

# UNALASKA CITY COUNCIL

Unalaska, Alaska

Regular Meeting  
Tuesday, January 23, 2018  
6:00 p.m.

Unalaska City Hall  
Council Chambers  
43 Raven Way

## AGENDA

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1. Call to order
2. Roll call
3. Pledge of allegiance
4. Recognition of visitors
5. Minutes of previous meetings: January 9, 2018 and January 11, 2018
6. Reports
  - a. City Manager
  - b. Financials: December 2017
  - c. Boards / Commissions (none)
7. Awards / Presentations: Community "Extra Mile" Award
8. Adoption of agenda
9. Community Input / Announcements
10. Public testimony on agenda items
11. Legislative
12. Public hearings
  - a. ORDINANCE 2018-01, Second Reading: An Ordinance of the Unalaska City Council creating Budget Amendment no. 3
  - b. ORDINANCE 2018-02, Second 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
13. Work session
  - a. Presentation: FY17 Audit Results
  - b. Discussion: FY19 Revenue Projections
  - c. Discussion: FY19 Budget Goals
14. Consent agenda
  - a. RESOLUTION 2018-10: A Resolution of the Unalaska City Council receiving the Fiscal Year 2017 audited financial statements of the City of Unalaska
  - b. Review of two liquor license renewal applications from Amelia's and the Norwegian Rat Saloon
15. Regular agenda
  - a. Unfinished Business
    - i. ORDINANCE 2018-01, Second Reading: An Ordinance of the Unalaska City Council creating Budget Amendment no. 3
    - ii. ORDINANCE 2018-02, Second 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
  - b. New Business
    - i. Proposed Letter of Support for the Appointment of Nicole S. Kimball to the open Alaska seat on the North Pacific Fishery Management Council
    - ii. Travel Approval for the Mayor and Council to attend the 2018 SWAMC Economic Summit and Membership Meeting, Anchorage, March 1-2, 2018
    - iii. Travel Approval for Council members to attend AML Winter Legislative Conference, Juneau, February 20-22, 2018
16. Council Directives to City Manager
17. Community Input / Announcements
18. Adjournment

**UNALASKA CITY COUNCIL**  
Unalaska, Alaska

Tuesday, January 9, 2018  
6:00pm

City Hall, Council Chambers  
43 Raven Way, Unalaska

**UNALASKA CRAB, INC. - ANNUAL MEETING - MINUTES**

1. Call to Order  
The Unalaska Crab Inc. annual meeting was called to order at 6:00 pm, January 09, 2018, in the Unalaska City Hall council chambers. Roll was taken:

Present:

Frank Kelty, Mayor  
Dennis Robinson  
Roger Rowland  
James Fitch (Telephonic)  
Alejandro Tungul  
David Gregory  
Shari Coleman

Absent:

None

Chairman:

"Members of Unalaska Crab, Inc. is all the persons registered to vote in Unalaska. A quorum for the annual meeting is 20% of the number of voters in the most recent local elections. In the October 3, 2017 election there were 537 votes, so a quorum is 107 people, so we do not have a quorum for this meeting".

2. Approval of Minutes: August 8, 2017

Chairman amended the agenda and moved Approval of Minutes from the Unalaska Crab, Inc. – Annual Meeting to the Unalaska Crab, Inc. – Board of Directors Meeting agenda.

3. Report from the President

Robinson made a motion to adjourn the meeting for lack of quorum; Rowland second.  
Motion passed by consensus.

4. Adjournment

The meeting was adjourned at 6:06pm

\_\_\_\_\_  
Marjie Veeder  
City Clerk

**UNALASKA CRAB, INC. - BOARD OF DIRECTORS MEETING - MINUTES**

1. Call to Order

The Unalaska Crab Inc. Board of Directors meeting was called to order at 6:00 pm, January 09, 2018, in the Unalaska City Hall council chambers.

2. Roll Call

Present:

Frank Kelty, Mayor  
Dennis Robinson  
Roger Rowland  
James Fitch (Telephonic)  
Alejandro Tungul  
David Gregory  
Shari Coleman

Absent:

None

3. Adoption of Agenda and Approval of Minutes August 8, 2017

Robinson made a motion to adopt agenda as amended and approve August 8, 2017 meeting minutes; Gregory seconded.  
Motion passed by consensus.

4. New Business: Resolution 2018-01, Election of Officers

Robinson made a motion to adopt Resolution 2018-01; Tungul seconded.

Gregory made a motion to amend Resolution 2018-01 to nominate Marjie Veeder as Secretary/Treasurer; Robinson seconded.  
Roll Call Vote on amended motion: Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes.  
Motion passed 6-0.

Robinson made a motion to amend Resolution 2018-01 to nominate Peggy McLaughlin as Vice Chairman.  
Motion died for lack of second.

Gregory made a motion to amend Resolution 2018-01 to nominate Dennis Robinson as Vice Chair; Tungul seconded.  
Roll Call Vote on amended motion: Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes; Fitch – yes.  
Motion passed 6-0.

Gregory made a motion to amend Resolution 2018-01 to nominate Frank Kelty as Chairman; Tungul seconded.  
Roll Call Vote on amended motion: Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes; Fitch – yes; Coleman – yes.  
Motion passed 6-0.

Roll Call Vote on main motion as amended: Gregory – yes; Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes.  
Motion passed 6-0.

5. Adjournment

The meeting adjourned at 6:13 pm.

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Marjie Veeder  
City Clerk

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**CITY COUNCIL - REGULAR MEETING - MINUTES**

1. Call to order

The regular meeting of the Unalaska City Council was called to order at 6:15 pm, January 11, 2018, in the Unalaska City Hall Council chambers.

2. Roll call

Present:

Frank Kelty, Mayor  
Dennis Robinson  
Roger Rowland  
James Fitch (Telephonic)  
Alejandro Tungul  
David Gregory  
Shari Coleman

Absent:

None

3. Pledge of Allegiance: Mayor Kelty led the Pledge of Allegiance

4. Recognition of visitors: Dan Boyette, GCI

5. Minutes of previous meetings

- a. December 12, 2017 Regular Meeting; and December 28, 2017 Special meeting

Robinson made a motion to adopt December 12, 2017 and December 28, 2017 meeting minutes; Tungul seconded.

Motion passed by consensus.

6. Reports

- a. City Manager – Announced the resignation of Director of Public Safety, Mike Holman – 23 years of service; report in the packet  
b. Financials (none)  
c. Board / Commission Minutes (none)

7. Awards / Presentations

- a. Unalaska City School District - Wrestling and Cross Country Teams presented  
b. Community "Extra Mile" Award presented to Chrissy Roes

8. Adoption of agenda:

Mayor Kelty moved item #7 Awards/Presentations ahead of item #6 Reports  
Robinson made a motion to adopt the agenda as amended; Rowland seconded.  
Mayor Kelty moved Resolution 2018-03 from Consent Agenda to item # 7 under New Business

9. Community input / announcements

- o UCSD
  - Unalaska City School District Budget Committee
    - Council Member Robinson volunteered to be council representative
  - Drama Club presents "Letters from the Birmingham Jail"
  - Student Government – Week of Cultural Recognition events
  - Raider Basketball
- o IFHS – Update on fee reduction and new billing system
- o PCR – Martin Luther King, Jr. celebration
- o Ballyhoo Lions Club – Raffle winners

10. Public testimony on agenda items. None.

11. Legislative

- a. Appoint Vice Mayor

Gregory made a motion to nominate Council Member Robinson as Vice Mayor; Tungul seconded.  
Motion passed by consensus.

12. Public hearings (none)

13. Work session

Tungul made a motion to enter Work Session; Rowland seconded.  
Motion passed by consensus.

- a. GCI Fiber Optic Cable Project update
- b. Capital Projects update
- c. F/V Akutan update

14. Consent agenda

Robinson made a motion to adopt Consent Agenda as amended; Gregory seconded.  
Motion passed by consensus.

- 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.  
(This item was removed from Consent Agenda and placed under New Business)
- 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.

Rowland made a motion to adopt Resolution 2018-04; Robinson second.

Robinson made a motion to amend Resolution 2018-04 to add contamination remediation; Rowland seconded.  
Motion passed by consensus.

Gregory made a motion to amend Resolution 2018-04 to add habitat and watershed improvement for salmon habitat; Robinson seconded.  
Motion passed by consensus.

Roll Call Vote on main motion as amended: Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes; Fitch – yes; Coleman – yes.  
Motion passed 6-0.



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.

Tungul made a motion to adopt Resolution 2018-05; Robinson seconded.  
Robinson made a motion to amend Resolution 2018-05 to add seeking Federal funding for derelict vessels; Gregory seconded.  
Motion passed by consensus.

Vote on main motion as amended passed by consensus.

ii. 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.

Rowland made a motion to adopt Resolution 2018-07; Robinson seconded.  
Roll Call Vote: Tungul – yes; Gregory – yes; Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes.  
Motion passed 6-0.

iii. 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.

Rowland made a motion to adopt Resolution 2018-08; Tungul seconded.  
Motion passed by consensus.

iv. ORDINANCE 2018-01, First Reading: Creating Budget Amendment No. 3.

Rowland made a motion to move Ordinance 2018-01 to Second Reading and Public Hearing on January 23, 2018; Robinson seconded.

Rowland made a motion to amend Ordinance 2018-01 to strike *increasing the City Manager's operating expense budget \$205,600 to cover unanticipated disposal costs of the F/V Akutan*; Tungul seconded.

Roll Call Vote on the amended motion: Fitch – no; Coleman – no; Rowland – yes; Robinson – no; Tungul – no; Gregory – no.  
Motion failed 1-5.

Robinson made a motion to amend Ordinance 2018-01 to *strike \$205,600 and insert \$31,400*; Tungul seconded.

Roll Call Vote on amended motion: Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes.  
Motion passed 6-0.

Roll Call Vote on main motion as amended: Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes; Fitch – yes.  
Motion passed 6-0.

v. 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.

Rowland made a motion to move Ordinance 2018-02 to Second Reading and Public Hearing on January 23, 2018; Robinson seconded.

Roll Call Vote: Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes.  
Motion passed 6-0.

vii. 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.

Rowland made a motion to adopt Resolution 2018-03; Tungul seconded.  
Rowland made a motion to amend Resolution 2018-03 to strike *Section 8.12.170* and insert *Section 8.12.140*; Robinson seconded.  
Motion passed by consensus.

16. Council Directives to City Manager (none)
17. Community input / announcements (none)
18. Adjournment: The meeting was adjourned at 8:53 pm.

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Marjie Veeder  
City Clerk

# UNALASKA CITY COUNCIL

Unalaska, Alaska

Special Meeting  
Thursday, January 11, 2018  
12:00 p.m. (noon)

Unalaska City Hall  
Council Chambers  
43 Raven Way

## MINUTES

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### 1. Call to Order

The special meeting of the Unalaska City Council was called to order at 12:00 pm, January 11, 2018, in the Unalaska City Hall Council chambers.

### 2. Roll Call

#### Present

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

#### Absent

James Fitch (Excused)

### 3. Executive Session

#### a. Discuss candidates for City Manager

12:04 pm Robinson made a motion to enter in to Executive Session; Tungul seconded.  
Motion passed by consensus

12:46 pm Council adjourned form Executive Session  
Robinson made a motion to bring Mr. Causey to Unalaska to interview; Rowland seconded.  
Motion passed by consensus.

### 4. Adjournment

The meeting adjourned at 12:48 pm.

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Marjie Veeder  
City Clerk

TO: Mayor and Council  
FROM: Nancy Peterson, Interim City Manager  
SUBJECT: City Manager's Report  
DATE: January 23, 2018

CITY MANAGER RECRUITMENT. I provided the Council with a separate written report on January 19<sup>th</sup> regarding the on-site interview program/schedule. At the council meeting on January 23<sup>rd</sup>, Council will need to determine whether you would like to conduct the Candidate interviews on Saturday, February 3<sup>rd</sup> in Open Session or Executive Session. Also, please provide me with your list of top 15 interview questions by the 23<sup>rd</sup>. Attached is the final draft of the interview schedule. Please let me know if there are any additional changes you would like to see.

TRANSFER OF POLICE DEPARTMENT INVESTIGATION. I have been working with the Alaska State Troopers over the last several weeks to gain support to transfer the investigation currently being conducted by the Unalaska Police Department, to the State. I received confirmation on January 17<sup>th</sup> from Colonel Hans Brinke, Commander of the Alaska State Troopers, that the Troopers will take over the investigation. This transfer will fully remove all responsibilities for the investigation from the City of Unalaska.

PORT OF REFUGE. The Port Department is researching the history of Unalaska's designation as a Port/Place of Refuge. A report will be developed for the Council that outlines how the designation came about, what it means and what the City's role and responsibilities are regarding the designation. Once the report is complete, a work session will be scheduled to discuss the issues, concerns and options regarding the Port of Refuge designation.

DELTA WAY EMERGENCY SEWER REPAIRS. During the Capital Projects report at the last Council meeting, the Council asked for a recap of the costs for the emergency repairs to the Delta Way Sewer line. Here is a summary:

Total budget approved for this project = \$415,000.

Total encumbered to date = \$380,000.

Travis Peterson Environmental (permitting/reporting) = \$10,000.

Resolve Marine (oily waste removal/disposal) = \$20,000

Northern Alaska (construction/repairs) = \$350,000

Approximately \$35,000 remains available to continue to monitor and remove additional oily waste until additional repairs are performed.

The Waste Water Division has made adjustments on the downstream lift station to ensure that any oil continuing to infiltrate the line is contained at the lift station and is able to be removed. The Waste Water Division and the Public Works Department are finalizing an additional scope

of work for the needed line and lift station repairs to prevent further infiltration of oil and sediments. Additional funding will be requested through a budget amendment or through the FY19 CMMP process, when the scope and schedule for work have been determined.

DEPARTMENT OF PUBLIC SAFETY. Effective February 1, 2018, Deputy Police Chief, Jennifer Shockley will assume the position of Acting Director of the Department of Public Safety. Ms. Shockley has served as the Deputy Police Chief since 2016 and has filled in as the Acting Director of the Public Safety Department on numerous short-term occasions over the last 2 years. Ms. Shockley has served in various positions within the Police Division for 18 years, served a volunteer within the Fire Division for 14 years and has performed a leadership role in the Emergency Preparedness functions within the City for many years. Ms. Shockley is currently preparing final recommendations for re-assignment of many of her Deputy Chief duties within the Police Division so that she can provide the necessary level of support needed for all of the divisions within the Public Safety Department during the Interim period. I will inform the Council of additional, temporary personnel changes within the Department as they are finalized in the next week.

CITY CONDUIT/UTILITY EASEMENT POLICIES, PERMITS AND RATES. The Public Works and Public Utilities Departments are working together to research and develop draft policies and requirements regarding use of the City's conduits, utility easements, etc. The City has been proactive to install a spare conduit "for future use" in all of our in recent utility projects. As businesses are beginning to consider fiber installations and other similar projects in Unalaska, we need to have policies, permits and rates in place to effectively work with all potential customers. DPW/DPU will review existing State and Federal regulations regarding utility easements and telecommunications and will be contacting other communities to see how they have addressed these issues. They are also working with the IS staff to identify and document the City's fiber/telecommunications and network needs so that potential negotiations for service in exchange for access can be considered by the Council as well. Draft recommendations will be brought to the Council for consideration as soon as possible.

COMMUNITY AND EMPLOYEE SURVEY. The results from the City of Unalaska's National Employee Survey (NES) and the National Citizen Survey (NCS) are now in and currently being evaluated. As a reminder, the NCS is the only citizen survey endorsed by the International City/County Management Association and the National League of Cities. The findings from the NCS will assist in the development of the Comprehensive Plan. Findings from the NES will be used to improve our working environment and to assist with employee recruitment and retention related processes, policies, and decisions.

EMPLOYER OF NATIONAL SERVICE. This City of Unalaska has become a member of the Employer of National Service program. Given the City of Unalaska's service-oriented field of Local Government, and our remote location that requires special skillsets and attitudes, signing up as a "Employer of National Service" is a great fit with our organization! This program provides us with access to a diverse pool of qualified, mission-oriented candidates who have acquired unique skills as a result of their previous AmeriCorps or Peace Corps service. We will

be listed on the Corporation for National and Community Service's website with a link to our job board so that alumni interested in employment opportunities can visit our website. We may also be highlighted in a selection of jobs in their regular newsletter that goes to hundreds of thousands of AmeriCorps alumni. Erin Reinders found this opportunity and completed all of the work that was required for the City to participate in this great recruitment tool!

PERSONAL LEAVE. I will be out of town from noon on Wednesday, January 24 and will return on Monday, January 29<sup>th</sup> at 1pm. Erin Reinders will serve as the Acting City Manager during that time.

ATTACHMENT:

1. Interview Schedule



## UNALASKA CITY MANAGER INTERVIEW SCHEDULE

### On-Site Interview Schedule (DETAILED)

#### Wednesday, January 31, 2018

5:30pm Candidates Arrive  
7:00-8:30pm Candidate Dinner - Nancy, Kelly, Steve Vietch (Grand Hotel)  
*Review schedule and process*

#### Thursday, February 1

9:00am-12:00am Community/Facility Tour – All  
12:00pm-1:00pm Lunch with Mayor and Council (Council Chambers)  
1:00pm-4:00pm Community/Facility Tour - All  
OPEN Candidates on their own.

#### Friday, February 2

9:00am-12:00pm Panel Interviews (City Hall)  
Panel #1 - City Department Directors  
Panel #2 - Community Leaders (School, non-profits, OC, etc)  
Panel #3 - Advisory Commission Members (Planning, Library, PCR)  
Mock Presentation Panel (Dept. Directors/employees)  
12:00pm-1:30pm Lunch with Department Directors (Library)  
2:00pm-6:00pm *Additional tour, interview component and/or open for the candidate*  
6:00-8:00pm Community Meet and Greet (Grand Hotel) (Or move to Saturday?)

#### Saturday, February 3

8:30am-5:00pm Interviews with the City Council

8:30am-10:00am	Candidate #1
10:15am-11:45am	Candidate #2
12:30pm-2:00pm	Candidate #3
2:15pm-4:45pm	Candidate #4

#### Sunday, February 4

9:00am-12:00pm **EXECUTIVE SESSION**  
**Council deliberation of Candidates and Selection of Candidate**  
12:40pm Candidates Depart

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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** CLAY DARNELL, FINANCE DIRECTOR  
**THRU:** NANCY PETERSON, INTERIM CITY MANAGER  
**DATE:** JANUARY 18, 2018  
**RE:** INTERIM FINANCIAL REPORTS FOR THE  
SIX MONTHS ENDED DECEMBER 31, 2017

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In an effort to keep the Council informed about the financial activity of the City of Unalaska, the Finance Department has prepared interim financial reports for the six months ended December 31, 2017.

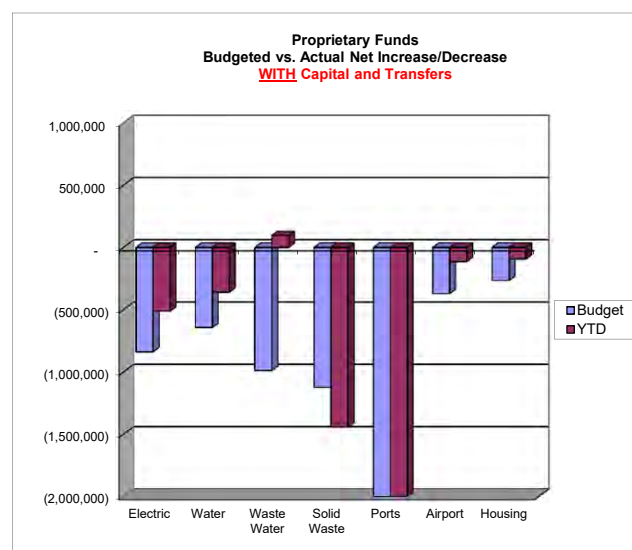
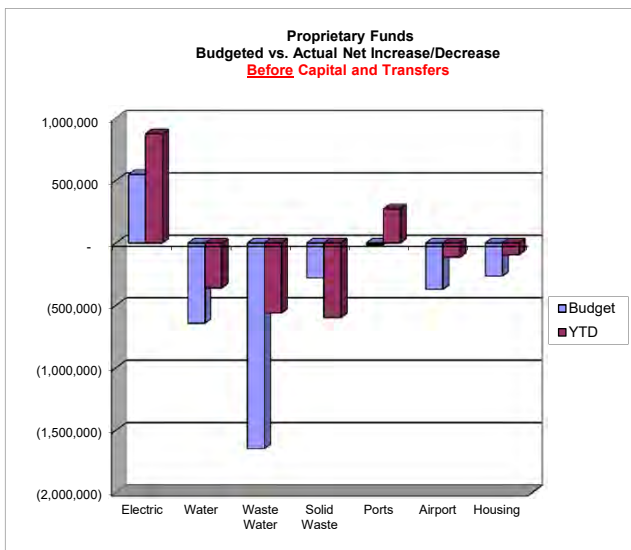
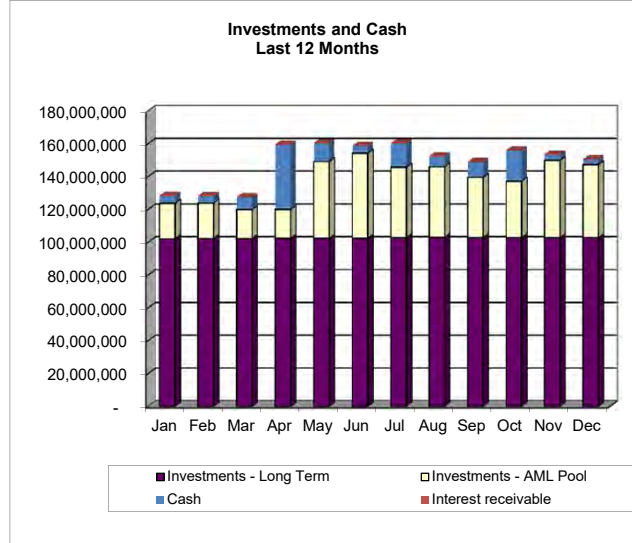
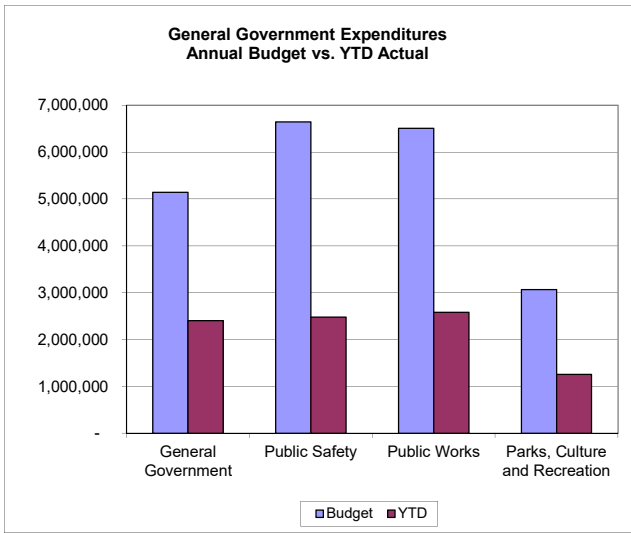
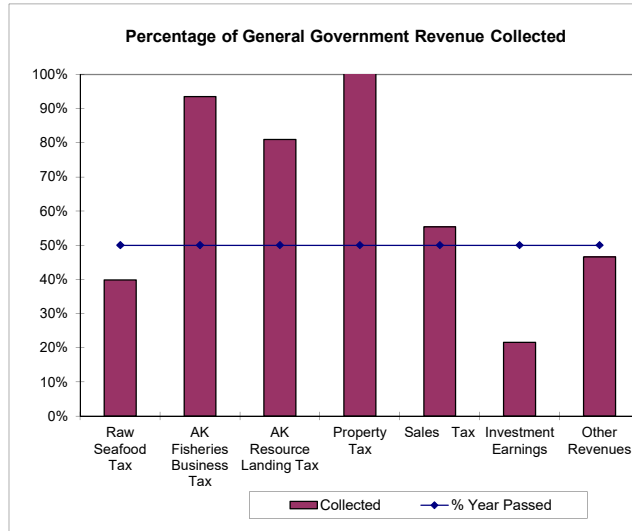
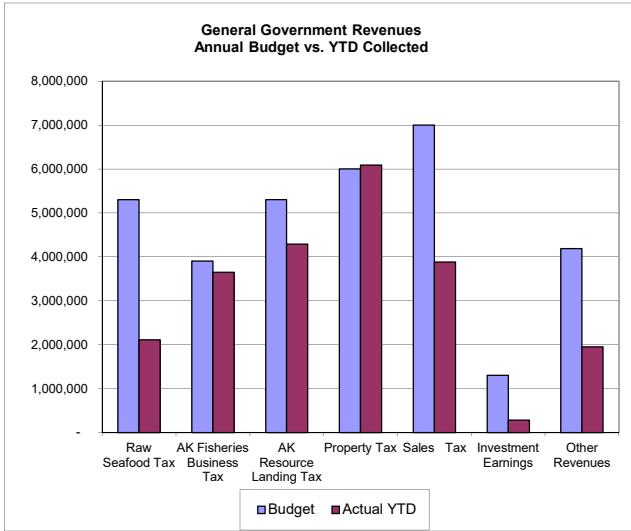
Fund/Departmental Highlights

General Fund:

- The AK Fisheries Business Shared Tax \$3,649,322 and the AK Fisheries Resource Landing Shared Tax \$4,291,531 were received in November.
- October and November Sales tax revenues for the 1% Sales Tax Fund were received in the General Fund and transferred to the proper fund in December causing the negative December revenue. General Fund sales tax revenues are correct year to date.
- Information Systems expenditures are 61% of budget due to annual Software / Hardware Support and Computer Hardware / Software expenditures occurring in the first six months of the year.



# City of Unalaska December 2017



General Fund Operating Monthly Summary - Month Ending December 2017

	FY2018 Budget	December	FY2018 YTD	% OF BUD	FY2017 YTD	INC/(DEC) Last Year
<b>REVENUES</b>						
Raw Seafood Tax	5,300,000	346,476	2,113,648	40%	2,539,095	(425,446)
AK Fisheries Business	3,900,000	0	3,649,322	94%	4,018,888	(369,566)
AK Fisheries Resource Landing	5,300,000	0	4,291,531	81%	7,776,504	(3,484,973)
Property Taxes	6,000,000	7,100	6,088,822	101%	5,971,627	117,195
Sales Tax	7,000,000	(496,486)	3,879,504	55%	4,169,608	(290,103)
Investment Earnings	1,300,000	92,043	280,742	22%	(237,499)	518,242
Other Revenues	4,191,160	331,963	1,951,262	47%	1,809,211	142,051
Appropriated Fund Balance	0	0	0	0%	0	0
<b>Total General Fund Revenues</b>	<b>32,991,160</b>	<b>281,095</b>	<b>22,254,832</b>	<b>67%</b>	<b>26,047,434</b>	<b>(3,792,601)</b>
<b>EXPENDITURES</b>						
Mayor & Council	558,810	37,944	223,245	40%	195,330	27,915
City Administration						
City Manager's Office	405,789	19,164	167,342	41%	201,143	(33,801)
Administration	1,124,823	65,314	596,922	53%	487,152	109,770
<b>Total City Administration</b>	<b>1,530,612</b>	<b>84,477</b>	<b>764,264</b>	<b>50%</b>	<b>688,295</b>	<b>75,969</b>
City Clerk	516,165	27,256	219,055	42%	254,113	(35,059)
Finance						
Finance	1,049,291	83,515	465,267	44%	469,490	(4,224)
Information Systems	782,762	48,594	475,562	61%	377,556	98,006
<b>Total Finance</b>	<b>1,832,054</b>	<b>132,108</b>	<b>940,828</b>	<b>51%</b>	<b>847,046</b>	<b>93,782</b>
Planning	707,491	38,770	255,901	36%	190,554	65,347
Public Safety						
Police and Admin	3,855,125	256,488	1,429,812	37%	1,307,442	122,370
Corrections	924,391	54,020	376,935	41%	371,826	5,110
Fire, EMS, and Communications	1,864,471	97,026	668,761	36%	575,916	92,846
<b>Total Public Safety</b>	<b>6,643,987</b>	<b>407,534</b>	<b>2,475,509</b>	<b>37%</b>	<b>2,255,183</b>	<b>220,325</b>
Public Works						
DPW Admin & Engineering	753,685	47,801	311,589	41%	296,719	14,871
Streets and Roads	3,027,448	193,449	1,113,429	37%	1,049,404	64,025
Receiving and Supply	272,777	17,582	114,728	42%	128,793	(14,065)
Veh & Equip Maintenance	1,112,762	69,598	438,354	39%	599,906	(161,552)
Facilities Maintenance	1,339,631	71,547	602,127	45%	708,737	(106,610)
<b>Total Public Works</b>	<b>6,506,303</b>	<b>399,977</b>	<b>2,580,227</b>	<b>40%</b>	<b>2,783,560</b>	<b>(203,332)</b>
Parks, Culture & Recreation						
PCR Administration	218,192	14,479	104,182	48%	116,476	(12,294)
Recreation Programs	694,407	38,417	280,159	40%	346,173	(66,014)
Community Center Operations	942,263	56,098	372,234	40%	306,318	65,916
Library	784,526	51,899	331,328	42%	328,158	3,170
Aquatics Center	386,758	20,367	138,471	36%	113,501	24,969
Parks	37,350	314	26,643	71%	23,875	2,769
<b>Total Parks, Culture &amp; Recreation</b>	<b>3,063,495</b>	<b>181,574</b>	<b>1,253,017</b>	<b>41%</b>	<b>1,234,501</b>	<b>18,516</b>
Other Expenses	6,410,052	409,246	2,902,023	45%	2,860,781	41,242
<b>Total Operating Expenditures</b>	<b>27,768,968</b>	<b>1,718,886</b>	<b>11,614,070</b>	<b>42%</b>	<b>11,309,364</b>	<b>304,706</b>
Transfers To General Fund	0	0	0	0%	0	0
Transfers To Special Revenue	0	0	0	0%	0	0
Transfers To Capital Projects	793,000	0	793,000	100%	541,405	251,595
Transfers To Enterprise Funds	0	0	0	0%	0	0
Transfers To Enterprise Capital	1,173,994	0	1,173,994	100%	3,468,367	(2,294,373)
	1,966,994	0	1,966,994	100%	4,009,772	(2,042,778)
	29,735,962	1,718,886	13,581,064	46%	15,319,136	(1,738,072)
<b>Surplus/(Deficit)</b>	<b>3,255,198</b>	<b>(1,437,791)</b>	<b>8,673,769</b>	<b>57%</b>	<b>10,728,298</b>	<b>(2,054,529)</b>

CITY OF UNALASKA, ALASKA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2017 and December 31, 2016

	<b>Totals</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	1,450	1,488
Receivables		
Accounts	20,179	19,697
Intergovernmental	-	-
Taxes	2,001,016	1,932,568
Equity in Central Treasury	76,022,638	67,756,283
Inventory	809,945	753,844
Prepaid Items	188,834	138,230
Advances To Other Funds	1,184,720	1,392,960
<b>TOTAL ASSETS</b>	<b>80,228,782</b>	<b>71,995,069</b>
<b>LIABILITIES</b>		
Accounts Payable	-	-
Accrued Payroll & Related Liabilities	729,512	398,850
Intergovernmental	6,222	-
Retainage Payable	-	15,877
Deferred Revenue	520,216	421,609
Other Current Liabilities	1,366	127
Customer Deposits	5,914	1,660
<b>TOTAL LIABILITIES</b>	<b>1,263,229</b>	<b>838,122</b>
<b>FUND BALANCE</b>		
Fund Balance - Non Spendable	2,155,806	2,060,924
Fund Balance - Committed	14,000,000	14,000,000
Fund Balance - Assigned for Encumbrances	4,079,053	3,529,364
Undesignated (deficit)	58,730,694	51,566,660
<b>TOTAL FUND BALANCE</b>	<b>78,965,552</b>	<b>71,156,947</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>80,228,782</b>	<b>71,995,069</b>

CITY OF UNALASKA, ALASKA  
 1% SALES TAX  
 COMPARATIVE BALANCE SHEET  
 December 31, 2017 and December 31, 2016

	<b>Totals</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Receivables		
Sales Tax Full Accrual	2,500	2,500
Taxes	586,730	551,989
Equity in Central Treasury	10,523,414	9,198,740
<b>TOTAL ASSETS</b>	<b>11,112,644</b>	<b>9,753,228</b>
<b>LIABILITIES</b>		
Accounts Payable	-	-
Deferred Revenue	2,500	2,500
<b>TOTAL LIABILITIES</b>	<b>2,500</b>	<b>2,500</b>
<b>FUND BALANCE</b>		
Undesignated (deficit)	11,110,144	9,750,728
<b>TOTAL FUND BALANCE</b>	<b>11,110,144</b>	<b>9,750,728</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>11,112,644</b>	<b>9,753,228</b>

CITY OF UNALASKA, ALASKA  
 BED TAX  
 COMPARATIVE BALANCE SHEET  
 December 31, 2017 and December 31, 2016

	<b>Totals</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Receivables		
Accounts	-	-
Taxes	11,217	16,803
Equity in Central Treasury	265,292	237,708
<b>TOTAL ASSETS</b>	<b>276,509</b>	<b>254,511</b>
<b>LIABILITIES</b>		
Accounts Payable	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>		
Fund Balance - Assigned for Encumbrances	87,500	87,500
Undesignated (deficit)	189,009	167,011
<b>TOTAL FUND BALANCE</b>	<b>276,509</b>	<b>254,511</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>276,509</b>	<b>254,511</b>

