

UNALASKA CITY COUNCIL
Unalaska, Alaska

Tuesday, January 9, 2018
6:00pm

City Hall, Council Chambers
43 Raven Way, Unalaska

UNALASKA CRAB, INC. - ANNUAL MEETING - AGENDA

1. Call to Order
2. Approval of Minutes: August 8, 2017
3. Report from the President
4. Adjournment

UNALASKA CRAB, INC. - BOARD OF DIRECTORS MEETING - AGENDA

1. Call to Order
2. Roll Call
3. Adoption of Agenda
4. New Business: Resolution 2018-01, Election of Officers
5. Adjournment

CITY COUNCIL - REGULAR MEETING - AGENDA

1. Call to order
2. Roll call
3. Pledge of allegiance
4. Recognition of visitors
5. Minutes of previous meetings
 - a. December 12, 2017 Regular Meeting; and December 28, 2017 Special meeting
6. Reports
 - a. City Manager
 - b. Financials (none)
 - c. Board / Commission Minutes (none)
7. Awards / Presentations
 - a. Unalaska City School District - Wrestling and Cross Country Teams
 - b. Community "Extra Mile" Awards
8. Adoption of agenda
9. Community input / announcements
10. Public testimony on agenda items
11. Legislative
 - a. Appoint Vice Mayor
12. Public hearings (none)
13. Work session
 - a. GCI Fiber Optic Cable Project update
 - b. Capital Projects update
 - c. F/V Akutan update
14. Consent agenda
 - a. RESOLUTION 2018-01: A Resolution of the Unalaska City Council Establishing dates for the Fiscal Year 2019 Real Property Tax and Business Personal Property Tax collection effort.
 - b. RESOLUTION 2018-02: A Resolution of the Unalaska City Council Adopting an Alternative Allocation Method for the FY18 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the Aleutian Islands Fisheries Management Area.
 - c. RESOLUTION 2018-03: A Resolution of the Unalaska City Council approving the renewal of ATS 1447, a long term lease agreement between the City of Unalaska and Icicle Seafoods Inc., for an outfall easement on City owned tidelands.
 - d. RESOLUTION 2018-06: A Resolution of the Unalaska City Council authorizing expenditure of \$2,500 from Council's budget to sponsor the Southwest Alaska Municipal Conference 2018 Economic Summit and Annual Membership Meeting.
15. Regular agenda
 - a. Unfinished Business (none)
 - b. New Business
 - i. RESOLUTION 2018-04: A Resolution of the Unalaska City Council identifying the City of Unalaska's State priorities for Fiscal Year 2019.
 - ii. RESOLUTION 2018-05: A Resolution identifying the City of Unalaska's Federal Priorities for Fiscal Year 2019 as Unalaska Bay Entrance Channel Dredging, Captains Bay Road and Utility Improvements, High Speed Internet Connection, OCS Revenue Sharing, and Environmental Remediation Support.
 - iii. RESOLUTION 2018-07: A Resolution of the Unalaska City Council scheduling a Special Election on the petition to recall Frank Kelty from the office of Mayor of the City of Unalaska.
 - iv. RESOLUTION 2018-08: A Resolution of the Unalaska City Council authorizing the Mayor to sign an Amendment to the Agreement between the City and Interim City Manager Nancy M. Peterson.
 - v. ORDINANCE 2018-01, First Reading: Creating Budget Amendment No. 3.
 - vi. ORDINANCE 2018-02, First Reading: An Ordinance of the Unalaska City Council amending Section 1.24.010 of the Unalaska Code of Ordinances to prohibit the Court from reducing fines established by a fine schedule for violation of City Ordinances.
16. Council Directives to City Manager
17. Community input / announcements
18. Adjournment

**UNALASKA CRAB, INC.
MEETING OF THE BOARD OF DIRECTORS
6:00 P.M. TUESDAY, AUGUST 8, 2017
UNALASKA CITY HALL COUNCIL CHAMBERS
MINUTES**

The Unalaska Crab Inc. regular meeting was called to order at 6:00 pm, August 8, 2017, in the Unalaska City Hall council chambers. Roll was taken:

PRESENT:

Frank Kelty, Mayor
Rachelle Hatfield (Telephonic)
John Waldron
Alejandro Tungul
David Gregory
Yudelka Leclere

ABSENT:

Roger Rowland (Excused)

NEW BUSINESS

1. RESOLUTION 2017-02: APPROVING RIGHT OF FIRST REFUSAL (ROFR) AGREEMENTS BETWEEN UNALASKA CRAB, INC. AND GKC HOLDINGS AND OCEAN2TABLE LLC

Waldron made a motion to adopt Resolution 2017-02; Gregory seconded.

Roll Call Vote: Leclere – yes; Gregory – yes; Tungul – yes; Waldron – yes; Hatfield – yes.

Motion passed. 5-0.

ADJOURNMENT: The meeting adjourned at 6:05 pm.



Cat Hazen
City Clerk

**UNALASKA CRAB, INC.
RESOLUTION NO. 2018-01**

WHEREAS, Unalaska Crab, Inc. has adopted Articles of Incorporation and been issued a Certificate of Incorporation by the State of Alaska; and

WHEREAS, Article IV, Section 1 of the Bylaws of Unalaska Crab, Inc. provide for election of a President, Vice-President, Secretary and Treasurer as officers of the Corporation; and

WHEREAS, the election of officers is to be held at the first meeting of the Board of Directors held after the Annual Meeting of the members of the Corporation; and

WHEREAS, the 2017 Annual Meeting of the corporation has been held.

NOW THEREFORE, IT IS HEREBY RESOLVED that that _____ shall serve as President of the Corporation, _____ shall serve as Vice-President of the Corporation and _____ shall serve as Secretary/Treasurer of the Corporation until the next annual election of officers to be held at the first meeting of the Board following the Annual Meeting of members.

DULY ADOPTED at a meeting of the Board of Directors of Unalaska Crab, Inc., on January 9, 2018.

UNALASKA CRAB, INC.

President

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

TO: BOARD OF DIRECTORS, UNALASKA CRAB, INC.
FROM: FRANK KELTY, PRESIDENT
DATE: JANUARY 9, 2018
RE: UNALASKA CRAB, INC.

SUMMARY: The Bering Sea Aleutian Islands Crab Rationalization Program created by federal law and regulation included provisions intended to protect Unalaska from a loss of crab processing activity currently occurring in the community as a result of a local processor selling any of their Processor Quota Shares (PQS) to a non-local processor. This was accomplished by allowing the City of Unalaska to designate an Eligible Crab Community Entity (ECCE). Local processors were required to sign a contract with the ECCE which gave the ECCE a right of first refusal (ROFR). This ROFR allows the ECCE to buy PQS shares on behalf of the community for use in Unalaska. The ROFR provision only applies to proposed PQS transfers out of the community. This is a vital protection measure for the community of Unalaska, allowing the community, through UCI, the option of considering whether to keep quota shares in the community.

In 2005 the City established a separate corporation, Unalaska Crab, Inc. (UCI), as the ECCE for Unalaska. The corporate bylaws of UCI designate City Council Members as members of the Board of Directors of UCI. Persons elected to the Unalaska City Council automatically become UCI board members.

PREVIOUS COUNCIL ACTION: The Unalaska City Council has taken previous action regarding the Crab Rationalization Program:

1. Adopted Resolution 2002-04 on January 15, 2003 supporting the Crab Rationalization Program for the BSAI crab fisheries;
2. Adopted Resolution 2003-27 on May 5, 2003 supporting the North Pacific Council final recommendations on the BSAI Crab Rationalization program; and
3. Adopted Resolution 2005-37 on April 26, 2005 authorizing Unalaska Crab Inc. to serve the community of Unalaska as the Eligible Crab Community Entity.

Unalaska Crab, Inc. has taken the following actions:

4. Approved and signed ROFR agreements in 2005, 2008, 2012, 2016 and 2017; and
5. Approved and signed Framework Agreements providing for certain in season exemptions from restrictions on where crab quota is processed in 2013, 2014, 2015, 2016 and 2017;
6. Amended their Bylaws in 2017 to allow telephonic participation by the Board of Directors; and
7. Authorized amendment of most of the previously approved ROFR agreements in 2016.

BACKGROUND: Article IV, Section 1 of the Bylaws of Unalaska Crab, Inc. provide for election of officers (President, Vice-President, Secretary and Treasurer) of the Corporation, and the election of officers is to be held at the first meeting of the Board of Directors held after the

Annual Meeting of the members of the Corporation. The Annual Meeting of UCI is set each year to comply with the requirements of the State of Alaska to exist as a corporation. "Members" of the corporation are the registered voters of Unalaska. The corporate bylaws set a relatively high quorum requirement (20% of the number of votes cast in the most recent local election) so the Annual Meeting is typically adjourned for lack of a quorum.

The 2017 Annual Meeting of the corporation has just been held, so it is time to elect officers.

Pursuant to the Bylaws, the Board of Directors of UCI consists of the City Council and Mayor; Officers are elected. Officers do not have to be City Council Members. Current officers are Frank Kelty as President and Vice President and Peggy McLaughlin as Secretary/Treasurer.

DISCUSSION: The City attorney recommends that separate persons be elected to the offices of President and Vice President. It is up to the Board of Directors to nominate and vote on officers.

PROPOSED MOTION:

Main Motion: I move to adopt Unalaska Crab Inc. Resolution 2018-01.

Amendments:

1. I nominate _____ to serve as President.
2. I nominate _____ to serve as Vice President.
3. I nominate _____ to serve as Secretary/Treasurer.

**CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
TUESDAY, DECEMBER 12, 2017, 6:00 PM
UNALASKA CITY HALL COUNCIL CHAMBERS
MINUTES**

The regular meeting of the Unalaska City Council was called to order at 6:00 pm, December 12, 2017, in the Unalaska City Hall Council chambers. Roll was taken:

PRESENT

Frank Kelty, Mayor
Dennis Robinson
Roger Rowland
James Fitch
Alejandro Tungul
Shari Coleman

ABSENT

David Gregory (Excused)

PLEDGE OF ALLEGIANCE: Mayor Kelty led the Pledge of Allegiance.

RECOGNITION OF VISITORS: UCSD Raider Volleyball Team and Coaches; UCSD Raider Swim Team and Coach.

ADDITIONS TO AGENDA: None.

MINUTES OF PREVIOUS MEETINGS: Rowland made a motion to adopt the November 28, December 2 and December 5, 2017 meeting minutes; Robinson seconded. Motion passed by consensus.

FINANCIAL REPORT: None

BOARD/COMMISSION REPORTS: None.

MANAGER'S REPORT: In the packet

AWARDS/PRESENTATIONS: Mayor - UCSD Teams (Swimming & Volleyball)

COMMUNITY INPUT / ANNOUNCEMENTS

PUBLIC INPUT ON AGENDA ITEMS: None.

LEGISLATIVE

PUBLIC HEARING

Mayor Kelty opened the Public Hearing on Ordinance 2017-11.

Hearing not testimony the Public Hearing was closed.

1. ORDINANCE 2017-11 – SECOND READING: An Ordinance of the Unalaska City Council amending Unalaska Municipal Code Chapter 2.08 to create the office of Vice Mayor, Chapter 2.12 to clarify vacancy conditions, Chapter 2.20 to prohibit telephonic participation in executive sessions, define Sergeant at Arms, and clarify council directives, Chapter 2.64 to pay Planning Commissioners, Chapter 2.84 to clarify bonding requirements, Chapter 2.88 to clarify definition of substantial financial interest, Chapter 2.92 to update definition of "document" and Chapter 2.96 to define orders of interim succession for emergency preparedness purposes.

WORK SESSION

1. Presentation: Public Utilities Update (First of Two)
2. Discussion: Budget Calendar and CMMP Process Timeline
3. Discussion: Community Support Guidelines
4. Discussion: UMC Fencing Project Overview

RECONVENE TO REGULAR SESSION

CONSENT AGENDA

UNFINISHED BUSINESS

1. ORDINANCE 2017-11 – SECOND READING: An Ordinance of the Unalaska City Council amending Unalaska Municipal Code Chapter 2.08 to create the office of Vice Mayor, Chapter 2.12 to clarify vacancy conditions, Chapter 2.20 to prohibit telephonic participation in executive sessions, define Sergeant at Arms, and clarify council directives, Chapter 2.64 to pay Planning Commissioners, Chapter 2.84 to clarify bonding requirements, Chapter 2.88 to clarify definition of substantial financial interest, Chapter 2.92 to update definition of “document” and Chapter 2.96 to define orders of interim succession for emergency preparedness purposes.

Robinson made a motion to adopt Ordinance 2017-11; Fitch seconded.

Rowland made a motion to amend Ordinance 2017-11 Section 4: Subsection 2.20.075(D) Telephonic Participation to strike out underlined addition and reinstate overstruck section; no second.

Chair rules motion dies for lack of second.

Coleman made a motion to amend Ordinance 2017-11 Section 2: 2.08.050 Vice Mayor and Mayor Pro Tem to strike the language of the Vice Mayor from Section 2; Robinson seconded.

Robinson withdraws his second.

Chair rules motion dies for lack of second.

Roll Call Vote on main motion: Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes.

Motion passed. 5-0.

NEW BUSINESS

1. RESOLUTION 2017-67: Resolution of the Unalaska City Council authorizing the City Manager to enter into an agreement with Ron Moore Metal Recycling to ship nets from the City of Unalaska’s landfill to Seattle, in the amount of \$232,000

Rowland made a motion to adopt Resolution 2017-67; Tungul seconded.

Roll Call Vote: Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes.

Motion passed. 5-0.

2. RESOLUTION 2017-70: Resolution of the Unalaska City Council authorizing the City Manager to enter into an agreement with Iliuliuk Family Health Services, Inc., for disbursement of emergency assistance funds for the operation of the clinic.

Robinson made a motion to adopt Resolution 2017-70; Fitch seconded.

Roll Call Vote: Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes; Fitch – yes.

Motion passed. 5-0.

3. RESOLUTION 2017-71: Resolution of the Unalaska City Council authorizing funding for travel, per diem and salaries for two members of the Alaska Marine Pilots Association to participate in a ship simulation study as part of the analysis of the proposed deepening of the entrance channel to Dutch Harbor, to be credited as in-kind payment with the United States Army Corps of Engineers in an amount not to exceed \$17,000.

Tungul made a motion to adopt Resolution 2017-71; Rowland seconded.

Roll Call Vote: Rowland – yes; Robinson – yes; Tungul – yes; Fitch – yes; Coleman – yes.

Motion passed. 5-0.

COUNCIL DIRECTIVES TO CITY MANAGER: None.

COMMUNITY INPUT / ANNOUNCEMENTS: None.

ADJOURNMENT: The meeting was adjourned at 8:45pm.

Marjie Veeder
City Clerk

UNALASKA CITY COUNCIL

Unalaska, Alaska

Special Meeting
Thursday, December 28, 2017
12:00 p.m. (noon)

Unalaska City Hall
Council Chambers
43 Raven Way

MINUTES

1. Call to order
2. Roll call

PRESENT:

Frank Kelty, Mayor
Dennis Robinson
Roger Rowland
Alejandro Tungul
David Gregory
Shari Coleman

ABSENT:

James Fitch (Excused)

3. Pledge of Allegiance: Mayor Kelty led the Pledge of Allegiance
4. Reports
 - a. City Manager – In the Packet
5. Adoption of agenda – Agenda adopted without objection
6. Public testimony on agenda items: None
7. Regular agenda
 - a. New Business
 - i. RESOLUTION 2017-68: A Resolution of the Unalaska City Council authorizing the City Manager to amend Turnagain Marine's Contract for the Unalaska Marine Center Expansion and Replacement Project to include post holes for the Homeland Security Fencing Project in an amount not to exceed \$194,660

Rowland made a motion to adopt Resolution 2017-68; Robinson seconded.
Roll Call Vote: Robinson – yes; Tungul – yes; Gregory – yes; Coleman – yes; Rowland – yes
Motion passed. 5-0.
8. Adjournment: The meeting adjourned at 12:31 pm.

Marjie Veeder
City Clerk

TO: Mayor and Council
FROM: Nancy Peterson, Interim City Manager
SUBJECT: City Manager's Report
DATE: January 9, 2018

CITY MANAGER RECRUITMENT: As of January 4th, GovHR has received 13 additional applications for the City Manager position and anticipates recommending at least one of those candidates for consideration by the City Council. I will have further information regarding a schedule to complete a review of additional applicants at the Council meeting on January 9th. Mr. Veitch has communicated with the existing and new candidates and all are available for interviews either January 25-28 or February 1-4. If all Council Members are available, we may be able to proceed with interviews in January.

TEMPORARY EMPLOYEES: At the Special Meeting on December 28th, Erin Reinders verbally reported to the Council that the City had inadvertently exceeded the number of Temporary Employees that had been approved in the FY18 Budget. Following is a written report of the details:

Early in FY18, the City hired two Interns in Planning Department to complete several special projects in house rather than hiring an outside consultant, but they were not included in the budget or the total number of employees approved by the Council for FY18. These temporary employees have worked on special projects that would have otherwise been accomplished by a more costly external consultant or by staff time, taking away from other projects and responsibilities. The positions have been funded by a line item transfer from "Engineering" to "Temporary Employees". No benefits are offered to temporary employees and no additional costs were added to the Planning budget.

Similarly, the City recently hired a Temporary Medium Equipment Operation in DPW's Roads Division. This position was inadvertently left out of the FY18 budget and list of positions during the budget cycle. This part-time position (6 months maximum) has been budgeted for more than 10 years, and is needed to get us through the critical winter months. This position has been funded for the remainder of the winter by a line item transfer from "Overtime" to "Temporary Employees", to ensure that the cost is covered. No benefits are offered to temporary employees and additional funding is not anticipated at this time.

Administration has established a more thorough process to track part-time/temporary employees to ensure that approved position numbers are not exceeded in the future.

WASTEWATER TREATMENT PLANT FINAL CONTRACT NEGOTIATION. I have had two meetings with Alaska Mechanical, Inc. to review the outstanding change orders on the Wastewater Treatment Plant and their claim for additional compensation for project delays. I anticipate bringing a recommendation to the Council for final settlement by February 13th. I am working to ensure subcontractors receive payment for all work performed outside of any of the unresolved change orders, as quickly as possible.

BOARD OF EQUALIZATION MEETING. As I reported to the Council on November 9th, the Superior Court determined that the City of Unalaska Board of Equalization failed to make adequate findings of fact and conclusions in support of their decision to grant Coe Whittern's appeal on the 2016 real property tax assessment for the property he owns, Tract D Parcel 06-04-280.

The court has ordered the BOE to meet again and identify with more specificity the reasons for its original decision. All deadlines for appeal have expired and the City now needs to schedule that BOE meeting. Administration recommends holding the BOE in April – prior to the next regular meeting of the BOE. Please let the City Clerk know of any anticipated schedule conflicts for April so that we can schedule the meeting.

FIRE DEPARTMENT COVERAGE. Senior Fire Captain Mike Hanson has been appointed as the Acting Fire Chief on an Interim basis and Fire Captain Ariel Hernandez will serve as in Acting Senior Captain role. In addition, long time Fire volunteer Ramona Thompson has agreed to serve in a volunteer capacity as a Senior Fire Captain, and will be supporting the volunteer efforts within the Division. The Chief's position has been advertised and closes on February 6, 2018. Filling this position is a top priority for City Administration.

DMV SERVICES. Services at the DMV office will be significantly reduced, effective January 8, 2018. The DMV will be closed 1/8-2/19 due to an absence of staff. Many DMV services such as driver's license and vehicle registration renewals can be completed online and instructional pamphlets and information will be available at the Public Safety office. Additional staff will be receiving training and certification to enable the department to offer limited hours and services after February 19th. The Public Safety Department has contacted industry representatives regarding the decrease in service that will be available and they are bringing in an outside contractor to assist with commercial needs.

LEGISLATIVE LOBBYING TRIP/EVENT. I have spoken with our Lobbyist and tentatively scheduled the annual legislative lobbying trip and the Crab event in Juneau for either March 20 or 22, if Council wishes to proceed with a program similar to the ones in previous years. Council should discuss the lobbying trip and the program on January 9th so that staff can make the necessary preparations.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: NANCY PETERSON, INTERIM CITY MANAGER
DATE: JANUARY 9, 2018
RE: APPOINTMENT OF VICE MAYOR

Council approved Ordinance Resolution 2017-11 on December 12, 2017, amending Title 2 to create the position of Vice Mayor.

UCO 2.08.050 reads as follows:

2.08.050 VICE MAYOR AND MAYOR PRO TEM.

(A) The City Council, at the first meeting immediately following certification of a regular municipal election, shall appoint, from among its members, a Vice Mayor. The Vice Mayor shall serve for a term of one (1) year.

