and supports the people, businesses and communities on POW Island.

Thank you

Senator Lisa Murkowski
522 Hart Senate Office Building
Washington, DC 20510

Senator Dan Sullivan
702 Hart Senate Office Building
Washington DC 20510

Representative Don Young
2314 Rayburn House Office Building
Washington, DC 20515

Ms. Vicki Christiansen
Acting Chief of the US Forest Service
1400 Independence Ave, SW
Washington, DC 20250-1111

Ms. Leslie Weldon
Deputy Chief of the US Forest Service
1400 Independence Ave, SW
Washington, DC 20250-1111

Mr. Paul Anderson
Acting Station Director
USFS Pacific Northwest Research Station
1220 SW 3rd Ave, Suite 1400
PO Box 3890
Portland, Oregon 97204-3890

Dave Schmid

Acting Regional Forester

Forest Service

Alaska Region

709 West 9th St., Room 549

Juneau, AK 99802-1628

www.fs.fed.us

Deputy Regional Forester

Jerry Ingersoll

Forest Service

Alaska Region

709 West 9th St., Room 549

Juneau, AK 99802-1628

Earl Stewart

Tongass Forest Supervisor

648 Mission Street

Federal Building

Ketchikan, AK 99901-6591

CITY OF THORNE BAY
ORDINANCE 18-05-01-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ALASKA, AMENDING TITLE 18-HARBOR, CHAPTER 18.30-RULES FOR USE OF
HARBOR FACILITIES, SECTION 18.30.010-LIVE ABOARD POLICY

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA

- Section 1. Classification. This ordinance is of a general and permanent nature, the chapter and section hereby amended shall be added to the Thorne Bay Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.
- Section 3. Amendment of Section. The title and chapter of Title 18-Harbor, Chapter 18.10-General Provisions, Chapter 18.30-Rules for use of Harbor, Section 18.30.010- Live Aboard Policy, is hereby amended and added to the Thorne Bay Municipal Code.
- Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED May 1, 2018

Robert Hartwell, Vice-Mayor

ATTEST:

Teri Feibel, CMC

[Introduction: April 17, 2018]
[Public Hearing: May 1, 2018]

Additions are CAPITALIZED AND BOLD

Deletions are ~~stricken~~

Title 18 - Harbor
Chapter 18.20-Registration & Stall Assignment
Section 18.30.010

18.30.010 Live Aboard Policy. A. A person using his/her own or another person's vessel as a residence (defined in 18.10.020 (I)) at any time during a month is considered a live aboard for purposes of this title and is liable for the full monthly live aboard rate. Applications and first month's fee and deposit, must be submitted to the City at the time of occupying slip and paid in monthly, six month or annual installments thereafter.

1. LIVE-ABOARDS WISHING TO USE THEIR BOATS SEASONALLY MAY RESERVE THEIR LIVE-ABOARD STATUS IF:

- i. THEIR DEPOSIT IS RETAINED BY THE CITY,**
- ii. A STANDBY FEE IS PAID IN ADVANCE AS ESTABLISHED BY RESOLUTION, AND**
- iii. THEY ARE PAYING AN ANNUAL FEE FOR THE STALL.** (Ord. 16-06-21-01)

B. No more than two pets may be kept on a live aboard vessel at the discretion of the harbormaster. Any complaint may constitute the immediate removal of the pets.

C. Vessels being used for live-aboard purposes must meet all sanitary requirements as established by the United States Coast Guard and the Alaska Department of Environmental Conservation.

D. Oil, gas, electric or wood heating units, if installed, must be installed and utilized in conformance with manufacturer's specifications.

E. Live-aboard fees shall be established by resolution of the city council and will be established by resolution of the City Council and will not be prorated unless the moorage agreement is terminated and the boat removed from the harbor.

F. Deposit for Live-aboard agreements shall be established by resolution of the City Council.

(Ord. 89-30 § 5(part), 1989) (Ord. 13-04-02-04) (Ord. 13-08-06-01) (Ord. 16-06-07-02)

CITY OF THORNE BAY
ORDINANCE 18-05-15-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ALASKA; PROVIDING FOR THE ESTABLISHMENT OF THE BUDGET FOR
THE CITY OF THORNE BAY, FISCAL YEAR 2019, ANTICIPATED REVENUES
AND EXPENDITURES

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ALASKA;

Section 1. Classification. This is a non-code ordinance.