	<b>FY2018 Budget</b>	<b>December</b>	<b>FY2018 YTD</b>	<b>% OF BUD</b>	<b>FY2017 YTD</b>	<b>INC/(DEC) Last Year</b>
<b>Electric Proprietary Fund</b>						
REVENUES	17,255,299	1,341,991	8,919,197	52%	8,167,038	752,160
Electric Line Repair & Maint	1,226,531	52,491	423,904	35%	366,070	57,834
Electric Production	9,571,114	735,022	4,876,469	51%	4,150,178	726,291
Facilities Maintenance	464,187	1,962	79,046	17%	42,869	36,178
Utility Administration	5,385,600	321,847	2,646,426	49%	2,619,305	27,121
Veh & Equip Maintenance	59,247	1,139	17,829	30%	24,657	(6,828)
Transfers Out	1,386,668	0	1,386,668	100%	263,070	1,123,598
EXPENSES	18,093,347	1,112,460	9,430,342	52%	7,466,148	1,964,194
NET EARNINGS/(LOSS)	(838,048)	229,531	(511,145)		700,889	(1,212,034)
<b>Water Proprietary Fund</b>						
REVENUES	2,586,020	63,925	1,148,430	44%	1,231,114	(82,684)
Transfers Out	21,600	0	21,600	100%	(128,033)	149,633
Facilities Maintenance	83,917	4,733	27,035	32%	13,377	13,658
Utility Administration	1,723,346	129,714	864,943	50%	808,195	56,749
Veh & Equip Maintenance	34,366	1,184	6,046	18%	7,530	(1,483)
Water Operations	1,364,784	119,956	588,047	43%	456,125	131,923
EXPENSES	3,228,012	255,587	1,507,672	47%	1,157,193	350,479
NET EARNINGS/(LOSS)	(641,992)	(191,662)	(359,242)		73,921	(433,163)
<b>Wastewater Proprietary Fund</b>						
REVENUES	2,531,305	147,647	1,089,530	43%	1,169,142	(79,613)
Transfers Out	415,000	0	415,000	100%	181,377	233,623
Facilities Maintenance	65,054	3,593	25,181	39%	21,510	3,672
Utility Administration	1,944,515	139,703	938,014	48%	917,933	20,081
Veh & Equip Maintenance	27,824	642	8,203	29%	5,705	2,498
Wastewater Operations	2,139,634	108,350	679,524	32%	680,566	(1,042)
EXPENSES	4,592,027	252,288	2,065,922	45%	1,807,091	258,832
NET EARNINGS/(LOSS)	(2,060,722)	(104,641)	(976,393)		(637,949)	(338,444)
Transfers In	1,072,156	0	1,072,156	100%	0	1,072,156
<b>Solid Waste Proprietary Fund</b>						
REVENUES	3,566,034	134,636	1,136,959	32%	1,111,239	25,719
Facilities Maintenance	77,798	2,284	25,484	33%	40,849	(15,365)
Solid Waste Operations	1,667,953	77,540	556,479	33%	554,042	2,437
Utility Administration	1,594,546	119,877	756,985	47%	754,788	2,197
Veh & Equip Maintenance	134,290	7,713	26,301	20%	17,001	9,300
Transfers Out	1,030,000	0	1,029,950	100%	0	1,029,950
EXPENSES	4,504,586	207,414	2,395,198	53%	1,366,680	1,028,518
NET EARNINGS/(LOSS)	(938,552)	(72,777)	(1,258,240)		(255,441)	(1,002,799)
Transfers In	184,704	0	184,704	100%	0	184,704

	<b>FY2018 Budget</b>	<b>December</b>	<b>FY2018 YTD</b>	<b>% OF BUD</b>	<b>FY2017 YTD</b>	<b>INC/(DEC) Last Year</b>
<b>Ports &amp; Harbors Proprietary Fund</b>						
REVENUES	7,499,238	525,240	3,705,043	49%	3,236,009	469,034
Bobby Storrs Small Boat Harbor	168,888	7,940	59,422	35%	82,151	(22,729)
CEM Small Boat Harbor	686,904	74,543	339,975	49%	312,680	27,295
Facilities Maintenance	77,833	2,742	8,090	10%	19,022	(10,933)
Harbor Office	4,856,701	350,106	2,254,438	46%	2,239,969	14,468
Ports Security	79,918	0	11,460	14%	7,827	3,633
Spit & Light Cargo Docks	524,253	36,846	258,430	49%	217,987	40,444
Unalaska Marine Center	1,060,534	53,165	481,901	45%	481,818	83
Veh & Equip Maintenance	58,517	1,436	18,330	31%	19,643	(1,313)
Transfers Out	10,000,000	0	10,000,000	100%	4,450,000	5,550,000
EXPENSES	17,513,548	526,778	13,432,045	77%	7,831,097	5,600,948
NET EARNINGS/(LOSS)	(10,014,310)	(1,538)	(9,727,002)		(4,595,088)	(5,131,914)
<b>Airport Proprietary Fund</b>						
REVENUES	552,420	42,694	242,128	44%	256,363	(14,235)
Airport Admin/Operations	710,302	47,265	312,429	44%	329,322	(16,892)
Facilities Maintenance	213,110	5,741	44,054	21%	129,993	(85,939)
EXPENSES	923,412	53,006	356,484	39%	459,315	(102,831)
NET EARNINGS/(LOSS)	(370,992)	(10,313)	(114,356)		(202,952)	88,596
<b>Housing Proprietary Fund</b>						
REVENUES	275,242	27,500	133,278	48%	118,851	14,427
Facilities Maintenance	179,634	8,940	55,590	31%	49,675	5,915
Housing Admin & Operating	360,701	27,191	170,509	47%	163,473	7,036
EXPENSES	540,335	36,131	226,099	42%	213,148	12,951
NET EARNINGS/(LOSS)	(265,092)	(8,631)	(92,821)		(94,297)	1,476



CITY OF UNALASKA, ALASKA  
ELECTRIC ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2017 and December 31, 2016

	<b>2018</b>	<b>Totals</b> <b>2017</b>
	<u>2018</u>	<u>2017</u>
<b>ASSETS and DEFERRED OUTFLOWS</b>		
Current Assets		
Receivables		
Accounts	1,213,363	1,074,028
Intergovernmental	110,622	256,079
Equity in Central Treasury	8,571,529	6,412,619
Inventory	1,164,221	922,258
Restricted Assets	4,243,004	4,236,081
TOTAL Current Assets	<u>15,302,739</u>	<u>12,901,066</u>
Property, Plant & Equipment		
Land	212,598	212,598
Buildings, Net	29,068,850	29,979,279
Other Improvements, Net	6,855,494	6,618,116
Equipment, Net	20,898,389	22,447,626
Construction in Progress	2,126,510	1,063,020
TOTAL Property, Plant & Equipment	<u>59,161,841</u>	<u>60,320,640</u>
Deferred Outflows		
Pension Related	854,140	396,665
Deferred Charge on Refunding	2,320,631	2,470,349
TOTAL Deferred Outflows	<u>3,174,771</u>	<u>2,867,014</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS</b>	<b><u>77,639,351</u></b>	<b><u>76,088,719</u></b>
<b>LIABILITIES and DEFERRED INFLOWS</b>		
Current Liabilities		
Accounts Payable	184,616	115,182
Accrued Payroll & Related Liabilities	221,258	251,966
Retainage Withheld	-	879
Accrued Interest Payable	282,035	297,107
Unamortized Premium (Rev Bonds)	117,181	117,181
Customer Deposits	103,283	112,988
Current Portion of Long Term Debt	208,240	208,240
TOTAL Current Liabilities	<u>1,116,613</u>	<u>1,103,543</u>
Non-Current Liabilities		
Pension Obligations - LT	3,422,704	2,303,652
TOTAL Non-Current Liabilities	<u>3,422,704</u>	<u>2,303,652</u>
Deferred Inflows		
Pension Related	36,717	37,807
TOTAL Deferred Inflows	<u>36,717</u>	<u>37,807</u>
Long Term Debt		
Revenue Bonds - Long Term	25,120,000	26,155,000
Unamortized Premium - Long Term	1,795,897	1,913,078
Advances From General Fund	976,480	1,184,720
TOTAL Long Term Debt	<u>27,892,377</u>	<u>29,252,798</u>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS</b>	<b><u>32,468,410</u></b>	<b><u>32,697,799</u></b>
<b>NET POSITION</b>		
<b>TOTAL NET POSITION</b>	<b><u>45,170,940</u></b>	<b><u>43,390,920</u></b>

CITY OF UNALASKA, ALASKA  
WATER ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2017 and December 31, 2016

	<b>2018</b>	<b>Totals</b> <b>2017</b>
	<u>2018</u>	<u>2017</u>
<b>ASSETS and DEFERRED OUTFLOWS</b>		
Current Assets		
Receivables		
Accounts	54,448	73,860
Intergovernmental	(367,895)	-
Special assessments	712	712
Equity in Central Treasury	9,436,340	8,346,454
Inventory	333,249	333,924
TOTAL Current Assets	<u>9,456,853</u>	<u>8,754,949</u>
Property, Plant & Equipment		
Land	125,074	125,074
Buildings, Net	13,491,225	13,649,672
Other Improvements, Net	7,490,881	8,000,042
Equipment, Net	186,815	162,432
Construction in Progress	502,045	730,122
TOTAL Property, Plant & Equipment	<u>21,796,040</u>	<u>22,667,342</u>
Deferred Outflows		
Pension Related	326,983	145,700
TOTAL Deferred Outflows	<u>326,983</u>	<u>145,700</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS</b>	<b><u>31,579,876</u></b>	<b><u>31,567,991</u></b>
<b>LIABILITIES and DEFERRED INFLOWS</b>		
Current Liabilities		
Accounts Payable	-	(19)
Accrued Payroll & Related Liabilities	98,830	104,312
Retainage Withheld	-	75
Accrued Interest Payable	28,433	-
Notes Payable	181,963	-
Customer Deposits	50,499	49,435
TOTAL Current Liabilities	<u>359,725</u>	<u>153,803</u>
Non-Current Liabilities		
Pension Obligations - LT	1,328,664	885,220
TOTAL Non-Current Liabilities	<u>1,328,664</u>	<u>885,220</u>
Deferred Inflows		
Pension Related	8,064	8,496
TOTAL Deferred Inflows	<u>8,064</u>	<u>8,496</u>
Long Term Debt		
Advances From General Fund	3,275,332	3,488,313
TOTAL Long Term Debt	<u>3,275,332</u>	<u>3,488,313</u>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS</b>	<b><u>4,971,785</u></b>	<b><u>4,535,831</u></b>
<b>NET POSITION</b>		
<b>TOTAL NET POSITION</b>	<b><u>26,608,091</u></b>	<b><u>27,032,159</u></b>

CITY OF UNALASKA, ALASKA  
WASTEWATER ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2017 and December 31, 2016

	<b>2018</b>	<b>Totals</b> <b>2017</b>
	<u>2018</u>	<u>2017</u>
<b>ASSETS and DEFERRED OUTFLOWS</b>		
Current Assets		
Receivables		
Accounts	131,509	129,345
Special assessments	21,260	23,275
Equity in Central Treasury	6,140,889	6,574,550
Inventory	32,860	33,424
TOTAL Current Assets	<u>6,326,519</u>	<u>6,760,594</u>
Property, Plant & Equipment		
Land	12,883	12,883
Buildings, Net	28,013,354	28,810,455
Other Improvements, Net	5,948,810	6,423,695
Equipment, Net	120,416	164,448
Construction in Progress	937,893	276,270
TOTAL Property, Plant & Equipment	<u>35,033,355</u>	<u>35,687,752</u>
Deferred Outflows		
Pension Related	336,907	123,814
TOTAL Deferred Outflows	<u>336,907</u>	<u>123,814</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS</b>	<b><u>41,696,781</u></b>	<b><u>42,572,160</u></b>
<b>LIABILITIES and DEFERRED INFLOWS</b>		
Current Liabilities		
Accrued Payroll & Related Liabilities	130,545	124,354
Retainage Withheld	600,124	1,077,524
Notes Payable	471,791	471,791
Customer Deposits	23,390	23,419
TOTAL Current Liabilities	<u>1,225,850</u>	<u>1,697,089</u>
Non-Current Liabilities		
Pension Obligations - LT	1,300,598	779,341
TOTAL Non-Current Liabilities	<u>1,300,598</u>	<u>779,341</u>
Deferred Inflows		
Pension Related	2,974	3,482
TOTAL Deferred Inflows	<u>2,974</u>	<u>3,482</u>
Long Term Debt		
Advances From General Fund	7,242,658	7,714,454
TOTAL Long Term Debt	<u>7,242,658</u>	<u>7,714,454</u>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS</b>	<b><u>9,772,080</u></b>	<b><u>10,194,366</u></b>
<b>NET POSITION</b>		
<b>TOTAL NET POSITION</b>	<b><u>31,924,701</u></b>	<b><u>32,377,794</u></b>

CITY OF UNALASKA, ALASKA  
SOLIDWASTE ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2017 and December 31, 2016

	<b>2018</b>	<b>Totals</b> <b>2017</b>
	<u>2018</u>	<u>2017</u>
<b>ASSETS and DEFERRED OUTFLOWS</b>		
Current Assets		
Receivables		
Accounts	115,686	103,061
Equity in Central Treasury	9,116,993	9,246,928
Inventory	56,684	54,232
TOTAL Current Assets	<u>9,289,364</u>	<u>9,404,222</u>
Property, Plant & Equipment		
Land	651,474	651,474
Buildings, Net	1,129,817	1,237,233
Other Improvements, Net	16,577,168	16,967,030
Equipment, Net	300,654	362,640
Construction in Progress	30,398	289,042
TOTAL Property, Plant & Equipment	<u>18,689,511</u>	<u>19,507,419</u>
Deferred Outflows		
Pension Related	313,576	136,128
TOTAL Deferred Outflows	<u>313,576</u>	<u>136,128</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS</b>	<b><u>28,292,451</u></b>	<b><u>29,047,768</u></b>
<b>LIABILITIES and DEFERRED INFLOWS</b>		
Current Liabilities		
Accrued Payroll & Related Liabilities	88,457	81,554
Retainage Withheld	-	3,707
Accrued Interest Payable	22,567	43,925
Notes Payable	254,232	-
Customer Deposits	7,943	6,943
TOTAL Current Liabilities	<u>373,199</u>	<u>136,129</u>
Non-Current Liabilities		
Pension Obligations - LT	1,223,455	789,391
TOTAL Non-Current Liabilities	<u>1,223,455</u>	<u>789,391</u>
Deferred Inflows		
Pension Related	12,714	13,137
TOTAL Deferred Inflows	<u>12,714</u>	<u>13,137</u>
Long Term Debt		
Advances From General Fund	4,576,167	4,838,357
Landfill Closure	5,582,059	5,324,671
TOTAL Long Term Debt	<u>10,158,226</u>	<u>10,163,029</u>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS</b>	<b><u>11,767,594</u></b>	<b><u>11,101,686</u></b>
<b>NET POSITION</b>		
<b>TOTAL NET POSITION</b>	<b><u>16,524,857</u></b>	<b><u>17,946,082</u></b>

CITY OF UNALASKA, ALASKA  
PORTS & HARBORS ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2017 and December 31, 2016

	<b>2018</b>	<b>Totals</b> <b>2017</b>
	<u>2018</u>	<u>2017</u>
<b>ASSETS and DEFERRED OUTFLOWS</b>		
Current Assets		
Cash and Cash Equivalents	150	150
Receivables		
Accounts	832,399	460,888
Intergovernmental	367,894	-
Equity in Central Treasury	24,563,452	15,551,508
Restricted Assets	2,796,570	2,500
TOTAL Current Assets	<u>28,560,466</u>	<u>16,015,046</u>
Property, Plant & Equipment		
Land	2,037,870	2,037,870
Buildings, Net	1,157,984	1,200,270
Other Improvements, Net	72,510,820	70,899,828
Equipment, Net	72,466	19,873
Construction in Progress	28,041,589	10,528,048
TOTAL Property, Plant & Equipment	<u>103,820,730</u>	<u>84,685,890</u>
Deferred Outflows		
Pension Related	533,099	225,447
TOTAL Deferred Outflows	<u>533,099</u>	<u>225,447</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS</b>	<b><u>132,914,294</u></b>	<b><u>100,926,383</u></b>
<b>LIABILITIES and DEFERRED INFLOWS</b>		
Current Liabilities		
Accounts Payable	-	(30)
Accrued Payroll & Related Liabilities	166,480	145,864
Intergovernmental AP	2,097,013	2,097,013
Retainage Withheld	-	203,029
Accrued Interest Payable	85,250	72,986
Revenue Bonds - Current	220,000	210,000
Unamortized Premium (Rev Bonds)	60,454	5,502
Customer Deposits	-	10,700
TOTAL Current Liabilities	<u>2,629,197</u>	<u>2,745,063</u>
Non-Current Liabilities		
Pension Obligations - LT	2,073,430	1,320,868
TOTAL Non-Current Liabilities	<u>2,073,430</u>	<u>1,320,868</u>
Deferred Inflows		
Pension Related	19,158	19,891
TOTAL Deferred Inflows	<u>19,158</u>	<u>19,891</u>
Long Term Debt		
Revenue Bonds - Long Term	33,090,000	3,655,000
Unamortized Premium - Long Term	1,485,612	71,531
TOTAL Long Term Debt	<u>34,575,612</u>	<u>3,726,531</u>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS</b>	<b><u>39,297,397</u></b>	<b><u>7,812,353</u></b>
<b>NET POSITION</b>		
<b>TOTAL NET POSITION</b>	<b><u>93,616,897</u></b>	<b><u>93,114,030</u></b>

CITY OF UNALASKA, ALASKA  
 AIRPORT ENTERPRISE FUND  
 COMPARATIVE BALANCE SHEET  
 December 31, 2017 and December 31, 2016

	<b>2018</b>	<b>Totals</b> <b>2017</b>
	<u>2018</u>	<u>2017</u>
<b>ASSETS and DEFERRED OUTFLOWS</b>		
Current Assets		
Receivables		
Accounts	162,107	159,123
Equity in Central Treasury	1,545,145	1,337,126
TOTAL Current Assets	<u>1,707,251</u>	<u>1,496,249</u>
Property, Plant & Equipment		
Buildings, Net	2,460,247	2,668,290
Other Improvements, Net	422,880	504,662
Construction in Progress	-	582
TOTAL Property, Plant & Equipment	<u>2,883,127</u>	<u>3,173,534</u>
Deferred Outflows		
Pension Related	54,731	25,080
TOTAL Deferred Outflows	<u>54,731</u>	<u>25,080</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS</b>	<b><u>4,645,109</u></b>	<b><u>4,694,863</u></b>
<b>LIABILITIES and DEFERRED INFLOWS</b>		
Current Liabilities		
Accrued Payroll & Related Liabilities	4,820	5,447
Intergovernmental AP	3,752	3,752
Retainage Withheld	-	7,692
Customer Deposits	11,000	11,000
TOTAL Current Liabilities	<u>19,572</u>	<u>27,892</u>
Non-Current Liabilities		
Pension Obligations - LT	217,988	145,458
TOTAL Non-Current Liabilities	<u>217,988</u>	<u>145,458</u>
Deferred Inflows		
Pension Related	2,346	2,417
TOTAL Deferred Inflows	<u>2,346</u>	<u>2,417</u>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS</b>	<b><u>239,906</u></b>	<b><u>175,767</u></b>
<b>NET POSITION</b>		
<b>TOTAL NET POSITION</b>	<b><u>4,405,203</u></b>	<b><u>4,519,096</u></b>

CITY OF UNALASKA, ALASKA  
HOUSING ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2017 and December 31, 2016

	<b>2018</b>	<b>Totals</b>
	<u>2018</u>	<u>2017</u>
<b>ASSETS and DEFERRED OUTFLOWS</b>		
Current Assets		
Receivables		
Accounts	3,650	3,650
Equity in Central Treasury	531,191	1,359,895
TOTAL Current Assets	<u>534,841</u>	<u>1,363,545</u>
Property, Plant & Equipment		
Land	269,577	269,577
Buildings, Net	3,949,985	4,129,378
Other Improvements, Net	70,937	58,563
TOTAL Property, Plant & Equipment	<u>4,290,500</u>	<u>4,457,519</u>
Deferred Outflows		
Pension Related	41,119	18,185
TOTAL Deferred Outflows	<u>41,119</u>	<u>18,185</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS</b>	<b><u>4,866,460</u></b>	<b><u>5,839,249</u></b>
<b>LIABILITIES and DEFERRED INFLOWS</b>		
Current Liabilities		
Accrued Payroll & Related Liabilities	3,925	4,468
Retainage Withheld	-	416
Customer Deposits	16,115	11,722
TOTAL Current Liabilities	<u>20,040</u>	<u>16,607</u>
Non-Current Liabilities		
Pension Obligations - LT	150,922	94,821
TOTAL Non-Current Liabilities	<u>150,922</u>	<u>94,821</u>
Deferred Inflows		
Pension Related	3,167	3,222
TOTAL Deferred Inflows	<u>3,167</u>	<u>3,222</u>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS</b>	<b><u>174,129</u></b>	<b><u>114,650</u></b>
<b>NET POSITION</b>		
<b>TOTAL NET POSITION</b>	<b><u>4,692,330</u></b>	<b><u>5,724,599</u></b>



WM  
1-16-18

City of Unalaska  
Utility Revenue Report  
Summary

12/31/17

FY18 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY18 Revenue	FY17YTD Revenue	YTD Inc/(Dec)
Jul-17	1,840,293	368,107	201,658	209,898	2,619,956	2,619,956	2,135,511	484,445
Aug-17	1,938,294	396,818	358,352	236,139	2,929,603	5,549,559	4,433,764	1,115,794
Sep-17	1,327,507	105,776	13,502	209,124	1,655,909	7,205,468	6,750,620	454,848
Oct-17	1,284,656	115,907	196,827	199,323	1,796,713	9,002,181	8,512,726	489,455
Nov-17	1,186,456	97,898	171,544	147,838	1,603,736	10,605,916	10,210,214	395,702
Dec-17	1,341,991	63,925	147,647	134,636	1,688,199	12,294,115	11,590,601	703,514
Jan-18	0	0	0	0	0	0	13,017,150	0
Feb-18	0	0	0	0	0	0	15,083,600	0
Mar-18	0	0	0	0	0	0	17,269,914	0
Apr-18	0	0	0	0	0	0	18,727,753	0
May-18	0	0	0	0	0	0	20,066,872	0
Jun-18	0	0	0	0	0	0	21,512,492	0
YTD Totals	8,919,197	1,148,430	1,089,529	1,136,959	12,294,115			
FY18 Budget	17,864,211	3,105,685	4,106,879	4,456,805	29,533,580			
% to budget	49.9	37.0	26.5	25.5	41.6			

City of Unalaska  
Electric Revenue Report  
Electric Fund

12/31/17

FY18 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY18YTD Revenue	FY17 YTD Revenue	YTD Inc/(Dec)
Jul-17	86,889	79,546	134,070	1,496,035	41,122	2,632	1,840,293	1,840,293	1,094,351	745,942
Aug-17	96,479	84,006	160,722	1,537,544	55,347	4,197	1,938,294	3,778,587	3,021,833	756,754
Sep-17	95,288	89,293	143,417	906,216	51,235	42,058	1,327,507	5,106,094	4,489,276	616,818
Oct-17	117,853	102,808	163,220	837,491	58,169	5,115	1,284,656	6,390,750	5,721,951	668,800
Nov-17	113,961	103,051	148,584	757,169	58,944	4,747	1,186,456	7,577,207	6,922,880	654,327
Dec-17	121,035	105,664	150,798	909,280	51,678	3,536	1,341,991	8,919,197	8,167,038	752,160
Jan-18							0	0	9,450,826	0
Feb-18							0	0	11,283,887	0
Mar-18							0	0	13,277,258	0
Apr-18							0	0	14,596,019	0
May-18							0	0	15,939,357	0
Jun-18							0	0	17,266,272	0
YTD Totals	631,505	564,368	900,811	6,443,735	316,495	62,285	8,919,197			
FY18 Budget	1,127,831	1,266,314	2,538,359	11,488,785	627,396	815,526	17,864,211			
% of Budget	56.0	44.6	35.5	56.1	50.4	7.6	49.9			

Kwh Sold

FY18 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY18 Kwh Sold	Total FY17 Kwh Sold	Increase (Decrease)
July	270,472	263,649	448,556	5,264,875	6,247,552	3,601,248	2,646,304
August	300,170	279,978	510,275	5,382,768	6,473,191	6,153,555	319,636
September	288,134	282,835	458,198	2,917,251	3,946,418	4,771,757	(825,339)
October	332,932	308,701	487,179	2,583,826	3,712,638	4,127,043	(414,405)
November	325,725	311,963	452,885	2,335,045	3,425,618	3,970,911	(545,293)
December	341,665	316,836	443,946	2,749,930	3,852,377	3,996,929	(144,552)
January					0	4,006,182	0
February					0	5,717,736	0
March					0	6,520,480	0
April					0	4,252,391	0
May					0	4,402,573	0
June					0	4,315,458	0
Total	1,859,098	1,763,962	2,801,039	21,233,695	27,657,794	55,836,263	1,036,351
Percent Sold	6.7%	6.4%	10.1%	76.8%	100.0%		

Generator Fuel	
FY18 Average Price Fuel	FY17 Average Price Fuel
1.9425	2.0050
2.0957	1.7797
2.3435	1.9143
2.4353	1.9047
2.4618	2.0043
2.2824	1.9799
	2.1193
	2.0840
	2.0177
	2.0589
	2.0609
	2.0047
2.2602	1.9945

FY18 Cumulative kwh Sold	FY17 Cumulative kwh Sold
6,247,552	3,601,248
12,720,743	9,754,803
16,667,161	14,526,560
20,379,799	18,653,603
23,805,417	22,624,514
27,657,794	26,621,443
27,657,794	30,627,625
27,657,794	36,345,361
27,657,794	42,865,841
27,657,794	47,118,232
27,657,794	51,520,805
27,657,794	55,836,263

% Change from Prior Year

City of Unalaska  
Water Revenue Report  
Water Fund

12/31/17

FY18 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY18 YTD Revenue	FY17 YTD Revenue	YTD Inc/(Dec)
Jul-17	12,848	354,689	570	368,107	368,107	347,751	20,356
Aug-17	12,855	384,019	(57)	396,818	764,925	705,591	59,333
Sep-17	12,790	91,860	1,126	105,776	870,701	933,574	(62,873)
Oct-17	12,884	102,523	501	115,907	986,608	1,049,789	(63,181)
Nov-17	12,888	84,794	215	97,898	1,084,505	1,143,042	(58,536)
Dec-17	12,873	51,075	(23)	63,925	1,148,430	1,231,114	(82,684)
Jan-18				0	0	1,428,640	0
Feb-18				0	0	1,871,993	0
Mar-18				0	0	2,318,097	0
Apr-18				0	0	2,482,622	0
May-18				0	0	2,551,069	0
Jun-18				0	0	2,812,592	0
YTD Totals	77,138	1,068,961	2,332	1,148,430			
FY18 Budget	158,393	2,373,486	573,806	3,105,685			
% of Budget	48.7	45.0	0.4	37.0			

Million Gallons Produced

FY18 Month	FY18 Water Produced	FY17 Water Produced	Increase (Decrease)
July	161.160	149.478	11.682
August	163.498	156.704	6.794
September	64.047	103.629	(39.582)
October	59.855	58.010	1.845
November	49.181	52.400	(3.219)
December	35.082	46.102	(11.020)
January		102.784	0.000
February		185.237	0.000
March		188.804	0.000
April		78.869	0.000
May		43.885	0.000
June		118.245	0.000
Total	532.823	1284.147	(33.500)

FY18 Water Cumulative	FY17 Water Cumulative
161.160	149.478
324.658	306.182
388.705	409.811
448.560	467.821
497.741	520.221
532.823	566.323
0.000	669.107
0.000	854.344
0.000	1043.148
0.000	1122.017
0.000	1165.902
0.000	1284.147

City of Unalaska  
Wastewater Revenue Report  
Wastewater Fund

12/31/17

FY18 Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY18 YTD Revenue	FY17 YTD Revenue	YTD Inc/(Dec)
Jul-17	37,733	156,751	3,638	3,536	201,658	201,658	202,091	(434)
Aug-17	37,754	311,278	3,012	6,308	358,352	560,010	432,923	127,087
Sep-17	37,561	(34,322)	1,805	8,457	13,502	573,512	646,453	(72,942)
Oct-17	37,839	138,557	6,925	13,505	196,827	770,338	847,978	(77,640)
Nov-17	37,958	125,270	4,359	3,957	171,544	941,882	1,028,280	(86,398)
Dec-17	38,018	98,689	1,220	9,720	147,647	1,089,529	1,169,143	(79,614)
Jan-18					0	0	1,377,536	0
Feb-18					0	0	1,605,812	0
Mar-18					0	0	1,825,352	0
Apr-18					0	0	2,020,719	0
May-18					0	0	2,174,024	0
Jun-18					0	0	2,361,223	0
YTD Totals					1,089,529			
FY18 Budget	464,010	1,942,985	44,255	1,655,629	4,106,879			
% of Budget	0.0	0.0	0.0	0.0	26.5			

FY18 Month	FY18 Effluent (Gal)	FY17 Effluent (Gal)	Increase (Decrease)
July	10,650,000	11,309,000	(659,000)
August	11,466,000	11,829,000	(363,000)
September	9,824,000	12,047,000	(2,223,000)
October	12,304,000	14,938,000	(2,634,000)
November	10,671,000	12,195,000	(1,524,000)
December	11,461,000	12,015,000	(554,000)
January		14,737,000	0
February		13,914,000	0
March		13,451,000	0
April		11,385,000	0
May		10,067,000	0
June		10,961,000	0
Total	66,376,000	148,848,000	(7,957,000)

FY18 Cumulative	FY17 Cumulative
10,650,000	11,309,000
22,116,000	23,138,000
31,940,000	35,185,000
44,244,000	50,123,000
54,915,000	62,318,000
66,376,000	74,333,000
0	89,070,000
0	102,984,000
0	116,435,000
0	127,820,000
0	137,887,000
0	148,848,000

City of Unalaska  
Solid Waste Revenue Report  
Solid Waste Fund

12/31/17

FY18 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY18 YTD Revenue	FY17YTD Revenue	YTD Inc/(Dec)
Jul-17	26,328	165,767	17,803	209,898	209,898	207,477	2,421
Aug-17	26,360	174,030	35,749	236,139	446,037	438,109	7,928
Sep-17	26,360	157,056	25,708	209,124	655,161	640,101	15,060
Oct-17	26,407	123,223	49,693	199,323	854,485	845,016	9,469
Nov-17	26,461	97,722	23,655	147,838	1,002,322	983,865	18,457
Dec-17	26,542	83,429	24,665	134,636	1,136,959	1,111,239	25,719
Jan-18				0	0	1,288,626	0
Feb-18				0	0	1,525,726	0
Mar-18				0	0	1,771,790	0
Apr-18				0	0	1,955,660	0
May-18				0	0	2,103,790	0
Jun-18				0	0	2,269,245	0
YTD Totals	158,458	801,228	177,273	1,136,959			
FY18 Budget	261,982	1,966,240	2,228,583	4,456,805			
% of Budget	60.5	40.7	8.0	25.5			

FY18 Month	FY18 Tons of Waste	FY17 Tons of Waste	Increase (Decrease)
July	676.63	687.27	(10.64)
August	722.85	774.78	(51.93)
September	621.56	705.97	(84.41)
October	562.92	672.35	(109.43)
November	414.12	426.54	(12.42)
December	392.14	433.12	(40.98)
January		577.07	0.00
February		756.52	0.00
March		801.04	0.00
April		575.39	0.00
May		453.49	0.00
June		551.95	0.00
Total	3390.22	7415.49	(309.81)

Cummulative	
FY18 Tons of Waste	FY17 Tons of Waste
676.63	687.27
1399.48	1462.05
2021.04	2168.02
2583.96	2840.37
2998.08	3266.91
3390.22	3700.03
0.00	4277.10
0.00	5033.62
0.00	5834.66
0.00	6410.05
0.00	6863.54
0.00	7415.49