(B) Should the office of Mayor become vacant, or if the Mayor is temporarily absent or disabled, or is unable to act, the Vice Mayor shall fulfil the duties of the Mayor until the Mayor resumes his or her official duties or until a new Mayor is qualified under this chapter.

(C) Should the office of Mayor and Vice Mayor become vacant, or if the existing Mayor and Vice Mayor are temporarily absent or disabled, or are unable to act, the City Council may appoint, from among its members, a Mayor pro tem, to serve until the Mayor or Vice Mayor resumes his or her official duties or until a new Mayor is qualified under this chapter.

(D) A member of the City Council shall not receive additional compensation for serving as Vice Mayor or Mayor pro tem.

City Attorney Brooks Chandler advised it is acceptable to appoint a Vice Mayor at this time, even though the ordinance contemplates appointment following the regular election. In essence, Council will be filling a vacancy in the position of Vice Mayor. The Vice Mayor appointed this evening will serve until the next regular election, completing the remainder of the one year term.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: NANCY PETERSON, INTERIM CITY MANAGER
DATE: JANUARY 9, 2018
RE: GCI PRESENTATION

Dan Boyette, Vice President of Wireless Services for GCI, will make a presentation to the council regarding the status and progress of their fiber project.

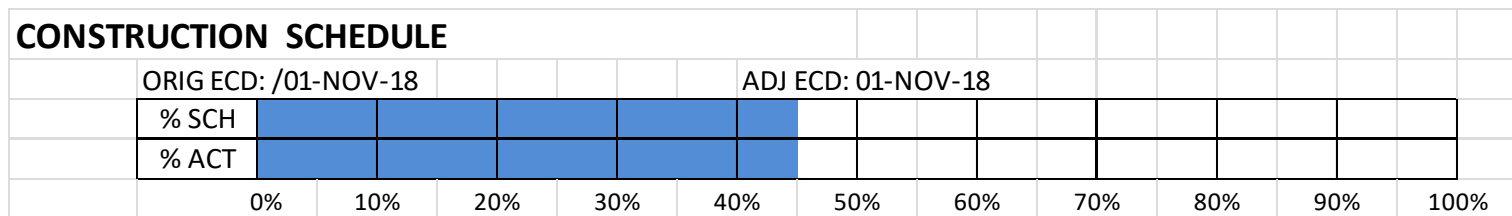
Capital Projects Update

January 4, 2018



UMC Positions 3&4 Replacement Project

- **Unalaska Marine Center (UMC) Positions III & IV Replacement (PH17D)**
 - Bid Award Schedule:
 - Opened bids 3-22-17
 - Council award 3-28-17
 - Turnagain Marine (TMC) mobilized to site 6-14-17
 - Demo of old Positions 3 & 4 is complete
 - Sheet piling and vibra-compaction complete on all 22 cells
 - Monitoring of sheet pile movement is complete
 - All 12 crane tie-down pipe piles are installed (as of 12-5-17)
 - 37 of 95 crane rail pipe piles are installed and all need concrete fill
 - Security Fence post hole footings awarded to TMC by Council 12-28-17
 - Turnagain Marine is on schedule and returned Jan 2nd after holiday break
 - Work remaining for season #1 includes:
 - Backfill cells
 - Pipe pile driving
 - Face beam and fender system installation
 - Season #1 – interim completion date is February 1, 2018

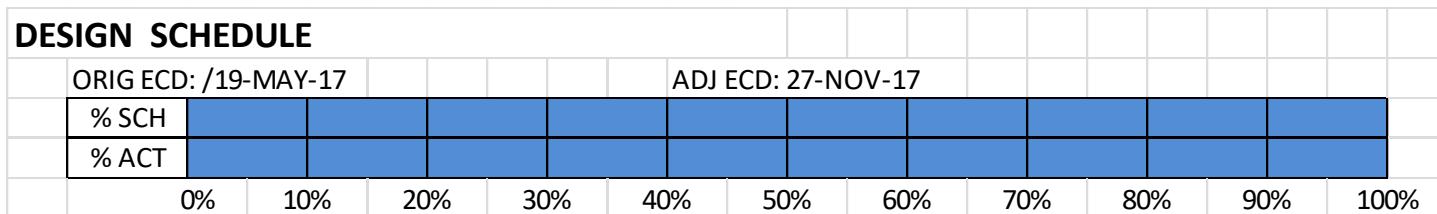


MUNIS PROJECT PH17D - UMC POSITIONS III & IV REPLACEMENT

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Salaries and Wages	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	\$ -	\$ 3,500.00
Overtime	\$ 750.00	\$ -	\$ -	\$ 750.00	\$ -	\$ 750.00
Health Insurance Benefit	\$ 750.00	\$ -	\$ -	\$ 750.00	\$ -	\$ 750.00
FICA / Medicare Employer Match	\$ 750.00	\$ -	\$ -	\$ 750.00	\$ -	\$ 750.00
PERS Employer Benefit	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ -	\$ 500.00
Unemployment Ins Benefit	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ -	\$ 500.00
Workers Compensation Ins	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ -	\$ 500.00
Other Employee Benefits	\$ 250.00	\$ -	\$ -	\$ 250.00	\$ -	\$ 250.00
Legal	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	\$ -	\$ 3,500.00
Engineering and Architectural	\$ 2,075,000.00	\$ 669,409.02	\$ 1,329,810.98	\$ 75,780.00	\$ -	\$ 75,780.00
Other Professional	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00	\$ -	\$ 250,000.00
Construction Services	\$ 34,145,235.00	\$20,571,688.93	\$ 13,518,300.73	\$ 55,245.34	\$ -	\$ 55,245.34
Telephone / Fax / TV	\$ 1,000.00	\$ 347.76	\$ -	\$ 652.24	\$ -	\$ 652.24
Advertising	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
Travel and Related Costs	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
Permit Fees	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
Contingency	\$ 2,409,140.00	\$ -	\$ -	\$ 2,409,140.00	\$ 194,660.00	\$ 2,214,480.00
General Supplies	\$ 2,500.00	\$ -	\$ -	\$ 2,500.00	\$ -	\$ 2,500.00
Computer Hardware/Software	\$ 3,125.00	\$ 3,114.00	\$ -	\$ 11.00	\$ -	\$ 11.00
Interest Expense	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00
	\$ 39,000,000.00	\$21,244,559.71	\$ 14,848,111.71	\$ 2,907,328.58	\$ 194,660.00	\$ 2,712,668.58

- **Unalaska Marine Center (UMC) Security Fencing (PH17B)**

- Physical security of the facility is required to create a controlled access point, allowing law enforcement to better screen personnel for potential terrorists, acts of vandalism, and theft
- Scope of project is to install commercial grade security fencing around UMC facility encompassing all 7 dock positions and spanning 2200'
- Design funded by COU and construction partially funded thru State Homeland Security Grant Program (SHSP). Fence post footings to be placed on Turnagain Marine's contract outside the grant.
- Grant performance period 9-1-16 to 9-30-18
- Design minimizes conflict with UMC Positions III and IV Replacement Project with fence construction in early fall '18
- 95% level cost estimate is \$566,727 including contingency
- PND is finished with the 100% design which has been sent to grantor for review of Federal grant conditions



MUNIS PROJECT PH17B - UMC SECURITY FENCING

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Engineering and Architectural	\$ 55,000.00	\$ -	\$ -	\$ 55,000.00	\$ -	\$ 55,000.00
Survey Services	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ -	\$ 3,000.00
Construction Services	\$ 264,000.00	\$ -	\$ -	\$ 264,000.00	\$ -	\$ 264,000.00
Advertising	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	\$ -	\$ 1,500.00
Interest Expense	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	\$ -	\$ 1,500.00
	\$ 325,000.00	\$ -	\$ -	\$ 325,000.00	\$ -	\$ 325,000.00

Drainage Projects (PW203) and Ilulaa Lake (PW004)

Completed Work:

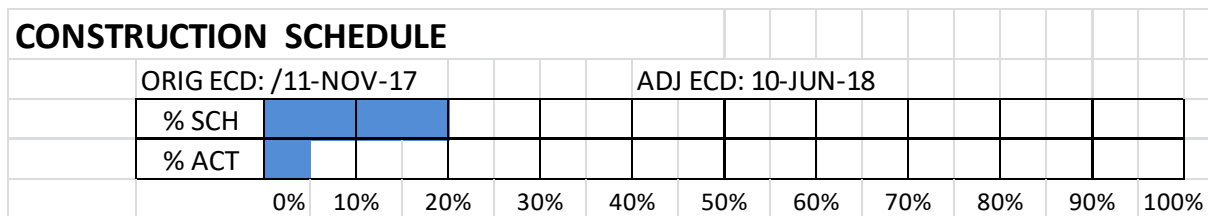
- Salmon Way – Completed during 2015 paving project
- King Street – Completed during 2015 paving project
- Broadway and Dutton Drive Lake - scoping only (in progress)
- Gilman Road – Completed 6-15-17 by Northern Alaska Contractors

Remaining Work:

- Gilman Road - Final as-built survey and possibly a new easement will be required
- Powerhouse/Biorka Drive – Design complete. Excluded because of PCB contamination
- East Point Road behind Safeway – Design complete. Easement acquired
- Trapper Drive and Raven Way – Design complete. No easement needed
- Standard Oil Hill Makushin Drive – Design complete. Easement acquired
- Ilulaa Lake – Design complete. This is an overflow pipe and will not drain the lake. An easement MOU with OC/Matson has been drafted but not yet signed by Matson

Schedule:

- 5-2-17 bids received/opened
- Northern Alaska Contractors (NAC) sole bidder
- Ilulaa Lake awarded pending MOU with OC to cross Matson yard
- Trapper Drive portion removed from contract due to budget shortfall
- Pre-Construction meeting held 6-30-17 with Notice to Proceed issued 7-5-17
- NAC requested moving work to summer 2018 which was granted



MUNIS PROJECT PW203 - CITYWIDE MULTIPLE LOCATION DRAINAGE

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Salaries and Wages	\$ 500.00	\$ 102.84	\$ -	\$ 397.16	\$ -	\$ 397.16
Overtime	\$ 500.00	\$ 330.14	\$ -	\$ 169.86	\$ -	\$ 169.86
Health Insurance Benefit	\$ 500.00	\$ 107.19	\$ -	\$ 392.81	\$ -	\$ 392.81
FICA/Medicare Employer Match	\$ 100.00	\$ 33.11	\$ -	\$ 66.89	\$ -	\$ 66.89
PERS Employer Benefit	\$ 500.00	\$ 114.87	\$ -	\$ 385.13	\$ -	\$ 385.13
Workers Compensation Ins	\$ 50.00	\$ 8.36	\$ -	\$ 41.64	\$ -	\$ 41.64
Other Employee Benefits	\$ 50.00	\$ 2.50	\$ -	\$ 47.50	\$ -	\$ 47.50
Legal	\$ 245.00	\$ 230.00	\$ -	\$ 15.00	\$ -	\$ 15.00
Engineering and Architectural	\$ 389,950.00	\$ 292,901.95	\$ 97,038.48	\$ 9.57	\$ -	\$ 9.57
Construction Services	\$ 3,001,462.71	\$ 1,952,133.32	\$ 948,661.00	\$ 100,668.39	\$ -	\$ 100,668.39
Telephone/FAX/TV	\$ 500.00	\$ 41.76	\$ -	\$ 458.24	\$ -	\$ 458.24
Advertising	\$ 305.00	\$ 303.80	\$ -	\$ 1.20	\$ -	\$ 1.20
Travel and Related Costs	\$ 605.00	\$ 581.03	\$ -	\$ 23.97	\$ -	\$ 23.97
Land	\$ 54,732.29	\$ 14,783.61	\$ -	\$ 39,948.68	\$ -	\$ 39,948.68
	\$ 3,450,000.00	\$ 2,261,674.48	\$ 1,045,699.48	\$ 142,626.04	\$ -	\$ 142,626.04

MUNIS PROJECT PW004 - ILULAQ LAKE DRAINAGE

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Legal	\$ 250.00	\$ -	\$ -	\$ 250.00	\$ -	\$ 250.00
Engineering and Architectural	\$ 136,312.00	\$ 78,849.37	\$ 55,391.79	\$ 2,070.84	\$ -	\$ 2,070.84
Sampling / Testing	\$ 10,000.00	\$ 7,460.00	\$ -	\$ 2,540.00	\$ -	\$ 2,540.00
Survey Services	\$ 14,000.00	\$ 13,980.00	\$ -	\$ 20.00	\$ -	\$ 20.00
Construction Services	\$ 899,000.00	\$ -	\$ 795,920.00	\$ 103,080.00	\$ -	\$ 103,080.00
Telephone / Fax / TV	\$ 250.00	\$ 13.09	\$ -	\$ 236.91	\$ -	\$ 236.91
Advertising	\$ 500.00	\$ 252.32	\$ -	\$ 247.68	\$ -	\$ 247.68
Permit Fees	\$ 11,000.00	\$ 485.00	\$ -	\$ 10,515.00	\$ -	\$ 10,515.00
Land	\$ 7,000.00	\$ 6,787.03	\$ -	\$ 212.97	\$ -	\$ 212.97
	\$ 1,078,312.00	\$ 107,826.81	\$ 851,311.79	\$ 119,173.40	\$ -	\$ 119,173.40

Shore Protection and Erosion Control (PW301)

- Construction is 55% complete
- In-house DPW-Roads project
- Scope includes stabilizing the shoreline on ABR and Ballyhoo Rd
- Rock from the WWTP site work was placed at this project location
- Additional shoreline stabilization is on-going as time, equipment, materials, and manpower allows
- Buried culvert flowing into ocean across Airport Beach Road from Amelia's was located, uncovered, and extended towards ocean prior to armor stone being placed
- In October 2017, DPW Roads crew placed armor stone between UMC Position 7 and the airport
- Armor stone will soon be placed along the inside of The Spit which suffered some erosion during a recent storm

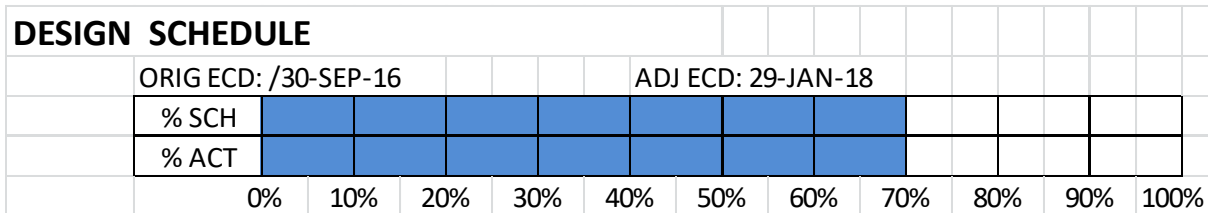
CONSTRUCTION SCHEDULE												
	ORIG ECD: /30-SEP-14				ADJ ECD: 30-SEP-18							
% SCH	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
% ACT	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	

MUNIS PROJECT PW301 - SHORE PROTECTION & EROSION CONTROL

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Engineering and Architectural	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	\$ -	\$ 20,000.00
Other Professional	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone / Fax / TV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sand / Gravel / Rock	\$ 245,000.00	\$ 144,836.23	\$ -	\$ 100,163.77	\$ -	\$ 100,163.77
	\$ 265,000.00	\$ 144,836.23	\$ -	\$ 120,163.77	\$ -	\$ 120,163.77

UCSD Playground Renovation (SS601)

- Scope Includes:
 - Multi-use court (basketball, volley-ball)
 - Field improvements (soccer, touch football)
 - Perimeter running track
 - 4 Square court
 - Swings
 - Play equipment (climbing structures)
- DPW worked with School District and Sustainable Design Group (landscape architects) on concept plan
- DPW and UCSD met on-site with playground equipment rep for concept
- Native plant info sent to landscape architect to incorporate into plans
- Final plan being discussed - waiting for playground equipment rep input
- DPW Roads crew removed rusty fence and will provide site grading
- DPW Roads will perform earthwork & grading in summer 2018
- Playground equipment will go out to bid in January for summer 2018 construction

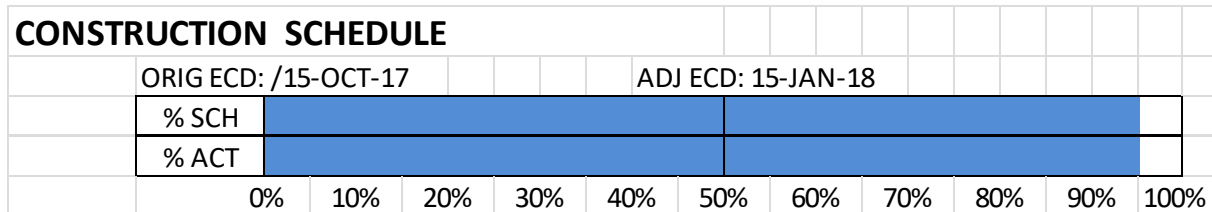


MUNIS PROJECT SS601 - UCSD PLAYGROUND RENOVATION

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Engineering and Architectural	\$ 75,000.00	\$ 5,000.00	\$ -	\$ 70,000.00	\$ 11,500.00	\$ 58,500.00
Survey Services	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ -	\$ 2,000.00
Solid Waste	\$ 500.00	\$ 442.38	\$ -	\$ 57.62	\$ -	\$ 500.00
Construction Services	\$ 219,500.00	\$ -	\$ -	\$ 219,500.00	\$ -	\$ 219,500.00
Telephone / Fax / TV	\$ 100.00	\$ -	\$ -	\$ 100.00	\$ -	\$ 100.00
Advertising	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ -	\$ 500.00
Interest Expense	\$ 2,400.00	\$ -	\$ -	\$ 2,400.00	\$ -	\$ 2,400.00
	\$ 300,000.00	\$ 5,442.38	\$ -	\$ 294,557.62	\$ 11,500.00	\$ 283,500.00

Captains Bay Electrical Upgrade (EL17C)

- Scope is installation of 6,900 LF of 35KV electrical primary (2 – 6” HDPE) and communication spares (2 – 2”) from Airport Beach Road to Westward Seafoods. Trench will be 5’ deep with 4’ of cover over pipe which will all be at same depth
- Construction removes exist 15KV line - Westward to provide temp power
- Communications cable will be installed under a separate budget
- Two bids received with Northern Alaska Contractors (NAC) (sub Electrical Power Constructors) winning the bid at \$1,488,248
- Field work completed on time 12-15-17 with final completion on 1-15-18.
- EPS is providing CA Services and Regan Engineering the inspections
- City purchased 2 transformers and 1 pad mounted switch and 1 pad mounted re-closer (breaker)
- Work is substantially complete pending punchlist items
- 450’ of 2” conduit was added to accommodate future street lights

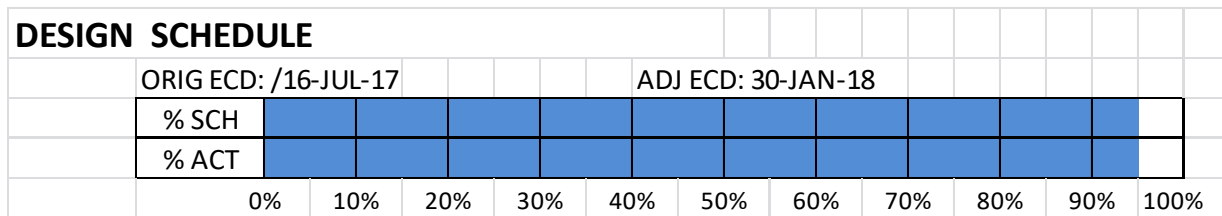


MUNIS PROJECT EL17C - CAPTAINS BAY ELECTRICAL UPGRADE

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Overtime	\$ 8,000.00	\$ 959.25	\$ -	\$ 7,040.75	\$ -	\$ 7,040.75
Health Insurance Benefit	\$ 2,000.00	\$ 386.90	\$ -	\$ 1,613.10	\$ -	\$ 1,613.10
FICA/Medicare Employer Matc	\$ 1,500.00	\$ 73.38	\$ -	\$ 1,426.62	\$ -	\$ 1,426.62
PERS Employer Benefit	\$ 4,000.00	\$ 254.51	\$ -	\$ 3,745.49	\$ -	\$ 3,745.49
Unemployment Ins Benefit	\$ 200.00	\$ 1.85	\$ -	\$ 198.15	\$ -	\$ 198.15
Workers Compensation Ins	\$ 500.00	\$ 24.52	\$ -	\$ 475.48	\$ -	\$ 475.48
Other Employee Benefits	\$ 200.00	\$ 4.71	\$ -	\$ 195.29	\$ -	\$ 195.29
Legal	\$ 90.00	\$ 90.00	\$ -	\$ -	\$ -	\$ -
Engineering and Architectural	\$ 500,000.00	\$ 300,146.98	\$ 77,009.02	\$ 122,844.00	\$ 28,850.00	\$ 93,994.00
Other Professional	\$ 910.00	\$ -	\$ -	\$ 910.00	\$ -	\$ 910.00
Construction Services	\$ 1,819,086.00	\$ 1,335,682.79	\$ 84,983.30	\$ 398,419.91	\$ -	\$ 398,419.91
Telephone / Fax / TV	\$ 250.00	\$ 255.48	\$ -	\$ (5.48)	\$ -	\$ (5.48)
Advertising	\$ 500.00	\$ 273.92	\$ -	\$ 226.08	\$ -	\$ 226.08
Permit Fees	\$ 3,600.00	\$ -	\$ -	\$ 3,600.00	\$ -	\$ 3,600.00
General Supplies	\$ 200,000.00	\$ 9,944.59	\$ -	\$ 190,055.41	\$ -	\$ 190,055.41
Machinery and Equipment	\$ 110,000.00	\$ 69,775.00		\$ 40,225.00	\$ -	\$ 40,225.00
	\$ 2,650,836.00	\$ 1,717,873.88	\$ 161,992.32	\$ 770,969.80	\$ 28,850.00	\$ 742,119.80