Section 2. General Provisions. The budget documents attached hereto list the authorized appropriations for expenditures, revenues and the change in cash balances as part of the budget for the period July 1, 2018 to June 30, 2019, detail anticipated line item revenues and expenditures for each appropriation and make the budget a matter of public record.

Section 3. Authorization and Appropriation. The appropriations are adopted and authorized for the period July 1, 2018 to June 30, 2019, and are for that period. Subject to council approval by resolution, the Mayor may establish line item expenditures within an authorized appropriation. Subject to council approval by ordinance, the Mayor may transfer from one authorized appropriation to another any amount that would not annually exceed 10 percent or \$10,000, whichever is less.

Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED May 15, 2018

Harvey McDonald, Mayor

ATTEST:

Teri Feibel, CMC

[Introduction: April 17, 2018]
[2nd Reading for Introduction: May 1, 2018]
[Final Reading: Public Hearing: May 15, 2018]

OPERATING BUDGET	Approved FY18 Budget:	July 1, 2016 to April 10, 2018	FY19 Budget Introduction
Income	\$ 1,252,990.00	\$ 1,090,378.01	\$ 1,401,763.25
Expense	\$ 1,250,589.40	\$ 933,885.28	\$ 1,406,886.56
NET Operating Income:	\$ 2,400.60	\$ 156,492.73	\$ (5,123.31)
Class List:	Income:	Expense:	Net:
Admin & Finance FY19 Budget	\$ 672,940.66	\$ 401,622.96	\$ 271,317.70
Admin FY18 Actual	\$ 589,749.25	\$ 309,051.91	\$ 280,697.34
City Council FY19 Budget	\$ 4,300.00	\$ 34,747.95	\$ (30,447.95)
City Council FY18 Actual	\$ 3,942.30	\$ 22,198.54	\$ (18,256.24)
EMS FY19 Budget	\$ 16,000.00	\$ 14,542.12	\$ 1,457.88
EMS FY18 Actual	\$ 15,494.83	\$ 13,200.49	\$ 2,294.34
Fire FY19 Budget	\$ 15,600.00	\$ 15,712.08	\$ (112.08)
Fire FY18 Actual	\$ 14,382.83	\$ 11,398.44	\$ 2,984.39
Harbor FY19 Budget	\$ 101,949.87	\$ 97,494.38	\$ 4,455.48
Harbor FY18 Actual	\$ 79,877.18	\$ 63,155.83	\$ 16,721.35
VPSO FY19 Budget	\$ 12,500.00	\$ 27,535.20	\$ (15,035.20)
VPSO FY18 Actual	\$ 10,000.00	\$ 7,410.24	\$ 2,589.76
Library FY19 Budget	\$ 4,250.00	\$ 7,649.90	\$ (3,399.90)
Library FY18 Actual	\$ 4,263.89	\$ 6,376.97	\$ (2,113.08)
Parks Rec FY19 Budget	\$ 45,772.07	\$ 68,447.82	\$ (22,675.74)
Parks FY18 Actual	\$ 17,774.23	\$ 5,824.78	\$ 11,949.45
RV Park FY19 Budget	\$ 57,660.00	\$ 51,700.00	\$ 5,960.00
RV Park FY18 Actual	\$ 19,397.79	\$ 1,042.00	\$ 18,355.79
Streets Roads FY19 Budget	\$ 71,050.00	\$ 161,425.91	\$ (90,375.91)
Streets FY18 Actual	\$ 9,847.41	\$ 162,310.41	\$ (152,463.00)
Solid Waste FY19 Budget	\$ 138,050.00	\$ 229,071.58	\$ (91,021.58)
Solid Waste FY18 Actual	\$ 105,973.43	\$ 109,937.54	\$ (3,964.11)
Sewer FY19 Budget	\$ 125,240.64	\$ 137,529.03	\$ (12,288.39)
Sewer FY18 Actual	\$ 104,568.39	\$ 104,389.34	\$ 179.05
Water FY19 Budget	\$ 136,450.00	\$ 159,407.62	\$ (22,957.62)
Water FY18 Actual	\$ 115,106.48	\$ 117,588.79	\$ (2,482.31)
Total FY18 Actuals	\$ 1,090,378.01	\$ 933,885.28	\$ 156,492.73
TOTAL OPERATING BUDGET	\$ 1,401,763.25	\$ 1,406,886.56	\$ (5,123.31)