**CITY OF UNALASKA  
FY18 PORTS REVENUE**

Month	Year	UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM			Monthly Revenue	FY18 YTD Revenue	% of Budget	FY17 YTD Revenue	YTD Inc(Dec)	
		Docking/Moorage	Wharfage Fees	Rental Fees	Utility Fees	Docking / Moorage	Utility Fees	Docking / Moorage	Utility Fees	Dockage / Moorage	Wharfage Rental/Util	Docking/Moorage	Utility Fees	Other Rev&Fees						
Jul	2017	104,097	267,311	39,394	20,302	31,506	7,218	6,861	867	5,528	8,941	9,510	9,572	7,688	518,793	518,793	7.3%	517,401	1,392	
Aug	2017	146,406	408,839	42,693	32,424	32,599	9,570	3,750	508	18,755	8,842	7,904	5,106	45,275	762,672	1,281,466	18.1%	1,147,427	134,039	
Sept	2017	132,445	476,362	44,370	35,119	77,516	8,923	5,244	749	7,755	13,914	20,082	11,395	4,388	838,263	2,119,729	29.9%	1,824,001	295,728	
Oct	2017	112,292	294,890	44,636	25,434	47,066	9,770	10,709	623	9,383	16,218	83,898	24,460	2,061	681,441	2,801,170	39.5%	2,487,841	313,328	
Nov	2017	89,583	105,772	2,213	22,444	21,120	12,098	4,054	567	7,403	9,102	62,745	35,841	5,691	378,634	3,179,803	44.9%	2,946,454	233,349	
Dec	2017	29,945	33,417	83,128	12,224	34,922	13,755	16,624	2,116	1,798	2,671	245,596	47,469	1,573	525,240	3,705,043	52.3%	3,236,011	469,033	
Jan	2018													0	0	0.0%	3,767,952	0		
Feb	2018													0	0	0.0%	4,358,293	0		
Mar	2018													0	0	0.0%	5,126,116	0		
Apr	2018													0	0	0.0%	5,868,505	0		
May	2018													0	0	0.0%	6,236,350	0		
Jun	2018													0	0	0.0%	7,064,922	0		
Totals		614,769	1,586,591	256,434	147,948	244,729	61,335	47,242	5,430	50,622	59,688	429,735	133,844	66,676	3,705,043					
Loc total		2,605,741				306,064		52,672		110,310		563,579								
Loc percent		70.3%				8.3%		1.4%		3.0%		15.2%								
FY18 Budget		1,340,000	3,095,000	600,000	360,000	418,000	100,000	85,000	13,090	120,000	81,700	540,000	260,000	73,000	7,085,790					
% to Budget		45.9%	51.3%	42.7%	41.1%	58.5%	61.3%	55.6%	41.5%	42.2%	73.1%	79.6%	51.5%	91.3%	52.3%					

**PORTS RECEIVABLES**

Month	Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Aug	2017	718,931	239,062	29,216	22,393	1,009,603	2.2%	432,591
Sept	2017	950,095	28,805	13,655	9,950	1,002,505	1.0%	871,041
Oct	2017	491,994	177,444	106,768	18,150	794,356	2.3%	889,589
Nov	2017	405,589	74,945	13,063	124,299	617,896	20.1%	469,848
Dec	2017	519,130	143,088	48,468	131,714	842,399	15.6%	300,737
Jan	2018					0	0.0%	
Feb	2018					0	0.0%	
Mar	2018					0	0.0%	
Apr	2018					0	0.0%	
May	2018					0	0.0%	
Jun	2018					0	0.0%	
YTD Cash Received								3,324,508

## FY 18 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY17 YTD REVENUE	% OF BUDGET	FY16 YTD REVENUE	YTD INC/(DEC)
JUL	2017	20,000		20,000	20,000	7.4%	29,400	(9,400)
AUG	2017	22,168		22,168	42,168	15.6%	52,182	(10,015)
SEP	2017	21,600		21,600	63,768	23.6%	74,192	(10,425)
OCT	2017	22,185		22,185	85,953	31.8%	85,442	510
NOV	2047	19,825		19,825	105,778	39.1%	109,209	(3,431)
DEC	2017	27,500		27,500	133,278	49.3%	118,851	14,427
JAN	2018			0	0	0.0%	144,779	0
FEB	2018			0	0	0.0%	157,329	0
MAR	2018			0	0	0.0%	178,293	0
APR	2018			0	0	0.0%	192,843	0
MAY	2018			0	0	0.0%	214,593	0
JUN	2018			0	0	0.0%	236,193	0
TOTAL		133,278	0	133,278				
FY18 Budget		270,564	0	270,564				
% TO BUDGET		49.3%		49.3%				



**OPEN CAPITAL PROJECTS AS OF 12/31/17**

MUNIS ID	DESCRIPTION	FY2018 REVISED BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMB	ACTUAL AVAILABLE	CLOSE-OUT FY	COMPLETED
<b>GENERAL GOVERNMENT</b>									
<b>Public Safety</b>									
PS602	NEW FIRE ENGINE	\$ 737,573	\$ 650,350.00	\$ -	\$ 87,223		\$ 87,223	18	
PS18A	REPEATER SITE UPGRADE	\$ 110,000	\$ -	\$ -	\$ 110,000		\$ 110,000	18	
PS18B	DPS RECORDS MANAGEMENT SYSTEM	\$ 500,000	\$ -	\$ -	\$ 500,000		\$ 500,000	18	
<b>Public Works</b>									
D0810	S-CURVE PATHWAYS	\$ 174,000	\$ 65,706	\$ -	\$ 108,294		\$ 108,294	?	
PW004	ILULAQ LAKE DRAINAGE	\$ 1,078,312	\$ 107,827	\$ 851,312	\$ 119,173	\$ -	\$ 119,173	18	
PW203	CITYWIDE MULTIPLE LOCATION DRAINAGE	\$ 3,450,000	\$ 2,261,674	\$ 1,045,699	\$ 142,626	\$ -	\$ 142,626	18	
PW301	SHORE PROTECTION & EROSION CONTROL	\$ 265,000	\$ 144,836	\$ -	\$ 120,164		\$ 120,164	18	
PW401	SUMMER BAY BRIDGE REPLACEMENT	\$ 2,330,307	\$ 2,103,130	\$ 13,336	\$ 213,841		\$ 213,841	17	
<b>Parks, Culture &amp; Recreation</b>									
PR601	PUBLIC LIBRARY IMPROVEMENTS	\$ 42,500	\$ 3,500	\$ -	\$ 39,000		\$ 39,000	22	
PR18A	AQUATICS CENTER COLUMN REPAIRS	\$ 45,000	\$ 45,000	\$ -	\$ -		\$ -	18	
<b>Education</b>									
SS601	UCSD PLAYGROUND RENOVATION	\$ 300,000	\$ 5,442	\$ -	\$ 294,558	\$ -	\$ 294,558	18	
<b>Other</b>									
GG601	GIS ORTHOPHOTOGRAPHY	\$ 100,000	\$ -	\$ -	\$ 100,000		\$ 100,000	17	
<b>ELECTRIC</b>									
<b>Electric</b>									
EL17B	OLD PH BATTERY SYSTEM REPLACEMENT	\$ 263,070	\$ 48,300	\$ 19,897	\$ 194,873		\$ 194,873	18	
EL17C	CAPTAINS BAY ELECTRICAL UPGRADE	\$ 2,650,836	\$ 1,717,874	\$ 161,992	\$ 770,970	\$ -	\$ 770,970	18	
EL302	POWERHOUSE ENGINE 4* 7,550,900.82 CAP FY15	\$ 8,575,088	\$ 7,910,142	\$ 11,319	\$ 653,627		\$ 653,627	18	
EL18A	GENERATOR SETS REBUILD	\$ 1,267,306	\$ 894	\$ 544,263	\$ 722,149		\$ 722,149	22	
EL18B	AUTOMATIC METER READ SYSTEM	\$ 119,362	\$ -	\$ -	\$ 119,362		\$ 119,362	19	
EL18C	WIND ENERGY/ELECTRIC PRODUCTION	\$ 200,000	\$ 200	\$ -	\$ 199,800		\$ 199,800	20	
<b>WATER</b>									
<b>Water</b>									
WA17B	FIBER OPTIC INFRASTRUCTURE DEVELOP	\$ 59,127	\$ -	\$ -	\$ 59,127		\$ 59,127	18	
WA17C	PYRAMID WTP MICRO TURBINES	\$ 50,000	\$ -	\$ -	\$ 50,000		\$ 50,000	19	
WA17D	WATER TRUCK FILLING STATION	\$ 159,325	\$ -	\$ -	\$ 159,325		\$ 159,325	18	
WA304	WATER SUPPLY DEVELOP PHASE II	\$ 560,020	\$ 363,996	\$ -	\$ 196,024		\$ 196,024	18	
WA402	WATER FLOW OPTIMIZATION	\$ 99,500	\$ 14,340	\$ 79,650	\$ 5,510		\$ 5,510	18	
WA501	PYRAMID WATER STORAGE TANK	\$ 625,000	\$ 93,662	\$ -	\$ 531,338		\$ 531,338	21	
WA504	WATER UTILITY AUTO METER READ	\$ 106,052	\$ 30,047	\$ 3,338	\$ 72,668		\$ 72,668	19	
WA18A	GENERAL HILL WATER BOOSTER PUMP	\$ 21,600	\$ -	\$ -	\$ 21,600		\$ 21,600	20	
<b>WASTEWATER</b>									
<b>Wastewater</b>									
J0519	WASTE WATER TREATMENT PLANT	\$ 31,786,913	\$ 30,282,436	\$ 162,378	\$ 1,342,099		\$ 1,342,099	18	
WW17B	FIBER OPTIC INFRASTRUCTURE DEVELOP	\$ 59,127	\$ -	\$ -	\$ 59,127		\$ 59,127	18	
WW17C	LIFT STATIONS 2&5 DISCHARGE PIPE	\$ 122,250	\$ 5,007	\$ -	\$ 117,243		\$ 117,243	18	
WW18A	DELTA WAY EMERGENCY SEWER LINE REPAIR	\$ 415,000	\$ 337,479	\$ 48,521	\$ 29,000	\$ -	\$ 29,000	18	
<b>SOLID WASTE</b>									
<b>Solid Waste</b>									
SW18A	COMPOSTING PROJECT	\$ 30,000	\$ -	\$ -	\$ 30,000		\$ 30,000	19	
SW18B	CELLS 3&4 PARTIAL CLOSURE	\$ 1,000,000	\$ 30,398	\$ 23,212	\$ 946,390		\$ 946,390	18	
<b>Ports &amp; Harbors</b>									
<b>Ports</b>									
PH17B	UMC SECURITY FENCING	\$ 325,000	\$ -	\$ -	\$ 325,000		\$ 325,000	18	
PH17C	CEM BREAKWATER REPAIR	\$ 150,000	\$ 110,000	\$ -	\$ 40,000		\$ 40,000	18	
PH17D	UMC EXPANSION CONSTRUCTION	\$ 39,000,000	\$ 21,244,560	\$ 14,848,112	\$ 2,907,329		\$ 2,907,329	19	
PH201	DREDGE ENTRANCE CHANNEL-COE RECON	\$ 1,500,000	\$ 649,088	\$ -	\$ 850,912		\$ 850,912	21	
PH301	UMC POSITIONS III & IV REPLACEMENT & EXPANSION	\$ 3,167,358	\$ 3,078,464	\$ 12,193	\$ 76,701		\$ 76,701	19	
PH601	LIGHT CARGO DOCK EXPANSION	\$ 4,245,650	\$ 2,959,478	\$ 60,109	\$ 1,226,063		\$ 1,226,063	18	
PH602	LIGHT CARGO DOCK & UMC DREDGING	\$ 109,650	\$ -	\$ -	\$ 109,650		\$ 109,650	21	
PH905	ROBERT STORRS SBH IMPROVE A&B	\$ 50,000	\$ -	\$ 22,360	\$ 27,640		\$ 27,640	22	
<b>AIRPORT</b>									
<b>Airport</b>									
AP18A	AIRPORT TERMINAL ROOF REPLACEMENT	\$ 140,000	\$ -	\$ -	\$ 140,000		\$ 140,000	19	
<b>HOUSING</b>									
<b>Housing</b>									
EH18A	LEAR RD DUPLEX KITCHEN RENOVATION	\$ 124,994	\$ -	\$ -	\$ 124,994		\$ 124,994	18	
TOTALS		106,114,920	74,263,830	17,907,691	13,943,398	-	13,943,398		

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 \$31,400 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>
<b>I. OPERATING BUDGETS</b>			
<b>A. General Fund</b>			
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>B. Proprietary Fund</b>			
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 23rd DAY OF JANUARY 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>
<b>1) <u>General Fund - Operating Budget</u></b>						
<b>Sources:</b>						
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
<b>Uses:</b>						
Transfer to Gen Gov Capital Projects Fund	01029854	59920		793,000.00	139,000.00	932,000.00
<b>City Manager:</b>						
Other professional services	01020152	53300		20,000.00	31,400.00	51,400.00
<b>Public Safety:</b>						
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
<b>PCR:</b>						
Recreation programs temporary employees	01023251	51200		15,000.00	7,000.00	22,000.00
<b>2) <u>Solid Waste Fund - Operating Budget</u></b>						
<b>Sources:</b>						
Enterprise Fund unrestricted net position				2,298,642.00	75,000.00	2,223,642.00
<b>Uses:</b>						
Transfer out to Enterprise Capital Projects Fund		59920		30,000.00	75,000.00	105,000.00
<b>3) <u>Public Safety - Capital Project</u></b>						
<b>Sources:</b>						
Transfers in - General Fund	01029854	49100	PW18A	-	139,000.00	139,000.00
<b>Uses:</b>						
Grants (Exp distribution to be determined)	01021152	56450	PW18A	-	139,000.00	139,000.00
<b>4) <u>Solid Waste - Capital Project Budget</u></b>						
<b>Sources:</b>						
Transfer in from SW Op fund		49120	SW18A	-	75,000.00	75,000.00
<b>Uses:</b>						
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.

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**MEMORANDUM TO COUNCIL**

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**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

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**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.



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## MEMORANDUM TO COUNCIL

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**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

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**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
<b>Makushin Bay - Retrieve Mooring</b>	<b>1</b>	<b>\$ 15,000.00</b>	<b>1</b>	<b>\$ 15,000.00</b>
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
<b>As Is vessel Sinking direct from Capt Bay to Sink Site 13 miles out</b>				<b>\$ 31,400.00</b>
<b>Vessel Sinking w/floatable removal</b>				<b>\$ 205,600.00</b>

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



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

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**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.

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**MEMORANDUM TO COUNCIL**

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**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.

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**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:**

<b>COMPOSTING PROJECT - SW18A</b>				<b>Current Budget</b>	<b>This Request</b>	<b>Revised Budget</b>
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.

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Frank Kelty  
Mayor

ATTEST:

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Marjie Veeder  
City Clerk



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## MEMORANDUM TO COUNCIL

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**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  
SUITE 302  
911 WEST EIGHTH AVENUE  
ANCHORAGE, ALASKA 99501  
TELEPHONE: (907) 272-8401  
FACSIMILE: (907) 274-3698  
bcf@bcfaklaw.com

**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

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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.

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## MEMORANDUM TO COUNCIL

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** NANCY PETERSON, CITY MANAGER  
**DATE:** JANUARY 23, 2018  
**RE:** AUDIT PRESENTATION

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KPMG will provide a presentation to the council. The presentation was not available for inclusion in the meeting packet.

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## MEMORANDUM TO COUNCIL

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TO: MAYOR AND CITY COUNCIL  
THRU: NANCY PETERSON, CITY MANAGER  
FROM: CLAY DARNELL, FINANCE DIRECTOR  
DATE: JANUARY 23, 2018  
RE: FY 19 REVENUE PROJECTIONS

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**SUMMARY:** For the 2019 fiscal year we are providing a total General Fund revenue estimate of \$31,328,164 for your review. This is a 5% decrease or \$1,662,996 from the fiscal year 2018 budget. These numbers are not fixed and will change as the budget process moves forward and we receive updated information. Based on revenue projections we can begin the discussion with council to set budget goals for the next fiscal year. This is the first step in the budget process, and we are open to suggestions from the Council, the public, and management as we move forward with this process.

**PREVIOUS COUNCIL ACTION:** Each year, the revenues are estimated in January in order to assist the Council in setting goals for the overall budget for the next fiscal year. This is the first time that council has seen this estimate for the current budget process.

**BACKGROUND:** There are many external factors affecting the revenues of the City. Anything that affects the fishing industry can ultimately impact the City's tax revenue. Our fish tax revenues are based on quotas allocated for the sustainable fishery resources of the Bering Sea/Aleutian Islands that are landed in Unalaska, and the prices paid for that product to the harvesters by the processors. This year, decreases in cod and crab production will be partially offset by an increased Pollock harvest and increased inshore landings related to the Northern Victor operation. Delays in tax payments made to the State cause delays in payments to the City and this makes it even more difficult to make accurate predictions.

**DISCUSSION:** The City has historically budgeted quite conservatively on all of its revenues, especially the major revenue sources. A more detailed explanation of the attached documents is given below.

**General Fund Major Revenue Sources FY2019 Projections:** This graph shows the major revenue sources and their percentage of the total General Fund revenue of the City. Investment earnings are still budgeted in the general fund to fund operations.

**General Fund - Major Revenue Sources Projected FY19:** This page provides written detail regarding why major revenue sources have increased, decreased or remained the same.

**Real Property Tax:** Staff is projecting an increase of \$100,000.

**Personal Property Tax:** Staff is projecting no change from the prior year budget.

**Sales Tax:** Since approximately 50% of the sales tax revenues are related to fuel and the price of crude appears to have stabilized, we are projecting a \$250,000 increase. The projection for FY19 is based on the State of Alaska's Fall Revenue projections for 2017 of \$60.00 per barrel.

**Raw Seafood Tax:** This tax is projected to decrease \$1,100,000 due to decreases in Cod and Crab production, partially offset by an increased Pollock harvest.

**Fisheries Business Tax:** This tax is tied to the Raw Seafood tax and we are projecting a corresponding decrease of \$600,000.

**Resource Landing Tax:** Staff is projecting a decrease of \$300,000 based on actual tax receipts in FY18. Staff will contact the State of Alaska in April-May to see if they have any additional guidance on this tax projection.

**Investment income:** Staff is projecting an increase of \$100,000 based on actual receipts for FY17 and a small increase in interest rates.

**Other Revenues:** Staff is projecting a small decrease in revenue related to a decline in Debt Reimbursement Grants.

I would like to thank Mayor Frank Kelty for his assistance in preparing this document. The projections for fisheries take many hours of time to research the quotas, the price and future trends.

**ALTERNATIVES:** This is just a work session item for discussion.

**FINANCIAL IMPLICATIONS:** This projection shows revenues are somewhat stable based on the current year activity and information from the State of Alaska. We will be monitoring these amounts and will adjust as we move forward with the FY19 Budget development.

**LEGAL:** There are no legal implications.

**STAFF RECOMMENDATION:** No staff recommendations at this time. This is a Council discussion item.

**PROPOSED MOTION:** No motion is required. This is a work session item.

**CITY MANAGER'S COMMENTS:** The revenue projections provided are based on a similar approach to conservative budgeting that the Council has approved over the last 7-10 years.

Attachments:

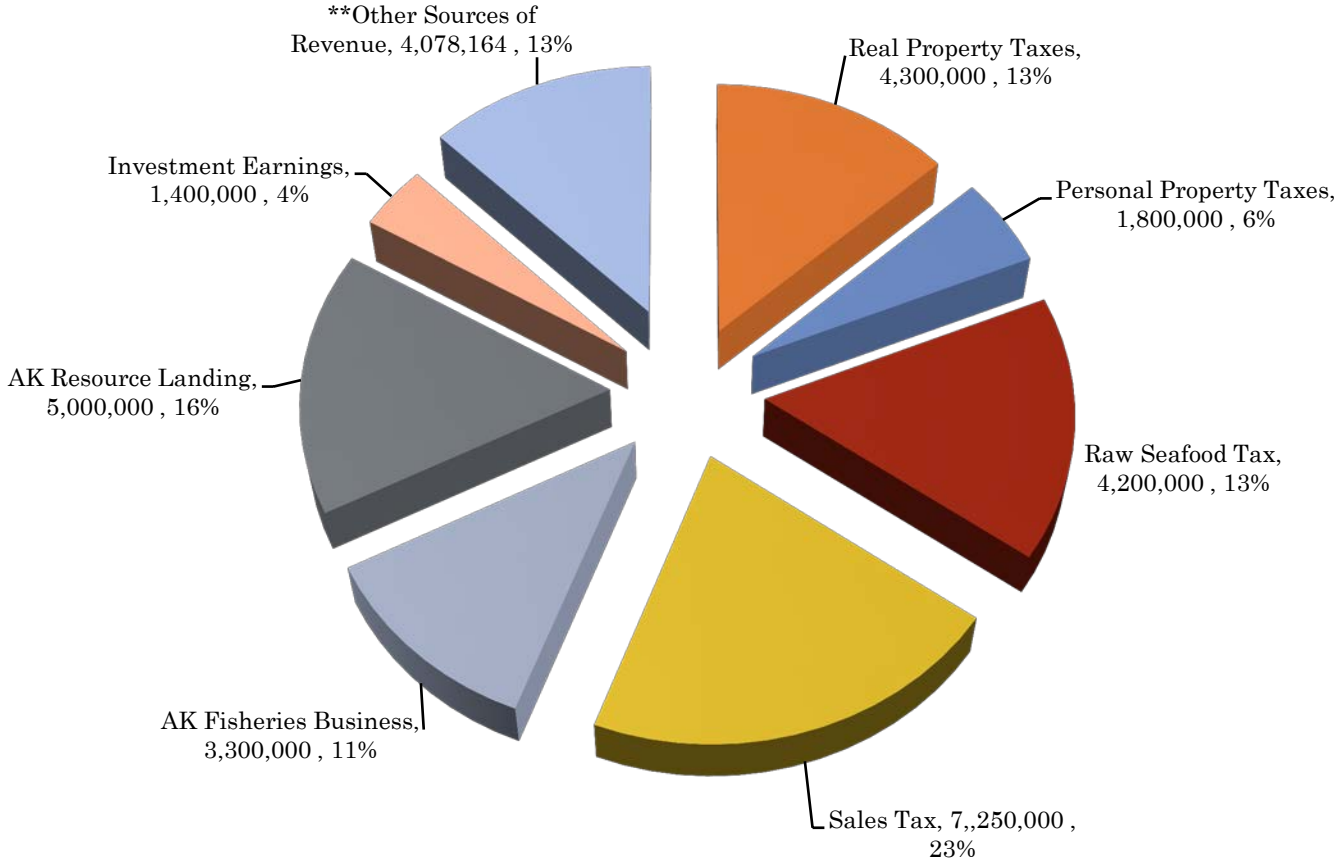
1. Major Revenue Sources Graph
2. Revenue Sources and Projections- details



# FY19 GENERAL FUND REVENUE

## \$31,328,164

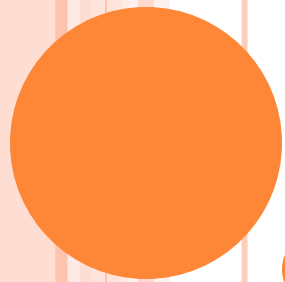
### FY 2019 Projections





**CITY OF UNALASKA**  
**General Fund Major Revenue Sources - Projected**  
**Fiscal Year 2019 Budget**

	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projections 2019	Increase / Decrease
<b>1 Real Property Tax</b> The City had a property reassessment in fiscal year 2015, and this revenue projection was calculated using the fiscal year 2017 certified tax assessment roll times the current mill rate of 10.5.	3,862,354	4,085,050	4,233,663	4,200,000	<b>4,300,000</b>	100,000
<b>2 Personal Property Tax</b> The personal property tax revenue projection was calculated the same as the real property tax revenue projection.	1,907,363	1,836,163	1,797,663	1,800,000	<b>1,800,000</b>	0
<b>3 Sales Tax</b> City of Unalaska sales tax continues to be related to the price of crude oil because approximately half of the sales tax generated in Unalaska is from fuel sales. The ANS West Coast price for crude oil was recently \$69.44 which is an improvement over the prior years average price of \$54.29.	8,020,397	7,757,315	7,411,475	7,000,000	<b>7,250,000</b>	250,000
<b>4 Raw Seafood Tax</b> The locally collected 2% Raw Seafood tax is projected to decrease FY19. This is due to decreases in Cod and Crab production, partially offset by increased an increased Pollock harvest.	4,981,770	5,123,372	4,657,385	5,300,000	<b>4,200,000</b>	(1,100,000)
<b>5 AK Fisheries Business Tax</b> The State of Alaska Shared Fisheries Business Tax is also projected to decrease the prior year.	3,639,448	4,099,315	4,276,287	3,900,000	<b>3,300,000</b>	(600,000)
<b>6 AK Resource Landing Tax</b> AK Resource Landing Tax is projected to be more conservative due to uncertainty of harvested quantities	5,014,309	3,034,438	8,272,661	5,300,000	<b>5,000,000</b>	(300,000)
<b>7 Investment Income</b> Investment income continues to be low due to suppressed interest rates in the market.	871,070	971,866	1,287,864	1,300,000	<b>1,400,000</b>	100,000
<b>8 Other Revenues</b> Other revenues include intergovernmental payments, charges for services and other non-major revenue sources. This is detailed out in a graph and spreadsheet included in this packet.	9,582,353	4,669,058	4,402,857	4,191,160	<b>4,078,164</b>	(112,996)
<b>Total</b>	<b>37,879,064</b>	<b>31,576,576</b>	<b>36,339,855</b>	<b>32,991,160</b>	<b>31,328,164</b>	<b>(1,662,996)</b>



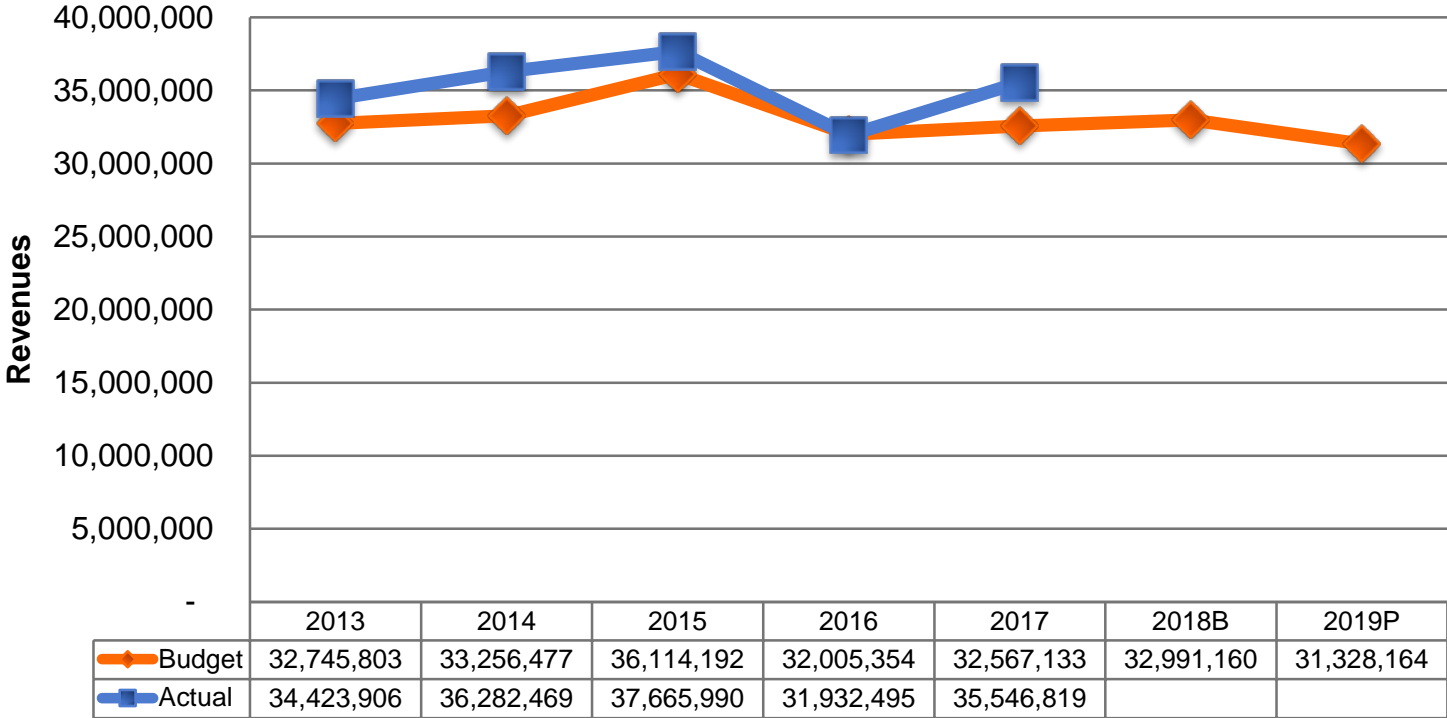
# FY19 REVENUE PROJECTIONS

# PURPOSE OF GENERAL FUND REVENUE PROJECTIONS

- Sustainability
  - Ensure that expenditure budget does not exceed projected revenue.
- Comparison of Budget to Actual
  - Reconciliation of what we anticipated in prior years vs. actual revenues received



# GENERAL FUND REVENUE BUDGET VS. ACTUAL



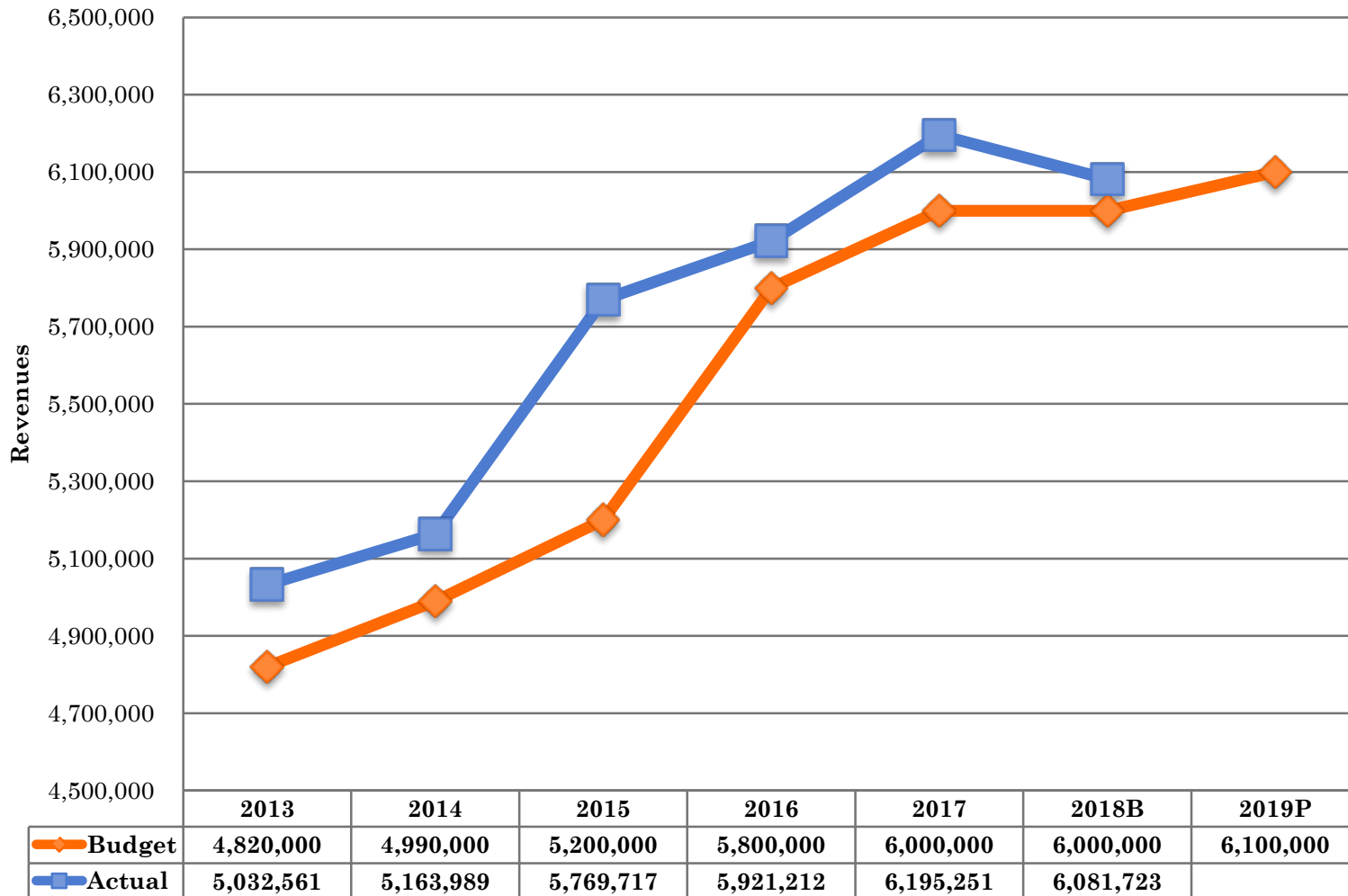
# MAJOR REVENUE SOURCES

## Real & Personal Property Tax

- Calculated off the most recent Assessed Value, using 2017 Assessed Values
  
- Mill Rate – 10.5
  - Staff is not recommending any mill rate adjustment



# REAL & PERSONAL PROPERTY TAX BUDGET VS. ACTUAL



# MAJOR REVENUE SOURCES

## Fish Taxes

### ○ Raw Seafood Tax

- Locally collected 2% Tax paid by fisheries
  - Anticipated decreases in cod and crab production will be partially offset by increases in Pollock harvest and inshore landings since the Northern Victor operation is now in Unalaska