Old Powerhouse Battery System Replacement (EL17B)

- 60 thirty-two year old batteries supply power to switchgear and emergency equipment in the event of power outage and are 7 years past their replacement date
- Resolution 2017-01 on January 24, 2017 authorized City Manager to enter into agreement with Electrical Power Systems (EPS) to perform, design, provide bid phase support, and perform construction inspection
- 95% plans received December 5, 2017 and COU provided comments
- Cost estimate of \$443,500 (includes 10% contingency) exceeds original estimated cost. This is due to code requirements that became known during design; specifically: additional ventilation, eyewash station, fire-proofing walls and ceiling, and fire marshal review/approval
- Budget will be updated during the CMMP process and the project bid after July 1, 2018



MUNIS PROJECT EL17B - OLD POWERHOUSE BATTERY SYSTEM REPLACEMENT

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Overtime	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00
Health Insurance Benefit	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ -	\$ 2,000.00
FICA/Medicare Employer Match	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
PERS Employer Benefit	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
Unemployment Ins Benefit	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
Workers Compensation Ins	\$ 400.00	\$ -	\$ -	\$ 400.00	\$ -	\$ 400.00
Other Employee Benefits	\$ 400.00	\$ -	\$ -	\$ 400.00	\$ -	\$ 400.00
Engineering and Architectural	\$ 75,000.00	\$ 48,284.04	\$ 19,896.96	\$ 6,819.00	\$ -	\$ 6,819.00
Sampling / Testing	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
Solid Waste	\$ 7,500.00	\$ -	\$ -	\$ 7,500.00	\$ -	\$ 7,500.00
Construction Services	\$ 99,500.00	\$ -	\$ -	\$ 99,500.00	\$ -	\$ 99,500.00
Telephone / Fax / TV	\$ 500.00	\$ 16.30	\$ -	\$ 483.70	\$ -	\$ 483.70
General Supplies	\$ 13,770.00	\$ -	\$ -	\$ 13,770.00	\$ -	\$ 13,770.00
Machinery and Equipment	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00
	\$ 263,070.00	\$ 48,300.34	\$ 19,896.96	\$ 194,872.70	\$ -	\$ 194,872.70

Wind Power Development and Integration (EL18)

- Phase I: In years past, initial steps began assessment of wind power
- Phase II: Pre-Design
 - V3 Energy (V3) selected to assess prospective temporary Meteorological Tower (MET) sites and basic grid requirements
 - V3 held initial site visit, met with COU, and met with OC in November 2017
 - V3 will return in 2018 to conduct thorough site inspections and present findings
- Phase III:
 - Installation of MET Towers, obtaining permits, property access, installation of 2 or 3 towers, and collection of wind data for at least one full year. One year of data is minimum to obtain warranties from prospective turbine manufacturers
 - If initial wind data exhibits undesirable characteristics such as excessive turbulence or shear, a tower may be moved to the next site on a prioritized list. The prioritized list emphasizes open exposure, proximity to electrical grid, future site development costs, and FAA restrictions
 - The list is still under development but might include Pyramid Valley near Veronica Lake, Upper Ptarmigan/Ski Bow, Ballyhoo above Airport, Ballyhoo Spit, Little South America above CEM, and South Hog Island
- Phase IV:
 - Will use wind data collected in Phase III to define a future wind farm and assess the electrical grid for integration

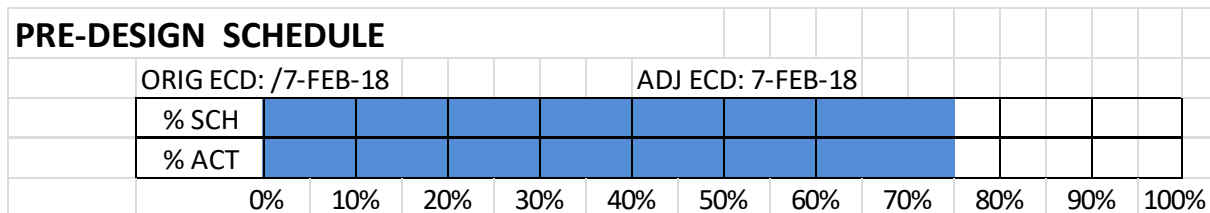
PRE-DESIGN SCHEDULE											
	ORIG ECD: /30-SEP-18				ADJ ECD: 30-SEP-18						
% SCH	■										
% ACT	■										
	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%

MUNIS PROJECT EL18C - WIND POWER DEVELOPMENT

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Engineering and Architectural	\$ 180,000.00	\$ -	\$ -	\$ 180,000.00	\$ -	\$ 180,000.00
Other Professional	\$ 19,450.00	\$ 135.00	\$ -	\$ 19,315.00	\$ -	\$ 19,315.00
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone / Fax / TV	\$ 200.00	\$ 64.79	\$ -	\$ 135.21	\$ -	\$ 135.21
Advertising	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ 350.00
Permit Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 200,000.00	\$ 199.79	\$ -	\$ 199,800.21	\$ -	\$ 199,800.21

Public Library Improvements (EL17B)

- The Library teamed with an architect hired by the Rasmuson Foundation and the Foraker Group for pre-development analyzing the need for, and scope of, renovations
- The initial public meeting was held 8-31-17 with the architect
- A second public meeting was held on 11-27-17 where the architect presented several conceptual floor plans and received input
- The architect presented conceptual floor plans to council on 11-28-17. Council was receptive to a renovation which includes a full expansion to the south and a buildout on the west.
- The next step is for the architect to further develop cost estimates which will be used to update the FY19 CMMP
- The architect is tentatively scheduled to meet with the Library Advisory Board and formally present Council with the final Pre-Development Report on 2-27-18



MUNIS PROJECT PR601 - PUBLIC LIBRARY IMPROVEMENTS

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Engineering and Architectural	\$ 40,000.00	\$ 3,500.00	\$ -	\$ 36,500.00	\$ -	\$ 36,500.00
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone / Fax / TV	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ -	\$ 600.00
Advertising	\$ 1,900.00	\$ -	\$ -	\$ 1,900.00	\$ -	\$ 1,900.00
	\$ 42,500.00	\$ 3,500.00	\$ -	\$ 39,000.00	\$ -	\$ 39,000.00

Generals Hill Water Booster Pump (WA18A)

- In 2009 Regan Engineering developed bid level design plans for a water booster station to improve water pressure on Generals Hill. The plans were not finished due to lack of property access
- In 2015 DPW engaged a surveyor to develop a ROW acquisition for a 70'x70' portion of an un-subdivided lot which is owned by OC. OC requested a full subdivision rather than a ROW acquisition
- Suitable land has also been identified across the Eagle/Aerie/Adams Drive intersection which is owned by a private party
- DPW/U working with Planning on land acquisition of either property

DESIGN SCHEDULE												
	ORIG ECD: /30-SEP-18				ADJ ECD: 30-SEP-18							
% SCH	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
% ACT	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	

MUNIS PROJECT WA18A - GENERALS HILL WATER BOOSTER PUMP

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Engineering and Architectural	\$ 16,700.00	\$ -	\$ -	\$ 16,700.00	\$ -	\$ 16,700.00
Survey Services	\$ 2,500.00	\$ -	\$ -	\$ 2,000.00	\$ -	\$ 2,000.00
Solid Waste	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ 500.00
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone / Fax / TV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permit Fees	\$ 2,400.00	\$ -	\$ -	\$ 2,400.00	\$ -	\$ 2,400.00
	\$ 21,600.00	\$ -	\$ -	\$ 21,600.00	\$ -	\$ 21,600.00

Repeater Site Upgrade (PS18A)

- This project will bring us into compliance with the Motorola R56 Standards audit conducted in 2016
- Upgrades will provide redundancy to help reduce the risk of radio systems failure, protection of electronics, improved grounding, and building replacement
- Includes work at DPS and on top of Haystack
- The repeater site upgrade work is expected to be completed in the summer of 2018

CONSTRUCTION SCHEDULE												
	ORIG ECD: /30-AUG-18				ADJ ECD: 30-AUG-18							
% SCH												
% ACT												
	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	

MUNIS PROJECT PS18A - REPEATER SITE UPGRADE

DESC	FY2018 BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMBRANCES	ACTUAL AVAILABLE
Engineering and Architectural	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Survey Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Solid Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ 109,450.00	\$ -	\$ -	\$ 109,450.00	\$ -	\$ 109,450.00
Telephone / Fax / TV	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ 200.00
Advertising	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ 350.00
Permit Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 110,000.00	\$ -	\$ -	\$ 110,000.00	\$ -	\$ 110,000.00

OTHER OPEN CAPITAL PROJECTS

IN VARIOUS STAGES OF DESIGN, CONSTRUCTION, OR CLOSE-OUT AS OF 12-31-17

MUNIS ID	DESCRIPTION	FY2018 REVISED BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMB	ACTUAL AVAILABLE	% COMPLETE
Public Safety								
PS602	NEW FIRE ENGINE	\$ 737,573	\$ 650,350.00	\$ -	\$ 87,223		\$ 87,223	88%
PS18B	RECORDS MANAGEMENT SYSTEM	\$ 500,000	\$ -	\$ -	\$ 500,000		\$ 500,000	5%
Public Works								
D0810	S-CURVE PATHWAYS	\$ 174,000	\$ 65,706	\$ -	\$ 108,294		\$ 108,294	38%
PW401	SUMMER BAY BRIDGE REPLACE	\$ 2,330,307	\$ 2,103,130	\$ 13,336	\$ 213,841		\$ 213,841	100%
Parks, Culture & Recreation								
PR18A	AQUATICS CTR COLUMN REPAIRS	\$ 45,000	\$ 45,000	\$ -	\$ -		\$ -	100%
Other								
GG601	GIS ORTHOPHOTOGRAPHY	\$ 100,000	\$ -	\$ 50,000	\$ 50,000		\$ 50,000	25%
Electric								
EL302	POWERHOUSE ENGINE 4	\$ 8,575,088	\$ 7,910,142	\$ 11,319	\$ 653,627		\$ 653,627	95%
EL18A	GENERATOR SETS REBUILD	\$ 1,267,306	\$ 894	\$ 544,263	\$ 722,149		\$ 722,149	0%
EL18B	AUTOMATIC METER READ SYSTEM	\$ 119,362	\$ -	\$ -	\$ 119,362		\$ 119,362	0%
Water								
WA17B	FIBER OPTIC INFRASTRUCTURE DEVELOP	\$ 59,127	\$ -	\$ -	\$ 59,127		\$ 59,127	0%
WA17C	PYRAMID WTP MICRO TURBINES	\$ 50,000	\$ -	\$ -	\$ 50,000		\$ 50,000	0%
WA17D	WATER TRUCK FILLING STATION	\$ 159,325	\$ -	\$ -	\$ 159,325		\$ 159,325	0%
WA304	WATER SUPPLY DEVELOP PHASE II	\$ 560,020	\$ 363,996	\$ -	\$ 196,024		\$ 196,024	65%
WA402	WATER FLOW OPTIMIZATION	\$ 99,500	\$ 14,340	\$ 79,650	\$ 5,510		\$ 5,510	15%
WA501	PYRAMID WATER STORAGE TANK	\$ 625,000	\$ 93,662	\$ -	\$ 531,338		\$ 531,338	15%
WA504	WATER UTILITY AUTO METER READ	\$ 106,052	\$ 30,047	\$ 3,338	\$ 72,668		\$ 72,668	28%
Wastewater								
J0519	WASTE WATER TREATMENT PLANT	\$ 31,786,913	\$ 30,282,436	\$ 162,378	\$ 1,342,099	\$ 1,803,128	\$ (461,029)	100%
WW17B	FIBER OPTIC INFRASTRUCTURE DEVELOP	\$ 59,127	\$ -	\$ -	\$ 59,127		\$ 59,127	0%
WW17C	LIFT STATIONS 2&5 DISCHARGE PIPE	\$ 122,250	\$ 5,007	\$ -	\$ 117,243		\$ 117,243	5%
WW18A	DELTA WAY EMERGENCY SEWER REPAIR	\$ 415,000	\$ 337,479	\$ 48,521	\$ 29,000		\$ 29,000	100%
Solid Waste								
SW18A	COMPOSTING PROJECT	\$ 30,000	\$ -	\$ -	\$ 30,000		\$ 30,000	0%
SW18B	LANDFILL CELLS 3&4 PARTIAL CLOSURE	\$ 1,000,000	\$ 30,398	\$ 23,212	\$ 946,390		\$ 946,390	5%

OTHER OPEN CAPITAL PROJECTS

IN VARIOUS STAGES OF DESIGN, CONSTRUCTION, OR CLOSE-OUT AS OF 12-31-17

MUNIS ID	DESCRIPTION	FY2018 REVISED BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMB	ACTUAL AVAILABLE	% COMPLETE
Ports								
PH17C	CEM BREAKWATER REPAIR	\$ 150,000	\$ 110,000	\$ -	\$ 40,000		\$ 40,000	70%
PH201	DREDGE ENTRANCE CHANNEL	\$ 1,500,000	\$ 649,088	\$ -	\$ 850,912		\$ 850,912	45%
PH301	UMC POSITIONS III & IV REPLACE DESIGN	\$ 3,167,358	\$ 3,078,464	\$ 12,193	\$ 76,701		\$ 76,701	100%
PH601	LIGHT CARGO DOCK EXPANSION	\$ 4,245,650	\$ 2,959,478	\$ 60,109	\$ 1,226,063		\$1,226,063	100%
PH602	LCD & UMC DREDGING	\$ 109,650	\$ -	\$ -	\$ 109,650		\$ 109,650	0%
PH905	ROBERT STORRS A&B	\$ 50,000	\$ -	\$ 22,360	\$ 27,640		\$ 27,640	0%
Airport								
AP18A	AIRPORT TERMINAL ROOF ASSESSMENT	\$ 140,000	\$ -	\$ -	\$ 140,000		\$ 140,000	0%
Housing								
EH18A	LEAR RD DUPLEX KITCHEN RENOVATIONS	\$ 124,994	\$ -	\$ -	\$ 124,994		\$ 124,994	0%
TOTAL		58,408,602						

Summary of Open Capital Projects Currently Under Design, Construction, or Close-Out

Featured Open Capital Projects in this Update

UMC Positions 3&4 Replacement	\$ 39,000,000
UMC Fence	\$ 325,000
Multiple Location Drainage	\$ 3,450,000
Ilulaq Lake	\$ 1,078,312
Shore Protection & Erosion Control	\$ 265,000
USCD Playground	\$ 300,000
Captains Bay Electrical Upgrade	\$ 2,650,836
Old Powerhouse Battery System Replacement	\$ 263,070
Wind Energy / Electric Production	\$ 200,000
Library Renovations	\$ 42,500
Generals Hill Water Booster Pump	\$ 21,600
Repeater Site Upgrade	\$ 110,000
	\$ 47,706,318
Other Open Capital Projects on Pages 24 & 25	\$ 58,408,602

Total Budget of Open Capital Projects \$ 106,114,920

For more information about this project update, contact:

Tom Cohenour
Director of Public Works
City of Unalaska, AK 99685
907-359-5056

Photos on this page are of the Delta Way Emergency Sewer Line Repair Project WW18A



Sewer Lift Station – Oil Contaminated



Excess Slip-Lining Material After Curing



Sewer Bypass Pump



Sewer By-Pass

The End

MEMORANDUM TO COUNCIL

TO: MAYOR AND COUNCIL
FROM: PEGGY MCLAUGHLIN, PORT DIRECTOR
THROUGH: NANCY PETERSON, INTERIM CITY MANAGER
DATE: JANUARY 9, 2018
RE: STATUS OF THE F/V AKUTAN

DISCUSSION: After months of back and forth with various State Agencies and the USCG, the Department of Natural Resources (DNR) and the Alaska Department of Environmental Conservation (ADEC) have taken action on the F/V Akutan by declaring it derelict.

The State of Alaska has issued a "Notice of Intended Disposal of Derelict Vessel" under AS 30.30.0909. In general, the State has taken custody of the F/V Akutan with the intent to dispose of it as a derelict vessel. The notice allows interested parties to repossess the vessel through January 13, 2018. If no party steps forward with a vested interest in the vessel, then the State will move forward with a plan of action to either sell by negotiation or auction, or destroy the vessel.

The USCG has indicated that the F/V Akutan could qualify for an emergency scuttle without an interested party to repossess. The designation of an emergency scuttle will allow some of the more expensive permitting requirements to be bypassed resulting in a swifter process. The objective under the emergency scuttle is to have the vessel removed from Unalaska and scuttled before the end of January.

At the January 9th City Council Meeting, we are putting forward a request to move \$31,400 from the General Fund to the City Manager's budget to assist with the dismantling of the Akutan's anchoring system, the towing, and the ammunition required to scuttle the vessel. The quote for this part of the scuttling is \$31,400. However, it is unclear as to whether or not there will be some additional mitigation for floatable debris required under the USCG permit. The quote that was submitted to the City of Unalaska for consideration was for a total of \$205,600, including the \$31,400 requested in the budget amendment. As discussed, it may be premature to appropriate funding for the debris removal for multiple reasons, but mostly because the USCG will not be making a final determination until after January 13, 2018.

When the Akutan was escorted into Dutch Harbor in August our immediate concern was that there was no exit strategy. Then the "passing of the buck" began. Not one agency, including the City of Unalaska, wanted to open the flood gates by being the organization that would "take care of" derelict vessels. These types of vessels are a huge problem in the State of Alaska and the lower 48. To reach a tangible option to collectively deal with the F/V Akutan is a huge win. The City of Unalaska especially benefits as we have the most to lose if the F/V Akutan were to sink at its current anchor.

We will provide additional information to the Council on January 9th regarding the progress made with the F/V Akutan removal and the pros and cons of supporting the removal at various levels financially.

Attachment:

Notice from the State (AS30.30.090-.100)

NOTICE OF INTENDED DISPOSAL OF DERELICT VESSEL

(AS 30.30.090-.100)

Please be advised that the State of Alaska has asserted custody over the vessel F/V Akutan and, after January 13, 2018, intends to dispose of the vessel by negotiated sale, public auction if two or more prospective purchasers indicate an interest in purchasing or, if no prospective purchaser is identified, as junk to be donated or destroyed.

Any potential sale of the F/V Akutan by the State of Alaska, whether by negotiated sale or public auction, shall be made as-is and without any warranties, express or implied, of any kind.

A successful prospective purchaser shall be solely responsible for removing the F/V Akutan from its current location, in compliance with all local, state, and federal laws, and for identifying and resolving any claims that may be asserted against the vessel, including any claims asserted by entities who have filed UCC financing statements indexed in the name of the owner of the F/V Akutan, Klawock Oceanside, Inc.

A person or entity may be required to submit a removal plan or meet other minimum qualifications to be considered a prospective purchaser.

The F/V Akutan is currently located in state waters, and moored to state land, near Dutch Harbor, Alaska. The F/V Akutan is a derelict vessel, as that term is defined under AS 30.30.090, because it has been left unattended in state waters, and moored to state land, for more than 24 consecutive hours and is obstructing a waterway and/or is endangering state property.

WARNING: the State of Alaska's intended disposal of the F/V Akutan may affect your property rights.