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual

July 1, 2017 through April 10, 2018

Admin & Finance			
Income	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Finance Charge Income	500.00	1,571.78	2,000.00
Interest Income	3,200.00	5,349.75	6,419.70
Animal Fees	600.00	300.00	600.00
ATV Fees	950.00	550.00	800.00
Community Assistance Funding (Community Revenue Sharing)	20,000.00	36,530.00	36,000.00
Election Income	900.00	200.00	600.00
Equipment Rentals	150.00	0.00	150.00
Fees & Permits	30,000.00	20,264.88	30,000.00
Grant Income	0.00	20,000.00	0.00
Halibut Charter Permit Income	200.00 0.00	200.00 937.64	200.00 1,000.00
Land Payment Interest	2,600.00	1,257.10	2,600.00
Land Sales	2,600.00	4,973.90	4,500.00
Landing Fees	200.00	0.00	200.00
Miscellaneous Income			
<i>Copier/Fax</i>	<i>50.00</i>	<i>156.90</i>	<i>200.00</i>
<i>Other Misc. Income</i>	<i>3,000.00</i>	<i>5,407.40</i>	<i>6,500.00</i>
Total Miscellaneous Income	3,050.00	5,564.30	6,700.00
Notary/Lamination	750.00	430.60	750.00
Occupancy Tax	13,000.00	10,072.11	13,000.00
Passport Services	600.00	1,094.97	1,600.00
Payment in Lieu of Taxes	127,000.00	137,139.74	150,000.00
Rental	30,000.00	21,795.01	30,000.00
Sales Tax	370,000.00	321,517.47	385,820.96
Total Income	606,300.00	589,749.25	672,940.66

Expense	Budget	Actual Expense as of: Jul 1, '17 - Apr 10, 18	FY19 Budget
Advertising and Promotion	1,850.00	1,204.52	1,850.00
Bank Service Charges	300.00	66.81	300.00
Bldg/Grnd Maint Repair	1,000.00	463.06	1,000.00
Computer/Software	1,500.00	1,092.00	1,500.00
Contract Labor	2,000.00	1,300.00	2,000.00
Credit Card Merchant Fees	2,650.00	2,953.03	3,543.64

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2017 through April 10, 2018**

Admin & Finance			
Donations	0.00	368.63	0.00
Dues and Subscriptions	1,800.00	1,491.00	1,800.00
Election Expenses	360.00	0.00	250.00
Electricity	3,350.00	3,179.45	3,815.34
Equipment Maint & Repair	150.00	58.00	150.00
Equipment Purchase	1,250.00	642.57	1,250.00
Fees & Permit	100.00	23.67	100.00
Health Insurance	32,949.89	21,978.95	27,205.63
Health Premium Savings	25,000.00	10,000.00	0.00
Heating Fuel	4,500.00	4,321.57	5,000.00
Insurance Expense			
<i>AML/Insurance</i>	21,000.00	17,060.62	18,500.00
<i>Life Insurance</i>	356.72	243.34	356.72
<i>Worker's Compensation</i>	1,900.00	1,669.63	1,850.00
Total Insurance Expesne	23,256.72	18,973.59	20,706.72
Internet Use	2,200.00	1,696.95	2,200.00
Legal Services	5,000.00	2,211.00	3,500.00
Materials and Supplies	6,000.00	4,353.71	6,000.00
Miscellaneous Expense	125.00	1,280.00	125.00
Payroll Expenses			
<i>HSA Company</i>	12,000.00	9,000.22	12,091.82
<i>Payroll Taxes</i>	8,953.07	5,109.55	6,329.11
<i>PERS</i>	45,203.84	32,625.38	50,475.40
<i>Payroll Expenses</i>	232,252.00	177,050.54	237,680.31
Total Payroll Expenses	298,408.91	223,785.69	306,576.64
Postage and Freight	1,750.00	1,679.25	2,000.00
Telephone	3,400.00	2,621.02	3,400.00
Testing	0.00	60.00	150.00
Training	800.00	0.00	1,200.00
Travel Expense	4,500.00	3,247.44	6,000.00
Total Expense	424,200.52	309,051.91	401,622.96
Net Income	182,099.48	280,697.34	271,317.70