### ○ Fisheries Business Tax

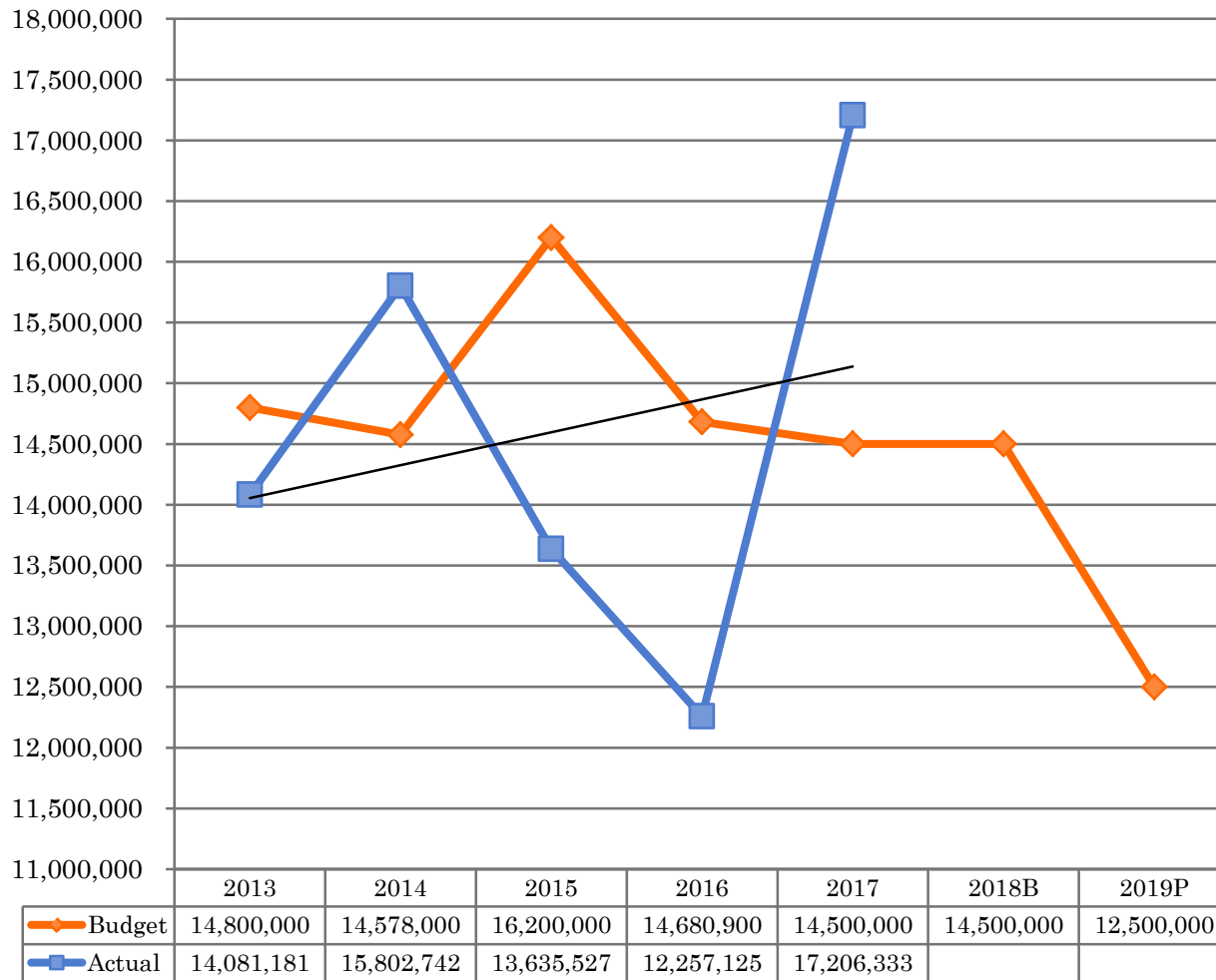
- State of Alaska shared tax of 1.5% from a 3% State tax on local fisheries
  - Anticipated decrease detailed above

### ○ Resource Landing Tax

- State of Alaska shared tax of 1.5% from a 3% State tax on offshore processors
  - Anticipate slight decrease in FY19 revenue



# FISH TAXES BUDGET VS. ACTUAL



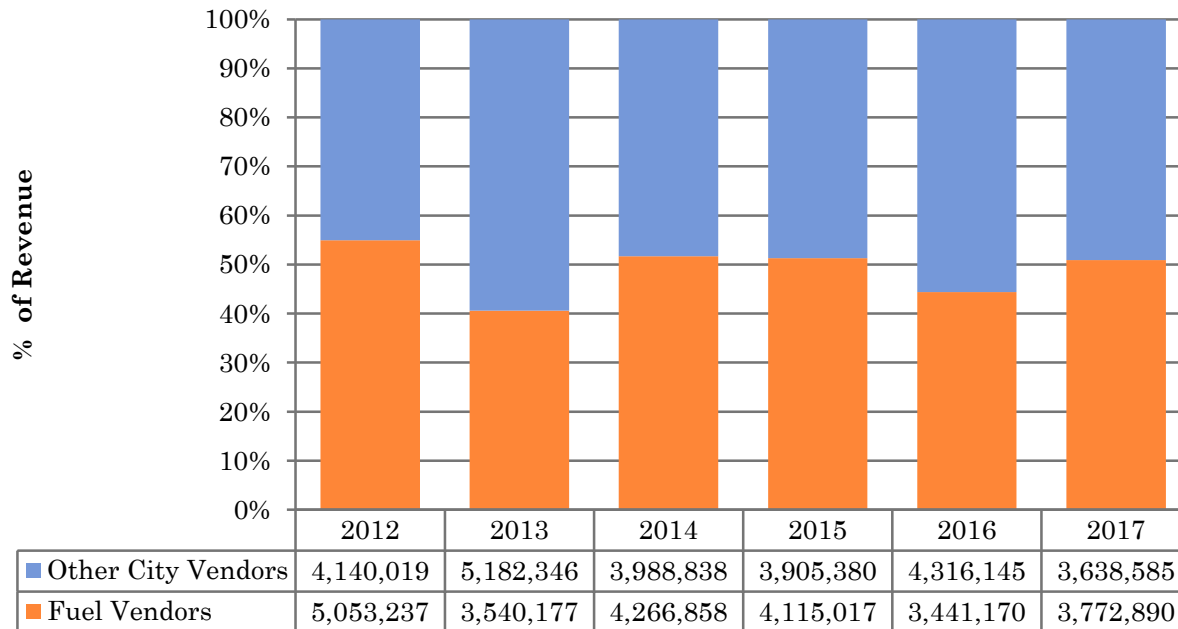


# MAJOR REVENUE SOURCES

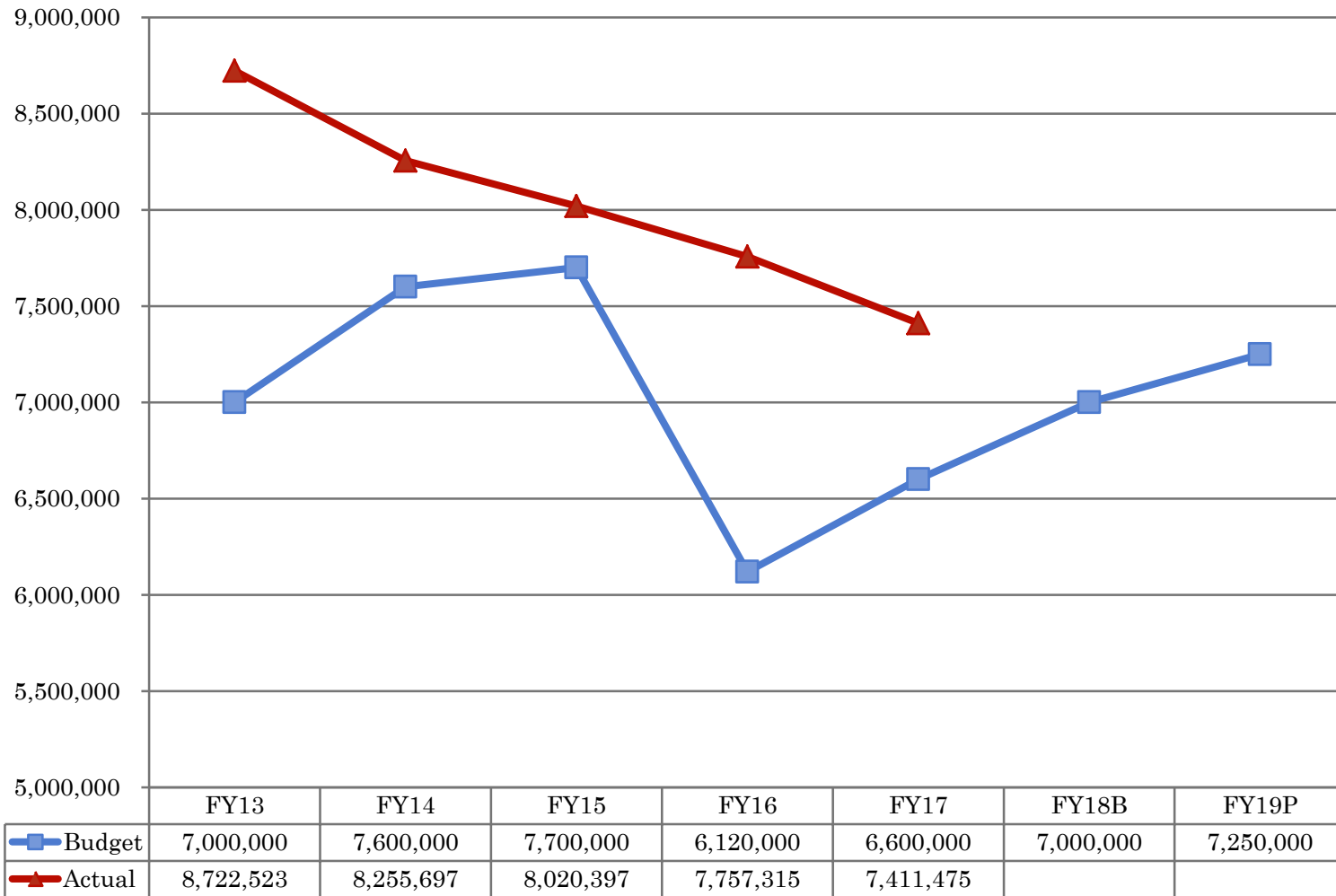
## Sales Tax

- 3% Total Tax
  - 2% recorded in General Fund
  - 1% recorded in 1% Special Revenue Fund
  
- One-half of sales tax collected by the City is from Fuel Taxes

General Fund Sales Tax by Vendor Type – Five Year History



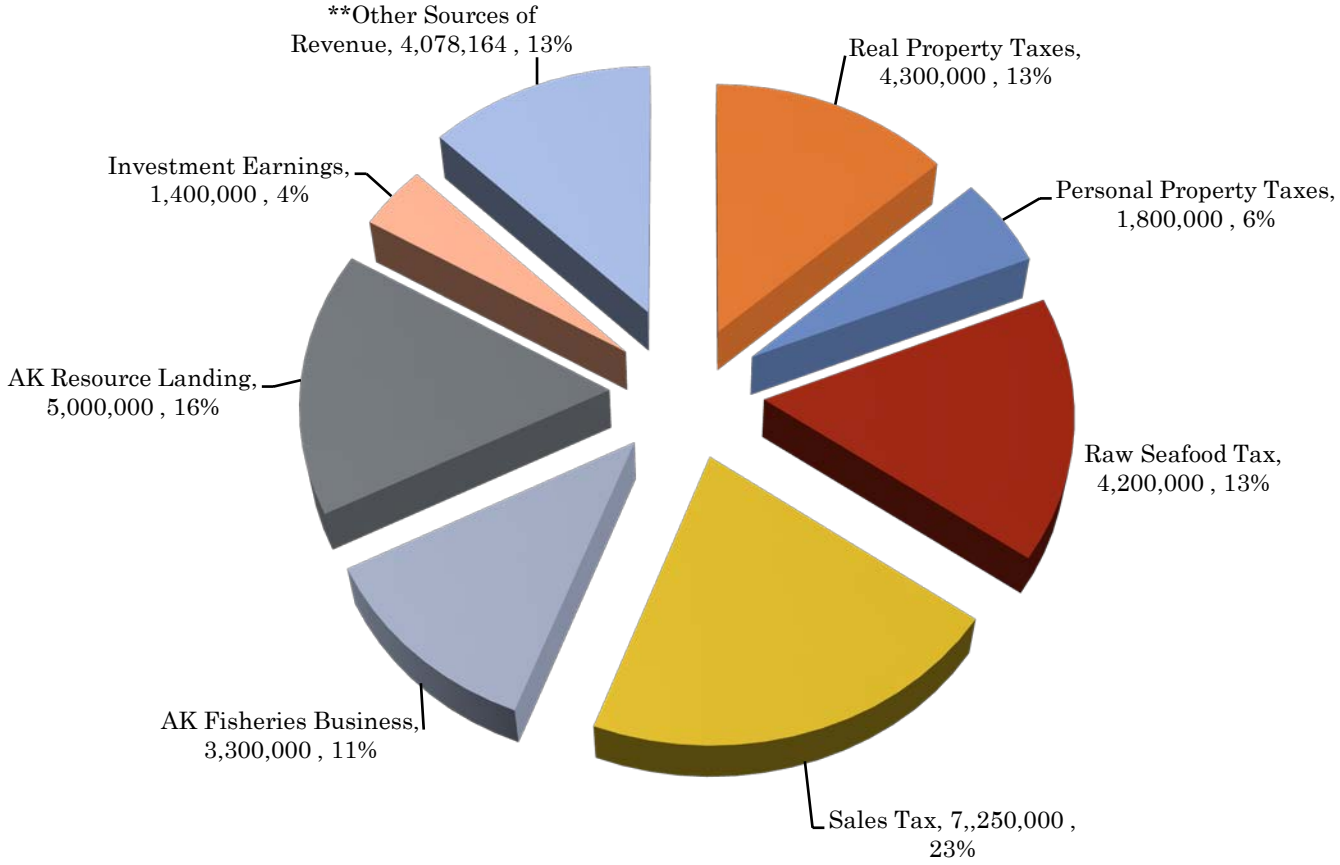
# GENERAL FUND SALES TAX



# FY19 GENERAL FUND REVENUE

## \$31,328,164

**FY 2019 Projections**



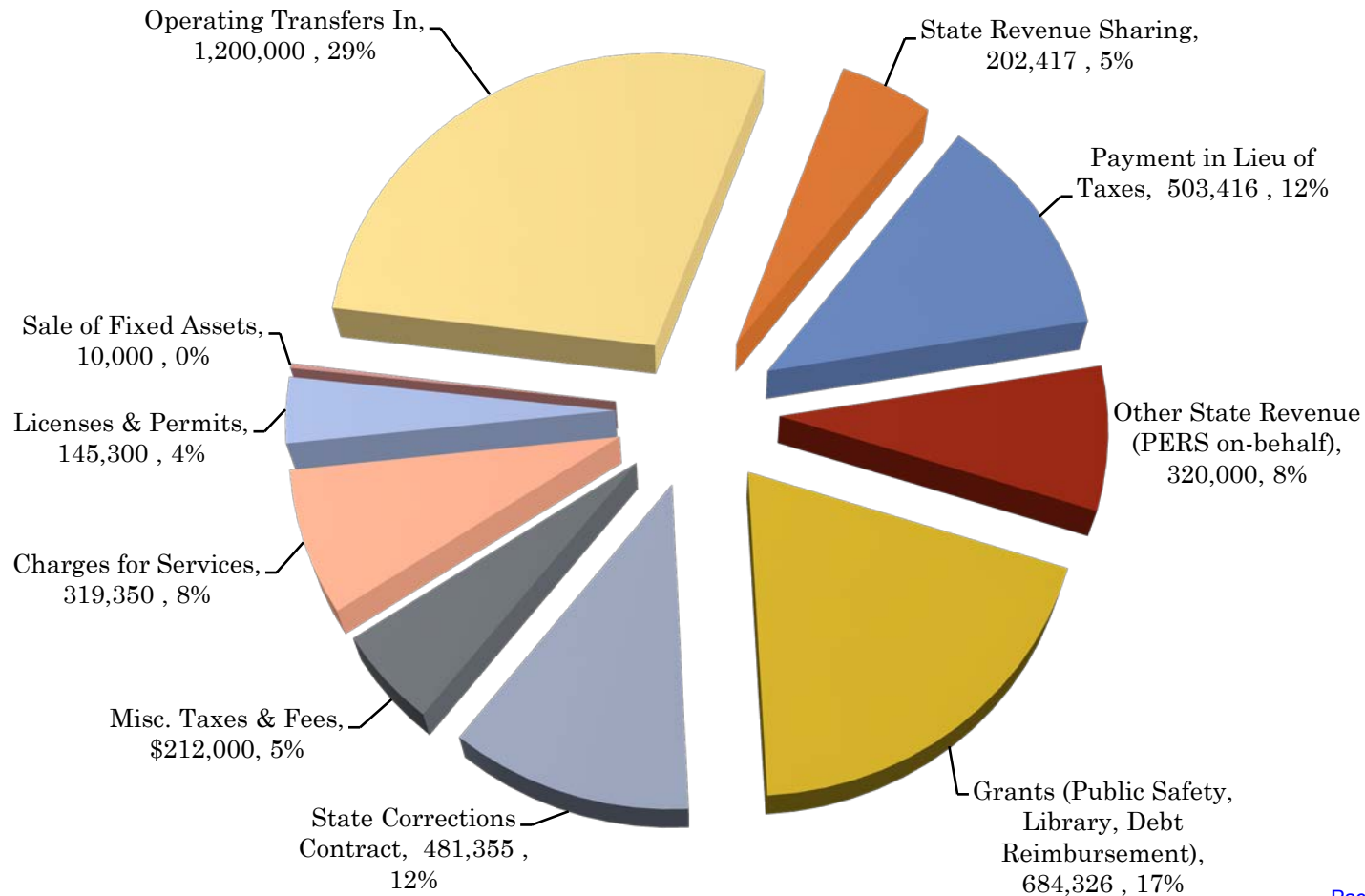
# OTHER REVENUE SOURCES

- Grants (Public Safety, Library, Debt Reimbursement)
  
- Operating Transfers in
  - CEM General Fund Loan repayment \$1,200,000 from 1% Fund
  
- Alaska State Shared or Generated
  - Payment in Lieu of Taxes
  - Revenue Sharing
  - State Corrections Contract
  - State on Behalf for PERS



# FY19 OTHER REVENUE SOURCES

## \$4,078,164



# QUESTIONS



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## MEMORANDUM TO COUNCIL

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** ERIN REINDERS, ASSISTANT CITY MANAGER  
**THROUGH:** NANCY PETERSON, CITY MANAGER  
**DATE:** JANUARY 23, 2017  
**RE:** BUDGET GOALS FOR FY19

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**SUMMARY:** This memo provides information regarding recommended FY19 Budget Goals. The FY18 Budget Goals are attached, along with staff recommendations for FY19, and will be utilized to help direct the preparation of the budget once approved.

**PREVIOUS COUNCIL ACTION:** The City Council has reviewed budget goals at the beginning of each budget cycle since about 2002. Council will consider the FY19 Budget goals at the January 23, 2018 during the Council Work session and may take action by resolution at the February 13, 2018 Council Meeting.

**BACKGROUND:** Much of what we do as a municipal government is legislatively or code driven. City staff will continue seek ways to perform our service to the community more efficiently in an effort to reduce costs and increase our effectiveness.

**DISCUSSION:** The City Council Goals for the FY18 Budget Year are attached and include recommendations for FY19. Key points on various issues impacting the budget goals are provided below.

***Personnel:*** Staff anticipates requesting one additional fulltime position and funding for miscellaneous part time roles. The anticipated increase in full time equivalent (FTE) in the FY19 budget is described below.

In FY18, Council authorized a total of 166.13 full time equivalent (FTE) employees, but this total did not include the Natural Resource Analyst and the Building Inspector that were identified as authorized but unfunded positions. The Medium Equipment Operator – Temp was inadvertently left out of the FY18 budget and the authorized total FTE count, as it had been included in previous years.

The number of FTE authorizations being considered by Administration at this time will increase the total by 4.06 to 170.19 in FY19. There are 156 full-time permanent positions (156 FTE), 29 part-time positions (6.69 FTE), and 11 temporary or seasonal positions (5.5 FTE) to be being proposed for FY19. Additionally, there are 2 pending positions (2 FTE) that are not being included in the budget but will be included in the number of authorized positions.

This proposed total FTE includes the authorized and unbudgeted Natural Resource Analyst (1 FTE) and the Building Inspector (1 FTE) as well as the now budgeted Medium Equipment Operator – Temp (1 FTE).

This total also includes the 5 Planning Commissioners (.012 FTE per Commissioner = 0.06 FTE), who are now getting paid \$100 per meeting as a result of the recent Title 2 changes. Funding for these positions is included in the Planning Department's Personnel budget for FY19.

Funding is being proposed for an additional full time permanent Solid Waste Operator 1 (1.00 FTE), and is included in the proposed FTE total for FY19. Landfill operations and regulations are steadily expanding, yet the Solid Waste Division continues to function, since FY98, with only four full time permanent employees and one seasonal temporary employee. This leaves little other option than consistent overtime in order to maintain operations and stay in compliance with the terms of our operating permits, which is further increased when leave time is required due to vacations or medical needs. Although an analysis of the Solid Waste operations indicates a need for two full time Solid Waste Operators, only one is being considered at this time.

Funding is being considered in the budget to support a 0.50 FTE of Student Aide assistance in Planning. This will reduce the funding required in the non-personnel operational budget as the tasks associated with this position are related to special projects that would have otherwise been accomplished by a more costly external consultant. No benefits are offered to temporary employees, such as the Student Aide.

Administration will have a more detailed discussion with the Council during the budget presentation regarding approval for these proposed positions.

**General Fund Surplus/Deficit:** While projected revenues are down, we anticipate the ability to once again have a budgeted surplus in FY19.

**Proprietary Funds:** City owned housing is used as an incentive for recruitment and retention, therefore, while we conservatively budget operations and renovations, a gap in funding will continue. In addition, the cost to operate the Airport continues to increase faster than the revenue gains.

**Operating Expenses:** Although the goal is set at a maximum increase of 3% for non-personnel expenses, the Directors will prepare their proposed budgets understanding any non-personnel increases will have to be justified and evaluated to ensure that the level and quality of services to the public is maintained or improved.

**Capital Projects:** The CMMP is currently being developed. A presentation of the draft projects, with a special focus on FY19, is planned for the February 13 Council Work Session.

**Revenues:** Projected revenues for the Proprietary Funds will be presented along with the draft budget later in the budgeting process. Rate studies for Water, Wastewater and Solid Waste were completed in FY17 and a rate study for Electrical was completed in FY16. Adjustments have been made accordingly and with Council approval. Port related tariffs and fees were evaluated in FY17, with Council approved adjustments made in July and August of 2017.

Projected revenues for the General funds for FY19 will be presented on January 23, 2018. We anticipate this to be similar to last year's, but a slight decrease is anticipated. No change to the mill rate is recommended at this time.

**Debt Service:** As Council is aware, the City has incurred debt in the Ports Fund for the UMC, Positions 3 and 4 Project.



ALTERNATIVES: Various alternatives exist. As Staff traverses the budget process we will seek ways to perform our work more efficiently in an effort to reduce costs and increase our effectiveness.

FINANCIAL IMPLICATIONS: Financial implications will be brought forward during the budget presentations.

LEGAL: None.

STAFF RECOMMENDATION: No action is required at the work session stage. Recommended changes from last year's budget goals are noted on the attached sheet. Approval of the Budget goals by resolution is proposed for the February 13, 2018 meeting.

**ATTACHMENTS:**

1. FY18 Budget Goals, with Recommendations for FY19
2. DRAFT Resolution 2018-12 for action on 2/27

**CITY COUNCIL GOALS  
FOR THE **FY18 BUDGET YEAR**  
AS OUTLINED IN THE 2018 BUDGET DOCUMENT  
AND  
STAFF RECOMMENDATIONS FOR FY19**

**Personnel Goals**

The number of full-time equivalent (FTE) employees will increase 3 full time personnel. If revenue declines, consideration will be given to a reduction in work force. The number of employee positions approved by Council is 155 full-time and 33 part-time positions (11.13 FTE) resulting in a total FTE of 166.13.

*(Staff recommends the following replacement goal with less specificity in order to offer a more appropriate level of guidance at this stage in the budgeting process: “Any proposed increase to the total number of full-time equivalent (FTE) positions will be fully evaluated and justified during the budget approval work sessions.”)*

**General Fund Surplus/Deficit**

The General Fund operations will be budgeted without a deficit. The Council may appropriate additional funds from surplus to cover costs of capital projects.

*(No change recommended for FY19.)*

**Proprietary Funding**

Staff will continue to seek ways to balance budgets in the following enterprise funds.

*(Staff recommends the following replacement goal to update terminology: “Staff will continue to seek ways to balance budgets in the proprietary funds.”)*

**Operating Expenses**

The City Manager's proposed FY18 General Fund budget shall not increase more than 3 percent for non-personnel expenditures.

*(No change recommended for FY19, other than the fiscal year.)*

The total amount available to fund the Community Support Program grants will continue to follow the formula of up to 3.4642% of the five-year average revenue for the General Fund and up to all of the Bed Tax Fund balance for the most recent complete years for a total of \$1,371,323. (Revenues do not include Other Financing Sources. The most complete years are FY12 through FY16.)

*(No change in this formula is recommended for FY19. Staff recommends the following replacement goal with less specificity in order to offer a more appropriate level of guidance at this stage in the budgeting process: “The total amount available to fund the Community Support Program grants will continue to follow the formula of up to 3.4642% of the five-year average*

revenue for the General Fund and up to all of the Bed Tax Fund balance for the most recently completed fiscal year.”)

**City management shall continue to examine ways to reduce expenditures without significantly impacting the level and quality of services to the public.**

*(No change recommended for FY19.)*

**City management shall continue to examine ways to reduce inventory without significantly impacting the level and quality of services to the public.**

*(No change recommended for FY19.)*

### **Capital Projects**

**New capital assets or maintenance of capital assets will be limited to projects already in the CMMP, projects that are mandated or new projects that address life safety issues.**

*(Staff recommends the following replacement goal to be more in keeping with recent project decisions by Council: “New capital assets or maintenance of existing capital assets will be limited to projects approved by Council in the CMMP, which will include projects that are mandated or required by statute, projects that maintain our existing infrastructure, projects that address life, safety, or health issues, and projects that support the economic development of Unalaska.”)*

**The replacement and maintenance plans for all existing capital assets will be reviewed annually.**

*(No change recommended for FY19.)*

**The vehicle and heavy equipment fleet requirements will be reviewed annually and reduced where appropriate without significantly impacting services provided to the public.**

*(No change recommended for FY19.)*

### **Revenues**

**Proprietary Fund rate studies will be completed every three years and presented to council.**

*(No change recommended for FY19.)*

**The mil rate will be reviewed annually to establish an appropriate mil rate to maintain infrastructure and operations.**

*(No change recommended for FY19.)*

## **Debt Service**

**The City will not incur new debt without appropriate analysis to show impacts to rates or taxpayers, and will not incur new debt unless the capital asset is eligible for a debt reimbursement program; is mandated by State or Federal government; or is needed to address life, safety or health issues.**

*(No change recommended for FY19.)*

**The City may incur debt for its Proprietary Funds provided there is a documented plan to pay the debt through rate adjustments.**

*(No change recommended for FY19.)*

**DRAFT RESOLUTION FOR ACTION ON FEBRUARY 27, 2018**

**CITY OF UNALASKA  
UNALASKA, ALASKA**

RESOLUTION 2018-12

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE COUNCIL'S GOALS FOR THE FY19 BUDGET

WHEREAS, budget guidelines help to ensure that the budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council has discussed and selected the attached set of budget goals for FY19; and

WHEREAS, management will utilize the adopted goals as guidelines when developing the FY19 budget;

NOW THEREFORE, BE IT RESOLVED, that the Unalaska City Council adopts the attached goals as a guideline for developing the FY19 budget.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY UNALASKA THIS \_\_\_\_\_ DAY OF FEBRUARY 2019.

\_\_\_\_\_  
HON FRANK KELTY  
Mayor

ATTEST:

\_\_\_\_\_  
MARJORIE VEEDER  
City Clerk

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION 2018-10

A RESOLUTION OF THE UNALASKA CITY COUNCIL RECEIVING THE FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS OF THE CITY OF UNALASKA.

WHEREAS, the accounting firm KPMG, Certified Public Accountants, has completed the audit of Fiscal Year 2017 financial statements for the City of Unalaska, and

WHEREAS, KPMG has issued an unmodified opinion on the financial statements, and

WHEREAS, KPMG has presented the results of the audit to the City Council.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council has received the audited financial statements as prepared by the City of Unalaska Finance Department and the results of the FY17 Audit presented by KPMG, Certified Public Accountants, for the fiscal year ended June 30, 2017.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 23, 2018.

---

Frank Kelty  
Mayor

ATTEST:

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Marjie Veeder  
Clerk

---

---

## MEMORANDUM TO COUNCIL

---

---

**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**THRU:** NANCY PETERSON, CITY MANAGER  
**FROM:** CLAY DARNELL, FINANCE DIRECTOR  
**DATE:** JANUARY 23, 2018  
**RE:** RESOLUTION 2018-10: ACCEPTING THE FY2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF UNALASKA

---

**SUMMARY:** Each year the City of Unalaska is required to have an independent audit of its financial statements included in the City's Comprehensive Annual Financial Report (CAFR). KPMG has audited our financial statements and has issued an unmodified (clean) opinion.

**PREVIOUS COUNCIL ACTION:** Each year the Council adopts a resolution accepting the CAFR.

**BACKGROUND:** KPMG sent staff out this year for two weeks in September 2017 to do their field work and then completed the audit over the next 4 months.

**DISCUSSION:** The CAFR includes the audited financial statements as well as statistics about the City of Unalaska for the past ten years.

Again this year, field work was extremely comprehensive. Staff was exceedingly helpful and had most of the needed documents pulled for the auditors before they arrived. Staff also responded immediately to requests for information or documents from the auditors, which made for a smooth audit process.

**ALTERNATIVES:** There are no other alternatives.

**FINANCIAL IMPLICATIONS:** Although there are no direct financial implications, funding authorities and other sources routinely use audited financial reports as part of their evaluation process for funding eligibility.

**LEGAL:** Municipalities are legally required to have an annual independent audit of their financial statements.

**STAFF RECOMMENDATION:** Staff recommends approving Resolution 2018-10.

**PROPOSED MOTION:** I make a motion to approve Resolution 2018-10.

**CITY MANAGER'S COMMENTS:** I recommend acceptance of the FY17 CAFR.

## CITY OF UNALASKA, ALASKA



### Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017



**CITY OF UNALASKA**

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017

Prepared by:

Finance Department

CITY OF UNALASKA, ALASKA

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**CITY OF UNALASKA, ALASKA**

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## **INTRODUCTION SECTION**



**City of Unalaska**

P.O BOX 610  
Unalaska, Alaska 99685-0610  
(907) 581-1251 FAX (907) 581-1417



December 22, 2017

The Honorable Mayor, Members of the City Council,  
and Citizens of the City of Unalaska:

State law requires that all cities annually publish a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Unalaska, Alaska (the City) for the fiscal year ended June 30, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

KPMG, Certified Public Accountants, has issued an unmodified (clean) opinion on the City's financial statements for the year ended June 30, 2017. The independent auditors' report is located at the front of the financial section of this report. The independent audit of the financial statements of the City was part of a broader, federal and state-mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports will be available in the City's separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

**Profile of the Government**

The City, incorporated as a first class city in 1942, is located on an island within an archipelago in the southwestern part of the state. The Bering Sea to the north is considered to have one of the most productive fisheries in the country. Located nearly 800 miles from Anchorage, the City, which serves a population of 4,710, currently occupies an area of 215 square miles, of which 46% is seawater. The City of Unalaska is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council. Annexation authority was exercised once in 1986.



The City has operated under the council-manager form of government since 1968. Policy-making and legislative authority are vested in a city council consisting of the mayor and six other members. The city council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Council members are elected to serve three-year, staggered terms, with two council members elected every year. The mayor is also elected to serve a three-year term. The mayor and council members are all elected at large.

The City provides a full range of services including the following: police and fire protection; emergency medical services; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; electrical, water, wastewater, and solid waste services; port, harbor, and airport terminal services; and limited housing for city employees. The City is also financially accountable for a legally separate school district, which is reported separately within the City's financial statements. Additional information on the Unalaska City School District can be found in note 1(a).

The city council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The city manager is authorized to transfer appropriations within a function. Transfers of appropriations between functions, however, require the special approval of the city council.

### **Local Economy**

The City's economy is based primarily on commercial fishing, seafood processing, fleet services and marine transportation. The Port of Dutch Harbor is the only deep draft port in the Arctic Region that is ice free year round. Our Port has been designated a "Port of Refuge" and provides protection and repair for disabled or stressed vessels as well as ground and warehouse storage and transshipment opportunities for the thousands of vessels that fish or transit the waters surrounding the Aleutian Islands on a daily basis.

The City is the home of the western-most container terminal in the United States and is one of the most productive ports for the transshipment of cargo in Alaska. In addition to product shipped domestically to and from this regional hub, product is shipped to ports around the world with weekly shipments headed to Europe and Asia by container ship and freighter. The port serves also as a fueling hub for the Aleutians and provides fuel storage for the Arctic.

The Port is part of the Alaska Marine Highway System which provides essential connectivity for people and goods throughout the Aleutian Islands and into mainland Alaska. This hub activity feeds a marine corridor that connects the State of Alaska and the Arctic Region to the rest of world.