A person having an interest in the F/V Akutan **must** repossess the vessel on or before January 13, 2018. A failure to do so may result in the State of Alaska disposing of the F/V Akutan in the manner described above.

Please direct any questions or requests for additional information regarding the State of Alaska's intended disposal of the F/V Akutan to Clark Cox at 269-7470.

The below represents a cost estimate to retrieve the FV Akutan from her current location, deliver to a USCG Cutter approximately 1 mile outside Dutch Harbor. The USCG would then tow the vessel to the designated sinking site approximately 13 to 16 miles (100 fathoms minimum depth) where Resolve would provide explosives and technical expertise to sink the vessel to the bottom. **Items in yellow highlight are minimum requirement to take the vessel directly from Captains Bay to the site and sink the vessel.** Additional items are cost estimate to bring the FV Akutan alongside the Resolve Dock and remove/dispose of all floatables and ORM. This quote is provided on the basis that the vessel is sunk under an emergency order by the USCG. **THIS QUOTE DOES NOT CLEAN THE VESSEL TO THE STANDARD REQUIRED TO SINK A VESSEL UNDER PERMIT REQUIREMENTS WHERE THE USCG DISTRICT COMMANDER HAS NOT DECLARED AN EMERGENCY SITUATION EXISTS. This is an ESTIMATE Only. Actual time and material incurred will be invoiced in**

accordance with Resolve's Standard Rate Sheet

	Qty	Rate		days	
Floatable Debris Removal Labor	6	\$ 800.00		10	\$ 48,000.00
Roll Off Box rental	20	\$ 450.00		1	\$ 9,000.00
Roll Off Box trucking	40	\$ 275.00		1	\$ 11,000.00
Disposal @ Unalaska Landfill	20	\$ 2,300.00	10T per box	1	\$ 46,000.00
Waste Management Service ORMD	1	\$ 15,000.00		1	\$ 15,000.00
Waste Management Disposal Costs ORMD	1	\$ 10,000.00	TBD Estimate	1	\$ 10,000.00
Makushin Bay - Retrieve Mooring	1	\$ 15,000.00		1	\$ 15,000.00
Crane Operations	1	\$ 2,600.00		5	\$ 13,000.00
Forklift Operations	1	\$ 1,000.00		10	\$ 10,000.00
Dockage	1	\$ 800.00		12	\$ 9,600.00
Tug Service Capt Bay to Resolve Dock (1 Tug)	4	\$ 650.00		1	\$ 2,600.00
Tug Service Resolve Dock or Capt Bay to Cutter Redevious	6	\$ 650.00		1	\$ 3,900.00
Rig Akutan for towing	1	\$ 5,000.00		1	\$ 5,000.00
Explosives	1	\$ 5,000.00		1	\$ 5,000.00
Demolition team	1	\$ 2,500.00		1	\$ 2,500.00
As Is vessel Sinking direct from Capt Bay to Sink Site 13 miles out					\$ 31,400.00
Vessel Sinking w/floatable removal					\$ 205,600.00

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-01

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING DATES FOR THE FISCAL YEAR 2019 REAL PROPERTY TAX AND BUSINESS PERSONAL PROPERTY TAX COLLECTION EFFORT.

WHEREAS, UCO 6.36.020 states that taxes become due and are delinquent on dates set yearly by resolution.

NOW THEREFORE, BE IT RESOLVED that the Unalaska City Council sets the following dates and deadlines for the FY19 real property tax and business personal property tax collection effort:

January 15, 2018	Mail Business Personal Property Declaration Forms
March 1, 2018	Deadline for return of Business Personal Property Declaration Forms
March 30, 2018	Mail Real Property and Business Personal Property Regular, Supplemental and Involuntary Assessment Notices
April 30, 2018	Deadline for filing appeal to the Board of Equalization
May 8, 2018	Board of Equalization meets
June 29, 2018	Final mailing date for Real and Business Personal Property statements
August 20, 2018	First payment due date for regular Real and Business Personal Property Tax rolls
August 20, 2018	Final payment due date for Supplemental and Involuntary Business Personal Property Tax rolls
August 21, 2018	Unpaid taxes become delinquent and subject to penalty and interest
October 22, 2018	Final payment due date for regular Real and Business Personal Property Tax rolls
October 23, 2018	Unpaid taxes become delinquent and subject to penalty and interest

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-02

A RESOLUTION OF THE UNALASKA CITY COUNCIL ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY18 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE ALEUTIANS ISLANDS FISHERIES MANAGEMENT AREA.

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY18 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2016 from fisheries business activities; and

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Unalaska City Council proposes to use an alternative allocation method for allocation of FY18 funding available within the Aleutian Islands Fisheries Management Area in agreement with all other municipalities in this area participating in the FY18 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2016 of fisheries business activity in the municipalities within the Aleutian Islands Fisheries Management Area:

1. All municipalities share equally 60% of the allocation; and
2. All municipalities but the Aleutians East Borough share remaining 40% on a per capita basis.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
Clerk

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: MARJIE VEEDER, CITY CLERK
THROUGH: NANCY PETERSON, CITY MANAGER
DATE: JANUARY 9, 2018
RE: RESOLUTION 2018-02: A Resolution of the Unalaska City Council adopting an alternative allocation method for the FY18 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the Aleutians Islands Fisheries Management Area

SUMMARY: The purpose of this tax program is to provide for a sharing of State fish tax collected outside municipal boundaries with municipalities that have been affected by fishing industry activities. This resolution is submitted to Council with the assumption that the Alternate Method of distribution will be adopted as it has been for more than 20 years. Adak, Atka, Akutan, and the Aleutians East Borough, all of which are included in the fisheries management area, have agreed to the Alternate Method and are addressing or have addressed the same resolution.

PREVIOUS COUNCIL ACTION: Council has adopted the alternative allocation formula as outlined in Resolution 2018-02 for the last 24 years.

BACKGROUND: This program was created to recognize that there were municipalities that were affected by fishing activity outside their municipal boundaries, but that were not receiving a share of the State fish tax collected from these activities.

The Shared Fisheries Tax became law (AS 29.60.450) in 1962 with qualified municipalities sharing approximately 10% of the monies. The law evolved from a series of congressional and territorial legislation that originally taxed canned salmon receipts and later other fisheries for the purpose of funding fisheries-related activities in pre-territorial Alaska. Since becoming law, the amount of fisheries business tax shared with qualified municipalities has increased only twice, once in 1979 to 20% and in 1981 to the present 50% share.

DISCUSSION: The Shared Fisheries Tax Program provides two methods for applying for this funding. The first method is the Standard Method, which is very complicated and requires a great deal of coordinated effort among the affected communities. The second is the Alternate Method through which all municipalities within a fisheries management area agree to a formula for distribution of funds. This method is less complex and agreeable to all affected communities in the management area.

Atka, Adak, Akutan, and the Aleutians East Borough, all of which participate in this program with Unalaska, have been contacted for confirmation that they agree on the use of the Alternate Method and that they agree with the formula.

The attached spreadsheet was created using figures from the Alaska Department of Commerce, Community and Economic Development's formula and certified population figures from 2016.

ALTERNATIVES: Council could choose not to adopt the Alternate Method.

FINANCIAL IMPLICATIONS: The State of Alaska provided information (attached) showing \$365,001.09 allocated to Unalaska. This figure did not include the Resource Landing Tax revenue. Updated estimates provided by the State of Alaska are below showing Unalaska receiving a total of \$605,576.08 by combining the business tax allocation and the landing tax allocation:

FMA 2: Aleutians Islands Area					FY 16 Landing Tax Allocation \$565,261.50	
<i>Alternative Method*</i>		Total allocation: \$857,616.44	60% Divided \$514,569.87	40% per capita \$343,046.58	Calculated Allocation	Calculated Allocation
Community	Population	60% divided share	40% per capita share	Calculated Allocation	Calculated Allocation	
City of Adak	309	\$102,913.97	\$18,207.04	\$121,121.01	\$79,831.78	
Aleutians East Borough	2,001	\$102,913.97	\$0.00	\$102,913.97	\$67,831.38	
City of Akutan	1,000	\$102,913.97	\$58,922.46	\$161,836.44	\$106,667.62	
City of Atka	65	\$102,913.97	\$3,829.96	\$106,743.93	\$70,355.74	
City of Unalaska	4,448	\$102,913.97	\$262,087.11	\$365,001.09	\$240,574.99	
Totals	7,823	\$514,569.87	\$343,046.58	\$857,616.44	\$565,261.50	
Community Count	5					
* All municipalities share equally 60% of allocation; all but Aleutians East Borough share remaining 40% on a per capita basis.						

LEGAL: No legal opinion is necessary for this item.

STAFF RECOMMENDATION: Adoption of Resolution No. 2018-02.

PROPOSED MOTION: "I move to adopt Resolution 2018-02."

CITY MANAGER'S COMMENTS: I recommend Council adopt this resolution.

ATTACHMENTS: Letter and Program Description from the State of Alaska.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737
Main: 907.451.2718
Programs fax: 907.451.2742

November 13, 2017

Dear Municipal Official:

The Department of Commerce, Community, and Economic Development is pleased to announce availability of the **FFY 2018 Shared Fisheries Business Tax Program**. The purpose of the program is to allocate a share of state fish tax collected outside municipal boundaries with municipalities that have been affected by fishing industry activities. Municipalities around the state will share approximately \$1.6 million based on 2016 fisheries activity as reported by fish processors on their fish tax returns. Details of how the program works are included in the application under *Program Description*.

Historically, your municipality along with the other communities in your fisheries management area (FMA) has filed using the alternative method. I have attached a separate sheet that details the communities that are in your FMA, as well as the anticipated payment based on your agreed upon allocation method from last year. If this agreement is still in place with your FMA, you will only need to have your Council/Assembly pass the enclosed alternative method sample resolution in order to participate in the program.

If your FMA intends to change the alternative method of allocation, the new proposal must be submitted to our office no later than **January 15, 2018**. If an agreement cannot be made with all communities in your FMA, you will need to file using the standard method and claim your significant effects. Instructions on both of these methods are detailed in the application packet.

**DEADLINE FOR SUBMISSION OF COMPLETED APPLICATION IS
FEBRUARY 15, 2018.**

Applications can be scanned and emailed to caa@alaska.gov with the subject line "**Municipality Name, FY18, SFBT**". If you have any questions about the program or require assistance in completing the application, please contact me at kimberly.phillips@alaska.gov or call (907) 451-2718.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly Phillips".

Kimberly Phillips
Grants Administrator II

Enclosures

FMA 2: Aleutians Islands Area

Alternative Method*

Total allocation: 60% Divided 40% per capita
 \$857,616.44 \$514,569.87 \$343,046.58

Community	Population	60% divided share	40% per capita share	Calculated Allocation
Adak	309	\$102,913.97	\$18,207.04	\$121,121.01
AEB	2,001	\$102,913.97	\$0.00	\$102,913.97
Akutan	1,000	\$102,913.97	\$58,922.46	\$161,836.44
Atka	65	\$102,913.97	\$3,829.96	\$106,743.93
Unalaska	4,448	\$102,913.97	\$262,087.11	\$365,001.09
Totals	7,823	\$514,569.87	\$343,046.58	\$857,616.44
Community Count	5			

* All municipalities share equally 60% of allocation; all but Aleutians East Boro share remaining 40% on a per capita basis.

AEB pop = Borough (2,969) - Akutan

DCCED
Shared Fisheries Business
Tax Program
FY 18 Long-Form Application
For
FMA 2: Aleutians Islands Area



APPLICATION MUST BE SUBMITTED TO DCCED
NO LATER THAN FEBRUARY 15, 2018

State of Alaska
Bill Walker, Governor

Department of Commerce, Community, and
Economic Development
Mike Navarre, Commissioner

Division of Community and Regional Affairs
Katherine Eldemar, Director

FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fish tax revenues collected inside municipal boundaries.

Program Eligibility

To be eligible for an allocation under this program, applicants must:

1. Be a municipality (city or borough); and
2. Demonstrate the municipality suffered significant effects as a result of fisheries business activity that occurred within its respective fisheries management area(s).

Program Funding

The funding available for the program this year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2016.

Program funding is allocated in two stages:

1st Stage: Nineteen Fisheries Management Areas (FMAs) were established using existing commercial fishing area boundaries. The available funding is allocated among these 19 FMAs based on the pounds of fish and shellfish processed in the whole state during the 2016 calendar year. For example, if an area processed 10% of all the fish and shellfish processed in the whole state during 2016, then that area would receive 10% of the funding available for the program this year. These allocations are calculated based on Fisheries Business Tax Return information for calendar year 2016.

2nd Stage: The funding available within each FMA will be allocated among the municipalities in that area based on the level of fishing industry significant effects suffered by each municipality compared to the level of effects experienced by the other municipalities in that FMA.

Some boroughs, because of their extensive area, are included in more than one fisheries management area. In these cases, the borough must submit a separate program application for each area.

FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

There are two possible application methods: Standard and Alternative

Standard Method: In the Standard Method, established by the department, each municipality in the FMA must determine and document the cost of fisheries business impacts experienced by the community in 2016. These impacts are submitted by each municipality in their applications. The department will review the applications and determine if the impacts submitted are valid. Once the impacts have been established for each of the municipalities in the FMA, the department will calculate the allocation for each municipality using the following formula:

One half of the funding available within a FMA is divided up among participating municipalities on the basis of the relative dollar amount of impact in each municipality. The other half of the funding available to that area is divided equally among all eligible municipalities.

Alternative Method: Alternative allocation methods may be proposed by the municipalities within the FMA. The department will consider approving the use of a proposed alternative method only if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area.

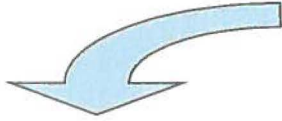
This application packet contains the instructions and forms applying under:

- STANDARD METHOD
- ALTERNATIVE METHOD

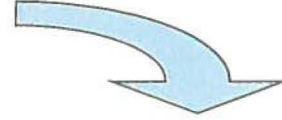
The chart on the following page summarizes the process for these two methods.

FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

PROCESS FOR METHODS



November 15
Commerce mails program applications to municipalities



STANDARD METHOD

No later than February 15

Each municipality determines and documents the cost of fisheries impacts on the community and submits this information with their application.



No later than April 15

Commerce reviews applications, makes a determination as to the validity of the submitted impacts, and notifies the municipalities of this determination.



Within 30 days

Municipalities have 30 days in which to appeal Commerce's determinations regarding submitted impacts.



Within 20 days

Commerce will respond to appeals within 20 days after receiving them.



After all appeals are resolved

Commerce will perform the formula calculations for each FMA based on the relative impacts approved for each municipality in the FMA, and distribute the funding allocations.

ALTERNATE METHOD

No later than January 15

All municipalities in an FMA work together to develop an alternate allocation formula and submit their proposal to Commerce. Municipalities are encouraged to consult with Commerce during this effort regarding the acceptability of alternative methods.



No later than February 1

Commerce reviews alternate proposals, determines if proposals are acceptable, and notifies the municipalities of this determination. If the proposal is accepted, municipalities may then use the Alternative Method application. If the proposal is not acceptable to Commerce, the department will work with municipalities in an area to resolve problems. If the problems cannot be resolved, the municipalities in that FMA must apply using the Standard Method application.



No later than February 15

Each municipality must submit an Alternative Method application. Commerce will distribute allocations after all applications within that FMA have been received and verified.

FY 18 Shared Fisheries Business Tax Program Application Instructions

STANDARD METHOD

The Process

- In the standard method application process each municipality determines and documents the cost to the municipality of fisheries industry significant effects suffered by the community in 2016.
- Details for each of these effects are submitted by municipalities using the Declaration of Significant Effects application forms on the following pages.
- The municipality must also submit an approved resolution by the governing body certifying that the information submitted in the application is correct and complete. A sample resolution is included in this packet.
- The department will review the applications and determine if the significant effects submitted are valid.
- Once the effects have been established for each of the municipalities in a Fisheries Management Area, the department will calculate the funding allocation for each municipality using the following formula:

One half of the funding available within a FMA is divided up among participating municipalities on the basis of the relative **dollar amount of impact** in each municipality. The **other half** of the funding available to that area is divided equally among all eligible municipalities.

Guidelines for Completing the Declaration of Significant Effects Forms

Some important definitions: The Shared Fisheries Business Tax Program provides for a sharing of State Fisheries Business Tax with municipalities that can demonstrate they suffered *significant effects* during the *program base year* from *fisheries business activity* in their respective fisheries management area.

For the purposes of this program, "fisheries business activity" means:

- activity related to fishing, including but not limited to the catching and sale of fisheries resources;
- activity related to commercial vessel moorage and commercial vessel and gear maintenance;
- activity related to preparing fisheries resources for transportation; and,
- activity related to processing fisheries resources for sale by freezing, icing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants.

And, "significant effects" means:

- municipal expenditures during the program base year demonstrated by the municipality to the department to be reasonable and necessary that are the result of fisheries business activities on the municipality's:
 - population;
 - employment;
 - finances;
 - air and water quality;
 - fish and wildlife habitats; and,
 - ability to provide essential public services, including health care, public safety, education, transportation, marine garbage collection and disposal, solid waste disposal, utilities, and government administration.

And, "program base year" means:

- calendar year 2016.

A municipality does not need to have actual expenditures in 2016 in order to include them as significant effects in the application. If a fishing business activity impacts a municipality in a manner that will result in a cost to the municipality, then the municipality can claim that impact as a significant effect. For example, a city's pier might have been damaged by an improperly docked fish processing vessel. The city might not have the funds to repair the pier during 2016, but the city has obtained final engineering estimates for the cost of repairs. In this case, the city could declare the repair cost estimates as significant effects on their application. However, **these costs may not be claimed again** if the city subsequently expended the monies to repair the pier at a later date (this would result in a double counting of significant effects).

If a significant effect claimed in the application reflects expenditures that were determined by the municipality to be necessary, but for which the municipality was unable to make an expenditure during the program base year, the application must include a finding by the municipal governing body which documents and clearly describes the procedures and methods by which the need and the estimated cost of such expenditures were determined.

Only that part of overall community impacts which are directly attributable to fishing business activity should be included as significant effects in the application. For example, a city water supply system may be impacted by the fresh water needs of the local fishing fleet and fish processing facilities. However, a city in this situation should not claim the entire cost of operating or maintaining the water system as a "significant effect" for the purposes of this program. In this case, the city must determine and document its estimate of the share of the use, and "wear and tear," of the water system that can reasonably be attributed to fisheries business activity. A place is provided on the *Declaration of Significant Effects* forms for municipalities to explain how they arrived at such estimates.

Examples of eligible significant effects. The kinds of negative effects which a municipality might possibly claim to have suffered are many. It is the responsibility of each municipality to describe, document and justify its particular claims of negative impacts during 2016 resulting from fisheries business activities. For the purposes of this program, all significant effects must be presented in terms of

expenditures of municipal funds, either actual or determined necessary. For example, a sudden population increase of 1,000 people is not in itself a negative effect. It is the demonstrable impacts on the city budget of dealing with these extra people that may be considered as significant effects for this program. The following examples represent the kinds of community impacts which are clearly eligible for inclusion in a city's *Declaration of Significant Effects* forms.

- a municipality's expenses during 2016 in repairing a dock damaged by a fishing vessel;
- a municipality's costs of hiring extra police, teachers or medical staff to cover periods during 2016 when fish processing workers or fishing crew and their families expanded the municipality's population;
- a city 2016 loan which was used to improve the city's water system to meet increased demands for fresh water by local fish processors. Only that part of the debt service which can be directly attributable to supporting the fishing industry may be counted as a significant effect.
- special expenditures made by a city during 2016 to assist or help re-train workers who lost their jobs in the fishing industry because of a downturn in fishing activity;
- a borough's expenditures for operating and maintaining harbor facilities during 2016;
- that part of operating and maintaining a city's water and sewer system or landfill during 2016 that is directly attributable to the fishing industry.

Examples of events which are not eligible to be significant effects

The following are examples of municipal expenditures or events which are **not eligible** for inclusion in a *municipality's Declaration of Significant Effects* forms:

- Municipal expenditures that occurred before or after 2016 which are the result of fishing business activities;
- Revenues which a city did not receive during 2016 because of a downturn in local fishing business activity.

If you're not sure whether an event is a valid "significant effect" or not, contact DCCED.

Instructions for Completing the Standard Method Application

The completed standard method application submitted by each municipality will contain three elements:

- a set of *Declaration of Significant Effects* forms (one separate form for each significant effect claimed by the municipality). **Three copies of this form are included in the application- please make as many additional copies of this form as you need.**
- a *Cover Page* that provides the total number and cost of the significant effects claimed by the municipality.
- an *approved resolution* by the governing body adopting the application as true and correct. A sample resolution is included in the application.