**City of Thorne Bay 2014
 Profit & Loss Budget vs. Actual**

July 1, 2017 through April 10, 2018

City Council			
<i>Income</i>	<i>Budget</i>	<i>Actual Income Jul 1, '17 - Apr 10, 18</i>	<i>FY19 Budget</i>
Derby Donation	0.00	500.00	500.00
Community Assistance Funding	3,000.00	3,000.00	3,000.00
Election Income	0.00	200.00	200.00
Fees & Permits	100.00	0.00	100.00
Miscellaneous Income	0.00	242.30	500.00
Total Income	3,100.00	3,942.30	4,300.00
<i>Expense</i>	<i>Budget</i>	<i>Actual Income Jul 1, '17 - Apr 10, 18</i>	<i>FY19 Budget</i>
Advertising and Promotion	0.00	180.00	350.00
Donations	3,200.00	1,382.50	3,000.00
Dues and Subscriptions	2,500.00	1,673.50	2,500.00
Election Expenses	0.00	75.14	150.00
Materials and Supplies	250.00	36.17	250.00
Payroll Expenses			
<i>Payroll Taxes</i>	1,744.20	1,093.10	2,227.13
<i>Payroll Expenses - Other</i>	22,800.00	14,235.00	20,400.00
Total Payroll Expenses	24,544.20	15,328.10	22,627.13
Postage and Freight	50.00	48.36	50.00
Telephone	250.00	267.35	320.82
Training	600.00	750.00	1,500.00
Travel Expense	2,000.00	2,457.42	4,000.00
Total Expense	33,394.20	22,198.54	34,747.95
Net Income	(30,294.20)	(18,256.24)	(30,447.95)

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2017 through April 10, 2018**

EMS			
Income	Budget	Actual Income Jul 1, 17 - Apr 10, 18	FY19 Budget
Donation Income	0.00	1,643.76	1,500.00
Community Assistance Funding	12,500.00	12,500.00	12,500.00
Misc. (PigNick) Income	2,000.00	1,351.07	2,000.00
Total Income	14,500.00	15,494.83	16,000.00

Expense	Budget	Actual Income Jul 1, 17 - Apr 10, 18	FY19 Budget
Business Licenses and Permits	10.00	0.00	10.00
Computer/Software	0.00	35.00	0.00
Contract Labor	0.00	80.00	10,000.00
Dues and Subscriptions	0.00	20.00	0.00
Electricity	1,400.00	864.27	1,037.12
Heating Fuel	400.00	733.89	900.00
Insurance Expense			
AMI/Insurance	2,100.00	1,717.93	700.00
Worker's Compensation	1,000.00	1,510.56	0.00
Total Insurance Expense	3,100.00	3,228.49	700.00
Internet Use	350.00	464.90	350.00
Materials and Supplies	750.00	32.18	600.00
Miscellaneous Expense	600.00	0.00	0.00
Payroll Expenses			
Payroll Taxes	852.28	558.21	0.00
Payroll Expenses - Other	10,325.00	6,300.00	0.00
Total Payroll Expenses	11,177.28	6,858.21	0.00
Postage and Freight	75.00	0.00	20.00
Telephone	700.00	528.86	700.00
Training	250.00	0.00	0.00
Vehicle Fuel	500.00	216.69	100.00
Vehicle Maintenance	250.00	138.00	125.00
Total Expense	19,562.28	13,200.49	14,542.12
Net Income	(5,062.28)	2,294.34	1,457.88