The City is the anchor for commercial fishing activity in the Bering Sea and the Aleutian Islands (BSAI). According to National Oceanic and Atmospheric Administration's (NOAA) report, Fisheries of the United States 2016, the City's Port of Dutch Harbor led the nation with the greatest quantity of fish landed, a distinction held for the past 20 years, and during this time our Port was rated either first or second in value of catch. A catch of 770 million pounds was landed in 2016, which is 14% of all Alaska landings, and 8% of the nation's landings with a value of \$198 million, positioning the City as the number two port in value in the United States for income derived from fishing.

Because the City's economy centers on a single industry, seafood, the tax base is subject to change with fluctuations in fishery harvest levels. One mitigating factor to revenue volatility is the sustainability and good management of the fishery resources in both the state and federal waters of the BSAI.



The National Marine Fisheries Service and the State of Alaska are using the successful management practices of the North Pacific Fisheries Management Council and the State of Alaska Board of Fisheries as a model to improve management in other fishery regions nationwide. The Fisheries in the Bering Sea and Aleutian Islands, which the City depends on for its economic livelihood, are expected to remain sustainable, well managed, and healthy for the foreseeable future.

### **Long-Term Financial Planning and Major Initiatives**

In continuing efforts to improve budgeting and long-term capital planning, the council, once again, set formal goals before the fiscal year 2017 budget process and prior to preparing the five-year Capital and Major Maintenance Plan (CMMP). Development of long-term maintenance and replacement schedules for capital assets continue to be developed.

The new powerhouse came online in 2010 with two 5.2-megawatt generators. In 2012, a third generator (4.4 megawatt) was installed. A fourth generator was installed in the summer of 2016 as was a waste heat recovery system, which generates approximately 50 kilowatts of electricity from the hot water from the diesel generators cooling systems. The City is also committed to investigating other sources of electrical power including LNG, wind and geothermal.

The City initiated construction of two new landfill cells. The first cell was put in service in October 2015. The City is continuing to research ways of recycling. At this time, the City is removing monofil items, predominantly fishnets, and metal from the island to increase the life of the landfill.

To comply with new federal regulations, a new water treatment plant in Pyramid Valley was completed in 2016. This new plant, with a cost of \$17 million, provides treatment for Cryptosporidium, a microorganism that is resistant to chlorine and other disinfectants, and has caused waterborne disease outbreaks in the lower 48.

In 2017, the City began construction for the Unalaska Marine Center (UMC) Expansion and Replacement Project for dock positions 3 and 4. This \$39 million project is considered to be a vital project for business growth at the port. This project removes two aging dock positions and creates 440 feet of working dock face with minimum water depth of 45', and 1.8 acres of uplands, with load capacity to handle major cargos, fueling and larger vessels. The project is on schedule and expected to be complete in the Fall of 2018.

The City's road improvement plan continued with the completion of nine paving projects at a total cost of \$6,543,733 and the continuation of Citywide drainage projects at a total cost of \$495,830.

In 2017, the City initiated a needs analysis and pre-development process for improvements to the City's Library. Future design and construction will be developed over the next three years.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Unalaska for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the nineteenth consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

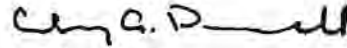
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services from the entire staff of Finance Department. We would like to express our appreciation to all who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their support for maintaining the highest standards of professionalism in the management of the City of Unalaska's finances.

Respectfully submitted,



Nancy M. Peterson  
Interim City Manager



Clay A. Darnell  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Unalaska  
Alaska**

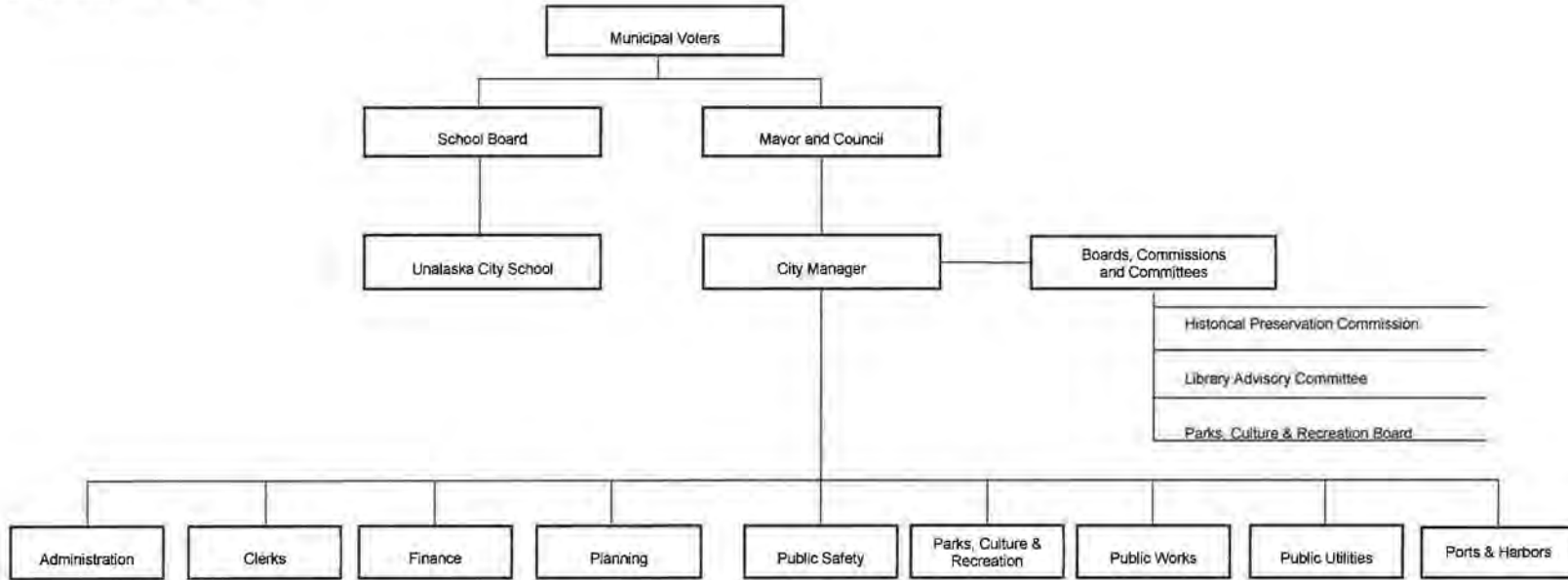
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# CITY OF UNALASKA, ALASKA

## Organizational Chart



Administration	Assessing	Accounting	Platting	Police Service	Community Center	Maintenance	Electric	Ports & Harbors
Human Resources	Records	Information Systems	Zoning	Corrections	Library	Administration	Solid Waste	Airport
Risk Management	Tax Billing	Purchasing	Planning	Communications	Community Pool	Supply	Water	
Housing		Grants Management		Fire Service	Parks	Streets & Roads	Wastewater	
				Emergency Med. Service				



**PRINCIPAL EXECUTIVE OFFICERS**

**Unalaska City Council**

Mayor

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

**City Management**

Interim City Manager

Assistant City Manager

City Clerk

Finance Director

Parks, Culture, and Recreation Director

Planning Director

Ports and Harbors Director

Public Safety Director

Public Works Director

Public Utilities Director

**Special Services**

Attorney

Auditors

**School Board**

President

Clerk/Treasurer

Member

Member

Member

Student Representative

**School Officials**

Superintendent

Secondary Principal

Elementary Principal

Business Manager

Frank Kelty

Dave Gregory

Roger Rowland

Alejandro Tungul

Yudelka Leclere

Rachelle Hatfield

John Waldron

Nancy M. Peterson

Erin Reinders

Cat Hazen

Clay A. Darnell

Roger Blakeley

William Homka

Peggy McLaughlin

Michael Holman

Tom Cohenour

Dan Winters

Boyd, Chandler & Falconer, LLP

KPMG LLP

Tammy Fowler Pound

Frank Kelty

Cherry Tan

Denise Rankin

Fernando Barrera

Bridget Nalam

John Conwell

Jim Wilson

Joanna Hinderberger

Holly Holman

## **FINANCIAL SECTION**



KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

## Independent Auditors' Report

The Honorable Mayor and  
Members of the City Council  
City of Unalaska, Alaska:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Unalaska, Alaska (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





### *Opinions*

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Unalaska, Alaska, as of June 30, 2017, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and 1% Sales Tax Special Revenue Fund for the year then ended in accordance with U.S. generally accepted accounting principles.

### **Other Matters**

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedules of the City's proportionate share of the net pension liability and contributions on pages 4–12 and 58–59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule, and the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual nonmajor fund financial statements and schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.





**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**KPMG LLP**

December 22, 2017

**CITY OF UNALASKA, ALASKA**  
Management Discussion and Analysis (MD&A)  
June 30, 2017

Management of the City of Unalaska offers readers of the City of Unalaska's financial statements this narrative overview and analysis of the financial activities of the City of Unalaska for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

**Financial Highlights**

- The assets and deferred outflows of resources of the City of Unalaska exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$402,025,882 (*net position*).
- The city's total net position increased by \$1,410,271.
- As of the close of the current fiscal year, the City of Unalaska's governmental funds reported combined ending fund balances of \$84,134,568, which is an increase of \$9,760,951 from the prior year. Of this total amount, \$30,162,579, is either nonspendable, committed or assigned for emergency operations and general fund projects identified in the City's Capital and Major Maintenance Plan (CMMP).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$53,971,989, or 237% of total General Fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Unalaska's basic financial statements. The City of Unalaska's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide a broad overview of the City of Unalaska's finances in a manner similar to that of a private-sector business.

The *statement of net position* presents information on all of the City of Unalaska's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the City's net position will serve as indicators of whether the financial position of the City of Unalaska is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Unalaska that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Unalaska include general government; public safety; public works; parks, culture, and recreation; community support; and education. The business-type activities of the City of Unalaska include electric, water, wastewater, solid waste, ports and harbors, airport terminal, and housing operations.



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The government-wide financial statements include not only the City of Unalaska itself (known as the *primary government*), but also the Unalaska City School District (known as *component unit*), a legally separate entity for which the City of Unalaska is financially accountable. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13–15 of this report.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Unalaska, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Unalaska can be divided into two categories: governmental funds and proprietary funds.

*Governmental Funds*

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information will be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. In doing so, a better understanding of the long-term impact of the government's near-term financing decisions may be obtained. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Unalaska maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and 1% Sales Tax Special Revenue Fund, all of which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements and schedules*, which can be found on pages 60–61.

The City of Unalaska adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16–21 of this report.

*Proprietary Funds*

The City of Unalaska maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Unalaska uses enterprise funds to account for its electric, water, wastewater, solid waste, ports and harbors, airport terminal, and housing operations.

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for electric, water, ports and harbors, and solid waste, all of which are considered to be major funds of the City of Unalaska. Wastewater, airport terminal, and housing operations are accounted for in separate funds but are not presented as major funds.

The basic proprietary fund financial statements can be found on pages 22–25 of this report.

**Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26–57 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Unalaska, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$402,025,882 at the close of the most recent fiscal year.

Approximately 60% of the City of Unalaska’s net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Unalaska uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Unalaska’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

	City of Unalaska's Net Position					
	Governmental activities		Business-type activities		Total*	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 171,497,386	133,071,191	89,062,638	53,715,800	260,560,024	186,786,991
Capital assets	103,526,576	105,664,771	233,546,412	231,129,102	337,072,988	336,793,873
<b>Total assets</b>	<b>\$ 275,023,962</b>	<b>238,735,962</b>	<b>322,609,050</b>	<b>284,844,902</b>	<b>597,633,012</b>	<b>523,580,864</b>
Deferred outflows of resources	\$ 3,859,698	1,736,601	4,781,186	3,541,368	8,640,884	5,277,969
Long-term liabilities	\$ 18,282,667	13,821,141	97,759,859	63,905,763	116,042,526	77,726,904
Other liabilities	79,084,257	46,731,137	8,847,092	3,502,627	87,931,349	50,233,764
<b>Total liabilities</b>	<b>\$ 97,366,924</b>	<b>60,552,278</b>	<b>106,606,951</b>	<b>67,408,390</b>	<b>203,973,875</b>	<b>127,960,668</b>
Deferred inflows of resources	\$ 188,999	194,102	85,140	88,452	274,139	282,554
Net position:						
Net investment in capital assets	\$ 101,300,691	102,660,177	152,758,179	185,056,874	254,058,870	287,717,051
Unrestricted	80,027,046	77,066,006	67,939,966	35,832,554	147,967,012	112,898,560
<b>Net position</b>	<b>\$ 181,327,737</b>	<b>179,726,183</b>	<b>220,698,145</b>	<b>220,889,428</b>	<b>402,025,882</b>	<b>400,615,611</b>



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- \* To facilitate ease of presentation, the total columns include the elimination of \$79,624,792 of internal balances.

The balance of unrestricted net position, \$147,967,012, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Unalaska is able to report positive balances in both categories of net position, both for the government as a whole, and for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Deferred outflows of resources increased \$3,362,915 during 2017 and has two components, deferred outflows of pension related resources and deferred charge on refunding. The balance increased, in total, as the result of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, and the recognition of deferred outflow of resources for difference between actual and expected experience of \$2,261, changes in assumptions of \$113,432, difference between expected and actual earnings of \$2,417,457, additional changes in proportion and differences between contributions and proportionate share of contributions of \$1,915,891, and additional contributions subsequent to the measurement date of \$33,635. This was offset by the amortization of deferred charges of the advance refunding of 2009-1 general obligation bonds which resulted in a reacquisition price that exceeded the net carrying amount.

Deferred inflows of resources decreased \$8,415 during 2017 due to recognition of a deferred inflow of resources for the net differences between projected and actual earnings on pension plan investments of \$282,554, and a change in the difference between actual and expected experience of \$(274,139).

Table 2

	City of Unalaska's Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 265,724	279,066	32,038,731	28,915,349	32,304,455	29,194,415
Operating grants and contributions	1,136,416	1,282,800	697,434	804,011	1,833,850	2,086,811
Capital grants and contributions	—	685,754	—	4,047,908	—	4,733,662
General revenues:						
Property taxes	6,195,251	6,062,856	—	—	6,195,251	6,062,856
General sales tax	11,306,512	11,846,197	—	—	11,306,512	11,846,197
Raw seafood tax	4,657,385	5,123,372	—	—	4,657,385	5,123,372
Fisheries tax	8,694,409	12,187,783	—	—	8,694,409	12,187,783
Investment earnings	494,829	1,307,140	—	—	494,829	1,307,140
Other	1,832,743	2,016,318	(701,355)	—	1,131,388	2,016,318
<b>Total revenues</b>	<b>34,583,269</b>	<b>40,791,266</b>	<b>32,034,810</b>	<b>33,767,268</b>	<b>66,618,079</b>	<b>74,558,554</b>
Expenses:						
General government	5,060,875	4,610,058	—	—	5,060,875	4,610,058
Public safety	6,103,756	5,322,012	—	—	6,103,756	5,322,012
Public works	9,626,985	8,361,921	—	—	9,626,985	8,361,921
Parks, culture, and recreation	4,079,477	3,725,100	—	—	4,079,477	3,725,100
Community support	1,082,180	1,138,786	—	—	1,082,180	1,138,786
Education	4,622,125	4,614,941	—	—	4,622,125	4,614,941
Interest on long-term debt	98,864	104,465	—	—	98,864	104,465

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**Table 2**

	City of Unalaska's Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Electric	\$ —	—	15,655,777	13,966,999	15,655,777	13,966,999
Water	—	—	2,973,316	2,704,856	2,973,316	2,704,856
Wastewater	—	—	3,810,374	2,517,557	3,810,374	2,517,557
Solid waste	—	—	3,429,111	2,639,823	3,429,111	2,639,823
Ports and harbors	—	—	7,371,466	6,622,851	7,371,466	6,622,851
Airport	—	—	862,448	842,854	862,448	842,854
Housing	—	—	431,054	415,456	431,054	415,456
Total expenses	<u>30,674,262</u>	<u>27,877,283</u>	<u>34,533,546</u>	<u>29,710,396</u>	<u>65,207,808</u>	<u>57,587,879</u>
Increase in net position before transfers	3,909,007	12,914,003	(2,498,736)	4,056,872	1,410,271	16,970,875
Transfers	<u>(2,307,453)</u>	—	2,307,453	—	—	—
Change in net position	1,601,554	12,914,003	(191,283)	4,056,872	1,410,271	16,970,875
Net position beginning of year, as adjusted	<u>179,726,183</u>	<u>166,812,180</u>	<u>220,889,428</u>	<u>216,832,566</u>	<u>400,615,611</u>	<u>383,644,736</u>
Net position, end of year	<u>\$ 181,327,737</u>	<u>179,726,183</u>	<u>220,698,145</u>	<u>220,889,428</u>	<u>402,025,882</u>	<u>400,615,611</u>

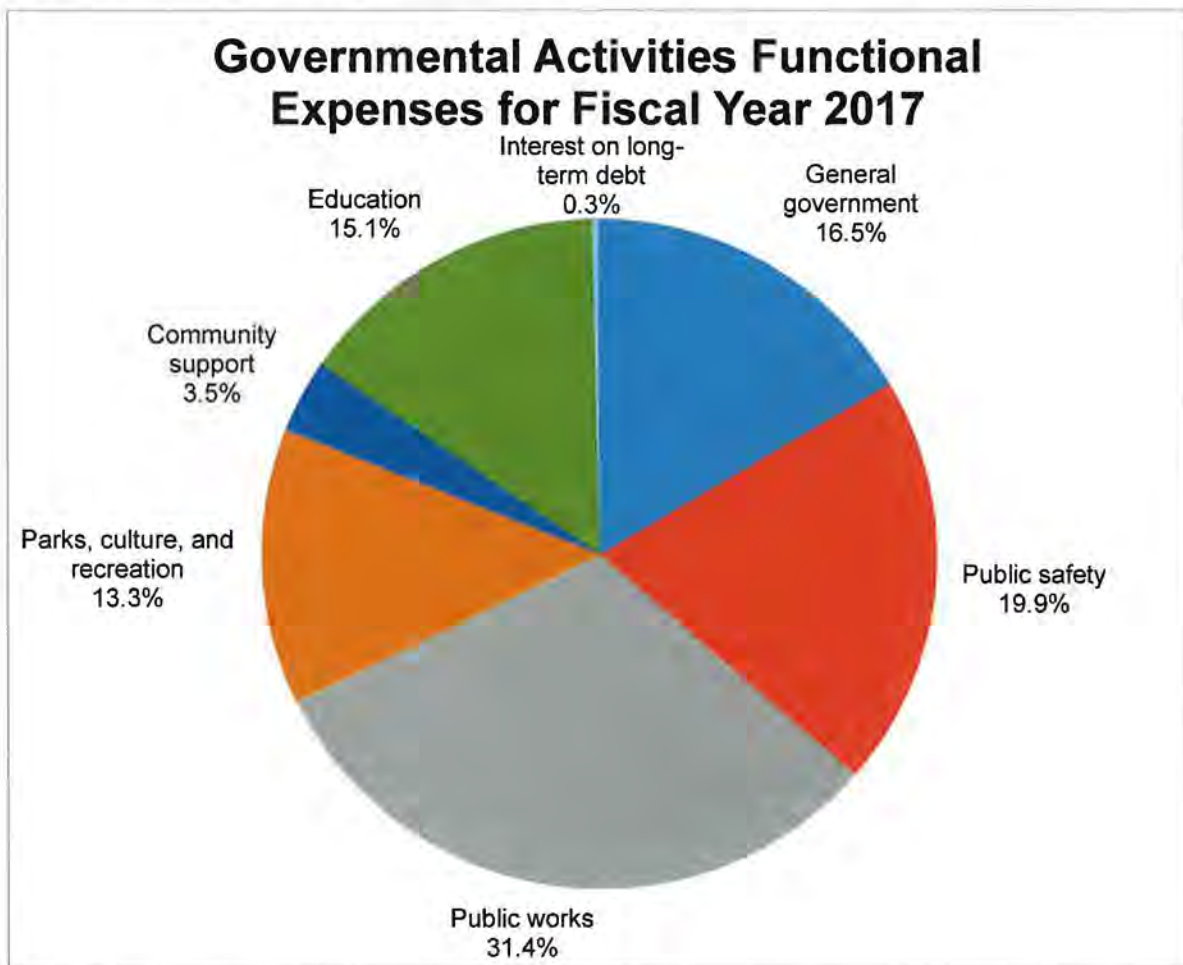
The government's net position increased by \$1,410,271 during the current fiscal year. Revenues overall went down by 11%. The most significant decrease was to Capital Grants in Business-type activities (\$4.7 million) and Fisheries Taxes (\$3.5 million) in Governmental activities. The decrease in capital grants was due to governmental contributions for federally mandated capital projects in 2016.

Total expenses were \$7,620,129 more than last year which was due to increased operation costs of the electric plant (\$1,688,778), increased operation costs of the new Wastewater plant (\$1,292,817), and increased personnel costs; primarily health insurance and pension expense. However these were offset by a decrease in Public Works pavement resurfacing and lower Electrical expenses due to lower fuel prices.

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**Governmental Activities**

Governmental activities increased the City of Unalaska's net position by \$1,601,554, due to increases in operating grant revenues, property tax revenues, sales and fish tax revenues, and investment income. Expenses decreased for fuel and project expenditures in the Electric and Public Works Departments and transfers for capital projects and Proprietary funds. There were less operating transfers for capital projects and to the proprietary funds than in the past.



**Business-Type Activities**

Business-type activities decreased the City of Unalaska's net position by \$191,283 (table 2); this is largely due to expenses exceeding revenues within six of the seven Enterprise Funds. Other key elements of the decrease are transfers that are discussed in detail in the notes to the financial statements (p. 42).



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**Financial Analysis of the Government's Funds**

As noted earlier, the City of Unalaska uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds*

The focus of the City of Unalaska's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Unalaska's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Unalaska's governmental funds reported combined ending fund balances of \$84,134,568, which is an increase of \$9,760,951 from the prior year. Approximately 97% of this total amount, \$82,122,905 constitutes spendable fund balance much of which has been committed for projects identified by the government.

The General Fund is the chief operating fund of the City of Unalaska. At the end of the current fiscal year, spendable fund balance of the General Fund was \$62,280,121, while total fund balance reached \$70,291,784. As a measure of the General Fund's liquidity, both spendable fund balance and total fund balance may be compared to total fund expenditures. Spendable fund balance represents 299% of total General Fund expenditures, while total fund balance represents 308% of that same amount.

The fund balance of the City of Unalaska's General Fund increased by \$9,863,134 during this fiscal year. This increase is primarily due to excess of revenues over expenditures of approximately \$11.56 million.

The fund balance of the City of Unalaska's 1% Sales Tax Fund increased by \$2,761,327. This fund is used to fund capital projects only, and the city was intentionally building a balance for projects in the future. This year, \$1.2 million was transferred to continue a 10-year repayment schedule to the general fund for the Carl E. Moses Small Boat Harbor. All of the transfers can be seen in the notes to the financial statements.

*Proprietary Funds*

The City of Unalaska's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year amounted to \$67,939,966. The business-type activities net position decreased by \$191,283.

**General Fund Budgetary Highlights**

Differences between the original budget and the final budget can be briefly summarized as follows:

- The Finance Department's budget increased by \$156,200 to cover the cost of professional services, employee travel and moving costs, and investment fees.
- Public Safety Department's budget increased by \$60,000 to cover professional services and operating grant supplies.
- Public Works Department's budget increased by \$27,000 to cover machinery and vehicle parts, and general supplies.



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**Capital Asset and Debt Administration**

*Capital Assets*

The City of Unalaska's net investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$337,072,988 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The increase in the City of Unalaska's investment in capital assets for the current fiscal year was approximately \$279,000.

Major capital asset events during the current fiscal year included the following:

- Nine paving projects were completed at a total cost of \$6,543,733 from the General Fund and 1% Special Revenue Fund.
- The Citywide Multiple Location Drainage project continued with \$495,830 in current year general fund expenditures.
- Nine Backflow Preventer Install projects were completed at a total cost of \$880,256.
- Aquatic Center improvements were completed at a total cost of \$2,042,715 from the general fund.
- The Alyeska Electrical Tie-In was completed at a total cost of \$680,340.
- Upgrading Captains Bay Electrical began with current year expenditures of \$256,184.
- The Wastewater Treatment Plant Improvements continuing costs were \$503,890.
- Solid Waste Cell 2-1 project was completed at a cost of \$5,523,476.
- The Robert Storrs Improvement project was finished with a total cost of \$5,345,373.
- The Unalaska Marine Center replacement project continuing costs were \$1,398,672.
- Unalaska Marine Center Expansion project began with current year expenditures of \$6,098,429.
- The Light Cargo Dock Expansion project continuing costs were \$2,792,392.

Table 3

	City of Unalaska Capital Assets (Net of Accumulated Depreciation)					
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 31,147,603	31,147,603	3,309,476	3,309,476	34,457,079	34,457,079
Buildings	32,708,625	32,122,217	80,588,317	82,988,514	113,296,942	115,110,731
Infrastructure	34,493,693	37,437,319	112,691,124	112,248,685	147,184,817	149,686,004
Machinery and equipment	1,819,682	1,733,820	22,475,024	24,037,337	24,294,706	25,771,157
Construction in progress	3,356,973	3,223,812	14,482,471	8,545,090	17,839,444	11,768,902
Total capital assets	\$ 103,526,576	105,664,771	233,546,412	231,129,102	337,072,988	336,793,873

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Additional information on the City of Unalaska's capital assets can be found in note 3(b) on pages 40–41 of this report.

*Long-Term Debt*

At the end of the current fiscal year, the City of Unalaska had total debt outstanding of \$81,883,401 (table 4). Of this amount, \$5,825,000 comprises debt backed by the full faith and credit of the government.

Table 4

	City of Unalaska Debt					
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 2,170,000	3,005,000	3,655,000	3,865,000	5,825,000	6,870,000
Revenue bonds	—	—	55,810,000	27,145,000	55,810,000	27,145,000
Other contracts and loans	—	—	16,655,901	16,006,036	16,655,901	16,006,036
Total long-term debt	\$ 2,170,000	3,005,000	76,120,901	47,016,036	78,290,901	50,021,036

The City of Unalaska's total debt increased by \$31,862,365 (64%) during the current fiscal year. State statutes do not limit the amount of debt a governmental entity may issue. Additional information on the City of Unalaska's long-term debt can be found in note 3(e) on pages 44–50 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The average unemployment rate for the Aleutians West Region, which includes Unalaska, was 3.3% for calendar year 2016, which is a decrease from a rate of 3.8% in calendar year 2015. Management does not believe either figure is indicative of unemployment within the City's limits. Since the seafood economy is robust in Unalaska while other communities that are more reliant on snow crab and salmon may be experiencing higher unemployment, neither unemployment rate for the region is indicative of unemployment in Unalaska.

Lower oil prices have negatively impacted the City's sales tax through marine fuel. Fuel sales generate over half of the City's sales tax. Total sales tax was 42% of governmental activities revenue in fiscal year 2017.

The City council authorized rate increases in the City's Proprietary funds as of July 1, 2017. Wastewater rates will increase by 7%, 4%, 2% and 2% in 2018, 2019, 2020, and 2021 respectively. Solid Waste rates will increase 4.5% each year from 2018 to 2020. The goal in approving the increases was to improve self-sufficiency of the operation and minimize taxpayer subsidies. Each enterprise fund is kept on a three-year rate study program when possible.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Unalaska's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Unalaska, P.O. Box 610, Unalaska, Alaska 99685.



CITY OF UNALASKA, ALASKA

Statement of Net Position

June 30, 2017

	Primary government			Total	Component unit
	Governmental activities	Business-type activities	Eliminations		Unalaska City School District
<b>Assets and Deferred Outflows of Resources</b>					
<b>Assets:</b>					
Cash and cash equivalents	\$ 4,162,079	150	—	4,162,229	2,589,458
Temporary investments	51,742,444	—	—	51,742,444	—
Receivables:					
Interest	323,784	—	—	323,784	—
Taxes	2,497,296	—	—	2,497,296	—
Accounts, net of allowance for uncollectible amounts of \$40,000	131,077	2,409,685	—	2,540,762	—
Special assessments	—	24,167	—	24,167	—
Intergovernmental	8,072,495	469,003	—	8,541,498	117,116
Internal balances	1,184,720	78,440,072	(79,624,792)	—	—
Inventories	800,521	1,458,707	—	2,259,228	27,011
Prepaid items	26,422	—	—	26,422	547,938
Restricted assets:					
Cash for health insurance	—	—	—	—	431,368
Cash held by fiscal agent	—	6,260,854	—	6,260,854	—
Long-term investments	102,556,548	—	—	102,556,548	—
Capital assets:					
Not being depreciated	34,504,576	17,791,947	—	52,296,523	42,500
Being depreciated, net	69,022,000	215,754,465	—	284,776,465	226,132
Total assets	<u>275,023,962</u>	<u>322,609,050</u>	<u>(79,624,792)</u>	<u>518,008,220</u>	<u>3,981,523</u>
Deferred outflows of resources:					
Deferred charge on refunding	18,256	2,320,631	—	2,338,887	—
Pension related	3,841,442	2,460,555	—	6,301,997	1,342,687
Total deferred outflows of resources	<u>3,859,698</u>	<u>4,781,186</u>	<u>—</u>	<u>8,640,884</u>	<u>1,342,687</u>
<b>Liabilities and Deferred Inflows of Resources</b>					
<b>Liabilities:</b>					
Accounts payable	140,454	6,596,957	—	6,737,411	50,384
Retainage payable	15,877	600,124	—	616,001	—
Accrued payroll and payroll liabilities	413,765	725,470	—	1,139,235	886,951
Accrued interest	31,310	509,433	—	540,743	—
Deposit payable	3,255	206,868	—	210,123	6,940
Unearned revenue	39,524	—	—	39,524	7,175
Internal balances	78,440,072	208,240	(78,648,312)	—	—
Due to student groups	—	—	—	—	133,556
Noncurrent liabilities:					
Internal balances	—	976,480	(976,480)	—	—
Net pension liability	14,879,083	9,717,761	—	24,596,844	6,308,246
Due within one year	2,070,753	4,437,634	—	6,508,387	—
Due in more than one year	1,332,831	82,627,984	—	83,960,815	—
Total liabilities	<u>97,366,924</u>	<u>106,606,951</u>	<u>(79,624,792)</u>	<u>124,349,083</u>	<u>7,393,252</u>
Deferred inflows of resources:					
Pension related	188,999	85,140	—	274,139	275,386
Net position:					
Net investment in capital assets	101,300,691	152,758,179	—	254,058,870	268,632
Unrestricted	80,027,046	67,939,966	—	147,967,012	(2,613,060)
Net position	<u>\$ 181,327,737</u>	<u>220,698,145</u>	<u>—</u>	<u>402,025,882</u>	<u>(2,344,428)</u>

See accompanying notes to financial statements.

CITY OF UNALASKA, ALASKA

Statement of Activities

Year ended June 30, 2017

Functions/programs	Expenses	Program revenues		
		Charges for services	Operating grants and contributions	Capital grants and contributions
Primary government:				
Governmental activities:				
Current:				
General government	\$ 5,060,875	18,629	—	—
Public safety	6,103,756	51,941	517,574	—
Public works	9,626,985	—	—	—
Parks, culture, and recreation	4,079,477	195,154	90,765	—
Community support	1,082,180	—	—	—
Education	4,622,125	—	—	—
Interest on long-term debt	98,864	—	528,077	—
Total governmental activities	<u>30,674,262</u>	<u>265,724</u>	<u>1,136,416</u>	<u>—</u>
Business-type activities:				
Electric	15,655,777	17,198,440	137,144	—
Water	2,973,316	2,810,291	25,420	—
Wastewater	3,810,374	2,361,400	29,880	—
Solid waste	3,429,111	2,275,046	24,882	—
Ports and harbors	7,371,466	6,639,831	472,734	—
Airport	862,448	517,529	4,158	—
Housing	431,054	236,194	3,216	—
Total business-type activities	<u>34,533,546</u>	<u>32,038,731</u>	<u>697,434</u>	<u>—</u>
Total primary government	<u>\$ 65,207,808</u>	<u>32,304,455</u>	<u>1,833,850</u>	<u>—</u>
Component unit:				
Unalaska City School District	\$ 11,081,521	382,656	2,148,520	12,000
General revenues:				
Property taxes				
Personal property taxes				
General sales tax				
Raw seafood sales tax				
Fisheries tax				
Other taxes				
Payment in lieu of taxes				
Grants not restricted to specific programs				
Gain/loss on disposal of capital assets				
Investment earnings				
Support from City of Unalaska				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

See accompanying notes to financial statements.