Instructions for the Cover Page/Summary

The *Cover Page* must be completed and submitted as part of the application. This form summarizes the information found in the application. The number of significant effects claimed should be equal to the number of *Declarations of Significant Effects* forms submitted with the application and the total dollar amount should equal the sum of all the dollar amounts stated in Part 2 on the *Declarations of Significant Effects* forms.

Instruction for the Resolution form

Municipalities may use this form, or a similar form, to comply with the requirement that the submitted application be certified by the municipality's governing body.

**Submit completed application
no later than February 15, 2018, to:**

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY18, SFBT”

Or

Mail

**State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737**

**If you have any questions regarding this program, contact
Kimberly Phillips at 451-2718**

FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM

**STANDARD METHOD APPLICATION
for FMA 2: Aleutians Islands Area**

Name of Municipality: _____

Address: _____

Contact Person: _____

Phone Number: _____

Total # of Significant Effects Claimed: _____

Total \$ of Significant Effects Claimed: \$ _____

Return cover page, Declaration of Significant Effects forms, and resolution

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY18, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

**FY 18 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM**
(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2016 by the fisheries business activity listed in #1: \$ _____

3. Municipal expenditure is: actual determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
 yes no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

**FY 18 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM**
(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2016 by the fisheries business activity listed in #1: \$ _____

3. Municipal expenditure is: actual determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
 yes no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 18 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM
(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2016 by the fisheries business activity listed in #1: \$ _____

3. Municipal expenditure is: actual determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
 yes no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 18 Shared Fisheries Business Tax Program
Standard Method Resolution

(City or Borough)

RESOLUTION NO.

A RESOLUTION CERTIFYING THE FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM APPLICATION TO BE TRUE AND CORRECT

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 18 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2016 from fisheries business activities; and

WHEREAS, the Department of Commerce, Community, and Economic Development has prepared specific application forms for the purpose of presenting the municipality's claims as to the significant effects suffered by the municipality during calendar year 2016; and

WHEREAS, 3 AAC 134.100 requires the governing body of the municipality to include with the municipality's FY 18 program application an approved resolution certifying the information contained in the application to be true and correct;

NOW THEREFORE BE IT RESOLVED THAT:

The _____ by this resolution certifies the information contained in
(Governing Body)
the _____
(City or Borough)

FY18 Shared Fisheries Business Tax Program Application to be true and correct to the best of our knowledge.

PASSED AND APPROVED by a duly constituted quorum of the _____ this _____
(Governing Body)
day of _____, 20 ____.

SIGNED _____
Mayor

ATTEST _____
Clerk

FY 18 Shared Fisheries Business Tax Program Application Instructions

ALTERNATE METHOD

The Process

- In the alternate method application process all municipalities in a fisheries management area may work together to develop an alternative allocation formula for distributing the available program funding among municipalities in the area. It is advised that the department be consulted during this process if the municipalities have questions or concerns about what constitutes an acceptable alternative to the standard allocation method.
- All the municipalities in an area must reach an agreement in writing on an alternative allocation formula.
- By January 15, the department must receive the proposed alternative method. If the alternative method is not acceptable, the department will work with the municipalities to resolve the problems.
- If the municipalities in an area fail to satisfy the department regarding the acceptability of the alternative allocation method proposed, then each municipality in the region must return to the standard application process and submit separate applications as required by that process.
- If the department finds the alternative allocation method satisfactory, each municipality must then complete an alternative method application consisting of a cover page and resolution. The resolution must be adopted by the governing body and it must clearly describe the approved alternative allocation method within that area. After all alternative method applications within an area have been received and approved; the department will perform the allocations and distribute program funds.

Instructions for Alternative Method Application

In the alternative method application, an approved resolution constitutes the application. No other forms need to be submitted. A sample resolution has been attached for your use.

General Guidelines for Developing an Alternative Allocation Method

All municipalities in a fisheries management area must agree on the alternative method: There must be unanimous agreement among all eligible municipalities in a fisheries management area with regard to alternative allocation methods. It is the responsibility of community leaders in the area to work together to negotiate an alternative which is acceptable to all municipalities. The department may be consulted at any time regarding what kinds of formula approaches are considered acceptable by the department.

Alternative methods must incorporate some measure of the relative significant effects experienced by the respective municipalities in the area. The measure of significant effects may take many forms. One area might agree to use the number of commercial fishing boat visits-per-year per community as a measure of significant effects. Another area might use the linear foot-length of public docks as a measure. Another area might use community population figures as an indication of the significant effects of fisheries business activity. Another area might share one half of the funding equally between the respective municipalities and share the other half based upon community population figures. Areas may decide to use one measure, or may use a combination of measures.

**Submit your completed application
no later than
February 15, 2018 to:**

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY18, SFBT”

Or

Mail

**State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737**

**If you require assistance in completing this application, contact
Kimberly Phillips at 451-2718.**

FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM

ALTERNATE METHOD APPLICATION

For «FMA»

Name of Municipality: _____

Address: _____

Contact Person: _____

Phone Number: _____

Return cover page, and resolution

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY18, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

FY 18 Shared Fisheries Business Tax Program
Alternative Method Resolution

(City or Borough)

RESOLUTION NO. _____

A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY18
SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS
ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT
EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 2: Aleutians Islands Area

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 18 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2016 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The _____
(Governing Body) proposes to use an alternative allocation method for allocation of FY18 funding available within the FMA 2: Aleutians Islands Area in agreement with all other municipalities in this area participating in the FY18 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The _____
(Governing Body) by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2016 of fisheries business activity in FMA 2: Aleutians Islands Area:

60% of allocation; all but Aleutians East Borough share remaining 40% on a per capita basis.

PASSED and APPROVED by a duty constituted quorum of the _____ this _____ day
(Governing Body)
of _____ 20____.

SIGNED _____
Mayor

ATTEST _____
Clerk

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION NO. 2018-03

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE RENEWAL OF ATS 1447, A LONG TERM LEASE AGREEMENT BETWEEN THE CITY OF UNALASKA AND ICICLE SEAFOODS INC., FOR AN OUTFALL EASEMENT ON CITY OWNED TIDELANDS.

WHEREAS, the City of Unalaska is the owner of Alaska Tidelands Survey (ATS) 1447, Plat 94-13, Aleutian Island Recording District and;

WHEREAS, Icicle Seafoods, Inc. (Icicle) operates a seafood processing facility In Unalaska and;

WHEREAS, Icicle desires to renew its lease for a Category C Tidelands Easement per Unalaska Code of Ordinances Title 8, Section 8.12.170 and the City of Unalaska Tidelands Leasing Policy, for an area identified as measuring 15' wide by 405' in length, extending from Ballyhoo Road into the water, with an area of 6,075 square feet and;

WHEREAS, Icicle prepared a new survey of the area for inclusion with the lease agreement to indicate the location of the easement and outfall line and;

WHEREAS, Icicle and the City worked together to renegotiate an existing easement resulting in an increase of \$1,250 per year from \$1,000 annually to the city's required minimum of \$2,250 for areas less than one (1) acre and;

WHEREAS, Unalaska City Code requires Council to approve any long term lease agreement (defined as exceeding five years) which is the intent of this contract due to several renewal options totaling twenty years and;

WHEREAS, the annual rent is negotiated to be \$2,250, with reappraisal every five years, and payable to the City of Unalaska.

NOW THEREFORE BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL approves a long term lease between the City of Unalaska and Icicle Seafoods Inc., for an initial term of five years with the option of three additional, consecutive lease renewals of five years each for a total of twenty years subject to other applicable terms as proffered within the lease agreement.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty, Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: NANCY PETERSON, CITY MANAGER
FROM: BIL HOMKA, PLANNING DIRECTOR
DATE: JANUARY 5, 2018
RE: RESOLUTION 2018-03 APPROVAL OF A NEW LONG TERM LEASE AGREEMENT BETWEEN THE CITY OF UNALASKA AND THE ICICLE SEAFOODS CO. FOR A CATEGORY C EASEMENT IN THE CITY'S TIDELANDS FOR A DISCHARGE LINE (ATS 1447).

SUMMARY: The City of Unalaska administers developable tidelands pursuant to Unalaska Code of Ordinances (UCO) Title 8, Section 8.12.140 Developable Tidelands District. The attached resolution enables the city to enter into a long term lease (also referred to as a Right of Way Permit) with Icicle Seafoods Inc. (Icicle) of Seattle, Washington for a discharge outfall classified as a Tidelands Category C lease. The company's existing lease expired in November, 2017. The new lease period is for twenty (20) years via three reappraisal periods of five (5) years each. The new lease amount will increase from \$1,000 annually to \$2,250 annually.

PREVIOUS COUNCIL ACTION: 97-103 ATS 1447 was approved in November, 1997 and again in October 2007 by Unalaska City Council, each ten (10) year leases for an outfall/discharge line in the Tidelands. Subsequently known as ATS 1447, the lease amount was for \$1,000 annually.

BACKGROUND: Icicle presently has a discharge line in the city's tidelands. In June, 2017 Icicle contacted the Planning Department to request a new lease, stating the existing lease was due to expire in November 2017. Also, the existing line was recently replaced with a new line in the same (near same) location. Together with the city's legal counsel, Icicle and Planning worked together to obtain the required documentation to draft and present this lease to city council. The area is less than one (1) acre in size and thus qualifies for the minimum cost lease. This is in accordance with the city's Tidelands Lease Policy. The easement measures less than one acre in size, about 15' x 405'. The total area is 6,075 sq. ft. As required by the policy, the attached Exhibit 'A' was stamped by John Seggeser, a Registered Professional Land Surveyor, and indicates the location of the easement.

ALTERNATIVES: N/A

FINANCIAL IMPLICATIONS: The city could receive annual income of \$2,250 for five years totaling \$11,250. Provisions exist in the contract to adjust the rent after the first and subsequent five (5) year lease periods. If no changes are made to the lease value then the final amount collected after a 20 year lease would be \$ 45,000.

LEGAL: City Attorney, Brooks Chandler reviewed the lease.

STAFF RECOMMENDATION: Staff recommends the Council approve Resolution 2018-03, approving a five (5) year renewable lease agreement for a 1,600 square foot area of a city owned parcel located off E. Broadway for a total period not to exceed 20 years.

PROPOSED MOTION: "I move that the City Council approve Resolution 2018-03.

CITY MANAGER'S COMMENTS: I recommend approval of Resolution 2018-03.

Attachments

- Location Map
- Lease

LOCATION MAP



CITY OF UNALASKA
PRIVATE NON-EXCLUSIVE RIGHT-OF-WAY PERMIT
ATS No. 1447
FOR CITY OWNED TIDELANDS

THIS AGREEMENT is made and entered into this _____ day of _____, 2018 by and between the City of Unalaska, whose address is P. O. Box 610, Unalaska, AK 99685, Grantor, and Icicle Seafoods, Inc., whose address is 4019 21st Ave West, Seattle, WA 98199, Grantee.

In accordance with the provisions of the City of Unalaska Code of Ordinances Chapter 7.12, Grantee has filed for a private non-exclusive right-of-way permit for an outfall/intake line to be located within tide and submerged lands patented to the City of Unalaska

Whereas, it is understood and agreed by the Grantee that, as a condition to granting the right-of-way applied for, the land covered by the right-of-way shall be used for no purpose other than the location, construction, operation and maintenance of the said right-of-way, over and across the following City of Unalaska tide and submerged lands:

An outfall line from the Icicle Processing Facility into ATS 1447, as shown on the as built survey, attached as Exhibit A, and Plat 94-13.

This right-of-way permit shall run for a term of ____ years and shall expire on _____, _____, subject to the Special Stipulations attached as Exhibit B.

The Grantee, in the exercise of the rights and privileges granted by this permit, shall comply with all regulations established by the City of Unalaska and all other federal, state or City of Unalaska laws, regulations or ordinances applicable to the area herein granted.

Upon abandonment, termination, revocation or cancellation of this right-of-way permit, the Grantee shall within 90 days remove all structures and improvements from the right-of-way area, except those owned by the Grantor, and shall restore the area to the same or similar condition as the same was upon the issuance of this permit. Should the Grantee fail or refuse to remove said structures or improvements, within the time allotted, they shall revert to and become the property of the Grantor. However, the Grantee shall not be relieved of the cost of the removal of the structure, improvements and/or the cost of restoring the area, and Grantor may remove structures and restore the area at Grantee's cost. Provided however, that Grantor, in its discretion, may waive the requirements contained in this provision if it is determined to be in the best interest of the City of Unalaska to do so.

The Grantee shall utilize the lands subject to the right-of-way consistent with the purposes of the proposed use, as revealed by the application therefor, and shall maintain the premises in a neat and orderly manner and shall adopt and apply such safety measures as shall be necessary, proper and prudent with respect to the use to which the land is subjected.

Prior to any construction or development that will use, divert, obstruct, pollute or utilize any of the waters of the State, the Grantee shall first obtain approval therefor from the Commissioner of the Department of Fish and Game and the Corps of Engineers and file image copies therefor with the Grantor.

In case the necessity for the right-of-way shall no longer exist, or the Grantee should abandon or fail to use the same, then this permit shall terminate.

The City of Unalaska shall be forever wholly absolved from any liability for Grantee's damages resulting from this permit having been cancelled, forfeited or terminated prior to the expiration of the full time for which it was issued. Grantee shall indemnify and hold harmless Grantor and its employees for any claim or cause of action arising out of this permit, Grantee's use of the right-of-way, or any other right granted to Grantee hereunder, unless caused solely by the negligence of Grantor or its employees.

NOW THEREFORE, in accordance with the provisions of The City of Unalaska Code of Ordinances and the rules and regulations promulgated thereunder, and in accordance with the conditions heretofore set forth or attached hereto and made a part hereof, the Grantee is hereby authorized to locate, construct, operate and maintain said right-of-way over and across the lands herein described.

IN WITNESS WHEREOF, the City of Unalaska, as Grantor, acting through the City Manager or a lawfully designated representative, and the Grantee have caused this permit to be signed in duplicate, and have set their respective hands, agreeing to keep, observe, and perform the applicable ordinances, as amended, the rules and regulations promulgated thereunder, and the terms, conditions and provisions herein contained or attached, which on the Grantor's or Grantee's respective parts are to be kept, observed and performed.

CITY OF UNALASKA

ICICLE SEAFOODS, INC.

City Manager

STATE OF ALASKA)
) ss.
Municipality of Unalaska)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____, City Manager for the City of Unalaska, a First Class Alaska Municipal Corporation, on behalf of the City of Unalaska.

Notary Public, State of Alaska
My Commission expires _____

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____, the _____ of Icicle Seafoods, Inc., a _____ Corporation, on behalf of the corporation. In witness whereof, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public, State of _____
My Commission expires _____

EXHIBIT A
Ice Processing Facility into ATS 1447
As built survey

EXHIBIT B
Special Stipulations

PRIVATE NON-EXCLUSIVE
RIGHT-OF-WAY PERMIT
ATS No. 1447
FOR CITY OWNED TIDELANDS

This right-of-way permit shall run for a term of _____ years and shall expire on _____, 20__ subject to the Special Stipulations listed below:

1. The easement granted under this right-of-way is designated as a private non-exclusive. The City of Unalaska retains control of the easement and reserves the right to grant compatible easements within, overlapping, or adjacent to the subject easement area.
2. The annual rental fee is \$2,250.00 per year. The rental fee is payable on or before _____ of each year. Said rental fee is subject to periodic review and adjustment every 5 years during the term of the right-of-way.
3. The Alaska Constitution guarantees any citizen of the United States or resident of the state the right of access to navigable and public waters of the state. The Public Trust Doctrine further guarantees the public right to use navigable waters and the land beneath them for navigation, commerce, fishing, and other purposes.
4. This right-of-way is subject to the principles of the Public Trust Doctrine. The Grantor reserves the right to grant other interests to the subject lands consistent with the Public Trust Doctrine as long as said interests will not reasonably interfere with the use of the parcel by the permittee.
5. The grantor reserves the right to revoke this right-of-way if the subject lands are no longer used or needed for the operation of the use permitted. I have read and understand the foregoing stipulations and agree to comply with them.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-06

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING EXPENDITURE OF TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) FROM COUNCIL'S BUDGET TO SPONSOR THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE 2018 ECONOMIC SUMMIT AND ANNUAL MEMBERSHIP MEETING.

WHEREAS, the Southwest Alaska Municipal Conference (SWAMC) is a non-profit corporation representing members in the Aleutian Islands, on the Alaska Peninsula, and in the Bristol Bay, Kodiak, and Pribilof areas; and

WHEREAS, SWAMC has worked to promote economic development and to enhance the quality of life for the residents of the region since 1986; and

WHEREAS, SWAMC serves as a clearinghouse for information affecting the region and its communities; and

WHEREAS, on behalf of its members, SWAMC advocates for many issues of common concern, including fisheries policies, tourism, ports, harbors, and other capital projects and additional aspects of economic and social development; and

WHEREAS, SWAMC members attend conferences and workshops to address issues of specific interest on a semi-annual basis; and

WHEREAS, SWAMC is seeking member sponsorship of its 2018 Economic Summit and Annual Membership Meeting to be held on March 1st and 2nd 2018 in Anchorage.

NOW THEREFORE, BE IT RESOLVED, that the Unalaska City Council authorizes expenditure of \$2,500 from the Council's FY18 Budget, line item Council Sponsorships Planned, to sponsor the SWAMC 2018 Economic Summit and Annual Membership Meeting.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: MARJIE VEEDER, CITY CLERK
THROUGH: NANCY PETERSON, CITY MANAGER
DATE: JANUARY 9, 2018
RE: RESOLUTION 2018-06: A Resolution of the Unalaska City Council authorizing expenditure of \$2,500 from Council's budget to sponsor the Southwest Alaska Municipal Conference 2018 Economic Summit and Annual Membership Meeting.

SUMMARY: The Southwest Alaska Municipal Conference (SWAMC) is a non-profit regional economic development organization for Southwest Alaska. SWAMC's annual Economic Summit and Membership Meeting are scheduled for March 1 and 2, 2018, in Anchorage. The City of Unalaska is a member of SWAMC and has been invited to sponsor the conference.

BACKGROUND: SWAMC is a non-profit corporation. The goal and mission of SWAMC is to advance the collective interests of Southwest Alaska people, businesses, and communities, and to promote economic opportunities to improve quality of life and influence long-term responsible development. SWAMC serves three sub-regions of Southwest Alaska: the Aleutian/Pribilofs, Bristol Bay, and Kodiak.

Sponsors receive honorable mention during conference proceedings; acknowledgement in conference printed materials; a small banner logo at the conference; and the City's logo on SWAMC's website and conference communications. At the \$2,500 sponsorship level, two conference tickets are provided.

PREVIOUS COUNCIL ACTION: Council included \$2,500 for sponsorship of this conference in their FY18 budget. Council has sponsored this conference at the \$2,500 level for at least the last six years (FY12 through FY17).

ALTERNATIVES: Council could choose not to sponsor the conference; or to increase or decrease the contemplated sponsorship amount.

FINANCIAL IMPLICATIONS: \$2,500 was budgeted this fiscal year to sponsor this conference under the Council's Planned Sponsorship line item.

LEGAL: No legal opinion is necessary for this item.

PROPOSED MOTION: "I move to adopt Resolution 2018-06."

ATTACHMENTS: December 11, 2017 letter from SWAMC and related sponsorship form.



December 11, 2017

RE: Sponsorship for the 2018 SWAMC Economic Summit and Membership Meeting

Dear Mayor Frank Kelty,

The Southwest Alaska Municipal Conference (SWAMC) celebrates its 30th anniversary in 2018. Over the past 30 years our region has made progress on many economic development fronts but many challenges still remain, including financial uncertainty and economic downturns in recent years. SWAMC recognizes that its role and mission, to promote economic development and community well-being in Southwest Alaska, is even more critical during times of change and uncertainty. Our theme for the 2018 Economic Summit and Membership Meeting is **Resilient Communities Meeting the Challenge of Tomorrow** and we invite you to join us in Anchorage on March 1-2, 2018 to discuss how our region can work together to meet challenges of expensive energy, high transportation costs, poor or expensive internet availability, and reduced State support for infrastructure and services.

SWAMC recognizes the annual Economic Summit and Membership Meeting as a core function of our organization. The annual Summit represents the largest gathering of government and business leaders from Southwest Alaska meeting together to promote policies of importance to our region. SWAMC's annual summit benefits the region in several key areas: (1) provides our members with relevant and current information on subjects important and relevant to our region; (2) serves as a networking opportunity for exchanging expertise, lessons learned and best practices among community leaders; (3) connects SWAMC, as a regional organization, with elected leaders to express SWAMC's positions on policy issues important to the region. This year SWAMC identified important issues as transportation, opioid abuse, Federal initiatives of the Trump Administration, broadband, a fiscal plan for the State of Alaska, high energy costs, and fishery support and management.