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018**

Harbor			
Income	FY18 Budget	Actual Income: Jul 1, 17 - Apr 10, 18	FY19 Budget
Interest Income	15.00	37.76	60.00
Davidson Landing Fees	16,000.00	13,501.43	17,500.00
Fees & Permits	100.00	0.00	100.00
Fishery Tax Receipts	3,500.00	0.00	3,500.00
Grid Fees	300.00	81.75	300.00
Harbor Fees	49,000.00	42,822.12	51,386.54
Harbor Showers	2,000.00	1,310.00	2,000.00
Live-aboard Fees	18,000.00	19,502.77	23,403.32
Miscellaneous Income	500.00	0.00	200.00
Sales Tax	3,500.00	2,621.35	3,500.00
Total Income	92,915.00	79,877.18	101,949.87
Expense	FY18 Budget	Actual Income as of April 10, 2018	FY19 Budget
Bldg/Grnd Maint Repair	175.00	53.54	175.00
Contract Labor	1,200.00	160.00	750.00
Dues and Subscriptions	150.00	150.00	150.00
Electricity	9,500.00	9,814.14	10,500.00
Equipment Maint & Repair	250.00	142.00	250.00
Equipment Purchase	125.00	105.76	1,200.00
Harbor Replacement Fund	7,400.00	1,280.17	2,000.00
Health Insurance	622.56	441.60	13,395.55
Insurance Expense			
<i>AML/Insurance</i>	3,150.00	3,035.00	3,150.00
<i>Life Insurance</i>	89.18	64.24	89.18
<i>Worker's Compensation</i>	4,500.00	3,982.93	4,300.00
Total Insurance Expense	7,739.18	7,082.17	7,539.18
Internet Use	900.00	429.60	575.00
Materials and Supplies	1,000.00	695.37	1,000.00
Miscellaneous Expense	75.00	0.00	100.00
Payroll Expenses			
<i>HSA Company</i>	0.00	9,000.22	6,000.00
<i>Payroll Taxes</i>	1,420.54	852.66	1,910.95
<i>PERS</i>	9,952.80	5,349.30	7,665.50
<i>Payroll Expenses - Other</i>	45,240.00	26,887.73	42,883.20
Total Payroll Expenses	56,613.34	42,089.91	58,459.65
Postage and Freight	100.00	3.00	100.00
Telephone	300.00	267.42	300.00
Vehicle Fuel	750.00	408.44	750.00
Vehicle Maintenance	250.00	32.71	250.00
Total Expense	87,150.08	63,155.83	97,494.38
Net Income	5,764.92	16,721.35	4,455.48

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual

July 2017 through June 2018

Law Enforcement			
<i>Income</i>	<i>Budget</i>	<i>Actual Income Jul 1, '17 - Apr 10, 18</i>	<i>FY19 Budget</i>
Community Assistance Funding	10,000.00	10,000.00	12,500.00
Total Income	10,000.00	10,000.00	12,500.00

<i>Expense</i>	<i>Budget</i>	<i>Actual Income Jul 1, '17 - Apr 10, 18</i>	<i>FY19 Budget</i>
DARE Program	0.00	0.00	500.00
Dues and Subscriptions	25.00	0.00	25.00
Electricity	450.00	361.04	600.00
Equipment Maint & Repair	100.00	0.00	100.00
Heating Fuel	900.00	829.30	1,500.00
Insurance Expense			
AML/Insurance	1,575.00	1,505.00	1,575.00
Total Insurance Expense	1,575.00	1,505.00	1,575.00
Materials and Supplies	50.00	0.00	200.00
Miscellaneous Expense	100.00	0.00	250.00
Payroll Expenses			
Payroll Taxes			642.60
Payroll Expenses - Other	0.00	0.00	8,400.00
Total Payroll Expenses	0.00	0.00	9,042.60
Postage and Freight	100.00	0.00	150.00
Telephone	1,500.00	1,471.41	1,500.00
Vehicle Fuel	3,800.00	3,224.11	2,750.00
Vehicle Maintenance	300.00	19.38	300.00
Total Expense	8,900.00	7,410.24	27,535.20
Net Income	1,100.00	2,589.76	(15,035.20)

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018**

Library			
Income	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Donation Income		380.33	500.00
Community Assistance Funding	3,500.00	3,500.00	3,500.00
Fees & Permits	75.00	154.25	200.00
Miscellaneous Income			
<i>Copier/Fax</i>	50.00	229.31	50.00
<i>Miscellaneous Income - Other</i>	1,000.00	0.00	0.00
Total Miscellaneous Income	1,050.00	229.31	50.00
Total Income	4,625.00	4,263.89	4,250.00