Net (expense) revenue and changes in net position				
Primary government			Component Unit Unalaska City School District	
Governmental activities	Business- type activities	Total		
\$	(5,042,246)	—	(5,042,246)	—
	(5,534,241)	—	(5,534,241)	—
	(9,626,985)	—	(9,626,985)	—
	(3,793,558)	—	(3,793,558)	—
	(1,082,180)	—	(1,082,180)	—
	(4,622,125)	—	(4,622,125)	—
	429,213	—	429,213	—
	<u>(29,272,122)</u>	<u>—</u>	<u>(29,272,122)</u>	<u>—</u>
	—	1,679,807	1,679,807	—
	—	(137,605)	(137,605)	—
	—	(1,419,094)	(1,419,094)	—
	—	(1,129,183)	(1,129,183)	—
	—	(258,901)	(258,901)	—
	—	(340,761)	(340,761)	—
	—	(191,644)	(191,644)	—
	—	<u>(1,797,381)</u>	<u>(1,797,381)</u>	<u>—</u>
	<u>(29,272,122)</u>	<u>(1,797,381)</u>	<u>(31,069,503)</u>	<u>—</u>
	—	—	—	(8,538,345)
	4,230,092	—	4,230,092	—
	1,965,159	—	1,965,159	—
	11,306,512	—	11,306,512	—
	4,657,385	—	4,657,385	—
	8,694,409	—	8,694,409	—
	37,850	—	37,850	—
	834,411	—	834,411	—
	571,435	—	571,435	4,059,798
	7,405	(701,355)	(693,950)	—
	494,829	—	494,829	40
	—	—	—	2,988,604
	381,642	—	381,642	187,959
	<u>(2,307,453)</u>	<u>2,307,453</u>	<u>—</u>	<u>—</u>
	<u>30,873,676</u>	<u>1,606,098</u>	<u>32,479,774</u>	<u>7,236,401</u>
	1,801,554	(191,283)	1,410,271	(1,301,944)
	<u>179,726,183</u>	<u>220,889,428</u>	<u>400,615,611</u>	<u>(1,042,484)</u>
\$	<u>181,327,737</u>	<u>220,698,145</u>	<u>402,025,882</u>	<u>(2,344,428)</u>

**CITY OF UNALASKA, ALASKA**

Governmental Funds

Balance Sheet

June 30, 2017

<b>Assets</b>	<b>General Fund</b>	<b>1% Sales Tax Special Revenue Fund</b>	<b>Total nonmajor funds</b>	<b>Total governmental funds</b>
Cash and cash equivalents	\$ 4,162,079	—	—	4,162,079
Temporary investments	51,742,444	—	—	51,742,444
Receivables, net:				
General	107,418	—	23,659	131,077
Interest	323,784	—	—	323,784
Taxes	1,896,850	589,229	11,217	2,497,296
Intergovernmental	8,072,495	—	—	8,072,495
Due from other funds	—	9,840,772	3,385,657	13,226,429
Inventories	800,521	—	—	800,521
Prepaid items	26,422	—	—	26,422
Advances to other funds	1,184,720	—	—	1,184,720
Long-term investments	102,556,548	—	—	102,556,548
<b>Total assets</b>	<b>\$ 170,873,281</b>	<b>10,430,001</b>	<b>3,420,533</b>	<b>184,723,815</b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 135,204	250	5,000	140,454
Retainage payable	15,877	—	—	15,877
Accrued payroll liabilities	413,765	—	—	413,765
Customer deposits	3,255	—	—	3,255
Due to other funds	91,666,501	—	—	91,666,501
Unearned revenues	39,524	—	—	39,524
<b>Total liabilities</b>	<b>92,274,126</b>	<b>250</b>	<b>5,000</b>	<b>92,279,376</b>
Deferred inflows of resources:				
Unavailable revenue – taxes	8,307,371	2,500	—	8,309,871
Fund balances:				
Nonspendable:				
Inventories	800,521	—	—	800,521
Prepaid items	26,422	—	—	26,422
Advances to other funds	1,184,720	—	—	1,184,720
Committed:				
Emergency operations	13,000,000	—	—	13,000,000
Compensated absences	1,000,000	—	—	1,000,000
Community support	—	—	273,833	273,833
Capital projects	—	10,427,251	—	10,427,251
Assigned	308,132	—	3,141,700	3,449,832
Unassigned	53,971,989	—	—	53,971,989
<b>Total fund balances</b>	<b>70,291,784</b>	<b>10,427,251</b>	<b>3,415,533</b>	<b>84,134,568</b>
<b>Total liabilities, deferred inflows     of resources, and fund balances</b>	<b>\$ 170,873,281</b>	<b>10,430,001</b>	<b>3,420,533</b>	<b>184,723,815</b>

See accompanying notes to financial statements.



**CITY OF UNALASKA, ALASKA**

Reconciliation of Net Position between the  
Government-Wide and Fund Financial Statements

June 30, 2017

Amounts reported as fund balances on the governmental funds balance sheet	\$ 84,134,568
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	103,526,576
Pension related deferred outflows of resources that are not financial resources and, therefore, are not reported in the funds	
City contributions subsequent to the measurement date	743,323
Difference between actual and expected experience	1,327
Changes in assumptions	66,571
Changes in expected and actual earnings	1,466,098
Changes in proportion and differences between city contributions and proportional share of contributions	<u>1,564,123</u>
	<u>3,841,442</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in funds:	
Shared fisheries business tax	3,649,322
Shared fisheries resource landing tax	4,291,531
Real property	130,122
Personal property	231,396
Sales taxes	<u>7,500</u>
	<u>8,309,871</u>
Interest payable on long-term debt and capital leases are not due and payable in the current period and, therefore, are not reported in the funds	(31,310)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation bonds	(2,170,000)
Premium on general obligation bonds	(73,260)
Deferred charge on refunding	18,256
Net pension liability	(14,879,083)
Compensated absences	<u>(1,160,324)</u>
	<u>(18,264,411)</u>
Pension related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Net difference between projected and actual earnings on pension plan investments	<u>(188,999)</u>
Net position of governmental activities	\$ <u><u>181,327,737</u></u>

See accompanying notes to financial statements.

**CITY OF UNALASKA, ALASKA**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2017

	<u>General Fund</u>	<u>1% Sales Tax SPECIAL Revenue Fund</u>	<u>Total nonmajor funds</u>	<u>Total governmental funds</u>
<b>Revenues:</b>				
Taxes:				
General sales	\$ 7,411,475	3,705,737	189,300	11,306,512
Seafood sales	4,657,385	—	—	4,657,385
Real property	4,233,663	—	—	4,233,663
Personal property	1,797,663	—	—	1,797,663
Other	37,850	—	—	37,850
Intergovernmental:				
Fisheries business tax	4,276,287	—	—	4,276,287
Fisheries resource landing tax	8,272,661	—	—	8,272,661
PERS nonemployer contributions	300,265	—	—	300,265
Payments in lieu of taxes	834,411	—	—	834,411
Corrections contract	431,207	—	—	431,207
Debt reimbursement	528,077	—	—	528,077
Other	448,302	—	—	448,302
Charges for services	265,724	—	—	265,724
Investment income	494,829	—	—	494,829
Other revenues	381,642	—	—	381,642
<b>Total revenues</b>	<u>34,371,441</u>	<u>3,705,737</u>	<u>189,300</u>	<u>38,266,478</u>
<b>Expenditures:</b>				
Current:				
General government	4,081,859	—	—	4,081,859
Public safety	4,965,686	—	—	4,965,686
Public works	5,409,425	—	—	5,409,425
Parks, culture, and recreation	2,585,105	—	—	2,585,105
Community support	930,839	—	151,341	1,082,180
Education	3,886,431	—	—	3,886,431
Debt service:				
Principal	835,000	—	—	835,000
Interest	118,775	—	—	118,775
Capital projects	—	—	3,241,018	3,241,018
<b>Total expenditures</b>	<u>22,813,120</u>	<u>—</u>	<u>3,392,359</u>	<u>26,205,479</u>
<b>Excess revenues over expenditures</b>	<u>11,558,321</u>	<u>3,705,737</u>	<u>(3,203,059)</u>	<u>12,060,999</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	7,405	—	—	7,405
Transfers in	2,860,844	255,590	2,592,777	5,709,211
Transfers out	(4,563,436)	(1,200,000)	(2,253,228)	(8,016,664)
<b>Net other financing sources (uses)</b>	<u>(1,695,187)</u>	<u>(944,410)</u>	<u>339,549</u>	<u>(2,300,048)</u>
<b>Net change in fund balances</b>	<u>9,863,134</u>	<u>2,761,327</u>	<u>(2,863,510)</u>	<u>9,760,951</u>
Fund balances, beginning of year	60,428,650	7,665,924	6,279,043	74,373,617
Fund balances, end of year	\$ <u>70,291,784</u>	<u>10,427,251</u>	<u>3,415,533</u>	<u>84,134,568</u>

See accompanying notes to financial statements.



**CITY OF UNALASKA, ALASKA**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Year ended June 30, 2017

Net change in fund balance – total governmental funds	\$ 9,760,951
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	3,411,401
Depreciation expense	(5,549,596)
Proceeds from sale of assets	(7,405)
Gain on disposal of capital assets	7,405
	<u>(2,138,195)</u>
Governmental funds report pension payments as expenditures. However, in the statement of activities, the pension costs are actuarially determined – change in:	
City contributions subsequent to the measurement date	20,398
Difference between actual and expected experience	(198,910)
Changes in assumptions	(497,149)
Proportion and differences between city contributions and proportional share of contributions	1,161,917
Net difference between projected and actual earnings on pension plan investments	1,660,200
	<u>2,146,456</u>
Revenues in the statement of activities that do not provide current financial resources and are deferred in the funds – change in:	
Shared fisheries business tax	(369,566)
Shared fisheries resource landing tax	(3,484,973)
Real property tax	(3,571)
Personal property tax	167,496
	<u>(3,690,614)</u>
The issuance of long-term debt and accrual of compensated absences provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:	
Principal repayments	835,000
Deferred charges on refunding	(18,256)
Change in net pension liability	(5,238,068)
Change in compensated absences	(93,887)
Amortization of deferred amounts	35,429
	<u>(4,479,782)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued interest payable	2,738
Change in net position of governmental activities	\$ <u>1,601,554</u>

See accompanying notes to financial statements.

**CITY OF UNALASKA, ALASKA**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances – Original and Final Budget and Actual

Year ended June 30, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual amount</u>	<u>Variance with final budget positive (negative)</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
General sales	\$ 6,600,000	6,600,000	7,411,475	811,475
Seafood sales	5,300,000	5,300,000	4,657,385	(642,615)
Real property	4,200,000	4,200,000	4,233,663	33,663
Personal property	1,800,000	1,800,000	1,797,663	(2,337)
Other	75,000	75,000	37,850	(37,150)
<b>Intergovernmental:</b>				
Fisheries business tax	3,900,000	3,900,000	4,276,287	376,287
Fisheries resource landing tax	5,300,000	5,300,000	8,272,661	2,972,661
PERS nonemployer contributions	318,532	318,532	300,265	(18,267)
Payments in lieu of taxes	503,416	503,416	834,411	330,995
Corrections contract	481,355	481,355	431,207	(50,148)
Debt reimbursement	1,238,773	1,238,773	528,077	(710,696)
Other	475,408	475,408	448,302	(27,106)
Charges for services	319,350	319,350	265,724	(53,626)
Investment income	700,000	700,000	494,829	(205,171)
Other revenues	145,300	145,300	381,642	236,342
<b>Total revenues</b>	<u>31,357,134</u>	<u>31,357,134</u>	<u>34,371,441</u>	<u>3,014,307</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	4,876,971	5,051,006	4,081,859	969,147
Public safety	5,694,573	5,760,372	4,965,686	794,686
Public works	6,083,679	6,111,164	5,409,425	701,739
Parks, culture, and recreation	2,913,411	2,922,858	2,585,105	337,753
Community support	983,847	983,847	930,839	53,008
Education	3,886,516	3,886,516	3,886,431	85
<b>Debt service:</b>				
Principal	835,000	835,000	835,000	—
Interest	118,775	118,775	118,775	—
<b>Total expenditures</b>	<u>25,392,772</u>	<u>25,669,538</u>	<u>22,813,120</u>	<u>2,856,418</u>
<b>Excess of revenues over expenditures</b>	<u>5,964,362</u>	<u>5,687,596</u>	<u>11,558,321</u>	<u>5,870,725</u>
<b>Other financing sources (uses):</b>				
Proceeds from the sale of assets	10,000	10,000	7,405	(2,595)
Transfers in	1,200,000	2,860,844	2,860,844	—
Transfers out	(3,609,772)	(4,359,772)	(4,563,436)	(203,664)
<b>Net other financing uses</b>	<u>(2,399,772)</u>	<u>(1,488,928)</u>	<u>(1,695,187)</u>	<u>(206,259)</u>
<b>Excess of revenues and other financing sources over expenditures and other financing uses</b>	<u>\$ 3,564,590</u>	<u>4,198,668</u>	<u>9,863,134</u>	<u>5,664,466</u>
Fund balances, beginning of year			60,428,650	
Fund balances, end of year			\$ <u>70,291,784</u>	

See accompanying notes to financial statements.

**CITY OF UNALASKA, ALASKA**

1% Sales Tax Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund balances – Original and Final Budget and Actual

Year ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General sales	\$ 3,300,000	3,300,000	3,705,737	405,737
Total revenues	3,300,000	3,300,000	3,705,737	405,737
Expenditures	—	—	—	—
Excess of revenues over expenditures	3,300,000	3,300,000	3,705,737	405,737
Other financing sources (uses):				
Transfers in	—	—	255,590	255,590
Transfers out	(1,200,000)	(1,200,000)	(1,200,000)	—
Net change in fund balance	\$ 2,100,000	2,100,000	2,761,327	661,327
Fund balances, beginning of year			7,665,924	
Fund balances, end of year			\$ 10,427,251	

See accompanying notes to financial statements.



CITY OF UNALASKA, ALASKA

Proprietary Funds

Statement of Net Position

June 30, 2017

Assets and Deferred Outflows of Resources	Electric	Water	Wastewater	Solid waste	Ports and harbors	Other proprietary funds	Total
<b>Current assets:</b>							
Cash	\$ —	—	—	—	150	—	150
Accounts receivables (net of allowance for uncollectibles)	1,222,679	239,055	170,449	123,311	510,491	143,700	2,409,685
Assessments receivable	—	712	23,455	—	—	—	24,167
Accounts receivable – Intergovernmental	101,109	—	—	—	367,894	—	469,003
Due from General Fund	8,809,215	8,841,580	5,941,103	8,896,180	44,145,258	1,806,736	78,440,072
Inventories	1,022,002	334,589	34,017	68,099	—	—	1,458,707
<b>Total current assets</b>	<b>11,155,005</b>	<b>9,415,936</b>	<b>6,169,024</b>	<b>9,087,590</b>	<b>45,023,793</b>	<b>1,950,436</b>	<b>82,801,784</b>
<b>Noncurrent assets:</b>							
<b>Restricted assets:</b>							
Cash held by fiscal agent	4,243,004	—	—	—	2,017,850	—	6,260,854
Capital assets, net	59,116,472	22,355,409	35,273,931	19,100,200	90,277,614	7,422,786	233,546,412
<b>Total noncurrent assets</b>	<b>63,359,476</b>	<b>22,355,409</b>	<b>35,273,931</b>	<b>19,100,200</b>	<b>92,295,464</b>	<b>7,422,786</b>	<b>239,807,266</b>
<b>Total assets</b>	<b>\$ 74,514,481</b>	<b>31,771,345</b>	<b>41,442,955</b>	<b>28,187,790</b>	<b>137,319,257</b>	<b>9,373,222</b>	<b>322,609,050</b>
<b>Deferred outflows of resources:</b>							
Deferred charge on refunding	\$ 2,320,631	—	—	—	—	—	2,320,631
Pension related	854,140	326,983	336,907	313,576	533,099	95,850	2,460,555
<b>Total deferred outflows of resources</b>	<b>\$ 3,174,771</b>	<b>326,983</b>	<b>336,907</b>	<b>313,576</b>	<b>533,099</b>	<b>95,850</b>	<b>4,781,186</b>
<b>Liabilities and Deferred Inflows of Resources</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 273,957	61,441	29,814	295,258	5,917,545	18,942	6,596,957
Retainage payable	—	—	600,124	—	—	—	600,124
Accrued payroll and payroll liabilities	225,015	100,070	132,431	89,928	168,995	9,031	725,470
Accrued interest	282,035	28,433	91,148	22,567	85,250	—	509,433
Bonds, loans, and other liabilities	1,152,181	181,963	471,791	254,232	2,377,467	—	4,437,634
Advances from general fund	208,240	—	—	—	—	—	208,240
Customer deposits	100,610	49,165	22,590	7,543	—	26,960	206,868
<b>Total current liabilities</b>	<b>2,242,038</b>	<b>421,072</b>	<b>1,347,898</b>	<b>669,528</b>	<b>8,549,257</b>	<b>54,933</b>	<b>13,284,726</b>
<b>Noncurrent liabilities:</b>							
Bonds and loans payable	26,915,897	3,394,795	7,714,454	4,576,167	34,575,612	—	77,176,925
Advances from general fund	976,480	—	—	—	—	—	976,480
Net pension liability	3,422,704	1,328,664	1,300,598	1,223,455	2,073,430	368,910	9,717,761
Accrued landfill closure and post closure costs	—	—	—	5,451,059	—	—	5,451,059
<b>Total noncurrent liabilities</b>	<b>31,315,081</b>	<b>4,723,459</b>	<b>9,015,052</b>	<b>11,250,681</b>	<b>36,649,042</b>	<b>368,910</b>	<b>93,322,225</b>
<b>Total liabilities</b>	<b>\$ 33,557,119</b>	<b>5,144,531</b>	<b>10,362,950</b>	<b>11,920,209</b>	<b>45,198,299</b>	<b>423,843</b>	<b>106,606,951</b>
<b>Deferred inflows of resources:</b>							
Pension related	\$ 36,717	8,064	2,974	12,714	19,158	5,513	85,140
<b>Net Position</b>							
Net investment in capital assets	\$ 36,406,188	18,748,233	26,476,924	14,269,801	49,434,247	7,422,786	152,758,179
Unrestricted	7,689,228	8,197,500	4,937,014	2,298,642	43,200,652	1,616,930	67,939,966
<b>Total net position</b>	<b>\$ 44,095,416</b>	<b>26,945,733</b>	<b>31,413,938</b>	<b>16,568,443</b>	<b>92,634,899</b>	<b>9,039,716</b>	<b>220,698,145</b>

See accompanying notes to financial statements.

**CITY OF UNALASKA, ALASKA**

Proprietary Funds

Statement of Revenues, Expenditures, and Changes in Net Position

Year ended June 30, 2017

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid waste</u>	<u>Ports and harbors</u>	<u>Other proprietary funds</u>	<u>Total</u>
Operating revenues:							
Charges for services	\$ 17,198,440	2,810,291	2,361,400	2,275,046	6,639,831	753,723	32,038,731
Total operating revenues	<u>17,198,440</u>	<u>2,810,291</u>	<u>2,361,400</u>	<u>2,275,046</u>	<u>6,639,831</u>	<u>753,723</u>	<u>32,038,731</u>
Operating expenses:							
Operations	10,366,299	1,252,641	1,834,391	1,823,340	2,460,640	637,253	18,374,564
General and administrative	1,139,279	591,134	512,670	396,155	1,506,830	159,180	4,305,248
Landfill closure and post closure care costs	—	—	—	269,108	—	—	269,108
Depreciation and amortization	3,003,986	1,100,759	1,338,427	880,765	3,189,244	497,069	10,010,250
Total operating expenses	<u>14,509,564</u>	<u>2,944,534</u>	<u>3,685,488</u>	<u>3,369,368</u>	<u>7,156,714</u>	<u>1,293,502</u>	<u>32,959,170</u>
Operating income (loss)	<u>2,688,876</u>	<u>(134,243)</u>	<u>(1,324,088)</u>	<u>(1,094,322)</u>	<u>(516,883)</u>	<u>(539,779)</u>	<u>(920,439)</u>
Nonoperating revenues (expenses):							
Intergovernmental revenue	137,144	25,420	29,880	24,882	472,734	7,374	697,434
Gain (loss) on disposal of asset	2,200	2,300	—	—	(705,855)	—	(701,355)
Interest expense	(1,146,213)	(28,782)	(124,886)	(59,743)	(214,752)	—	(1,574,376)
Net nonoperating revenues (expenses)	<u>(1,006,869)</u>	<u>(1,062)</u>	<u>(95,006)</u>	<u>(34,861)</u>	<u>(447,873)</u>	<u>7,374</u>	<u>(1,578,297)</u>
Income (loss) before capital contributions and transfers	1,682,007	(135,305)	(1,419,094)	(1,129,183)	(964,756)	(532,405)	(2,498,736)
Transfers in	2,687,171	86,138	22,787	77,324	877,684	40,907	3,792,011
Transfers out	(11,217)	—	—	(498,424)	—	(974,917)	(1,484,558)
Change in net position	4,357,961	(49,167)	(1,396,307)	(1,550,283)	(87,072)	(1,466,415)	(191,283)
Net position, beginning of year	39,737,455	26,994,900	32,810,245	18,118,726	92,721,971	10,506,131	220,889,428
Net position, end of year	\$ <u>44,095,416</u>	<u>26,945,733</u>	<u>31,413,938</u>	<u>16,568,443</u>	<u>92,634,899</u>	<u>9,039,716</u>	<u>220,698,145</u>

See accompanying notes to financial statements.

CITY OF UNALASKA, ALASKA

Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2017

	Electric	Water	Wastewater	Solid waste	Ports and harbors	Other proprietary funds	Total
Cash flows from operating activities:							
Receipts from customers and users	\$ 16,573,812	2,797,873	2,370,719	2,325,165	6,597,542	753,613	31,418,724
Payments to employees	(2,360,187)	(958,046)	(1,163,219)	(952,181)	(1,631,086)	(290,384)	(7,355,103)
Payments to vendors	(8,453,481)	(684,599)	(934,846)	(694,486)	(1,846,869)	(416,861)	(13,031,142)
Net cash provided by operating activities	5,760,144	1,155,228	272,654	678,498	3,119,587	46,368	11,032,479
Cash flows from noncapital and related financing activities:							
Cash received from other governments	72,996	—	—	—	427,595	—	500,591
Net cash provided by noncapital and related financing activities	72,996	—	—	—	427,595	—	500,591
Cash flows from capital and related financing activities:							
Interest payments on long-term obligations	(1,011,567)	(28,782)	(83,383)	(81,101)	(202,488)	—	(1,407,321)
Increase in cash held by fiscal agent	(6,923)	—	—	—	(2,015,350)	—	(2,022,273)
Proceeds from the sale of assets	2,200	2,300	—	—	2,000	—	6,500
Principal and refunding payments on long-term debt obligations	(1,107,181)	—	(471,791)	(254,232)	(210,000)	—	(2,043,204)
Proceeds from the issuance of long-term debt	—	488,233	—	825,156	31,124,033	—	32,437,422
Advances for capital projects from the General Fund	2,687,171	86,138	22,787	77,324	877,684	40,907	3,792,011
Repayment of capital projects advances from General Fund	(219,457)	—	—	(498,424)	—	(974,917)	(1,692,798)
Acquisition and construction of capital assets	(623,975)	(362,531)	(1,009,094)	(323,713)	(5,521,090)	(40,907)	(7,881,310)
Capital contributions	—	—	—	—	120,000	—	120,000
Net cash provided by (used for) capital and related financing activities	(279,732)	185,358	(1,541,481)	(254,990)	24,174,789	(974,917)	21,309,027
Change in cash and due from General Fund	5,553,408	1,340,586	(1,268,827)	423,508	27,721,971	(928,549)	32,842,097
Cash and due from other funds, beginning of year	3,255,807	7,500,994	7,209,930	8,472,672	16,423,437	2,735,285	45,598,125
Cash and due from other funds, end of year	\$ 8,809,215	8,841,580	5,941,103	8,896,180	44,145,408	1,806,736	78,440,222
Reconciliation to the statement of net position:							
Cash and cash equivalents	\$ —	—	—	—	150	—	150
Due from other funds	8,809,215	8,841,580	5,941,103	8,896,180	44,145,258	1,806,736	78,440,072
Cash and due from General Fund, June 30, 2017	\$ 8,809,215	8,841,580	5,941,103	8,896,180	44,145,408	1,806,736	78,440,222



CITY OF UNALASKA, ALASKA

Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2017

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid waste</u>	<u>Ports and harbors</u>	<u>Other proprietary funds</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ 2,688,876	(134,243)	(1,324,088)	(1,094,322)	(516,883)	(539,779)	(920,439)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation and amortization	3,003,986	1,100,759	1,338,427	880,765	3,189,244	497,069	10,010,250
Pension related	724,636	287,147	337,537	281,075	487,318	83,294	2,201,007
Amortization of landfill costs	—	—	—	269,108	—	—	269,108
Changes in assets and liabilities that provided by (used for) cash:							
Accounts receivable	(512,035)	(16,328)	7,764	49,121	(31,590)	593	(502,475)
Assessments receivable	—	—	820	—	—	—	820
Prepaid expenses	—	—	—	—	—	—	—
Inventories	(105,021)	2,408	864	2,935	—	—	(98,814)
Accounts payable	(1,833)	(108,868)	(96,061)	282,015	(18,223)	7,128	64,158
Accrued payroll and payroll liabilities	(30,893)	22,850	6,656	6,801	20,421	(1,234)	24,601
Customer deposits	(7,572)	1,503	735	1,000	(10,700)	(703)	(15,737)
Net cash provided by operating activities	<u>\$ 5,760,144</u>	<u>1,155,228</u>	<u>272,654</u>	<u>678,498</u>	<u>3,119,587</u>	<u>46,368</u>	<u>11,032,479</u>
Schedule of noncash capital and noncapital and related financing activities:							
Acquisition and construction of capital assets through accounts and retainages payable	\$ —	—	—	—	5,725,446	—	5,725,446
Intergovernmental nonemployer pension contributions	137,144	25,420	29,880	24,882	43,140	7,374	267,840

See accompanying notes to financial statements.

## CITY OF UNALASKA, ALASKA

### Notes to Financial Statements

June 30, 2017

#### **(1) Summary of Significant Accounting Policies**

##### **(a) Reporting Entity**

The City of Unalaska, Alaska (the City), was incorporated in 1942 as a first class city and operates under a Council – Manager form of government. The City provides a variety of services including police and fire protections; electric, water, wastewater, and solid waste services; port harbor and airport terminal services; the construction and maintenance of streets and infrastructure; and recreational activities and cultural events.

As required by U.S. generally accepted accounting principles, these basic financial statements present the City and its component unit (an entity for which the City is considered to be financially accountable). The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

##### *(i) Discretely Presented Component Unit – Unalaska City School District*

The Unalaska City School District (School District) is responsible for elementary and secondary education within the City's jurisdiction. The members of the School District's governing board are elected by registered voters of the City. However, the School District is fiscally dependent upon the City because the City Council approves the School District's budget, levies taxes to finance operations (if necessary), must approve any debt issuances, and has assumed an obligation to provide financial support.

Complete financial statements of the School District can be obtained from the Unalaska City School District, P.O. Box 570, Unalaska, Alaska 99685.

##### **(b) Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been eliminated from the total columns in the statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.



CITY OF UNALASKA, ALASKA

Notes to Financial Statements

June 30, 2017

**(c) Measurement Focus, Basis of Accounting, and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax, sales tax, licenses, and interest are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants, including capital grants, recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *1% Sales Tax Special Revenue Fund* accounts for special projects financed by a percentage of sales tax revenues generated.
- The *Street Paving Fund* accounts for the construction costs of paving the City's roadways.

The City reports the following major proprietary funds:

- The *Electric Utility Fund* accounts for the operations of the City-owned Electric Utility.
- The *Water Utility Fund* accounts for the operations of the City-owned Water Utility.
- The *Wastewater Utility Fund* accounts for the operations of the City-owned Wastewater Utility.
- The *Solid Waste Fund* accounts for the operations of the City-owned landfill.
- The *Ports and Harbors Fund* accounts for operations at six marine facilities at the International Port of Dutch Harbor.

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

Additionally, the City reports the following fund types:

*Special Revenue Funds* – account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

*Capital Project Funds* – account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

*Proprietary Funds* – account for business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's various utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Other operating income consists primarily of late fees on unpaid balances and connection fees intended to recover the cost of connecting new customers to the applicable system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

**(d) Assets, Liabilities, and Net Position**

*(i) Deposits and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit with original maturities of three months or less from date of acquisition. In proprietary funds, the City considers changes in amounts due to/from other funds as cash and cash equivalent transactions on the statement of cash flows because the proprietary funds are able to withdraw cash at any time without prior notice or penalty.

There are no statutory limitations on the type of investments allowed; however, there are policies in place listing accepted investment vehicles as noted below:

- a. obligations of the United States and of an agency or instrumentality of the United States;



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

- b. certificates of deposit; those over the FDIC insurance limit must be secured by eligible collateral as defined in Section 10.0;
- c. repurchase and agreements secured by obligations of the Treasury of the United States and obligations of an agency or instrumentality of the United States, including agency mortgage-backed securities (MBS). A Master Repurchase Agreement must be signed with the bank or dealer, before repurchase agreements are entered into;
- d. the Alaska Municipal League Investment Pool, Inc. made in accordance with the terms of that Pool's "Common Investment Agreement;" and in accordance with AS 37.23.010-37.23.900;
- e. commercial paper and other short-term taxable instruments that, at the time of investment, maintain the highest rating by at least two nationally recognized rating services;
- f. obligations of a corporation or municipality if the obligations are investment grade (rated BBB or higher by at least one nationally recognized rating service) at the time of investment; this includes asset-backed securities (ABS); and
- g. money market funds in which the securities of the funds consist of obligations listed in this section and otherwise meet the requirements of this investment policy.

Investments shall not be purchased through the use of leveraged funds.

Collateralization is required on two types of investments: certificates of deposit over FDIC insurance limit and repurchase agreements. In order to anticipate market changes and provide a level of security for all monies, the collateralization level is 102% of market value of principal and accrued interest.

All investments are recorded at fair value when quoted market prices are available. Changes in fair value are included as a component of investment income. The City's budget ordinance requires that all investment income be recorded in the General Fund unless state or federal laws, regulations, or grant conditions require otherwise.

The City's budget ordinance requires that all investment earnings that are not legally or contractually required to be recorded in a specific fund must be recorded in the General Fund. The amount of investment earnings that would have otherwise been assigned to other funds is not known.

*(ii) Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "internal balances" on the statement of net position and as "advances to/from other funds" in the fund level financial statements. In the fund level financial statements, advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable, available financial resources.

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

All outstanding current balances between funds are reported as "due to/from other funds" in the fund level financial statements. These balances represent the numerous transactions that occur during the course of operations between individual funds for goods provided or services rendered. On the statement of cash flows for proprietary funds, these are treated as cash and cash equivalent transactions.

All trade and property tax receivables are shown net of an allowance for doubtful receivables. The allowance for doubtful receivables is an estimate of the amount uncollectible based on past experience.

Property taxes are levied as of January 1 on property values assessed by an appraisal company. Assessment notices are mailed on or before March 31. Tax bills are mailed on or before June 30. The first half of the payment is due in August and the second half is due in October. Personal property supplemental and involuntary tax rolls are not eligible for two payment dates and are due in full in August. Penalties and interest are assessed the day after the due date.

*(iii) Inventories and Prepaid Items*

Inventories are valued at cost using the weighted average method. The costs of governmental and proprietary fund inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

*(iv) Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$50,000 (amount not rounded) in governmental funds and \$10,000 (amount not rounded) in proprietary funds and an estimated useful life in excess of two years. All capital assets are reported including those purchased or acquired before June 30, 1980. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets or capital assets received in exchange are recorded at their estimated acquisition value at the date of donation or exchange. Interest incurred during construction is not capitalized on general government capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

All capital assets acquired or constructed for general governmental and School District purposes are reported as expenditures in the fund that finances the asset acquisition.

Property and equipment acquired by proprietary funds are reported in those funds at cost or at estimated acquisition value at time of donation.



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Utility distribution system and improvements	20–40 years
Buildings and improvements	20–40 years
Motor vehicles and motorized equipment	5–10 years
Furniture, machinery, and equipment	5–10 years
Dock and improvements	20–40 years

(v) *Deposits Payable*

The General Fund holds a refundable customer deposit of \$3,255 to cover damage or additional costs incurred by the City in leasing its recreational facilities.

The Airport Fund holds refundable customer deposits of \$11,000 to cover damage or additional costs incurred by the City in its leasing operations.

The Housing Fund holds refundable customer deposits of \$15,960 to cover damage to its rental properties.

The Electric Utility Fund, Water Utility Fund, Wastewater Utility Fund, and the Solid Waste Fund hold refundable customer deposits of \$100,610, \$49,165, \$22,590, and \$7,543, respectively, to cover equipment held by customers and in the event of nonpayment of utility bills.

(vi) *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. During 2017 and in prior years, the General Fund has liquidated the liability for compensated absences.

(vii) *Long-Term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses or expenditures in the period incurred.

In the governmental fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*(viii) Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Alaska Public Employee Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*(ix) Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualifies for reporting in this category. A deferred charge on refunding is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports four pension related items in this category, difference between actual and expected experience, changes in assumptions, changes in proportion and differences between City contributions and proportionate share of contributions, and contributions made subsequent to the measurement date. Changes in assumptions, proportion and differences between City contributions and proportionate share of contributions, and differences between actual and expected experience are deferred and amortized into pension expense over the average of the expected remaining service lives of all employees that are provided with pensions through PERS (active employees and inactive employees). Contributions made subsequent to the measurement date are deferred in the year they are contributed and recognized as a reduction in the net pension liability in the subsequent year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualifies for reporting in this category, one arises only under a modified accrual basis of accounting and one only arises under an accrual basis of accounting. Accordingly, the first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from five sources: real property taxes, personal property taxes, sales taxes, shared fisheries business taxes, and shared fisheries resources landing taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item, net differences between projected and actual earnings on pension plan investments, is reported only in the government-wide statement of net position. These amounts are amortized into pension expense over five years.