SWAMC recognizes that the success and quality of our annual Economic Summit depends on your support and we invite you to help our 2018 Summit. With you help we can continue ensure the Southwest region has a forum that focuses on issues important to our region and brings people from across the region together to teach and learn from each other. Please review the enclosed Sponsorship packet detailing the different funding level categories and consider supporting SWAMC's 30th anniversary and **Resilient Communities Meeting the Challenge of Tomorrow** summit in 2018!

We are always grateful for our partners and their support, and welcome any questions and feedback. Please contact Doug Griffin, Executive Director at dgriffin@swamc.org with any questions. Happy Holidays, and we look forward to seeing you in March!

Sincerely,

Rebecca Skinner, President
Southwest Alaska Municipal Conference



**Southwest Alaska Economic Summit & SWAMC
Annual Membership Meeting March 1st & 2nd, 2018**

Sponsorship Opportunities

SWAMC celebrates Resilient Communities Meeting the Challenge of Tomorrow and its 30th Anniversary as an Economic Development Organization! To show your support for this accomplishment, we invite you to be a sponsor of the 2018 Southwest Alaska Economic Summit and SWAMC Annual Membership Meeting at the Hotel Captain Cook in Anchorage. Sponsors receive honorable mention during conference proceedings, acknowledgement on printed materials and highlighted on SWAMC Honor Roll affixed to the head table, in addition to promotion on our website and numerous newsletters before and after the events. Sponsorships are marketing opportunities to advertise and build name recognition in Southwest Alaska communities. To reserve a sponsorship, call SWAMC at (907) 562-7380 or complete the information below and email to dgriffin@swamc.org.

Yes, I would like to be a Sponsor of the 2018 Southwest Alaska Economic Summit and SWAMC Annual Membership Meeting (please check box below):

<input type="checkbox"/>	Skipper (Platinum Partner)	\$5,000
<input type="checkbox"/>	First Mate (Gold Partner)	\$3,500
<input type="checkbox"/>	Deck Master (Silver Partner)	\$2,500
<input type="checkbox"/>	Deck Hand (Bronze Partner)	\$1,500
<input type="checkbox"/>	Coffee Break (Copper Partner)	\$750

Contact Name: _____

Community/Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Email: _____

To pay via check, please make checks payable to: SWAMC and mail to the address below.

To pay via credit card, please visit our website at: www.swamc.org and click on *SPONSOR* in the dropdown menu under 2018 Conference tab. As of 12/11/17 our website is being updated. The payment button should be available by 12/22/17. Call 562-7380 if you have any questions or need assistance.



Southwest Alaska Municipal Conference

3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 www.swamc.org

Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands



Southwest Alaska Municipal Conference

2018 Summit *Highliners*

Comparison Chart

	Skipper \$5,000	First Mate \$3,500	Deck Master \$2,500	Deck Hand \$1,500	Coffee Break \$750
Level	Platinum	Gold	Silver	Bronze	Copper
Conference Tickets	4	3	2	1	0
Total Ticket Value	\$1,440	\$1,080	\$720	\$360	\$0
Banner Logo at Conference	Large	Medium	Small	Small	Small
Logo in Monthly Newsletter to 750+ recipients	✓	✓	✓	✓	✓
Newsletter Piece Highlight	✓	✓			
Honorable Mention Throughout Conference	✓	✓	✓	✓	✓
Logo in Pre-Conference Materials & Emails	Large	Medium	Small	Small	Small
Listed in Conference Program	✓	✓	✓	✓	✓
SWAMC WEBSITE (www.swamc.org)					
Logo on SWAMC Website	Large	Medium	Small	Small	Small
	✓	✓	✓	✓	✓

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-04

A RESOLUTION OF THE UNALASKA CITY COUNCIL IDENTIFYING THE CITY OF UNALASKA'S STATE PRIORITIES FOR FISCAL YEAR 2019.

WHEREAS, Captains Bay Road is heavily used by commercial traffic currently, and future growth and business activity is expected to occur along Captains Bay Road requiring road improvements, water, sewer, and electric utilities; and

WHEREAS, the Robert Storrs Boat Harbor A and B Floats have served the community well for 32 years and in order to ensure the safety of those who use the dock and the vessels that moor at the Storrs Boat Harbor, the floats must be replaced and the dock redesigned; and

WHEREAS, the discharge piping and valves at lift stations 2 & 5 have been exposed to an extremely harsh environment for over 30 years and corrosion problems could lead to pump shut downs or prolonged pump runs due to pipe leaks or valve failures; and

WHEREAS, automatic meter reading will provide for a more accurate and cost efficient method of collecting utility usage across the community of Unalaska; and

WHEREAS, hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and

WHEREAS, the City of Unalaska recognizes the widespread costs and the environmental and navigational risks for both municipalities and the state, associated with derelict vessels; and

WHEREAS, the updating State statutes regarding derelict vessels, which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding and vessel insurance requirements would have a direct benefit to Unalaska.

NOW THEREFORE BE IT RESOLVED, that the City of Unalaska, by this resolution, hereby identifies its top state legislative priorities for FY19:

- | | |
|--|---------------|
| ▪ Captains Bay Road and Utility Improvements Project | \$24 Million |
| ▪ Robert Storrs Boat Harbor Improvements | \$9.5 Million |
| ▪ Lift Stations 2 & 5 Discharge Pipe Replacement | \$154,300 |
| ▪ Automatic Meter Reading System | \$415,500 |
| ▪ Derelict Vessels Legislative Changes | Initiative |

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: ERIN REINDERS, ASSISTANT CITY MANAGER
THROUGH: NANCY PETERSON, INTERIM CITY MANAGER
DATE: JANUARY 9, 2018
RE: RESOLUTION 2018-04 IDENTIFYING THE CITY OF UNALASKA'S STATE PRIORITIES FOR FISCAL YEAR 2019

SUMMARY: Resolution 2018-04 outlines our state legislative priorities for the coming year. This list of projects will be submitted to the State for consideration in the Capital budget. All of the projects listed were included in last year's list. Additionally, we have included an initiative calling for legislative change addressing derelict vessels. This topic has been discussed at the Council level and was supported by AML this past November. The projects and initiatives are:

- Captains Bay Road and Utilities Improvements Project \$24 Million
- Robert Storrs Boat Harbor Improvements \$9.5 Million
- Lift Stations 2 & 5 Discharge Pipe Replacement \$154,300
- Automatic Meter Reading System \$415,500
- Derelict Vessels Legislative Change Initiative

PREVIOUS COUNCIL ACTION: This is a recurring council action to express our support for certain initiatives and to submit to submit projects to the State of Alaska for consideration in their Capital budget.

BACKGROUND: The fiscal situation in State has not significantly improved regarding availability of funding or bonding initiatives. However, it remains necessary to provide the State our highest priorities.

DISCUSSION: The list of priorities is similar to the list from last year, and has one additional initiative. The initiative supporting the state statute updates to better address derelict vessels was supported by AML this past November. An overview of the top capital projects and initiatives for the State to consider are provided below.

Captains Bay Road is heavily used by commercial traffic currently, and future growth and business activity is expected to occur along Captains Bay Road requiring road improvements as well as water, sewer, and electric utilities.

The Robert Storrs Boat Harbor has served the community well for 32 years and in order to ensure the safety of those who use the dock and the vessels that moor at the Storrs Boat Harbor, the floats must be replaced and the dock redesigned.

The discharge piping and valves at lift stations 2 & 5 have been exposed to an extremely harsh environment for over 30 years and corrosion problems could lead to pump shut downs or prolonged pump runs due to pipe leaks or valve failures.

Automatic meter reading will provide for a more accurate and cost efficient method of collecting utility usage across the community of Unalaska.

Hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries. Derelict vessels result in widespread costs and the environmental and navigational risks for both municipalities and the state. The State of Alaska has outdated statutes regarding derelict vessels, which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding and vessel insurance requirements. Therefore, along with the Alaska Municipal League, the City of Unalaska fully supports the passage of SB 92 by the State Legislature to address these issues and by updating of the current statutes.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends approving this Resolution 2018-04.

PROPOSED MOTION: I move to approve Resolution 2018-04

CITY MANAGER'S COMMENTS: This list remains consistent with the City's adopted plans and previously identified priorities. I support this resolution.

CITY OF UNALASKA
UNALASKA, ALASKA
RESOLUTION 2018-05

A RESOLUTION IDENTIFYING THE CITY OF UNALASKA'S FEDERAL PRIORITIES FOR FISCAL YEAR 2019 AS UNALASKA BAY ENTRANCE CHANNEL DREDGING, CAPTAINS BAY ROAD AND UTILITY IMPROVEMENTS, HIGH SPEED INTERNET CONNECTION, OCS REVENUE SHARING, AND ENVIRONMENTAL REMEDIATION SUPPORT.

WHEREAS, the City of Unalaska is the number one fishing port in the United States and host to national and international shipping vessels; and

WHEREAS, the sand bar in the entrance to Unalaska Bay creates an impediment to container vessels entering the bay; and

WHEREAS, dredging the sand bar will contribute significantly to the navigational safety and security of vessels entering and leaving the port; and

WHEREAS, authorization and funding support is needed in order for the U. S. Army Corps of Engineers to continue moving forward with the project; and

WHEREAS, Captains Bay Road is heavily used by commercial traffic and requires improvements for existing and future use; and

WHEREAS, future growth and business activity is expected to occur along Captains Bay Road requiring water, sewer, and electric utilities; and

WHEREAS, Unalaska's internet connection speeds thwart business growth, medical service, post-secondary education, and overall quality of life; and

WHEREAS, the City of Unalaska will be impacted by oil exploration and drilling in the Beaufort and Chukchi Seas because our port is the only port on the west coast of Alaska that is free of ice year round; and

WHEREAS, state and local sharing of the federal revenues generated by activities on the Outer Continental Shelf is important to Unalaska and other impacted communities; and

WHEREAS, Unalaska has several sites that were subject to the Department of Defense's Formerly Utilized Defense Sites (FUDS) environmental program due to contamination which occurred during WWII activities, as well as WWII related contamination that is discovered during construction projects today; and

WHEREAS, the creation of a federal funding mechanism that would allow reimbursement to land owners who remediate contaminated sites or the identification of an accessible funding source to allow for a timely response to contamination sites that are holding up construction projects and negatively impact subsistence living would be of benefit to the community as a whole.

NOW THEREFORE, BE IT RESOLVED that the Unalaska City Council, by this resolution, hereby identifies the following as top federal priorities for FY2019:

Unalaska Bay Entrance Channel Dredging	Authorization and Appropriation
Captains Bay Road Improvements	\$24 million Project
High Speed Fiber Optic Connection	Initiative
OCS Revenue Sharing	Initiative
Environmental Remediation Support	Initiative

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
Clerk

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: ERIN REINDERS, ASSISTANT CITY MANAGER
THROUGH: NANCY PETERSON, INTERIM CITY MANAGER
DATE: JANUARY 9, 2018
RE: RESOLUTION 2018-05: A RESOLUTION IDENTIFYING THE CITY OF UNALASKA'S FEDERAL PRIORITIES FOR FISCAL YEAR 2019 AS UNALASKA BAY ENTRANCE CHANNEL DREDGING, CAPTAINS BAY ROAD AND UTILITY IMPROVEMENTS, HIGH SPEED INTRNET CONNECTION, OSC REVENUE SHARING, AND ENVIRONMENTAL REMEDIATION SUPPORT

SUMMARY: Resolution 2018-05 outlines our federal legislative priorities for the coming year. This is a traditional means of communicating our top projects and initiatives to our congressional delegation in Washington D.C. We have made one addition to last year's resolutions to include an initiative supporting environmental remediation in Unalaska. This topic was discussed in the City's lobbying trip this past September and staff is recommending that it be included as one of the City's priorities. The projects and initiatives are:

- | | |
|---|---------------------------------|
| ▪ Unalaska Bay Entrance Channel Dredging | Authorization and Appropriation |
| ▪ Captains Bay Road and Utilities Improvement | \$24 million |
| ▪ High Speed Fiber Optic Connection | Initiative |
| ▪ OCC Revenue Sharing | Initiative |
| ▪ Environmental Remediation Support | Initiative |

PREVIOUS COUNCIL ACTION: This is a recurring council action that provides annual direction to our lobbyist and our representatives traveling to Washington, DC to lobby for our priorities.

BACKGROUND: The situation in Washington, DC has not significantly improved regarding availability of funding.

DISCUSSION: The list of priorities is virtually same as last year, but with one additional initiative. The initiative supporting the environmental remediation of Unalaska may be new to the list but was included as topic in the lobbying trip this past September. An overview of the top federal projects and initiatives are provided below.

Unalaska Bay Entrance Channel Dredging: The entrance channel for the Port of Dutch Harbor has a sand bar which is becoming an obstruction to navigation. The new cargo ships entering the harbor are at the very end of the safety clearance for their draft. The Alaska Marine Pilots have been forced to turn a number of deeper draft ships away. A number of U.S. Army ships and an Australian destroyer also laid up at the Port of Dutch Harbor over the last few years, barely clearing the bar. The City has been contacted by representatives of Maersk Lines to talk about the future of their fleet and the larger size of vessels that would be coming into the Port of Dutch Harbor. The changes in vessel size are forcing the City of Unalaska to plan to

meet future needs by requesting assistance to dredge the bar. The Port of Dutch Harbor has grown in importance as a regional port for transient vessels, military craft, and vessels in distress. For us to effectively provide both civilian and military craft with safe harbor, the entrance channel will need to be dredged. Alaska District of the ACOE is currently executing a reconnaissance study to determine whether there are any adverse effects to dredging the channel. If the study concludes there is not adverse effects the City will move forward requesting federal assistance to dredge the entrance channel. An additional two phases would then be required, both of which need federal funding and authorized action. The current feasibility phase is 50-50 cost share; Preconstruction and Design Phase as well as the Construction Phase would both be an ultimate 80% federal - 20% city.

Captains Bay Road and Utility Improvements Project: This road serves as a primary transportation route for a great number of commercial enterprises along and at the end of Captains Bay. The section of road making up this project is a high traffic area for heavy vehicles that are used by the fishing and transshipment industries. During public meetings on the Unalaska Road Plan in 2011, both drivers and industry representatives spoke of the hazards of the high road crown that is necessary for adequate drainage. In winter months, this crown creates dangerous driving conditions for the large trucks and school buses traveling the road. The road cannot be paved without first completing drainage improvements. The road improvements will include possible re-alignment of the road through the heavy industrial areas. There is strong support from the public for improvements to Captains Bay Road.

This project includes providing utilities to the end of the road. Currently electric power is provided to Westward Seafoods and less than adequate water is provided to the Crowley Dock. This project is intended to provide the necessary infrastructure to accommodate the new economic activity we are experiencing in Captains Bay.

High Speed Internet: Unalaska and our Aleutian Island neighbors are stuck with “analog” speeds in a high speed digital and video world. High speed internet will improve services at our clinic with the ability to connect with medical professionals off island. This has the potential to reduce medical costs which now include expensive flights to access health care in Anchorage or the Lower 48. Our schools cannot meet some of the needs of our students due to slow Internet speeds. The State is driving more services to the Internet, like testing, which is problematic or inaccessible with slow Internet. Our community’s ability to seek post- secondary education is also difficult. Our schools, the city and local businesses are unable to perform some required functions and have to provide data to third party companies to input into web based systems. This increases the opportunity for errors in critical areas. We are unable to use cloud based systems to improve efficiencies and effectiveness in personnel and business processes. Our Public Safety Department cannot use Internet systems while responding to critical incidents. This deficit places our public safety officers and community members at risk during man-made and natural disasters. Finally, across all of our community, one of the main reasons for difficulties in employee recruiting and retention of quality people is the lack of connectivity with family and friends off the island. We need financial assistance to get our community connected to the digital world and working more efficiently and effectively.

OCS Revenue Sharing: The City of Unalaska has made changes to our planning and zoning policies as well as our Comprehensive Plan to help the community mitigate some of the significant growing pains associated with any future Arctic oil and gas development. Additionally, we have been monitoring legislation to authorize revenue sharing for Alaskan communities impacted by the Arctic oil and gas development to ensure the best use of our limited construction dollars. In April, Senators Murkowski and Sullivan introduced S. 883, the

Offshore Production and Energizing National Security Alaska Act (“OPENS Act”). The bill would authorize OCS revenue sharing to the State of Alaska and local governments with a geographic nexus to the leased areas, or which are identified as “significant staging areas” by the State of Alaska. The legislation allocates 7.5% of all Alaska OCS revenues to the State of Alaska, and 7.5% of revenues to coastal political subdivisions. Of the 7.5% allocated to coastal political subdivisions, 10 percent of that amount would go to communities that serve as significant staging areas for OCS activities. Should the bill become law, it would generate increased funding to eligible communities as OCS oil and gas development proceeds. Unalaska qualifies as a staging area for the Arctic oil and gas development, and would also be an eligible coastal political subdivision should the North Aleutian Basin be opened for development. The money allocated to the State of Alaska would be available for appropriation by the Alaska State Legislature. The City strongly supports S. 883 and thanks the Delegation for its ongoing initiative on this issue.

Environmental Remediation Support: Unalaska has many sites that were the subject of the Department of Defense’s Formerly Utilized Defense Sites (“FUDS”) environmental program due to contamination which occurred during WWII activities. Numerous sites are located in areas with detrimental impact to subsistence living. The City and its land owners are unable to react quickly to a new FUDS Responsible site identified during the civil work at a construction project. If during earth moving activities a FUDS responsible site is uncovered, it takes 3 -5 years to get the funding to remediate the site. This effectively puts a halt to the construction project or forces the land owner to spend large sums of its own money to remove contamination so that the project can continue. We would like to see some form of funding mechanism established within the law that will allow reimbursement of land owners who remediate contaminated sites or identify a pool of money to allow for a timely response to new contamination sites that are holding up construction projects and negatively impact subsistence living.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends approving this Resolution 2018-05.

PROPOSED MOTION: I move to approve Resolution 2018-05.

CITY MANAGER’S COMMENTS: This list remains consistent with the City’s adopted plans and previously identified priorities. I support this resolution.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-07

A RESOLUTION OF THE UNALASKA CITY COUNCIL SCHEDULING A SPECIAL ELECTION ON THE PETITION TO RECALL FRANK KELTY FROM THE OFFICE OF MAYOR OF THE CITY OF UNALASKA.

WHEREAS, a Petition to Recall Mayor Frank Kelty was received by the City Clerk on December 15, 2017, and supplemented on December 26, 2017; and

WHEREAS, the City Clerk has certified the petition as sufficient, containing the requisite number of signatures; and

WHEREAS, pursuant to AS 29.26.310, the clerk has submitted the petition to the City Council; and

WHEREAS, pursuant to AS 29.26.320, if no regular election occurs within 75 days of the date the petition is submitted to Council, the City Council shall hold a special election on the recall question within 75 days but not sooner than 45 days after submission of the petition to Council.

NOW THEREFORE, BE IT RESOLVED, that a special election on the recall question shall be held on March 6, 2018.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
Clerk

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: MARJIE VEEDER, CITY CLERK
THROUGH: NANCY PETERSON, CITY MANAGER
DATE: JANUARY 9, 2018
RE: RESOLUTION 2018-07: A Resolution of the Unalaska City Council scheduling a Special Election on the petition to recall Frank Kelty from the office of Mayor of the City of Unalaska.

SUMMARY: A Petition to Recall Mayor Frank Kelty was received by the City Clerk on December 15, 2017, and supplemented with additional signatures as allowed by state statute on December 26, 2017. The City Clerk has certified the petition as sufficient, containing the requisite number of signatures. Pursuant to AS 29.26.310, the clerk hereby submits the petition to the City Council to schedule the recall election.

PREVIOUS COUNCIL ACTION: None.

BACKGROUND: The Unalaska Code of Ordinances does not speak to recall efforts, so we are guided by Alaska Statute, Title 29 Municipal Government, Chapter 26 Elections, Article 3 Recall, Sections 29.26.240 to 29.26.360.

AS 29.26.320, Election, states:

- (a) If a regular election occurs within 75 days but not sooner than 45 days after submission of the petition to the governing body, the governing body shall submit the recall at that election.
- (b) *If no regular election occurs within 75 days, the governing body shall hold a special election on the recall question within 75 days but not sooner than 45 days after a petition is submitted to the governing body.*
- (c) If a vacancy occurs in the office after a sufficient recall petition is filed with the clerk, the recall question may not be submitted to the voters. The governing body may not appoint to the same office an official who resigns after a sufficient recall petition is filed naming that official.