Expense	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Bldg/Grnd Maint Repair	150.00	36.99	150.00
Contract Labor	225.00	0.00	225.00
Dues and Subscriptions	100.00	0.00	100.00
Electricity	1,050.00	1,271.32	1,500.00
Equipment Maint & Repair		42.50	100.00
Equipment Purchase	125.00	0.00	125.00
Furniture, Equip & Computers	75.00	0.00	75.00
Heating Fuel	575.00	364.82	575.00
Insurance Expense			
<i>AML/Insurance</i>	150.00	116.00	150.00
Total Insurance Expense	150.00	116.00	150.00
Internet Use	0.00	500.00	700.00
Materials and Supplies	500.00	317.04	500.00
Miscellaneous Expense	100.00	0.00	100.00
Payroll Expenses			
<i>Payroll Taxes</i>	242.84	209.16	224.90
<i>Payroll Expenses - Other</i>	2,600.00	2,350.00	2,600.00
Total Payroll Expenses	2,842.84	2,559.16	2,824.90
Postage and Freight	175.00	94.49	175.00
Telephone	350.00	257.55	350.00
Travel Expense	0.00	817.10	0.00
Total Expense	6,417.84	6,376.97	7,649.90
Net Income	(1,792.84)	(2,113.08)	(3,399.90)

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018**

Parks & Rec			
Income	FY18 Budget	Actual Income Jul 1, 17 - Apr 10, 18	FY19 Budget
<i>Community Investment Returns</i>		7,608.15	10,176.72
<i>Interest Income</i>		16.08	20.35
<i>1% Sales Tax</i>	40,000.00	0.00	25,000.00
<i>Community Assistance Funding</i>	10,150.00	10,150.00	10,150.00
Rental	300.00	0.00	300.00
Sales Tax	125.00	0.00	125.00
Total Income	50,575.00	17,774.23	45,772.07

Expense	FY18 Budget	Actual Income Jul 1, 17 - Apr 10, 18	FY19 Budget
Contract Labor	150.00	0.00	150.00
Electricity	1,000.00	882.27	1,000.00
Equipment Maint & Repair	350.00	63.85	200.00
Equipment Purchase	300.00	0.00	200.00
Equipment Rental	150.00	0.00	100.00
Fees & Permit	50.00	0.00	50.00
Health Insurance	0.00	8.61	0.00
Heating Fuel	1,600.00	1,657.58	1,800.00
Insurance Expense			
<i>AML/Insurance</i>	550.00	509.00	550.00
<i>Life Insurance</i>		1.25	89.13
<i>Worker's Compensation</i>	6,000.00	645.14	650.00
Total Insurance Expense	6,550.00	1,155.39	1,289.13
Materials and Supplies	800.00	1,198.07	1,200.00
Payroll Expenses			
<i>Payroll Taxes</i>		11.77	1,806.43
<i>PERS</i>		100.99	5,152.26
<i>Payroll Expenses - Other</i>		459.07	54,550.00
Total Payroll Expenses		571.83	61,508.69
Postage and Freight	50.00	176.08	400.00
Repairs and Maintenance	100.00	8.44	100.00
Sales tax 1%	15,000.00	0.00	0.00
Vehicle Fuel	450.00	102.66	450.00
Total Expense	26,550.00	5,824.78	68,447.82
Net Income	24,025.00	11,949.45	(22,675.74)

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
 July 2017 through June 2018

RV Park			
Income	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Miscellaneous Income	100.00	0.00	100.00
Occupancy Tax Funds for Parks Enhancement			30,000.00
RV Park Fees	27,000.00	18,474.96	26,000.00
Sales Tax	1,500.00	922.83	1,560.00
Total Income	28,600.00	19,397.79	57,660.00

Expense	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Bldg/Grnd Maint Repair	300.00	0.00	200.00
Contract Labor	0.00	360.00	50,000.00
Dues and Subscriptions	0.00	85.00	125.00
Electricity	800.00	400.10	650.00
Equipment Maint & Repair	500.00	0.00	300.00
Insurance Expense			
<i>AML/Insurance</i>	175.00	150.00	175.00
Total Insurance Expense	175.00	150.00	175.00
Materials and Supplies	200.00	46.90	150.00
Miscellaneous Expense	75.00	0.00	75.00
Postage and Freight	25.00	0.00	25.00
Total Expense	2,075.00	1,042.00	51,700.00
Net Income	26,525.00	18,355.79	5,960.00

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018**

Streets and Roads			
Income	FY18 Budget	Actual Income Jul 1, '17 - Apr 30, '18	FY19 Budget
1% Sales Tax (Toward Street Maint)	35,000.00	0.00	60,000.00
Fees & Permits	500.00	315.00	500.00
Miscellaneous Income	0.00	3,500.00	4,000.00
National Forest Receipt	0.00	6,032.41	6,500.00
Sales Tax	50.00	0.00	50.00
Total Income	35,550.00	9,847.41	71,050.00