CITY OF UNALASKA, ALASKA

Notes to Financial Statements

June 30, 2017

(x) *Fund Equity*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

(xi) *Net Position*

In the government-wide financial statements, net position is reported in three categories; net investment in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

(xii) *Recently Adopted and Recently Issued Accounting Pronouncements*

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was issued. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit other postemployment benefits (OPEB), this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity. The City will be required to adopt this Statement for the year ending June 30, 2018. The City expects the implementation of this statement to be material.

In December 2015, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* was issued. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. The requirements for this Statement were effective for fiscal year ended June 30, 2016, except for provisions in paragraphs 18, 19, 23-26 and 40, which are effective for fiscal year ended June 30, 2017. The adoption of this statement did not have a significant impact on the City's financial statements.



**CITY OF UNALASKA, ALASKA**

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In March 2016, GASB Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, 68, and 73* was issued. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for the fiscal year ending June 30, 2017, except for the provision of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations* was issued. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This statement is effective for the City for its fiscal year beginning July 1, 2018, permits early adoption, and mandates a retrospective transition method. The City is currently evaluating the effects that the new standard will have on the financial statements.

In May, 2017, GASB Statement No. 86, *Certain Debt Extinguishment Issues* was issued. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement is effective for the City for its fiscal year beginning July 1, 2017, permits early adoption, and mandates a retrospective transition method. The City is currently evaluating the effect that the new standard will have on the financial statements.

In June, 2017, GASB Statement No. 87, *Leases*, was issued. This statement supersedes the lease accounting guidance contained in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement requires a lessee to recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (lease any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. This statement is effective for the City for its fiscal year beginning July 1, 2020, permits early

**CITY OF UNALASKA, ALASKA**

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adoption, and mandates a retrospective transition method. The City is currently evaluating the effects that the new standard will have on the financial statements.

**(2) Stewardship, Compliance, and Accountability**

**(a) Budgetary Information**

*(i) City*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Capital Projects Funds, which adopt project-length budgets. Governmental funds with adopted annual budgets include the General Fund and Special Revenue Funds. All annual appropriations lapse at fiscal year-end. Enterprise funds are financed through user charges related to providing goods and services to the general public and have annually adopted operating budgets and project length capital budgets.

The appropriated budget is prepared by fund, function, and department. Budgetary control is exercised at the function level as stated and presented in the ordinance adopting the budget. The City Manager is authorized to transfer budget amounts between expenditure categories within any function; however, any supplemental appropriations that amend the total expenditures of any function or fund require a City ordinance. Reported budgeted amounts are as originally adopted or as amended by ordinance.

The City Council made supplemental budgetary appropriations throughout the year, the majority of which were increases in the Capital Project Funds related to major construction projects. Other supplemental budgetary appropriations in other funds were not considered material.

The City's original budget document is available from the City at P.O. Box 610, Unalaska, Alaska 99685-0610 or on the Web at: [www.ci.unalaska.ak.us](http://www.ci.unalaska.ak.us).

Project budgets are adopted for various Capital Project Funds based on the lives of the construction projects. Expenditure authority is limited to the actual revenue and transfers in.

*(ii) School District*

The adopted School Operating Fund budget is submitted to the City for approval of the local appropriation, then to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

**(b) Equity**

*(i) Net Position Flow Assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.



**CITY OF UNALASKA, ALASKA**

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*(ii) Fund Balance Flow Assumptions*

Sometimes, the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*(iii) Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The city council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The city council has by resolution authorized the finance director to assign fund balance, including removal and modification of assigned amounts. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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The following table shows the composition of the fund balance of the governmental funds for the fiscal year ended June 30, 2017:

	<u>General fund</u>	<u>1% Sales tax</u>	<u>Total nonmajor funds</u>
<b>Nonspendable:</b>			
Inventories	\$ 800,521	—	—
Prepaid items	26,422	—	—
Advances to other funds	<u>1,184,720</u>	<u>—</u>	<u>—</u>
<b>Total nonspendable</b>	<u>2,011,663</u>	<u>—</u>	<u>—</u>
<b>Committed:</b>			
Emergency operations	13,000,000	—	—
Compensated absences	1,000,000	—	—
Community support	—	—	273,833
Capital projects	<u>—</u>	<u>10,427,251</u>	<u>—</u>
<b>Total committed</b>	<u>14,000,000</u>	<u>10,427,251</u>	<u>273,833</u>
	<u>General fund</u>	<u>1% Sales tax</u>	<u>Total nonmajor funds</u>
<b>Assigned:</b>			
Purchases on order	\$ 308,132	—	—
Capital projects	<u>—</u>	<u>—</u>	<u>3,141,700</u>
<b>Total assigned</b>	308,132	—	3,141,700
Unassigned	<u>53,971,989</u>	<u>—</u>	<u>—</u>
<b>Total fund balance</b>	<u>\$ 70,291,784</u>	<u>10,427,251</u>	<u>3,415,533</u>

**(3) Detailed Notes on All Funds**

**(a) Cash and Investments**

The City maintains a cash and investment pool for use by all funds.

*(i) Deposits*

At June 30, 2017, the City's carrying amount of bank deposits was \$4,160,579 and the bank balance was \$4,284,504. The \$123,925 difference represents outstanding checks and other reconciling items.

*(ii) Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. As of June 30, 2017, the City's deposits were covered by federal depository

**CITY OF UNALASKA, ALASKA**

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insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus had no deposits that were exposed to custodial credit risk.

*(iii) Interest Rate Risk*

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of less than five years.

*(iv) Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City is authorized by City Council resolution to invest in, and is restricted to, the following types of securities:

- (1) obligations of the United States and of an agency or instrumentality of the United States;
- (2) certificates of deposit; those over the FDIC insurance – must be secured by eligible collateral as defined in Section 10.0 of the City's investment policy;
- (3) repurchase and agreements secured by obligations of the Treasury of the United States and obligations of an agency or instrumentality of the United States, including MBS. A Master Repurchase Agreement must be signed with the bank or dealer, before repurchase agreements are entered into;
- (4) the Alaska Municipal League Investment Pool, Inc. made in accordance with the terms of that Pool's "Common Investment Agreement," and in accordance with AS 37.23.010-37.23.900;
- (5) commercial paper and other short-term taxable instruments that, at the time of investment, maintain the highest rating by at least two nationally recognized rating services;
- (6) obligations of a corporation or municipality – if the obligations are investment grade (rated BBB or higher by at least one nationally recognized rating service) at the time of investment; this includes ABS and;
- (7) money market funds in which the securities of the funds consist of obligations listed in this section and otherwise meet the requirements of the investment policy.

Investments shall not be purchased through the use of leveraged funds.

At June 30, 2017, the City bonds were rated as follows:

<b>Investment</b>	<b>Standard &amp; Poor's</b>	<b>Moody's Investor Service</b>
Domestic corporate bonds	AA- to BBB	Aa2 to Baa2
Foreign corporate bonds	AA- to BBB	Aa2 to Baa2
Asset-backed securities	AAA to AA	Aaa



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Notes to Financial Statements

June 30, 2017

(v) *Investments*

As of June 30, 2017, the City has the following investments and maturities:

	Fair value	Investment maturities (In years)				
		Less than 1	1-2	2-3	3-5	More than 5
AML Investment Pool	\$ 51,742,444	51,742,444	—	—	—	—
Wells Fargo money market	344,200	344,200	—	—	—	—
U.S. government obligations	67,519,140	4,492,800	24,848,985	38,177,355	—	—
Corporate bonds	26,067,031	902,196	10,168,299	13,802,325	1,194,211	—
Mortgage/asset-backed securities	8,626,177	—	951,205	3,679,615	3,995,357	—
	<u>\$ 154,298,992</u>	<u>57,481,640</u>	<u>35,968,489</u>	<u>55,659,295</u>	<u>5,189,568</u>	<u>—</u>

Reconciliation of cash and investments to the amounts on the statement of net position is as follows:

Cash and cash equivalents:	
Petty cash	\$ 1,650
Demand deposits	<u>4,160,579</u>
Total cash	<u>\$ 4,162,229</u>
Investments:	
Temporary investments	\$ 51,742,444
Long-term investments	<u>102,556,548</u>
	<u>\$ 154,298,992</u>

The Alaska Municipal League Investment Pool, Inc. (AMLIP) represents the City's share of ownership in the pool rather than ownership of specific securities. AMLIP is considered to be an external investment pool as defined by Generally Accepted Accounting Principles. AMLIP is not SEC-registered and is unrated. Regulatory oversight of the pool is established by Alaska Statute 37.23. The law sets forth numerous requirements regarding authorized investments and reporting. The pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

The manager is required to produce monthly disclosure statements on the pool. The pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the pool is voluntary. The pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the pool are reviewed for fair value by an independent pricing service. As of June 30, 2017, the fair value of the investments in the pool approximates amortized cost and is equal to the value of pool shares.

**CITY OF UNALASKA, ALASKA**

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(vi) *Fair Value Measurements*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

- U.S. Treasury securities are valued using quoted prices for identical securities in inactive markets (Level 2 inputs)
- Corporate bonds are valued using quoted prices for identical securities in inactive markets (Level 2 inputs)
- Mortgage/asset-backed securities are valued using a matrix pricing model (Level 2 inputs)

(b) *Capital Assets*

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,147,603	—	—	31,147,603
Construction in progress	3,223,812	3,158,208	(3,025,047)	3,356,973
Total	<u>34,371,415</u>	<u>3,158,208</u>	<u>(3,025,047)</u>	<u>34,504,576</u>
Capital assets, being depreciated:				
Buildings	61,478,090	2,042,715	(492,584)	63,028,221
Infrastructure	50,836,088	682,446	(498,086)	51,020,448
Machinery and equipment	8,971,599	553,079	(197,664)	9,327,014
Total	<u>121,285,777</u>	<u>3,278,240</u>	<u>(1,188,334)</u>	<u>123,375,683</u>
Less accumulated depreciation for:				
Buildings	(29,355,873)	(1,456,307)	492,584	(30,319,596)
Infrastructure	(13,398,769)	(3,626,072)	498,086	(16,526,755)
Machinery and equipment	(7,237,779)	(467,217)	197,664	(7,507,332)
Total	<u>(49,992,421)</u>	<u>(5,549,596)</u>	<u>1,188,334</u>	<u>(54,353,683)</u>
Total capital assets, being depreciated, net	<u>71,293,356</u>	<u>(2,271,356)</u>	—	<u>69,022,000</u>
Governmental-type activities, net	\$ <u>105,664,771</u>	<u>886,852</u>	<u>(3,025,047)</u>	<u>103,526,576</u>

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	<u>Balance June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,309,476	—	—	3,309,476
Construction in progress	8,545,090	12,687,499	(6,750,118)	14,482,471
Total	<u>11,854,566</u>	<u>12,687,499</u>	<u>(6,750,118)</u>	<u>17,791,947</u>
Capital assets, being depreciated:				
Buildings	100,492,585	228,165	(35,239)	100,685,511
Infrastructure	176,426,022	6,768,341	(4,915,878)	178,278,485
Machinery and equipment	31,715,652	274,880	(142,348)	31,848,184
Total	<u>308,634,259</u>	<u>7,271,386</u>	<u>(5,093,465)</u>	<u>310,812,180</u>
	<u>Balance June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
Less accumulated depreciation for:				
Buildings	\$ (17,504,071)	(2,628,362)	35,239	(20,097,194)
Infrastructure	(64,177,337)	(5,618,047)	4,208,023	(65,587,361)
Machinery and equipment	(7,678,315)	(1,763,841)	68,996	(9,373,160)
Total	<u>(89,359,723)</u>	<u>(10,010,250)</u>	<u>4,312,258</u>	<u>(95,057,715)</u>
Total capital assets, being depreciated, net	<u>219,274,536</u>	<u>(2,738,864)</u>	<u>(781,207)</u>	<u>215,754,465</u>
Governmental-type activities, net	\$ <u>231,129,102</u>	<u>9,948,635</u>	<u>(7,531,325)</u>	<u>233,546,412</u>

Depreciation expense was charged to the departments and functions of the primary government as follows:

General government	\$ 291,155
Public safety	192,748
Public works	3,256,323
Parks, culture, and recreation	1,073,676
Education	<u>735,694</u>
Total – governmental activities	\$ <u>5,549,596</u>



**CITY OF UNALASKA, ALASKA**

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Business-type activities:		
Electric	\$	3,003,986
Water		1,100,759
Wastewater		1,338,427
Solid waste		880,765
Ports and harbors		3,189,244
Airport		315,360
Housing		<u>181,709</u>
Total – business-type activities	\$	<u>10,010,250</u>

**(c) Interfund Receivables, Payables, and Transfers**

Current interfund receivables and payables are shown as "Due from other funds" or "Due to other funds" in the Governmental Fund Balance Sheet and the Proprietary Funds Statement of Net Position and as internal balances in the statement of net position. These balances at June 30, 2017 were as follows:

<u>Receivable</u>	<u>Payable</u>
	<u>General fund</u>
General fund	\$ —
1% Sales Tax Special Revenue Fund	9,840,772
Nonmajor governmental funds	3,385,657
Electric	8,809,215
Water	8,841,580
Wastewater	5,941,103
Solid waste	8,896,180
Ports and harbors	44,145,258
Nonmajor proprietary funds	<u>1,806,736</u>
	<u>\$ 91,666,501</u>

The outstanding balances between funds result from cash being held in a central treasury in the General Fund.

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

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Interfund receivables and payables that are not current are shown and are also included in internal balances on the statement of net position. These balances at June 30, 2017 were as follows:

	<u>Advances to</u>	<u>Advances from</u>
General fund	\$ —	1,184,720
Enterprise funds:		
Electric utility:		
Current portion	208,240	—
Long-term portion	976,480	—
	<u>\$ 1,184,720</u>	<u>1,184,720</u>

On April 27, 2004, the City Council approved a long-term advance from the General Fund to the Electric Utility Fund in the amount of \$2,800,000 to be paid back in twenty annual installments, interest free. Payments are due on May 1 of each year.

On August 26, 2014, the City Council approved a long-term advance from the General Fund to the Electric Utility Fund in the amount of \$341,200 to be paid back in five annual installments, interest free. Payments are due on May 1 of each year.

A summary of transfers between funds of the City for the year ended June 30, 2017 is as follows:

Transfers In	Transfers out						Total transfers in
	General fund	1% Sales tax	Nonmajor Gov. Funds	Electric	Solid Waste	Nonmajor Ent. Fund	
General fund	\$ —	1,200,000	176,286	11,217	498,424	974,917	2,860,844
1% Sales Tax	—	—	255,590	—	—	—	255,590
Nonmajor Gov. Funds	771,425	—	—	—	—	—	771,425
Major Enterprise Funds:							
Electric	2,687,171	—	—	—	—	—	2,687,171
Water	86,138	—	—	—	—	—	86,138
Wastewater	22,787	—	—	—	—	—	22,787
Solid Waste	77,324	—	—	—	—	—	77,324
Ports and Harbors	877,683	—	—	—	—	—	877,683
Nonmajor Ent. Funds	40,907	—	—	—	—	—	40,907
	<u>\$ 4,563,435</u>	<u>1,200,000</u>	<u>431,876</u>	<u>11,217</u>	<u>498,424</u>	<u>974,917</u>	<u>7,679,869</u>

A summary of significant transfers are as follows:

- The 1% Sales Tax Special Revenue Fund transferred \$1,200,000 to the General Fund for port debt repayment.
- The Capital Project Funds transferred \$176,286 to the General Fund and \$1,453,068 to the 1% Sales Tax Special Revenue Fund for projects that were closed.
- The General Fund transferred \$503,381 to the Capital Equipment Project Fund and \$391,175 to the Proprietary Funds for required Backflow Preventers on city buildings.
- The General Fund transferred \$2,650,836 to the Electric Fund for the Captains Bay Electrical Upgrade.



**CITY OF UNALASKA, ALASKA**

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- The General Fund transferred \$750,000 to the Ports fund for the Channel Dredging project.
- The Housing Fund returned \$974,917 to the General Fund for the Director Housing project that was defunded for until further planning can be accomplished.
- The Solid Waste Fund returned \$498,424 for projects that were closed.

**(d) Operating Leases**

On June 30, 1981, the City and Ounalashka Corporation signed a 30 year lease with two 10 year renewal options for land at the Spit Dock. The first 10 year renewal option was entered into on July 1, 2011. Lease payments are \$4,152 per month with the amount to be reevaluated every five years.

On July 6, 1983, the City and the State of Alaska Department of Transportation and Public Facilities entered into a 40 year lease (ADA 05248) for the land for the Airport Terminal. Annual payments of \$9,065 are due July 6 each year, ending July 6, 2023.

On October 2, 1992, the City and North Pacific Fuel entered into a lease agreement for office space for the Port and Harbor Offices. The lease was renewed on January 1, 2017 at a rate of \$3,635 per month.

On January 3, 1996, the City and the State of Alaska Department of Transportation entered into a 40 year lease (ADA 07158) for the Amaknak Fire Station land. Annual payments of \$3,995 are due January 1 each year, ending January 2, 2036.

On May 1, 2000, the City and Ounalashka Corporation entered into a 25 year lease with five 5 year renewal options for land at the Light Cargo Dock. Lease payments are \$5,418 per month with the amount to be reevaluated every 5 years. The next evaluation is in 2020.

On January 1, 2009, the City and the State of Alaska Department of Transportation and Public Facilities entered into a 10-year land use permit (ADA-08620) for the airport long-term parking land. Annual payments of \$2,519 are due January 1 each year, ending December 31, 2019

On July 1, 2016, the City and the United Methodist Ministries entered into a 5 year lease for land for a community ballpark with incremental increases each fiscal year ending June 30, 2021. Rates per year are as follows: FY17-\$16,500, FY18-\$17,500, FY19-\$18,500, FY20-\$19,500, FY21-\$20,500.

Rent expense for the year ended June 30, 2017 was \$187,690.

**CITY OF UNALASKA, ALASKA**

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The future commitment for operating lease payments is as follows:

2018	\$	190,566
2019		148,925
2020		147,406
2021		148,406
2022-2026		287,355
2027-2031		19,975
2032-2036		19,975
		<hr/>
	\$	<u>962,608</u>

**(e) Long-Term Debt**

*General Obligation Bonds:* The City issues general obligation bonds to provide monies for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year.

General obligation bonds currently outstanding are as follows:

	<u>Principal balance</u>
Governmental activities:	
General obligation bonds:	
2015 Series One bonds issued in 2015 for \$1,800,000, interest rates of 2.0% to 4.0% due in annual installments of \$335,000 to \$385,000 to 2020, payable to the Alaska Municipal Bond Bank Authority (Bond Bank)	\$ 1,120,000
2009 II school bonds issued in 2009 for \$4,470,000, interest rates of 1.32% to 4.75% due in semiannual installments of \$370,000 to \$535,000 to 2019, payable to the Bond Bank	<u>1,050,000</u>
Total	<u>\$ 2,170,000</u>

**CITY OF UNALASKA, ALASKA**

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*Other debt:* The City issues other debt instruments in connection with its business-type activities. Other debt balances are as follows:

	<u>Principal balance</u>
Business-type activities:	
Bonds:	
2017 Series One bonds issued in 2017 for \$29,655,000, interest rates of 3.75% to 5.0%, due in annual installments of \$685,000 to \$1,935,000, beginning in 2020 through 2043, payable to the Bond Bank	\$ 29,655,000
2015 Series One bonds issued in 2015 for \$20,415,000, interest rates of 3.5% to 4.0%, due in annual installments of \$1,055,000 to \$1,785,000, beginning in 2019 through 2034, payable to the Bond Bank	20,415,000
2010 Series A (tax-exempt) General Obligation Harbor Improvement Bond issued in 2010 for \$2,270,000, interest rates of 2% to 5% due in annual installments of \$180,000 to \$440,000 to 2021, payable to the Bond Bank	925,000
2010 Series B (taxable Build America Bond) General Obligation Harbor Improvement Bond issued in 2010 for \$2,730,000, interest rates of 5.993% to 6.341% due in annual installments of \$255,000 to \$355,000, to 2030, payable to the Bond Bank	2,730,000
2010A (tax-exempt) Electric Utility Revenue Bond issued in 2010 for \$2,015,000, interest rates of 2% to 4% due in annual installments of \$195,000 to \$255,000, to 2019, payable to the Bond Bank	745,000
2010B (taxable Recovery Zone Economic Development Bond – direct payment) Electric Utility Revenue Bond issued in 2010 for \$3,365,000, interest rates of 4.925% to 5.432% due in annual installments of \$265,000 to \$350,000, to 2030, payable to the Bond Bank	3,365,000
2009 Revenue bonds issued in 2009 for \$25,000,000, interest rate of 5.00% due in annual installments of \$720,000 to \$835,000, to 2019, payable to the Bond Bank	1,630,000
State of Alaska loans:	
1997 1.50% Alaska Clean Water Fund loan payable in annual installments over 20 years	9,026
1997 1.50% Alaska Clean Water Fund loan payable in annual installments over 20 years	38,948
2013 1.50% Alaska Clean Water Fund loan payable in annual installments over 20 years.	8,138,271
2013 1.50% Alaska Drinking Water Fund loan payable in annual installments over 20 years commencing one year after project completion	3,639,257
2014 1.50% Alaska Clean Water Fund loan payable in annual installments over 20 years	4,830,399
Total	\$ <u>76,120,901</u>



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

(i) *Changes in Long-Term Liabilities*

Changes in long-term liabilities for the year ended June 30, 2017 was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due within one year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 3,005,000	—	(835,000)	2,170,000	875,000
Premium on bonds	108,689	—	(35,429)	73,260	35,429
Compensated absences	1,066,437	1,216,516	(1,122,629)	1,160,324	1,160,324
Governmental activity long-term liabilities	\$ <u>4,180,126</u>	<u>1,216,516</u>	<u>(1,993,058)</u>	<u>3,403,584</u>	<u>2,070,753</u>
	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due within one year</u>
Business-type activities:					
Bonds payable:					
Electric Bonds	\$ 27,145,000	—	(990,000)	26,155,000	1,035,000
Ports Bonds	3,865,000	29,655,000	(210,000)	33,310,000	220,000
Premium on bonds	2,107,292	1,421,195	(131,842)	3,396,645	177,635
Total bonds payable	33,117,292	31,076,195	(1,331,842)	62,861,645	1,432,635
Other contracts and loans:					
Water Loans	3,088,525	550,732	—	3,639,257	181,963
Wastewater Loans	8,658,036	—	(471,791)	8,186,245	471,791
Solid Waste Loans	4,259,475	825,156	(254,232)	4,830,399	254,232
Army Corps of Engineers	2,097,013	—	—	2,097,013	2,097,013
Accrued landfill closure and postclosure care costs	5,181,951	269,108	—	5,451,059	—
Compensated absences	468,212	574,003	(520,689)	521,526	521,526
Business-type activity— long-term liabilities	\$ <u>56,870,504</u>	<u>33,295,194</u>	<u>(2,578,554)</u>	<u>87,587,144</u>	<u>4,959,160</u>

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

Annual debt service requirements to maturity for governmental activities general obligation bonds are as follows:

	<b>Governmental activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year(s) ending June 30:			
2018	\$ 875,000	86,188	961,188
2019	910,000	48,313	958,313
2020	385,000	7,700	392,700
2021	—	—	—
	<u>\$ 2,170,000</u>	<u>142,201</u>	<u>2,312,201</u>

Annual debt service requirements to maturity for business-type activities bonds are as follows:

	<b>Electric</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year(s) ending June 30:			
2018	\$ 1,035,000	1,075,392	2,110,392
2019	1,085,000	1,024,842	2,109,842
2020	1,310,000	976,042	2,286,042
2021	1,350,000	935,742	2,285,742
2022	1,380,000	899,163	2,279,163
2023–2027	7,535,000	3,722,385	11,257,385
2028–2032	8,955,000	1,704,879	10,659,879
2033–2037	3,505,000	141,500	3,646,500
	<u>\$ 26,155,000</u>	<u>10,479,945</u>	<u>36,634,945</u>



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

	<b>Ports and harbors</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2018	\$ 220,000	1,325,547	1,545,547
2019	225,000	1,528,299	1,753,299
2020	920,000	1,519,299	2,439,299
2021	965,000	1,475,649	2,440,649
2022	1,010,000	1,427,399	2,437,399
2023–2027	5,835,000	6,286,235	12,121,235
2028–2032	6,605,000	4,607,009	11,212,009
2033–2037	6,980,000	3,078,625	10,058,625
2038–2042	8,615,000	1,447,800	10,062,800
2043–2047	1,935,000	77,400	2,012,400
	<u>\$ 33,310,000</u>	<u>22,773,262</u>	<u>56,083,262</u>

The \$2,097,013 payable to the U.S. Army Corps of Engineers for the Breakwater Improvement Project has been excluded from the schedule above as the timing of payment has not been determined.

Annual debt service requirements to maturity for business-type activities other contracts and loans are as follows:

	<b>Other proprietary funds</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2018	\$ 907,985	228,641	1,136,626
2019	869,037	236,219	1,105,256
2020	864,524	223,183	1,087,707
2021	864,524	210,215	1,074,739
2022	864,524	197,247	1,061,771
2023–2027	4,322,622	791,719	5,114,341
2028–2032	4,322,622	467,523	4,790,145
2033–2037	3,640,062	143,326	3,783,388
	<u>\$ 16,655,900</u>	<u>2,498,073</u>	<u>19,153,973</u>

(ii) *Build America Bond*

The City has a \$2,730,000 taxable Build America Bond (2010 Series B General Obligation Harbor Improvement Bond). The City will be reimbursed for 35% of the interest associated with this bond by the U.S. Treasury through the American Recovery and Reinvestment Act.

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

*(iii) Recovery Zone Economic Development Bond*

The City has a \$3,365,000 taxable Recovery Zone Economic Development Bond (2010B Electric Utility Revenue Bond). The City will be reimbursed for 45% of the interest associated with this bond by the U.S. Treasury through the American Recovery and Reinvestment Act.

*(iv) Alaska Department of Environmental Conservation Loans*

On October 4, 2013, the City was approved for an \$8,788,200 loan from the Alaska Department of Environmental Conservation for a landfill phase II expansion. As of June 30, 2017, the City has received \$4,830,399 and has closed the loan. Payments began March 1, 2017.

On June 28, 2013, the City was approved for an \$8,566,600 loan from the Alaska Department of Environmental Conservation for a wastewater treatment plant upgrade. As of June 30, 2017, the City has received the entire loan balance of \$8,566,600. Payments began October 1, 2016.

On July 23, 2012, the City was approved for a \$5,000,000 loan from the Alaska Department of Environmental Conservation for a new water treatment plant. As of June 30, 2017, the City has received \$3,639,257 under this agreement.

*(v) Advance Refunding*

The City issued \$20,415,000 in general obligation bonds with interest rates ranging from 3.5% to 4.0%. The proceeds were used to advance refund \$19,265,000 of outstanding 2009-1 general obligation bonds which had interest rates ranging from 3.0% to 5.75%. The net proceeds of \$22,431,807 (including a \$2,016,807 premium) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2009-1 general obligation bonds are considered defeased and the liability for those bonds has been removed from the Electric Fund statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,765,838. This amount is being amortized over the remaining life of the refunding debt. The government advance refunded the 2009-1 general obligation bonds to reduce its total debt service payments over 18 years by \$1,734,358 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,769,213.

**(4) Other Information**

***(a) Risk Management***

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets, third-party liability, and errors and omissions; and natural disasters for which the City carries commercial insurance. The City's insurance is on a per-occurrence basis.

The City currently participates in the Alaska Public Entity Insurance (APEI) pool, which covers property and contents, general, auto liability, law enforcement legal liability, errors and omissions, earthquake and flood, marine, and workers compensation. APEI is a public entity risk pool that reinsurers risk above certain levels, thereby relieving the members of the need for additional assessments. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

earned on such contributions for the year. The Association made no supplemental assessments during the year ended June 30, 2017.

Claims on insurance have not exceeded coverage in any of the last three years.

**(b) Landfill Closure and Postclosure Care**

State and federal laws and regulations require the City to place a final cover on its current landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these estimated closure and postclosure care costs, the City is recording as an operating expense in each period an amount based on landfill capacity used each year of operation. During 2017, the estimated closure and postclosure care costs were reevaluated and adjusted to reflect conditions as of June 30, 2017. As of June 30, 2017, the City has an accrued liability associated with these estimated closure and postclosure care costs of \$5,451,059, based on the use of 56% of the estimated capacity of the landfill. It is estimated the City will recognize additional \$4,593,154 of expense and liability between July 2016, and the year 2051, the date the landfill is expected to reach full capacity. These amounts are based on what it would cost to perform all the closure and postclosure care functions in 2017. Actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in laws and regulations.

Alaska state law requires that the City provide financial assurances annually for the closure and postclosure care of the landfill. Currently, no assets of the City are restricted for payment of closure and postclosure care costs. Future inflation costs and additional costs that might arise from changes in closure and postclosure requirements (due to change in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**(c) Contingencies**

Under the terms of state and federal grants, periodic audits may be performed by funding agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could require reimbursement to the grantor agencies.

In the normal course of its activities, the City is involved in various claims and pending litigation.

Management believes that the outcome of the matters discussed in the preceding paragraphs will not have a material adverse affect on the financial statements of the City. Accordingly, no provision for losses has been recorded.

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

**(d) Commitments**

Encumbrances outstanding at year-end, including purchase orders, contracts, and other commitments for the expenditure of monies, are reported as committed or assigned fund balances in the governmental funds. Outstanding encumbrances at June 30, 2017 were as follows:

Governmental funds:	
General fund	\$ 308,132
Other nonmajor governmental funds	<u>139,940</u>
Total governmental funds	<u>448,072</u>
Proprietary funds:	
Electric fund	770,270
Water fund	262,403
Wastewater fund	235,532
Solid Waste fund	64,886
Ports and Harbor fund	6,695,084
Other nonmajor proprietary funds	<u>11,258</u>
Total proprietary funds	<u>8,039,433</u>
Total	\$ <u>8,487,505</u>

**(e) Retirement Commitments**

*(i) Alaska Public Employee Retirement System (PERS)*

*Plan Description:* All full-time employees and certain permanent part-time employees of the City participate in the PERS – a cost-sharing multiple-employer defined benefit pension and postemployment healthcare plans administered by the Commissioner of Administration and the Alaska Retirement Management Board (ARMB). The ARMB has the authority to establish and amend the benefit terms. PERS issues a publicly available financial report that can be obtained at [www.doa.alaska.gov/drb/pers/employee/resources/cafr.html](http://www.doa.alaska.gov/drb/pers/employee/resources/cafr.html).

*Benefits Provided:* PERS provides retirement, disability, death, and postemployment health benefits. Benefits vest with five years of credited service. Employees enrolled prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for Police/Fire members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

The percentage multipliers for police/fire personnel are 2.00% for the first ten years of service and 2.50% for all service over 10 years. The percentage multipliers for all other participants are 2.00% for the first 10 years, 2.25% for the next 10 years, and 2.50% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2.00%.

Postemployment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986 and who have not reached age 60 may elect to pay for major medical benefits.

The Plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the Plan's Administrator if the funding ratio of the Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

(ii) *PERS – Defined Benefit Plan*

The defined benefit portion (Tiers I, II and III) of the pension plan has been closed to new entrants since July 1, 2006.

*Contributions:* Active PERS members are required to contribute 6.75% (2% pension cost and 4.75% postemployment healthcare cost) of their annual covered salary and the City is required to contribute at an actuarially determined rate; the current rate is 22.58% (14.43% pension cost and 8.15% postemployment healthcare cost). Alaska Statute 39.35.255(a) capped the employer rate at 22%, with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. The contribution requirements of plan members and the City are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between:

- (A) Amount calculated for the statutory employer contribution rate of 22.00% on eligible salary less:
- (B) Total of the employer contributions for:
  - (1) Defined contribution employer matching amount
  - (2) Major medical
  - (3) Occupational death & disability, and
  - (4) Health reimbursement arrangement



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At June 30, 2017, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	24,596,846
State's proportionate share of the net pension liability associated with the City		<u>3,099,287</u>
Total	\$	<u><u>27,696,133</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the present value of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating political subdivisions and the State, actuarially determined. At June 30, 2016, the City's proportion was 0.44%, which was an increase of 0.111 from its proportion measured as of June 30, 2015. The increase in the employer proportion from 2015 to 2016 was primarily due to PERS changing its method of allocating the net pension liability. PERS changed its allocation method from current contributions to present value of future contributions.

For the year ended June 30, 2017, the City recognized pension expense of \$6,207,965 and revenue of \$417,787 for support provided by the State. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 2,417,457	—
Difference between actual and expected experience	2,261	274,139
Changes in assumptions	113,432	—
Changes in proportion and differences between City contributions and proportionate share of contributions	2,568,063	—
City contributions subsequent to the measurement date	<u>1,200,784</u>	<u>—</u>
Total	\$ <u><u>6,301,997</u></u>	<u><u>274,139</u></u>

The City reported \$1,200,784 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2018	\$	2,601,079
2019		599,577
2020		988,263
2021		638,155
Thereafter		—
	\$	<u>4,827,074</u>

*Annual OPEB cost:* The City's annual OPEB cost for the years ended June 30, 2017, 2016, and 2015 was \$565,081, \$712,874, and \$779,805, respectively, and was equal to the City's required contributions for each year. The State of Alaska made no nonemployer contributions for the OPEB amounts during 2017.