[Emphasis added.]

DISCUSSION: The petition is submitted to the governing body on January 9, 2018. 45 days after submission of the petition is Friday, February 23, 2018; 75 days after submission is Monday, March 26, 2018. During this time frame, regular council meetings are scheduled on February 27 and March 13. Elections are normally scheduled on Tuesdays. The City Clerk anticipates that we will be able to meet all notice deadlines and adequately prepare to hold an election on March 6, 2018. The canvass committee could meet on Friday March 9 and Council could certify the election results at their regular meeting on March 13, 2018.

ALTERNATIVES: Council could choose to schedule the election any time from February 23, 2018 through March 26, 2018.

FINANCIAL IMPLICATIONS:

LEGAL:

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2018-07, scheduling the recall election on March 6, 2018.

PROPOSED MOTION: "I move to adopt Resolution 2018-07."

CITY MANAGER'S COMMENTS:

ATTACHMENTS: Copy of certified recall petition.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-07

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE MAYOR TO SIGN AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY AND INTERIM CITY MANAGER NANCY M. PETERSON.

WHEREAS, the City of Unalaska and Nancy M. Peterson entered into an Agreement dated September 26, 2017, for temporary employment of Nancy M. Peterson as Interim City Manager for the City; and

WHEREAS, the term of the original agreement ends on January 16, 2018; and

WHEREAS, the City and Ms. Peterson wish to extend the term of the Agreement for an additional month, with a new termination date of February 16, 2018; and further, crediting Ms. Peterson with an additional twenty (20) hours of personal leave.

NOW, THEREFORE, BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL authorizes the Mayor to sign Amendment No. 1 to the Agreement between the City of Unalaska and Nancy M. Peterson, a copy of which is attached to this Resolution.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 9, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
Clerk

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: NANCY PETERSON, INTERIM CITY MANAGER
DATE: JANUARY 9, 2018
RE: RESOLUTION 2018-07: A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE MAYOR TO SIGN AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY AND INTERIM CITY MANAGER NANCY M. PETERSON.

SUMMARY: This Resolution will extend the Agreement with the Interim City Manager through February 16, 2018.

PREVIOUS COUNCIL ACTION: The Council approved Resolution 2017-60 on September 26, 2017, to enter into an Agreement with Nancy M. Peterson to serve as the Interim City Manager through January 16, 2018.

BACKGROUND:

DISCUSSION: The recruitment schedule for Unalaska's new City Manager has been extended into January with interviews scheduled for February 1-4, 2018. Nancy is willing to continue to support the City's administrative functions on a full-time, interim basis through February 16, 2018. Depending on the outcome of the interviews and candidate selection process in February, additional support on a part-time basis may be negotiated as needed.

ALTERNATIVES: The council could choose not to extend the contract and appoint an alternative Interim City Manager.

FINANCIAL IMPLICATIONS: No changes have been made to the original compensation schedule.

LEGAL:

STAFF RECOMMENDATION:

PROPOSED MOTION: I move to approve Resolution 2018-07 authorizing the Mayor to sign Amendment No. 1 to the Agreement between the City of Unalaska and Nancy M. Peterson.

CITY MANAGER'S COMMENTS: I am willing to continue to serve as the City's Interim City Manager through February 16, 2018. If additional support beyond that date is needed or desired by the Council, I may be available on a part-time basis and/or will work with the Council to select an alternative Interim Manager.

AMENDMENT NO. 1
AGREEMENT
INTERIM CITY MANAGER

The City of Unalaska (“City”) and Nancy M. Peterson (“Interim City Manager” or “Employee”) agree to amend that certain AGREEMENT, INTERIM CITY MANAGER dated September 26, 2017, as follows:

Section 3 Term is amended to read as follows:

This agreement shall commence October 16, 2017, and shall terminate on February 16, 2018, unless earlier terminated in accordance with this Agreement.

Section 4 Consideration, subparagraph (b)(1) is amended to read as follows:

Employee will be credited with 20 hours of personal leave at the commencement of the Amendment term and will accumulate additional personal leave at the rate of 13.5 hours per month while employed as Interim City Manager.

This is the entire Amendment of the Agreement. All other provisions of the Agreement not specifically amended by this document remain in effect.

CITY OF UNALASKA

Frank V. Kelty
Mayor

EMPLOYEE

Nancy M. Peterson

ATTEST:

Marjie Veeder
City Clerk

AGREEMENT
INTERIM CITY MANAGER

THIS AGREEMENT is between the City of Unalaska, a municipal corporation of the State of Alaska, acting through its City Council, hereinafter referred to as "City", and Nancy M. Peterson hereinafter referred to as "Interim City Manager" or "Employee".

WHEREAS, the City Code of the City of Unalaska empowers the Council of the City to appoint and remove the Manager; and

WHEREAS, the City is in need of the services of an Interim City Manager; and

WHEREAS, the Council of the City of Unalaska desires to retain the services of Nancy M. Peterson as its Interim City Manager upon the terms set forth herein; and

WHEREAS, Nancy M. Peterson desires to serve as Interim City Manager of the City of Unalaska upon the terms set forth herein.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1 Appointment.

(a) The City Council of the City of Unalaska, Alaska appoints Nancy M. Peterson as Interim City Manager of the City of Unalaska, subject to terms and conditions set forth herein. Employee is a temporary at-will Employee who serves at the pleasure of the City Council.

(b) Employee shall perform all duties and functions assigned to the Employee by law or ordinance and such other duties and functions as the City Council shall from time to time prescribe including, but not limited to, providing assistance in the recruitment of a permanent City Manager and providing transitional assistance to the permanent City Manager for up to ten days after the permanent City Manager starts working in Unalaska.

(c) The parties understand and agree the position of Interim City Manager is an executive position which routinely involves work in excess of eight (8) hours per day and forty (40) hours per week, and is intended to be exempt from the overtime compensation provisions of the Fair Labor Standards Act ("FLSA").

Section 2 Hours of Accessibility.

The Interim City Manager shall make themselves available and be present in the City of Unalaska's city offices, or other city facilities, during normal business hours Monday through Friday of each week, excluding holidays. The Interim Manager shall be accessible to the Mayor, City Council Members and City Department Heads via telephone on a 24 hour basis, seven days per week. The Mayor and Interim Manager, if necessary, may mutually agree to some flexibility in this schedule to accommodate the needs of both the Interim Manager and the City.

Section 3 Term.

This agreement shall commence October 16, 2017 and shall terminate on the earlier of January 16, 2017 or at such time as a permanent city manager has been on the job in Unalaska for ten days whichever comes first unless earlier terminated in accordance with this Agreement.

Section 4 Consideration.

(a) In consideration of the services to be rendered by the Interim City Manager, the City shall pay the Interim City Manager three thousand dollars (\$3000.00) per week. This salary shall be paid with the City's regular semi-monthly payroll.

(b) In addition to the compensation in subsection (a) above:

1. Employee will be credited with forty (40) hours of personal leave at the commencement of the term and will accumulate additional personal leave at the rate of 13.5 hours per month while employed as Interim City Manager. The Interim Manager will be allowed to take leave from 12/18/17-12/28/2017.

2. Employee will receive compensation for holidays recognized and outlined

in the City of Unalaska Personnel Policy, Title III.

3. Employee will be issued a cellular phone which is to be used for the conduct of city business 7 days per week.

4. Employee will be afforded the same travel and per diem privileges as provided to all city Employees and elected officials when conducting business outside of the City of Unalaska.

5. Employee shall not be entitled to health insurance and retirement benefits as provided to other City employees.

6. City shall provide one round trip ticket from the nearest location to the individual (NEAREST LOCATION TO INDIVIDUAL) to Unalaska plus excess baggage costs incurred in Employee relocating to Unalaska and returning to from the nearest location to the individual.

7. City shall provide three (3) additional round trip tickets from from the nearest location to the individual to Unalaska to be used by Employee or their spouse. Employee is responsible for arranging for travel arrangements using these tickets.

Section 5 Housing.

The City of Unalaska shall provide Employee with suitable housing which includes all utilities, cable TV, and Internet.

Section 6 Termination of Agreement.

(a) The City Council may terminate the Employee at any time, for any reason or for no reason, by delivering to the Employee written notice of termination. Said notice is not required to specify any reasons for the termination. City shall be responsible to pay Employee for the balance of the Employee's accrued annual leave as of the date of termination.

(b) Prior to any termination for cause, Employee shall be entitled to a hearing before the Council, at which he may be represented by counsel, present and cross-examine witnesses. Upon termination for cause, City shall not be responsible for making any payment of

the balance of the Employee's accrued annual leave to the date of termination.

(c) Employee may terminate this Agreement at any time by delivering to the City Clerk a ten (10) day notice of intent to terminate. If Employee terminates this Agreement Employee shall not be entitled to payment for the balance of the Employee's accrued annual leave as of the date of termination.

Section 7 Compliance with Law.

The Interim City Manager shall comply with the provisions of the City Code of the City of Unalaska, formal actions of the City Council, and any other applicable laws.

Section 8 Indemnification.

City shall defend and save harmless Employee from and against losses, damages, liabilities, expenses, claims and demands arising out of any act or omission of Employee while acting within the scope of Employee's duties under this agreement.

Section 9 Entire Agreement.

The text of this Agreement constitutes the entire agreement between the parties. Any representations, statement, promises or understandings not contained herein shall be of no continued force, effect of validity.

Section 10 Severability.

The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision hereof and this Agreement shall remain in full force except as to such invalid provision.

PASSED, APPROVED AND ADOPTED by the Mayor and City Council of the City of Unalaska, Alaska this 26th day of September, 2017.

CITY OF UNALASKA

BY: 
FRANK V. KELTY, MAYOR

ATTEST



Catherine Hazen, City Clerk

EMPLOYEE

BY: 

NANCY M. PETERSON



CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2018-01

CREATING BUDGET AMENDMENT NO. 3 TO THE FISCAL YEAR 2018 BUDGET, INCREASING THE CITY MANAGER'S OFFICE OPERATING EXPENSE BUDGET \$205,600 TO COVER UNANTICIPATED DISPOSAL COSTS OF THE F/V AKUTAN; RECOGNIZE STATE GRANT REVENUE OF \$153,895 FOR THE HAYSTACK FENCING PROJECT, AND INCREASING THE CAPITAL PROJECT BUDGET \$139,000 AND THE PUBLIC SAFETY OPERATING EXPENSE BUDGET \$14,895; RECOGNIZE LOCAL EMERGENCY PLANNING GRANT REVENUE \$10,000 AND INCREASING THE PUBLIC SAFETY OPERATING EXPENSE BUDGET; RECOGNIZE FEDERAL FORFEITURE SHARED REVENUE \$19,067 AND INCREASING THE PUBLIC SAFETY OPERATING EXPENSE BUDGET; RECOGNIZE LOCAL SUPPORT REVENUE OF \$7,000 AND INCREASING THE PCR RECREATION PROGRAMS EXPENSE BUDGET; INCREASING THE SOLID WASTE FUND OPERATING BUDGET FOR TRANSFERS TO PUBLIC WORKS CAPITAL PROJECTS \$75,000 TO FUND REFINED COST ESTIMATES FOR PRELIMINARY DESIGN AND RECOGNIZE THE TRANSFER IN AND INCREASING THE CAPITAL PROJECT EXPENDITURES IN THE SOLID WASTE UTILITIES PROJECT FUND.

BE IT ENACTED BY THE UNALASKA CITY COUNCIL:

- Section 1. Classification: This is a non-code ordinance.
 Section 2. Effective Date: This ordinance becomes effective upon adoption.
 Section 3. Content: The City of Unalaska FY18 Budget is amended as follows:

A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.

B. The following are the changes by account line item:

Amendment No. 3 to Ordinance 2017-07

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGETS			
A. General Fund			
Sources			
Current year budget remaining surplus	3,510,941	31,400	3,479,541
2017 SHSP Grant		153,895	153,895
2018 LEPC Grant		10,000	10,000
Federal forfeiture funds		19,067	19,067
Local support - APIA		7,000	7,000
Uses			
City Manager's Office	405,189	31,400	436,589
Transfers out - Capital Projects Gen Gov	793,000	139,000	932,000
Public Safety - Police and Admin	3,775,305	43,962	3,819,267
Parks, Culture and Recreation - Recreation Programs	692,583	7,000	699,583

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
B. Proprietary Fund			
Source			
Solid Waste Enterprise Fund - Unrestricted net position	2,298,642	75,000	2,223,642
Use			
Solid Waste Enterprise Fund - Transfers to Enterprise Capital	-	75,000	75,000

II. CAPITAL BUDGETS

C. Public Works - Project Budget

Sources				
Transfers in - General fund	PW18A	-	139,000	139,000
Uses				
Fencing - Haystack Repeater Site	PW18A	-	139,000	139,000

D. Public Utilities - Project Budget

Sources				
Transfer from Solid Waste Operating	SW18A	-	75,000	75,000
Uses				
Composting Project - Preliminary Design	SW18A	30,000	75,000	105,000

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS _____ DAY OF _____ 2018.

ATTEST:

Frank Kelty
Mayor

Marjie Veeder
City Clerk

**Fiscal Year Budget Amendment 3
and Schedule of Proposed Accounts**

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
1) <u>General Fund - Operating Budget</u>						
Sources:						
Current Year Budgeted Surplus				3,510,941.00	31,400.00	3,479,541.00
2017 State Homeland Security Grant Program	01011041	42261	PW18A	-	153,895.00	153,895.00
2018 LEPC Grant	01011041	42157			10,000.00	10,000.00
Federal forfeiture funds	01011042	43213			19,067.11	19,067.11
Local support - APIA					7,000.00	7,000.00
Uses:						
Transfer to Gen Gov Capital Projects Fund	01029854	59920		793,000.00	139,000.00	932,000.00
City Manager:						
Other professional services	01020152	53300		20,000.00	31,400.00	51,400.00
Public Safety:						
Grants (Supplies)	01021152	56450		13,755.00	24,895.00	38,650.00
Public safety - investigations	01021152	55909		15,000.00	19,067.11	34,067.11
PCR:						
Recreation programs temporary employees	01023251	51200		15,000.00	7,000.00	22,000.00
2) <u>Solid Waste Fund - Operating Budget</u>						
Sources:						
Enterprise Fund unrestricted net position				2,298,642.00	75,000.00	2,223,642.00
Uses:						
Transfer out to Enterprise Capital Projects Fund		59920		30,000.00	75,000.00	105,000.00
3) <u>Public Safety - Capital Project</u>						
Sources:						
Transfers in - General Fund	01029854	49100	PW18A	-	139,000.00	139,000.00
Uses:						
Grants (Exp distribution to be determined)	01021152	56450	PW18A	-	139,000.00	139,000.00
4) <u>Solid Waste - Capital Project Budget</u>						
Sources:						
Transfer in from SW Op fund		49120	SW18A	-	75,000.00	75,000.00
Uses:						
Professional fees	5010XXXX		SW18A	254,187.31	75,000.00	329,187.31

1. **Public Safety.** The amendment accepts grant funds from Homeland Security (\$153,895) and LEPC (\$10,000) and allocates their expenditure for capital and operating uses. It also accepts funds from cash seized from individuals during drug-related criminal investigations that have been forfeited to the City of Unalaska, Department of Public Safety (\$19,067.11) and authorizes their use in the Police Operating budget.
2. **City Manager (Akutan).** The amendment transfers \$31,400 from the City's current year budget surplus to the City Manager's "other professional services" line item to pay for costs associated with the scuttling of the F/V Akutan.
3. **PCR.** The amendment increases the revenues in the General Fund and increases the expenditures in the PCR recreation programs to reflect a \$7,000 grant from APIA to provide an exercise program at the Senior Center.
4. **Solid Waste Composting Design.** The amendment will transfer \$75,000 from the Solid Waste Proprietary Fund unrestricted net position to the Solid Waste Capital Project SW18A to increase the funding for the Preliminary Design of the Solid Waste Composting project.

MEMORANDUM TO COUNCIL

TO: Mayor and Council Members
FROM: Michael Holman, DPS Director
THROUGH: Nancy Peterson, Interim City Manager
DATE: 12/21/17
RE: BUDGET AMENDMENT ORDINANCE 2018-01

SUMMARY: Ordinance #2018-01 will amend the Department of Public Safety (DPS) budget items as follows:

1. Recording grant revenues received from the 2017 State Homeland Security Grant Program (SHSP), and reallocating those funds to a project account and an operating account. The total amount awarded for this grant is \$153,895.00.
2. Recording grant revenues received from the 2018 Local Emergency Planning Committee (LEPC) grant, and reallocating those funds to an operating account. The total amount awarded for this grant is \$10,000.
3. Recording funds received in forfeiture and allocating the funds to an operating account. The total amount forfeited is \$19,067.11.

PREVIOUS COUNCIL ACTION:

1. There has been no previous council action on the \$153,895.00 from the 2017 SHSP grant.
2. There has been no previous council action on the \$10,000.00 from the 2018 LEPC grant.
3. There has been no previous council action on the \$19,067.11 in forfeiture funds.

BACKGROUND:

1. \$153,895.00 is from the 2017 State Homeland Security Grant Program and awarded for security fencing at the Haystack radio repeater site, and for funding travel related to planning for Alaska Shield 2019. The grant is 100% funded and has a two year performance period ending November 15, 2019.
2. \$10,000.00 is from the 2018 LEPC Grant, from the Alaska Department of Military and Veteran's Affairs, Division of Homeland Security and Emergency Management. This grant is intended for supplies, support services and travel related to LEPC functions, pursuant to the guidelines set forth

in the LEPC grant scope. These funds have been partially expended in FY18, and all funds are expected to be fully expended within the grant timeline.

3. \$19,067.11 is from cash seized from individuals during criminal investigations. Subsequently, as part of the sentencing in several drug-related cases, the seized cash was forfeited to City of Unalaska, Department of Public Safety. These funds are mandated for law enforcement purposes.

DISCUSSION:

1. DPS requests that \$139,000.00 SHSP grant funds be placed into a project account to purchase and install fencing around the Haystack repeater site. This will harden critical infrastructure that houses networks used for law enforcement operations and city-wide operations during a disaster. The grant reimburses all expenses to the City of Unalaska after purchase and submission of receipts. All funds are expected to be fully expended within the grant timelines. Local procurement rules must be followed.
2. DPS requests that \$14,895.00 SHSP grant funds be allocated to the FY18 DPS police operating budget into account 01021152-56450 (grants). These funds will be used for representatives to attend planning meetings for the Alaska Shield 2019 exercise.
3. DPS is requesting that the \$10,000.00 of 2018 LEPC grant funds be allocated to the FY18 DPS police operating budget into account 01011041-42157(LEPC).
4. DPS is requesting that the \$19,067.11 in forfeited funds be allocated to the FY18 DPS police operating budget into account 01021152-55909(investigations).

ALTERNATIVES:

1. The following are alternatives for the 2017 SHSP Grant:
 - a. Return the remaining funds from 2017 SHSP Grant, and expend City funds to complete the Haystack repeater site project, and to fund Alaska Shield-related travel.
 - b. Return the remaining funds from 2017 SHSP Grant and not complete the Haystack repeater site project, and not fund Alaska Shield-related travel.
2. The following are alternatives for the 2018 LEPC Grant:
 - A. Decline participation in the LEPC Grant program, return the remaining funds from 2018 LEPC Grant before the closure of the grant period, and expend City funds on LEPC programs and supplies.
 - B. Decline participation in the LEPC Grant program, return the remaining funds from 2018 LEPC Grant before the closure of the grant period and not fund LEPC programs and supplies.
3. The following are alternatives for the cash received in forfeiture:
 - A. Refuse to accept the forfeited funds

B. Allocate the funds to another eligible line item within the police operating budget.

FINANCIAL IMPLICATIONS:

1. This first part of this budget amendment recognizes the receipt of 2017 SHSP grant funds totaling \$153,895.00. The grant requires either the remaining balances be returned at the close of the grant period, or if the allocated funds are not expended by the end of the grant period, any expenses beyond that date may be borne entirely by the City.
2. This first part of this budget amendment recognizes the receipt of 2018 LEPC grant funds totaling \$10,000.00. Depending on the grant requirements either the remaining balances must be returned at the close of the grant period, or if the allocated funds are not expended by the end of the grant period, expenses beyond that date will be borne entirely by the City.
3. This part of this budget amendment recognizes the receipt of forfeited funds totaling \$19,067.11. This amount is a budget revision and will increase the DPS's FY18 operating budget by \$19,067.11.