Expense	FY18 Budget	Actual Income Jul 1, '17 - Apr 30, '18	FY19 Budget
Contract Labor	28,000.00	11,444.00	55,000.00
Dues and Subscriptions	50.00	30.00	50.00
Electricity	3,800.00	2,725.16	3,800.00
Equipment Maint & R	6,100.00	7,300.56	6,100.00
Equipment Purchase	3,000.00	1,190.05	3,000.00
Equipment Rental	300.00	0.00	300.00
Health Insurance	30,658.99	20,652.08	0.00
Heating Fuel	2,500.00	2,700.04	3,200.00
Insurance Expense			
<i>AML/Insurance</i>	6,000.00	5,976.61	6,000.00
<i>Life Insurance</i>	178.36	122.36	89.18
<i>Worker's Compensation</i>	9,000.00	7,927.60	8,300.00
Total Insurance Expen	15,178.36	14,026.57	14,389.18
Materials and Supplies	4,500.00	1,801.72	3,000.00
Miscellaneous Expense	300.00	0.00	200.00
Payroll Expenses			
<i>HSA Company</i>	12,000.00	8,232.33	6,000.00
<i>Payroll Taxes</i>	2,873.73	1,530.78	1,056.91
<i>PERS</i>	20,134.40	13,831.94	9,490.62

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018

Streets and Roads			
<i>Payroll Expenses - Other</i>	91,520.00	63,747.71	43,139.20
Total Payroll Expenses	126,528.13	87,342.76	59,686.73
Postage and Freight	1,100.00	1,754.04	2,200.00
Vehicle Fuel	3,800.00	5,193.91	6,000.00
Vehicle Maintenance	6,000.00	6,149.52	4,500.00
Total Expense	231,815.48	162,310.41	161,425.91
Net Income	(196,265.48)	(152,463.00)	(90,375.91)

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018**

Solid Waste			
Income	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Miscellaneous Income	0.00	40.00	250.00
Sales Tax	5,000.00	3,851.79	7,800.00
Solid Waste Fees	135,000.00	102,081.64	130,000.00
Total Income	140,000.00	105,973.43	138,050.00

Expense	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Bldg/Grnd Maint Repair	1,000.00	144.90	500.00
Contract Labor	5,000.00	1,127.54	2,500.00
Dues and Subscriptions	250.00	104.25	250.00
Electricity	9,800.00	7,651.85	9,200.00
Equipment Maint & Repair	7,250.00	601.00	3,500.00
Equipment Purchase	5,000.00	0.00	5,000.00
Equipment Rental	400.00	0.00	400.00
Health Insurance	0.00	2,829.02	17,410.17
Heating Fuel	6,500.00	407.46	6,500.00
Insurance Expense			
<i>AML/Insurance</i>	1,550.00	454.00	750.00
<i>Life Insurance</i>	89.18	83.18	89.18
<i>Worker's Compensation</i>	2,100.00	2,703.14	5,031.00
Total Insurance Expense	3,739.18	3,240.32	5,870.18
Materials and Supplies	2,850.00	638.96	2,500.00
Miscellaneous Expense	200.00	38,310.88	45,973.06
Payroll Expenses			
<i>HSA Company</i>		981.16	6,000.00
<i>Payroll Taxes</i>	1,273.58	995.83	2,297.79
<i>PERS</i>	8,923.20	8,684.91	20,633.18
<i>Payroll Expenses - Other</i>	40,560.00	39,476.72	93,787.20
Total Payroll Expenses	50,756.78	50,138.62	122,718.17
Postage and Freight	375.00	12.50	250.00
Testing	2,500.00	1,526.44	2,500.00
Training	0.00	250.00	0.00
Vehicle Fuel	1,200.00	2,064.72	2,500.00
Vehicle Maintenance	750.00	889.08	1,500.00
Total Expense	97,570.96	109,937.54	229,071.58
Net Income	42,429.04	(3,964.11)	(91,021.58)