LEGAL:

1. The 2017 SHSP grant requires that the funds are expended in accordance with the scope of the grant. Remaining balances must be refunded unless the grant specifications are categorized as reimbursable. In that case, if the funds are not expended by the expiration of the grant period, the granting agency will not fund or reimburse the City. The grant period ends November 15, 2019.
2. The 2018 LEPC grant requires that the funds are expended in accordance with the scope of the grant. The legal obligation is to fully expend the funds in accordance with the scope of the grant. Remaining balances must be refunded unless the grant specifications are categorized as reimbursable; in that case if the funds are not expended by the end of the grant period the granting agency will not fund or reimburse the City.
3. These funds were forfeited by the Third Judicial District State of Alaska Court as part of sentencing in various criminal cases and are required to be used by the Department of Public Safety for Law Enforcement activities. Returning the funds to criminal defendants will cause legal complications with the Court and the District Attorney's Office.

STAFF RECOMMENDATION: Staff recommends the Council approve the three items detailed in this budget amendment in order to remain in compliance with the scope and intent of grant guidelines and s forfeiture rules.

PROPOSED MOTION: I move to approve the first reading of Ordinance 2018-01 and to send it to the second reading and public hearing on 01/23/2018.

CITY MANAGER'S COMMENTS: The City Manager recommends Council approve the three items detailed in this budget amendment.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: PEGGY MCLAUGHLIN, PORT DIRECTOR
THRU: NANCY PETERSON, INTERIM CITY MANAGER
FROM: PORT DEPARTMENT
DATE: 01/09/2018
RE: BUDGET AMENDMENT F/V AKUTAN DISPOSAL ORDINANCE NO.
2018-01

SUMMARY: This budget amendment is to request \$31,400 be transferred from the General Fund current year budget surplus to the City Manager's Office "Other professional services" line item to fund the removal, towing and ammunition for the scuttling of the F/V Akutan.

PREVIOUS COUNCIL ACTION: None

BACKGROUND: August 3, 2017 the United States Coast Guard Cutter Midget escorted the F/V Akutan into Captain's Bay. The vessel was abandoned and has since been declared derelict with no responsible party to remove the vessel from the City of Unalaska city limits.

DISCUSSION: The anchoring and abandonment of the F/V Akutan in Captain's Bay created several months of discussion and coordination between the United States Coast Guard, multiple State agencies, and the City of Unalaska.

This effort combined the various authorities of the agencies to develop a plan to remove the F/V Akutan from Unalaska. The authority to dispose of the vessel (USCG), the authority to seize the vessel (DNR), and the authority to mitigate potential pollutants (ADEC) are the coordinated authorities and the driver for this budget amendment. The City of Unalaska has been requested to help fund the removal of the vessel to the scuttling grounds.

It is possible as noted in the yellow highlights of the attached proposal that the disposal permit may not require the mitigation of floatable debris and may just be towed to the required location and scuttled. Administration has prepared this Budget Amendment request in the MINIMUM amount that would be required to scuttle the vessel (\$31,400). This funding would include the removal of the Akutan from its current anchorage, towing, and the ammunition for the sinking of the vessel. If the Coast Guard requires that the floatable debris must be removed prior to scuttling the vessel, the full cost of the removal will be \$205,600.

The State agencies and the City of Unalaska investigated and received quotes for additional disposal plans. This includes towing to Seattle for \$365,000 and scrapping the vessel for \$500,000. Scuttling the F/V Akutan as an emergency scuttle is by far the most cost-effective plan.

This budget amendment will increase the “Professional Services” line item in the City Manager’s operating budget with funds from the General Fund current year budget surplus in the amount of \$31,400. If the scuttling of the F/V Akutan requires the full \$205,600 shown in the cost proposal, the remaining \$174,200 would have to be secured by Department of Natural Resources or the USCG.

The planning of the removal of the F/V Akutan has been an arduous collaboration. The timing of this scuttling is partially what makes this cost-effective, as the USCG believes the F/V Akutan qualifies as an “emergency scuttle” and has stated it should be completed by the end of January. Beyond that, the emergency status is hard to defend and we will lose the opportunity for this means of disposal.

ALTERNATIVES:

1. Council could approve request as proposed.
2. Council could choose to increase the budget amendment to \$205,600 to cover all costs of the removal of the Akutan.
3. Council could choose to not approve any funding for the removal of the Akutan.

FINANCIAL IMPLICATIONS:

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends approving this budget amendment

PROPOSED MOTION: I move to approve the first reading of Ordinance 2018-01 and to send it to the second reading and public hearing on 01/23/2018.

CITY MANAGER’S COMMENTS: I recommend approval of this budget amendment. During the work session, we will discuss whether there are enough benefits to the community to consider fully funding the potential cost of \$205,600. If that option is desired, the budget amendment can reflect that increased amount.

Attachment: Estimate for F/V Akutan removal and towing.

The below represents a cost estimate to retrieve the FV Akutan from her current location, deliver to a USCG Cutter approximately 1 mile outside Dutch Harbor. The USCG would then tow the vessel to the designated sinking site approximately 13 to 16 miles (100 fathoms minimum depth) where Resolve would provide explosives and technical expertise to sink the vessel to the bottom. **Items in yellow highlight are minimum requirement to take the vessel directly from Captains Bay to the site and sink the vessel.** Additional items are cost estimate to bring the FV Akutan alongside the Resolve Dock and remove/dispose of all floatables and ORM. This quote is provided on the basis that the vessel is sunk under an emergency order by the USCG. **THIS QUOTE DOES NOT CLEAN THE VESSEL TO THE STANDARD REQUIRED TO SINK A VESSEL UNDER PERMIT REQUIREMENTS WHERE THE USCG DISTRICT COMMANDER HAS NOT DECLARED AN EMERGENCY SITUATION EXISTS. This is an ESTIMATE Only. Actual time and material incurred will be invoiced in**

accordance with Resolve's Standard Rate Sheet

	Qty	Rate	days	
Floatable Debris Removal Labor	6	\$ 800.00	10	\$ 48,000.00
Roll Off Box rental	20	\$ 450.00	1	\$ 9,000.00
Roll Off Box trucking	40	\$ 275.00	1	\$ 11,000.00
Disposal @ Unalaska Landfill	20	\$ 2,300.00	10T per box	\$ 46,000.00
Waste Management Service ORMD	1	\$ 15,000.00	1	\$ 15,000.00
Waste Management Disposal Costs ORMD	1	\$ 10,000.00	TBD Estimate	\$ 10,000.00
Makushin Bay - Retrieve Mooring	1	\$ 15,000.00	1	\$ 15,000.00
Crane Operations	1	\$ 2,600.00	5	\$ 13,000.00
Forklift Operations	1	\$ 1,000.00	10	\$ 10,000.00
Dockage	1	\$ 800.00	12	\$ 9,600.00
Tug Service Capt Bay to Resolve Dock (1 Tug)	4	\$ 650.00	1	\$ 2,600.00
Tug Service Resolve Dock or Capt Bay to Cutter Redevious	6	\$ 650.00	1	\$ 3,900.00
Rig Akutan for towing	1	\$ 5,000.00	1	\$ 5,000.00
Explosives	1	\$ 5,000.00	1	\$ 5,000.00
Demolition team	1	\$ 2,500.00	1	\$ 2,500.00
As Is vessel Sinking direct from Capt Bay to Sink Site 13 miles out				\$ 31,400.00
Vessel Sinking w/floatable removal				\$ 205,600.00

CITY OF UNALASKA
43 Raven Way - P.O. Box 610
Unalaska, Alaska 99685
TEL (907) 581-1251 FAX (907) 581-4469

Unalaska, Alaska

Date: December 14, 2017
To: Mayor and City Council
Through: Nancy Peterson, City Manager
From: Roger Blakeley, PCR Director
Subject: Budget Memo

SUMMARY: This budget amendment request will amend the FY 2018 PCR operating budget by \$7,000. The request will be used to provide senior exercise programming at the Unalaska Senior Center. This is a joint project with the Aleutian Pribilof Island Association (APIA).

BACKGROUND: The Department of Parks, Culture, and Recreation (PCR) is working with the Aleutian Pribilof Island Association (APIA) to develop a senior exercise program at the Unalaska Senior Center. APIA received a grant to fund the program and is working with PCR to staff it. PCR requests a budget amendment be made in the amount of \$7000.00 to accommodate the necessary funds to hire the paid volunteer who will be responsible for teaching the exercise classes.

This \$7000.00 reflects the amount of money APIA received to fund the personnel portion of the exercise program. PCR will invoice APIA for the hours worked by the exercise class instructor, and we will receive reimbursement for those hours up to the \$7000.00 outlined in the APIA grant. This results in a net loss of \$0.00 in city funds and gives PCR the ability to run this new program in cooperation with APIA.

The program will end when the grant funds have been exhausted. If the program is successful, PCR staff will consider budgeting for the class so that it can continue in the future.

DISCUSSION: With the approval of the budget amendment, staff is requesting \$7,000 to fund a senior exercise program until the funds are exhausted. After the requirement of the APIA grant is met, staff will determine whether additional funding will be requested in future PCR operating budgets for this type of programming.

FINANCIAL IMPLICATION: There will no impact to the operating budget to fund this request.

ALTERNATIVES: If the City does not accept the funds, PCR will not provide this type of senior programming.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends adopting receipt of funding through the APIA grant for senior exercise programming.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: J. R. PEARSON, DEPUTY DIRECTOR OF PUBLIC UTILITIES
THRU: NANCY PETERSON, INTERIM CITY MANAGER
DATE: JANUARY 9, 2018
RE: ORDINANCE 2018-01: BUDGET AMENDMENT REQUEST FOR \$75,000 IN ADDITIONAL ENGINEERING FUNDS TO COMPLETE THE PRELIMINARY DESIGN OF THE FY2018 COMPOSTING PROJECT.

SUMMARY: This Budget Amendment request for \$75,000 in additional engineering services funding for the FY2018 Composting Project (MUNIS Project SW18A) is needed in order to complete the preliminary design phase of the project. The initial design expense was estimated at \$20,000, however, more refined cost estimates have been derived from the recently completed Landfill Master Plan. The revised cost estimate for this preliminary design is approximately \$95,000.

PREVIOUS COUNCIL ACTION: On May 23, 2017, Council adopted Ordinance 2017-07, the FY18 Operating and Capital Budget for the City of Unalaska. That budget funded the Solid Waste Master Plan, which recommends Composting as a means to save Landfill cell space.

BACKGROUND: Since the November 2015 startup of the new Chemically Enhanced Primary Treatment Wastewater Treatment Plant, biosolids have been processed at the WWTP and hauled to the Landfill for disposal. This major addition to the waste stream has had a significant impact on the total volume of incoming material and subsequently the life of the Landfill. Adding composting as a recycling method will completely remove biosolids from the waste stream and replace virtually all cover material the Landfill currently purchases. Food waste and other organic materials in the waste stream, roughly equal to the amount of received biosolids, could also be recycled into compost to use as cover material. Utilizing this portion of the waste stream to make compost will save approximately seven years of Landfill life, valued at \$6,308,000 in 2018 dollars, as well as the annual cost of cover material.

DISCUSSION: Staff proposed the Composting Project via the 2018-2022 CMMP Process. Within the nomination, Staff noted that estimates for the cost of the project were very rough. The actual cost for the preliminary design was submitted to Staff as a scope of services and quote from CH2M in November of 2017, well after CMMP Nominations were processed and budgets approved. Because the Master Plan document had reached the 95% completion stage by that time, more information was available to CM2M to provide a deeper investigation of how to construct and advance the project. Instead of a high-level overview

of the feasibility of composting that Staff valued at \$30,000, the proposal from CH2M (attached) delves much deeper into the project and includes public outreach and a preliminary design deliverable. Staff believes this is a better approach and provides more value than an overview since a deeper preliminary look will save engineering costs when it comes to final design, especially by examining what Kodiak has already accomplished with their composting endeavors.

ALTERNATIVES: The alternative is not to pursue composting.

FINANCIAL IMPLICATIONS:

COMPOSTING PROJECT - SW18A				Current Budget	This Request	Revised Budget
53126553	53240	SW18A	Engineering & Architectural	\$20,000	\$ 75,000	\$ 95,000

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends adopting Ordinance 2018-01.

PROPOSED MOTION:

CITY MANAGER’S COMMENTS: I support adopting this budget amendment for the revised scope of preliminary design of the Composting project.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2018-02

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING SECTION 1.24.010 OF THE UNALASKA CODE OF ORDINANCES TO PROHIBIT THE COURT FROM REDUCING FINES ESTABLISHED BY A FINE SCHEDULE FOR A VIOLATION OF CITY ORDINANCES.

WHEREAS, UCO § 1.24.040 specifies that any fine established in the City's minor offense fine schedule may not be judicially reduced; and

WHEREAS, UCO § 14.04.025(A) similarly prohibits the court from reducing scheduled fines for violations of local traffic offenses; and

WHEREAS, City Code does not clearly prohibit the court from reducing scheduled fines for state traffic laws and regulations that have been incorporated into City Code by reference; and

WHEREAS, the City seeks consistent imposition of fine amounts for all traffic offenses, whether stated in City Code or incorporated by reference.

NOW THEREFORE, BE IT ENACTED by the City Council of the City of Unalaska:

Section 1: Form. This is a Code ordinance.

Section 2: Amendment of Section 1.24.010. Section 1.24.010 of the Unalaska Municipal Code is hereby amended to read as follows: [additions are underlined; deletions are in brackets]

§ 1.24.010 GENERAL PENALTY.

(A) Every act prohibited by city ordinance is unlawful. Unless another penalty is expressly provided by this code for a particular act or offense, every person convicted of an infraction or violation of any provision of this code, or any rule or regulation adopted or issued pursuant to this code, is guilty of a minor offense as that term is defined in the Alaska Rules of Minor Offense Procedure and shall be punished by a fine of not more than five hundred dollars (\$500) unless the penalty is established by fine schedule, in which case the maximum penalty shall be one thousand dollars (\$1,000).

(B) In addition to any other remedies or penalties which may be provided in this code, or may otherwise be available, the city or any aggrieved person may institute a civil action to obtain injunctive or compensatory relief against a person who violates any provision of the code. In addition to injunctive and compensatory relief, a civil penalty not to exceed one thousand dollars (\$1,000) may be imposed for each violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy. On application for injunctive relief and a finding of violation or threatened violation, the superior court shall grant the injunction. The City shall be entitled to collect all reasonable attorney's fees in any successful civil action to enforce the laws of the City.

(C) Each act of violation and every day upon which the violation occurs constitutes a separate offense.

(D) No penalties established by a fine schedule, whether set forth in full or adopted as part of this code by reference, may be judicially reduced.

Section 3: Effective Date. This ordinance is effective upon passage.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on this _____ day of _____ 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

TO: Mayor and City Council Members
FROM: Jennifer Shockley, DPS Deputy Chief
THRU: Mike Holman, DPS director
THRU: Nancy Peterson, Interim city Manager
DATE: January 9, 2018
RE: Ordinance 2018-02

SUMMARY: Ordinance 2018-02, amends § 01.24.010 of the Unalaska Code of Ordinances to prohibit the Court from reducing fines which have been established by a fine schedule, for violations of City Ordinances.

PREVIOUS COUNCIL ACTION: In 2016 Council adopted Ordinance 2016-02, a comprehensive rewrite of various provisions of the Unalaska Code of Ordinances to designate certain violations of City law as Minor Offenses and to establish fines for such violations and to provide for other penalties for violations.

BACKGROUND: In 2016, Council amended § 14.04.020-14.04.027, adopting by reference State traffic laws and the associated fine schedule. Council also amended UCO § 1.24.010-1.24.040 to establish processes for charging persons or entities with violations of UCO, and to create a fine schedule for certain violations of UCO not listed elsewhere. Both § 14.040.025(A) and § 01.24.040 contain language that fines set forth in UCO may not be judicially reduced. Code books have since been supplemented to include Ordinance 2016-02, which adopted the fine schedule.

DISCUSSION: There have been several instances since the adoption of these ordinances in which judicial officers have reduced the fines for persons convicted of minor traffic offenses charged under UCO, but for which the associated State fine was not specifically listed in UCO. Ordinance 2018-02 is intended to clarify City code so that fines listed in the fine schedule, whether set forth in full or adopted by reference, may not be judicially reduced. Ordinance 2018-02 will ensure that persons charged and convicted of traffic offenses under UCO will be fined in a consistent fashion.

ALTERNATIVES: The alternative is to not adopt this ordinance and allow judicial officers to continue reducing those fines which are not specifically listed in code.

FINANCIAL IMPLICATIONS: The City of Unalaska receives a portion of the fines collected by the Court for minor offense violations. Disallowing judicial reduction would ensure that the amount the City receives for minor traffic offenses remains consistent.

STAFF RECOMMENDATION: Staff recommends Council approve Ordinance 2018-02, which amends Section § 01.24.010 of the Unalaska Code of Ordinances to prohibit the Court from reducing fines which have been established by a fine schedule, for violations of City Ordinances.

PROPOSED MOTION: I move to adopt Ordinance 2018-02, amending § 01.24.010 of the Unalaska Code of Ordinances to prohibit the Court from reducing fines which have been established by a fine schedule, for violations of City Ordinances.

CITY MANAGER'S COMMENTS: I support the adoption of Ordinance 2018-02. It is clear that when the Council approved Ordinance 2016-02, they intended to incorporate the State traffic fines into the fine schedule. Adding this language to the Code of Ordinances will accomplish that result.


Attachment:

Memo from Patrick Munson - Boyd, Chandler and Falconer, LLP

BOYD, CHANDLER & FALCONER, LLP
ATTORNEYS AT LAW
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MEMORANDUM

TO: Mike Holman
Chief of Police, City of Unalaska

FROM: Patrick W. Munson
Boyd, Chandler & Falconer, LLP 

RE: Reduction of Scheduled Fines Under City Code

DATE: September 22, 2017

We have reviewed the material provided to us regarding the court's reduction of certain fines imposed for violations of state traffic laws that have been incorporated by reference into City Code. We have concluded that the court's conclusion that it has discretion to reduce fines for state traffic offenses is likely correct, but this can be easily remedied by ordinance. We therefore recommend the attached ordinance be provided to the City Council for consideration as soon as possible.

ANALYSIS

UCO Chapter 1.24 establishes the City's general minor offense system. UCO 1.24.010(A) reads:

(A) Every act prohibited by city ordinance is unlawful. Unless another penalty is expressly provided by this code for a particular act or offense, every person convicted of an infraction or violation of any provision of this code, or any rule or regulation adopted or issued pursuant to this code, is guilty of a minor offense as that term is defined in the Alaska Rules of Minor Offense Procedure and shall be punished by a fine of not more than five hundred dollars (\$500) unless the penalty is established by fine schedule, in which case the maximum penalty shall be one thousand dollars (\$1,000).

This section gives the court discretion to determine an appropriate fine up to a certain amount, and does not prohibit the court from reducing fines in a fine table. If such a limitation exists, it therefore must be stated elsewhere in the Code.

UCO 1.24.040 establishes the fine schedule for violations of non-traffic city ordinances. It reads in relevant part: “The fines set forth below [in the minor offense table] may not be judicially reduced.” The fine table in UCO 1.24.040 (*i.e.*, “below”) does not contain city or state traffic offenses or state statutes and regulations that are incorporated by reference. Therefore, the quoted sentence of UCO 1.24.040 does not prohibit the court from reducing fines imposed for violations of city or state traffic laws.

UCO Chapter 14.04 incorporates state traffic laws and regulations, adopts the state bail schedules for same, and establishes local traffic offenses, including a bail schedule. The local offenses are specific to the City and are not otherwise covered by state laws and regulations. UCO 14.04.025(A) states that the fines established in the local traffic offense fine schedule “may not be judicially reduced.” Because this sentence pertains specifically to the *local* traffic offenses fine schedule, it does not prohibit the court from reducing fines imposed for violations of *state* laws that are incorporated by reference because such violations do not appear in the local fine schedule. Therefore, the court’s discretion to reduce such fines is not limited by either UCO 1.24.040 or 14.04.025.

We therefore conclude that the court’s conclusion is correct under the ordinances as currently drafted: the court has discretion to reduce fines for violations of state laws and regulations that are included in state fine schedules because city code does not eliminate that discretion as to that narrow category of offenses.

RECOMMENDATION

This situation can be easily corrected by amending the City’s Code to specifically eliminate the court’s discretion to reduce fines for any offenses listed on all fine schedules, including those in City Code or adopted by reference. If the City wishes to prohibit the court from reducing all such fines, we recommend it adopt the enclosed ordinance to accomplish that result.