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018**

Sewer			
Income	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Equipment Rentals	175.00	0.00	0.00
Miscellaneous Income	100.00	0.00	100.00
Sales Tax	4,800.00	4,284.52	4,800.00
Sewer Fees	110,000.00	100,283.87	120,340.64
Total Income	115,075.00	104,568.39	125,240.64
Expense	FY18 Budget	Actual Income Jul 1, '17 - Apr	FY19 Budget
Bldg/Grnd Maint Rep	300.00	0.00	300.00
Chemicals	4,000.00	753.00	3,500.00
Contract Labor	7,500.00	2,658.80	3,500.00
Dues and Subscription	1,500.00	100.00	1,350.00
Electricity	26,000.00	22,690.30	26,000.00
Equipment Maint & Re	1,500.00	29.00	1,500.00
Equipment Purchase	2,000.00	1,441.05	2,000.00
Fees & Permit	25.00	1,280.00	25.00
Health Insurance	17,300.30	10,134.11	13,395.55
Heating Fuel	2,000.00	2,458.21	2,000.00
Insurance Expense			
<i>AML/Insurance</i>	6,000.00	5,597.00	6,000.00
<i>Life Insurance</i>	89.18	67.66	89.18
<i>Worker's Compensation</i>	2,850.00	2,177.91	2,850.00
Total Insurance Exper	8,939.18	7,842.57	8,939.18
Internet Use		(18.00)	
Materials and Supplies	3,000.00	913.07	3,000.00
Payroll Expenses			
<i>HSA Company</i>	6,000.00	4,551.94	6,000.00
<i>Payroll Taxes</i>	1,273.58	832.18	1,090.03
<i>PERS</i>	8,923.20	7,530.41	9,788.06
<i>Payroll Expenses - Other</i>	40,560.00	34,762.60	44,491.20
Total Payroll Expense	56,756.78	47,677.13	61,369.30
Postage and Freight	1,250.00	493.24	1,250.00
Telephone		267.42	600.00
Testing	7,500.00	5,469.44	7,500.00
Training	500.00	200.00	500.00
Travel Expense	400.00	0.00	400.00
Vehicle Fuel	200.00	0.00	200.00
Vehicle Maintenance	200.00	0.00	200.00
Total Expense	140,871.26	104,389.34	137,529.03
Net Income	(25,796.26)	179.05	(12,288.39)

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual

July 2017 through June 2018

Water			
Income	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
ATV Fees		25.00	
Miscellaneous Income	250.00	41.71	250.00
Refundable Deposits		328.22	
Sales Tax	6,200.00	4,720.29	6,200.00
Water Fees	130,000.00	109,991.26	130,000.00
Total Income	136,450.00	115,106.48	136,450.00

Expense	FY18 Budget	Actual Income Jul 1, '17 - Apr 10, 18	FY19 Budget
Bad Debt		248.03	
Bldg/Grnd Maint Repair	350.00	298.69	350.00
Chemicals	8,500.00	4,360.00	8,500.00
Contract Labor	4,500.00	2,000.00	2,000.00
Dues and Subscriptions	800.00	460.00	800.00
Electricity	11,250.00	9,905.10	11,250.00
Equipment Maint & Repair	3,200.00	1,397.19	3,200.00
Equipment Purchase	1,500.00	749.00	1,500.00
Health Insurance	17,300.30	13,282.69	17,320.99
Heating Fuel	6,300.00	6,544.37	7,500.00
Insurance Expense			
<i>AML/Insurance</i>	4,000.00	4,397.00	4,500.00
<i>Life Insurance</i>	89.18	68.47	89.18
<i>Worker's Compensation</i>	4,250.00	3,249.37	3,800.00
Total Insurance Expense	8,339.18	7,714.84	8,389.18
Materials and Supplies	7,000.00	3,504.13	7,000.00
Payroll Expenses			
<i>HSA Company</i>	6,000.00	4,606.69	6,000.00
<i>Payroll Taxes</i>	1,615.22	939.23	1,321.90
<i>PERS</i>	11,440.00	9,309.17	11,870.14
<i>Payroll Expenses - Other</i>	52,000.00	42,314.48	56,030.40
Total Payroll Expenses	71,055.22	57,169.57	75,222.45
Postage and Freight	4,500.00	2,403.06	4,500.00
Telephone	125.00	0.00	125.00
Testing	8,000.00	5,656.10	8,000.00
Training	400.00	0.00	400.00
Travel Expense		500.00	500.00
Vehicle Fuel	2,500.00	1,396.02	2,500.00
Vehicle Maintenance	350.00	0.00	350.00

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 2017 through June 2018

Water			
Total Expense	155,969.70	117,588.79	159,407.62
Net Income	(19,519.70)	(2,482.31)	(22,957.62)