*Actuarial Assumptions:* The total pension liability in the June 30, 2016 actuarial valuation (June 30, 2015 for OPEB) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Pension</u>	<u>OPEB</u>
Inflation rate	3.12 %	3.12 %
Projected salary increase:		
Graded productivity and merit:		
Peace officers and firefighters	4.92 to 9.66%	N/A
Others	4.34 to 8.55%	N/A
Investment rate of return	8.00 %	4.55 %

Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for Peace Officer/Firefighters, 50% of the time for others. Post-termination mortality rates were based on 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB. The net pension liability is measured as of June 30, 2016. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2015 and were rolled forward to June 30, 2016 using standard update procedures. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by



**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class:	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	26.0 %	5.35 %
Global equity (non-U.S.)	25.0	5.55
Real estate	17.0	3.65
Fixed income	12.0	0.80
Private equity	9.0	6.25
Absolute return	5.0	2.85
Alternative equity	3.0	4.70
Cash equivalents	3.0	0.25
Total	<u>100.0 %</u>	

*Discount Rate:* The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from employers will be made at contractually required rates (based on State statute), and nonemployer contributions from the State will continue to follow current funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate:* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.0%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current rate:

	<u>1% decrease (7.0)%</u>	<u>Discount rate (8.0)%</u>	<u>1% increase (9.0)%</u>
City's proportionate share of the net pension liability	\$ 31,675,628	24,593,846	18,620,689

*Pension Plan Fiduciary Net Position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**CITY OF UNALASKA, ALASKA**

Notes to Financial Statements

June 30, 2017

(iii) *PERS – Defined Contribution Plan*

The State of Alaska Legislature approved SB 141 to create the PERS Tier IV for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II, or III defined benefit plans. The plan is administered by the State of Alaska, Department of Administration, and benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the plan are individual pension accounts, retiree medical insurance plan, and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan.

Employees are required to contribute 8% of their annual covered salary, and the City is required to make the following contributions:

	<u>Others Tier IV</u>	<u>Police/fire Tier IV</u>
Individual account	5.00 %	5.00 %
Health reimbursement arrangement (HRA)*	3.00	3.00
Retiree medical plan	1.18	1.18
Occupational death and disability benefits	0.17	0.49
	<u>9.35 %</u>	<u>9.67 %</u>

\* HRA – AS 39.30.370 requires that the employer contribute “an amount equal to three percent (3%) of the employer’s average annual employee compensation.” For actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The City’s contribution to PERS, including the HRA contribution, for the year ended June 30, 2017 was \$638,622.

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF UNALASKA, ALASKA**  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Last Ten Fiscal Years  
 Alaska Public Employees Retirement System

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
City's proportion of the net pension liability	0.44 %	0.33 %	0.25 %	0.24 %	*	*	*	*	*	*
City's proportionate share of the net pension liability	\$ 24,593,846	15,959,767	11,730,783	12,364,036	*	*	*	*	*	*
State's proportionate share of the net pension liability	3,099,287	4,272,502	10,547,310	12,049,865	*	*	*	*	*	*
Total	<u>\$ 27,693,133</u>	<u>20,232,269</u>	<u>22,278,093</u>	<u>24,413,901</u>	*	*	*	*	*	*
City's covered-employee payroll	\$ 4,682,104	5,228,987	5,600,920	5,773,350	6,151,465	6,545,274	6,776,880	*	*	*
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	525.00 %	305.00 %	209.00 %	214.00 %	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	59.55	63.96	62.37	56.00	*	*	*	*	*	*

\* Information for these years is not available.

*Changes in assumptions.* Amounts reported in 2017 reflect a change in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

See accompanying independent auditors' report.

**CITY OF UNALASKA, ALASKA**  
**Schedule of City Contributions**  
**Last Ten Fiscal Years**  
**Alaska Public Employees Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contributions	\$ 1,200,784	1,167,149	1,034,346	963,284	811,763	816,945	625,113	656,073	*	*
Contributions in relation to the contractually required contributions	<u>(1,200,784)</u>	<u>(1,167,149)</u>	<u>(1,034,346)</u>	<u>(963,284)</u>	<u>(811,763)</u>	<u>(816,945)</u>	<u>(625,113)</u>	<u>(656,073)</u>	<u>*</u>	<u>*</u>
Contribution deficiency (excess)	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>*</u>	<u>*</u>
City's covered-employee payroll	\$ 4,052,595	4,682,104	5,228,987	5,600,920	5,773,350	6,151,465	6,545,274	6,776,880	*	*
Contributions as a percentage of covered-employee payroll	29.63 %	24.93 %	19.78 %	17.20 %	14.06 %	13.28 %	9.55 %	9.68 %	*	*

\* Information for these years is not available.

See accompanying independent auditors' report.

## **ADDITIONAL SUPPLEMENTARY INFORMATION**

**CITY OF UNALASKA, ALASKA**

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2017

<b>Assets</b>	<b>Bed Tax Special Revenue Fund</b>	<b>Equipment capital projects</b>	<b>Street paving</b>	<b>Total nonmajor funds</b>
Receivables, net:				
General	\$ 23,659	—	—	23,659
Taxes	11,217	—	—	11,217
Due from other funds	<u>238,957</u>	<u>1,873,496</u>	<u>1,273,204</u>	<u>3,385,657</u>
Total assets	<u>\$ 273,833</u>	<u>1,873,496</u>	<u>1,273,204</u>	<u>3,396,874</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ —	5,000	—	5,000
Total liabilities	<u>—</u>	<u>5,000</u>	<u>—</u>	<u>5,000</u>
Fund balances committed:				
Community support	273,833	—	—	273,833
Capital projects	<u>—</u>	<u>1,868,496</u>	<u>1,273,204</u>	<u>3,141,700</u>
Total fund balances	<u>273,833</u>	<u>1,868,496</u>	<u>1,273,204</u>	<u>3,415,533</u>
Total liabilities and fund balances	<u>\$ 273,833</u>	<u>1,873,496</u>	<u>1,273,204</u>	<u>3,420,533</u>

See accompanying independent auditors' report.

**CITY OF UNALASKA, ALASKA**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year ended June 30, 2017

	<b>Bed Tax Special Revenue Fund</b>	<b>Equipment capital projects</b>	<b>Street paving</b>	<b>Total nonmajor funds</b>
<b>Revenues:</b>				
Taxes	\$ 189,300	—	—	189,300
<b>Total revenues</b>	<b>189,300</b>	<b>—</b>	<b>—</b>	<b>189,300</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Community support	151,341	—	—	151,341
Capital projects	—	2,724,591	516,427	3,241,018
<b>Total expenditures</b>	<b>151,341</b>	<b>2,724,591</b>	<b>516,427</b>	<b>3,392,359</b>
<b>Excess (deficiency)     revenues over     expenditures</b>	<b>37,959</b>	<b>(2,724,591)</b>	<b>(516,427)</b>	<b>(3,203,059)</b>
<b>Other financing sources (uses):</b>				
Transfers in	—	1,813,549	779,228	2,592,777
Transfers out	—	(208,724)	(2,044,504)	(2,253,228)
<b>Net other financing     sources (uses)</b>	<b>—</b>	<b>1,604,825</b>	<b>(1,265,276)</b>	<b>339,549</b>
<b>Net change in fund     balances</b>	<b>37,959</b>	<b>(1,119,766)</b>	<b>(1,781,703)</b>	<b>(2,863,510)</b>
Fund balances, beginning of year	235,874	2,988,262	3,054,907	6,279,043
Fund balances, end of year	\$ 273,833	1,868,496	1,273,204	3,415,533

See accompanying independent auditors' report.



**CITY OF UNALASKA, ALASKA**

**Bed Tax Special Revenue Fund**

Schedule of Revenues, Expenditures, and Changes in Fund balance – Budget and Actual

Year ended June 30, 2017

	<u>Final budget</u>	<u>Actual amount</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Taxes	\$ 189,300	172,000	(17,300)
Expenditures:			
Community support	<u>151,341</u>	<u>175,000</u>	<u>23,659</u>
Excess (deficiency) of revenues over expenditures	37,959	(3,000)	(40,959)
Other financing sources (uses):			
Transfers in	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	\$ <u><u>37,959</u></u>	<u>(3,000)</u>	<u>(40,959)</u>
Fund balance at beginning of year		<u>235,874</u>	
Fund balance at end of year		\$ <u><u>232,874</u></u>	

See accompanying independent auditors' report.

**CITY OF UNALASKA, ALASKA**  
 Nonmajor Proprietary Funds  
 Combining Statement of Net Position  
 June 30, 2017

	<u>Airport</u>	<u>Housing</u>	<u>Total</u>
<b>Assets and Deferred Outflows of Resources</b>			
Current assets:			
Accounts receivables (net of allowance for uncollectibles)	\$ 140,050	3,650	143,700
Due from General Fund	<u>1,396,064</u>	<u>410,672</u>	<u>1,806,736</u>
Total current assets	<u>1,536,114</u>	<u>414,322</u>	<u>1,950,436</u>
Noncurrent assets:			
Capital assets, net	<u>3,041,204</u>	<u>4,381,582</u>	<u>7,422,786</u>
Total noncurrent assets	<u>3,041,204</u>	<u>4,381,582</u>	<u>7,422,786</u>
Total assets	<u>\$ 4,577,318</u>	<u>4,795,904</u>	<u>9,373,222</u>
Deferred outflows of resources:			
Pension related	\$ 54,731	41,119	95,850
<b>Liabilities and Deferred Inflows of Resources</b>			
Current liabilities:			
Accounts payable	\$ 16,110	2,832	18,942
Accrued payroll and payroll liabilities	5,046	3,985	9,031
Customer deposits	<u>11,000</u>	<u>15,960</u>	<u>26,960</u>
Total current liabilities	32,156	22,777	54,933
Noncurrent liabilities:			
Net pension liability	<u>217,988</u>	<u>150,922</u>	<u>368,910</u>
Total liabilities	<u>\$ 250,144</u>	<u>173,699</u>	<u>423,843</u>
Deferred inflows of resources:			
Pension related	\$ 2,346	3,167	5,513
<b>Net Position</b>			
Net investment in capital assets	\$ 3,041,204	4,381,582	7,422,786
Unrestricted	<u>1,338,355</u>	<u>278,575</u>	<u>1,616,930</u>
Total net position	<u>\$ 4,379,559</u>	<u>4,660,157</u>	<u>9,039,716</u>

See accompanying independent auditors' report.

**CITY OF UNALASKA, ALASKA**

Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenditures, and Changes in Net Position

Year ended June 30, 2017

	<u>Airport</u>	<u>Housing</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 517,529	236,194	753,723
Total operating revenues	<u>517,529</u>	<u>236,194</u>	<u>753,723</u>
Operating expenses:			
Operations	547,088	90,165	637,253
General and administrative	—	159,180	159,180
Depreciation and amortization	315,360	181,709	497,069
Total operating expenses	<u>862,448</u>	<u>431,054</u>	<u>1,293,502</u>
Operating loss	<u>(344,919)</u>	<u>(194,860)</u>	<u>(539,779)</u>
Nonoperating revenues (expenses):			
Intergovernmental revenue	4,158	3,216	7,374
Loss on disposal of asset	—	—	—
Net nonoperating revenues	<u>4,158</u>	<u>3,216</u>	<u>7,374</u>
Loss before capital contributions and transfers	(340,761)	(191,644)	(532,405)
Transfers in	25,968	14,939	40,907
Transfers out	—	(974,917)	(974,917)
Change in net position	<u>(314,793)</u>	<u>(1,151,622)</u>	<u>(1,466,415)</u>
Net position, beginning of year	<u>4,694,352</u>	<u>5,811,779</u>	<u>10,506,131</u>
Net position, end of year	\$ <u><u>4,379,559</u></u>	<u><u>4,660,157</u></u>	<u><u>9,039,716</u></u>

See accompanying independent auditors' report.

**CITY OF UNALASKA, ALASKA**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Cash Flows**  
**Year ended June 30, 2017**

	<u>Airport</u>	<u>Housing</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 518,122	235,491	753,613
Payments to employees	(163,516)	(126,868)	(290,384)
Payments to vendors	(331,610)	(85,251)	(416,861)
Net cash provided by operating activities	<u>22,996</u>	<u>23,372</u>	<u>46,368</u>
<b>Cash flows from capital and related financing activities:</b>			
Advances for capital projects from the General Fund	25,968	14,939	40,907
Repayment of capital projects advances from General Fund	—	(974,917)	(974,917)
Acquisition and construction of capital assets	(25,968)	(14,939)	(40,907)
Net cash used for capital and related financing activities	<u>—</u>	<u>(974,917)</u>	<u>(974,917)</u>
Change in cash and due from General Fund	22,996	(951,545)	(928,549)
Cash and due from other funds, beginning of year	<u>1,373,068</u>	<u>1,362,217</u>	<u>2,735,285</u>
Cash and due from other funds, end of year	<u>\$ 1,396,064</u>	<u>410,672</u>	<u>1,806,736</u>
<b>Reconciliation to balance sheet:</b>			
Cash and due from General Fund, June 30, 2017	\$ 1,396,064	410,672	1,806,736
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>			
Operating loss	\$ (344,919)	(194,860)	(539,779)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Depreciation and amortization	315,360	181,709	497,069
Pension related	46,966	36,328	83,294
Changes in assets and liabilities that provided (used) cash:			
Accounts receivable	593	—	593
Accounts payable	5,631	1,497	7,128
Accrued payroll and payroll liabilities	(635)	(599)	(1,234)
Customer deposits	—	(703)	(703)
Net cash provided by operating activities	<u>\$ 22,996</u>	<u>23,372</u>	<u>46,368</u>
<b>Schedule of noncash capital and noncapital and related financing activities:</b>			
Intergovernmental nonemployer pension contributions	\$ 4,158	3,216	7,374

See accompanying independent auditors' report.

## **STATISTICAL SECTION**



**CITY OF UNALASKA, ALASKA**

Statistical Section

June 30, 2017

**Statistical Section**

This part of the City of Unalaska's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends	66–72
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	73–78
<i>These schedules contain information to help the reader assess the government's most significant sources of revenue.</i>	
Debt Capacity	79–83
<i>These schedules presents information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	84–85
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	86–88
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: The City's comprehensive annual financial reports for the previous 10 years, District files, and public records from various local and state agencies.

Table 1

CITY OF UNALASKA, ALASKA  
 Net Position by Component  
 Last Ten Fiscal Years  
 (Accrual basis of accounting)  
 (Amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 77,882	74,518	78,951	85,914	84,763	87,329	92,389	99,476	102,588	101,301
Restricted	—	—	—	—	—	—	—	—	—	—
Unrestricted	72,154	84,150	80,934	85,914	84,763	87,329	92,389	99,476	102,588	101,301
Total governmental activities	\$ 150,036	158,668	139,885	155,645	149,771	156,847	168,267	166,812	179,726	181,328
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 79,963	67,851	86,670	114,909	125,055	154,863	164,240	185,023	178,831	152,758
Restricted	—	—	—	—	—	—	—	—	—	—
Unrestricted	28,144	51,102	54,362	29,195	45,100	45,102	43,173	31,810	42,058	67,940
Total business-type activities	\$ 108,107	118,953	141,032	144,104	170,155	199,965	207,413	216,833	220,889	220,698
<b>Primary government:</b>										
Net investment in capital assets	\$ 157,845	142,369	165,621	200,823	209,818	242,192	259,411	286,499	281,419	254,059
Restricted	—	—	—	—	—	—	—	—	—	—
Unrestricted	100,298	135,252	115,296	98,926	110,108	114,620	116,269	99,146	119,197	147,967
Total primary government activities	\$ 258,143	277,621	280,917	299,749	319,926	356,812	375,680	385,645	400,616	402,026

CITY OF UNALASKA, ALASKA

Table 2

Changes in Net Position  
 Last Ten Fiscal Years  
 (Accrual basis of accounting)  
 (Amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 4,023	4,025	3,992	4,191	4,123	4,439	4,773	4,206	4,610	5,061
Public safety	4,660	4,515	4,577	4,477	4,269	5,003	5,229	4,728	5,322	6,104
Public works	6,332	6,128	6,347	6,369	6,748	6,585	6,782	9,504	6,362	9,627
Parks, culture, and recreation	3,232	2,955	3,073	3,146	3,208	3,494	3,670	3,462	3,725	4,079
Community support	797	853	843	1,626	932	1,258	1,047	1,108	1,138	1,082
Education support	4,234	4,473	4,438	3,828	4,736	4,483	4,683	4,456	4,615	4,622
Interest on long-term debt	281	275	349	265	431	149	185	148	104	99
<b>Total governmental activities expenses</b>	<b>23,559</b>	<b>23,224</b>	<b>23,609</b>	<b>23,902</b>	<b>24,445</b>	<b>25,421</b>	<b>26,369</b>	<b>27,630</b>	<b>27,877</b>	<b>30,674</b>
<b>Business-type activities:</b>										
Electric	12,851	10,547	13,955	13,745	16,757	16,973	18,004	15,363	13,967	15,656
Water	2,199	1,987	2,072	2,227	2,248	2,372	2,600	2,332	2,705	2,973
Wastewater	1,622	1,532	3,947	1,748	4,408	5,504	2,054	1,740	2,518	3,810
Solid waste	2,014	1,722	1,814	1,986	2,093	2,220	2,238	2,670	2,640	3,429
Ports and harbors	3,915	4,063	1,620	4,418	2,299	1,815	6,404	5,928	6,623	7,371
Airport	652	784	894	777	787	840	799	809	843	862
Housing	304	233	227	355	736	528	463	436	415	431
<b>Total business-type activities expenses</b>	<b>23,557</b>	<b>20,868</b>	<b>24,529</b>	<b>25,256</b>	<b>29,328</b>	<b>30,252</b>	<b>32,562</b>	<b>29,278</b>	<b>29,711</b>	<b>34,532</b>
<b>Total primary government expenses</b>	<b>\$ 47,116</b>	<b>44,092</b>	<b>48,138</b>	<b>49,158</b>	<b>53,773</b>	<b>55,673</b>	<b>58,931</b>	<b>56,908</b>	<b>57,588</b>	<b>65,206</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 10	13	65	12	9	66	12	21	5	19
Public safety	77	85	29	54	8	3	2	83	69	52
Public works	—	—	—	—	—	—	—	—	—	—
Culture and recreation	194	219	204	163	201	222	215	218	205	195
Operating grants and contributions	923	1,275	1,703	1,604	1,620	1,635	1,540	1,623	1,283	1,136
Capital grants and contributions	5	—	63	760	21	59	750	919	686	—
<b>Total primary government activities program revenues</b>	<b>1,209</b>	<b>1,592</b>	<b>2,064</b>	<b>2,613</b>	<b>1,859</b>	<b>1,985</b>	<b>2,519</b>	<b>2,864</b>	<b>2,248</b>	<b>1,402</b>

Table 2

**CITY OF UNALASKA, ALASKA**  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (Accrual basis of accounting)  
 (Amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Charges for services:	\$									
Electric	12,867	11,511	10,488	12,847	18,295	17,390	18,825	16,571	13,527	17,198
Water	2,013	1,937	1,870	2,020	2,215	2,323	2,208	2,560	2,878	2,810
Wastewater	1,199	1,365	1,334	1,456	1,815	1,898	2,082	2,262	2,373	2,361
Solid waste	1,115	1,165	1,111	1,331	1,555	1,630	1,817	2,197	2,654	2,275
Ports and harbors	4,938	3,681	3,986	5,545	5,459	5,785	6,427	6,538	6,634	6,640
Airport	399	425	488	458	457	472	481	512	573	518
Housing	201	190	157	127	184	238	245	259	276	236
Capital grants and contributions	4,748	2,582	1,162	6,608	4,545	22,721	1,072	9,131	4,048	—
Operating grants and contributions	—	—	213	1,421	995	1,065	7,834	755	804	697
Total business-type activities program revenues	27,480	22,956	20,809	31,813	35,520	53,522	40,991	40,785	33,767	32,735
Total primary government program revenues	\$ 28,689	24,548	22,873	34,426	37,379	55,507	43,510	43,649	36,015	34,137
<b>Net (expense) revenue:</b>										
Governmental activities	\$ (22,350)	(21,632)	(21,545)	(21,289)	(22,586)	(23,436)	(23,850)	(24,766)	(25,629)	(29,272)
Business-type activities	3,923	2,088	(3,720)	6,557	6,192	23,270	8,429	11,507	4,056	(1,797)
Total primary government net expense	\$ (18,427)	(19,544)	(25,265)	(14,732)	(16,394)	(165)	(15,421)	(13,259)	(21,573)	(31,069)
<b>General revenues and other changes in net position:</b>										
Governmental activities:										
Taxes:	\$									
Property taxes	4,288	4,257	4,296	4,630	4,750	4,987	5,210	5,709	6,063	6,195
General sales tax	11,042	10,361	8,863	10,755	13,960	13,272	12,554	12,220	11,846	11,307
Raw seafood sales tax	4,690	4,044	3,594	5,372	5,261	4,784	4,450	4,982	5,124	4,657
Other taxes	239	266	56	158	87	102	118	89	32	38
Fisheries tax	8,971	9,079	7,094	7,378	9,324	11,422	8,956	7,198	12,188	8,694
Grants not restricted to specific programs	—	—	632	811	1,232	1,436	1,384	808	974	571
Gain (loss) on disposal of capital assets	179	80	(6)	—	—	—	4	11	9	7
Investment earnings	5,266	5,618	2,650	1,603	1,067	436	742	636	1,307	495
Other	1,584	2,033	1,326	920	611	878	891	971	823	1,216
Transfers	(11,120)	(7,493)	(25,781)	5,459	(19,580)	(6,805)	980	(2,229)	178	(2,307)
Extraordinary item	—	2,019	—	—	—	—	—	—	—	—
Total governmental activities	25,139	30,264	2,724	37,086	16,712	30,512	35,269	30,395	38,544	30,873
Business-type activities:										
Gain (loss) on disposal of capital assets	6	19	(39)	—	—	16	—	—	—	(701)
Investment earnings	—	102	57	—	—	—	—	—	—	—
Other	13	10	—	1,974	—	—	—	—	—	—
Transfers	11,120	7,483	25,781	(5,459)	19,580	6,805	(980)	2,229	—	2,307
Extraordinary item	—	1,135	—	—	—	—	—	—	—	—
Total business-type activities	11,139	8,759	25,799	(3,485)	19,580	6,821	(980)	2,229	—	1,606
Total primary government	\$ 36,278	39,023	28,523	33,601	36,292	37,333	34,289	32,624	38,544	32,479
<b>Change in net position:</b>										
Governmental activities	\$ 2,789	8,632	(18,821)	15,797	(5,874)	7,076	11,419	5,629	12,915	(191)
Business-type activities	15,062	10,847	22,079	3,072	25,772	30,091	7,449	13,736	4,058	1,602
Total primary government	\$ 17,851	19,479	3,258	18,869	19,898	37,167	18,868	19,365	18,971	1,411



Table 3

**CITY OF UNALASKA, ALASKA**  
 Governmental Activities Tax Revenues by Source  
 Last Ten Fiscal Years  
 (Accrual basis of accounting)  
 (Amounts expressed in thousands)

Fiscal year	Sales tax	Raw seafood tax	Real property taxes	Personal property taxes	Bed tax	Penalty and interest on taxes	Total
2008	11,042	4,690	2,905	1,383	210	29	20,259
2009	10,361	4,044	2,893	1,364	172	94	18,928
2010	8,713	3,594	2,967	1,282	150	56	16,762
2011	10,598	5,372	3,416	1,214	157	159	20,916
2012	13,960	5,261	3,389	1,361	170	87	24,228
2013	13,272	4,784	3,446	1,541	189	102	23,334
2014	12,554	4,450	3,469	1,741	118	118	22,450
2015	12,220	4,982	3,857	1,852	189	88	23,188
2016	11,846	5,123	4,163	1,900	210	32	23,274
2017	11,306	4,657	4,230	1,965	189	38	22,385

**Figure 1: General Governmental Tax Revenues**  
 (accrual basis of accounting) (amounts expressed in thousands)

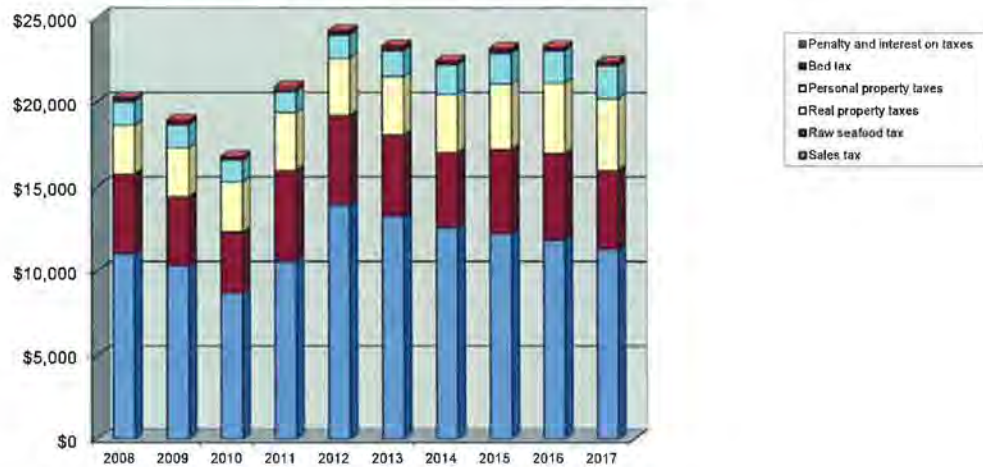




Table 4

**CITY OF UNALASKA, ALASKA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
 (Modified accrual basis of accounting)  
 (Amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund (after GASB 54):										
Nonspendable	\$ —	—	—	2,316	2,282	2,091	2,061	2,337	2,156	2,011,663
Committed	—	—	—	34,500	20,300	14,300	14,300	14,300	14,000	14,000,000
Assigned	—	—	—	264	190	333	239	234	292	308,132
Unassigned	—	—	—	10,603	12,509	14,760	29,094	37,868	43,981	53,971,989
General fund (prior to GASB 54):										
Reserved	2,924	2,736	3,581	—	—	—	—	—	—	—
Unreserved	44,554	49,012	35,014	—	—	—	—	—	—	—
Total general fund	\$ <u>47,478</u>	<u>51,748</u>	<u>38,595</u>	<u>47,683</u>	<u>35,281</u>	<u>31,484</u>	<u>45,694</u>	<u>54,759</u>	<u>60,429</u>	<u>70,291,784</u>
All other governmental funds (after GASB 54):										
Committed	\$ —	—	—	3,000	3,000	—	3,953	5,188	7,902	10,701,084
Assigned	—	—	—	13,488	19,491	28,339	18,601	9,719	6,043	3,141,700
Unassigned	—	—	—	(78)	—	—	—	(804)	—	—
All other governmental funds (prior to GASB 54):										
Reserved	—	2,795	3,918	—	—	—	—	—	—	—
Unreserved, reported in:										
Special revenue funds	13,111	16,450	3,249	—	—	—	—	—	—	—
Debt service funds	—	—	—	—	—	—	—	—	—	—
Capital projects funds	5,279	5,612	10,100	—	—	—	—	—	—	—
Total all other governmental funds	\$ <u>18,390</u>	<u>24,857</u>	<u>17,267</u>	<u>16,410</u>	<u>22,491</u>	<u>28,339</u>	<u>22,554</u>	<u>14,103</u>	<u>13,945</u>	<u>13,842,784</u>

Table 5

**CITY OF UNALASKA, ALASKA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
 (Modified accrual basis of accounting)  
 (Amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Taxes	\$ 20,232	19,514	16,763	20,901	24,018	23,191	22,286	23,060	22,923	22,033
Intergovernmental	10,699	12,307	12,742	10,747	11,127	13,197	16,047	15,330	10,811	15,091
Changes for services	281	317	298	250	210	290	229	322	279	266
Investment income	5,266	5,618	2,650	1,603	1,067	436	742	636	1,307	495
Other	85	79	206	89	—	104	121	296	178	382
<b>Total revenues</b>	<b>36,563</b>	<b>37,835</b>	<b>32,659</b>	<b>33,600</b>	<b>36,422</b>	<b>37,218</b>	<b>39,425</b>	<b>39,644</b>	<b>35,496</b>	<b>38,267</b>
<b>Expenditures:</b>										
General government	3,549	3,937	4,013	—	3,917	4,291	4,457	4,578	4,137	4,082
Public safety	3,807	4,228	4,308	4,237	4,030	4,707	4,944	5,417	5,051	4,966
Public works	4,743	5,016	5,203	5,143	5,132	5,275	5,545	5,861	5,341	5,409
Parks, culture, and recreation	2,053	2,101	2,139	2,194	2,233	2,440	2,615	2,722	2,532	2,585
Community support	797	853	843	920	932	1,258	1,046	1,106	1,139	1,082
Education support	3,511	3,750	3,736	3,828	4,024	3,822	4,023	3,869	3,879	3,886
Debt service:										
Principal	363	379	771	823	834	720	755	780	805	835
Interest	224	237	337	325	397	165	212	184	150	119
Capital projects	1,286	3,753	6,379	9,795	1,664	5,695	8,017	10,894	6,961	3,241
<b>Total expenditures</b>	<b>20,333</b>	<b>24,254</b>	<b>27,729</b>	<b>27,265</b>	<b>23,163</b>	<b>28,373</b>	<b>31,614</b>	<b>35,411</b>	<b>29,995</b>	<b>26,205</b>
<b>Excess of revenues over expenditures</b>	<b>16,230</b>	<b>13,581</b>	<b>4,930</b>	<b>6,335</b>	<b>13,259</b>	<b>8,845</b>	<b>7,811</b>	<b>4,233</b>	<b>5,503</b>	<b>12,062</b>
<b>Other financing sources (uses):</b>										
Proceeds from long-term debt	226	4,648	—	—	—	—	—	11	—	—
Refunding bonds issued	—	—	255	—	—	—	—	1,930	—	—
Payments to refunded bond escrow agent	—	—	(248)	—	—	—	—	(1,930)	—	—
Transfers in	3,753	6,905	13,206	11,683	15,681	15,358	6,353	11,822	4,604	5,709
Transfers out	(14,872)	(14,398)	(38,987)	(6,224)	(35,261)	(22,163)	(5,748)	(15,452)	(4,604)	(8,016)
Other	—	—	102	8	—	9	9	—	9	7
<b>Total other financing sources (uses)</b>	<b>(10,893)</b>	<b>(2,845)</b>	<b>(25,672)</b>	<b>5,467</b>	<b>(19,580)</b>	<b>(6,796)</b>	<b>614</b>	<b>(3,619)</b>	<b>9</b>	<b>(2,300)</b>
<b>Net change in fund balance</b>	<b>\$ 5,337</b>	<b>10,736</b>	<b>(20,742)</b>	<b>11,802</b>	<b>(6,321)</b>	<b>2,049</b>	<b>8,425</b>	<b>614</b>	<b>5,512</b>	<b>9,762</b>
Debt service as a percentage of noncapital expenditures	3.1 %	3.0 %	5.2 %	6.6 %	5.7 %	3.9 %	4.1 %	3.9 %	4.3 %	4.3 %

**CITY OF UNALASKA, ALASKA**  
 Governmental Expenditures  
 Last Ten Fiscal Years

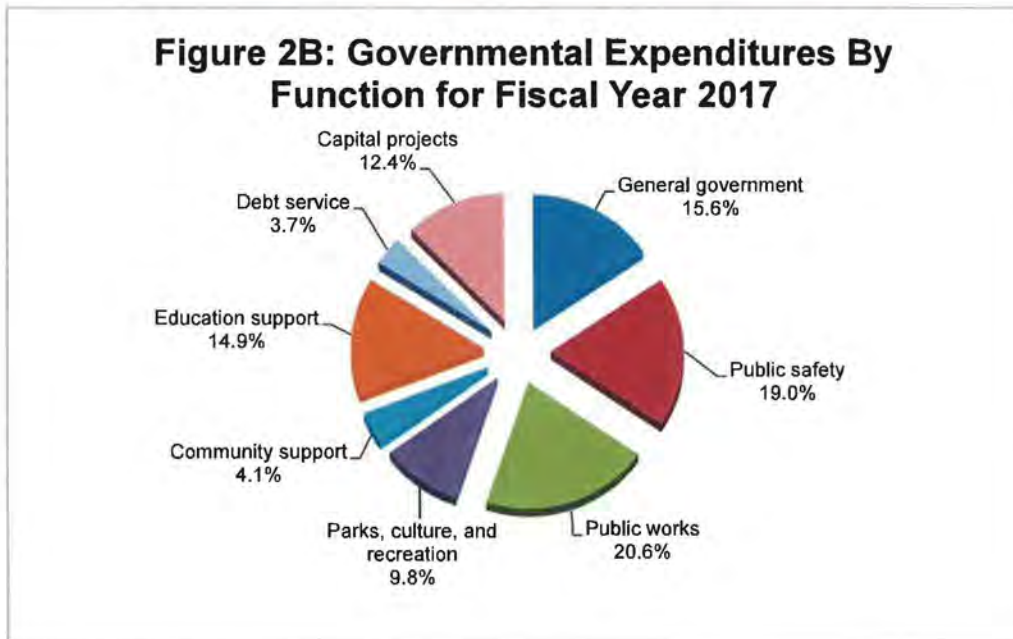
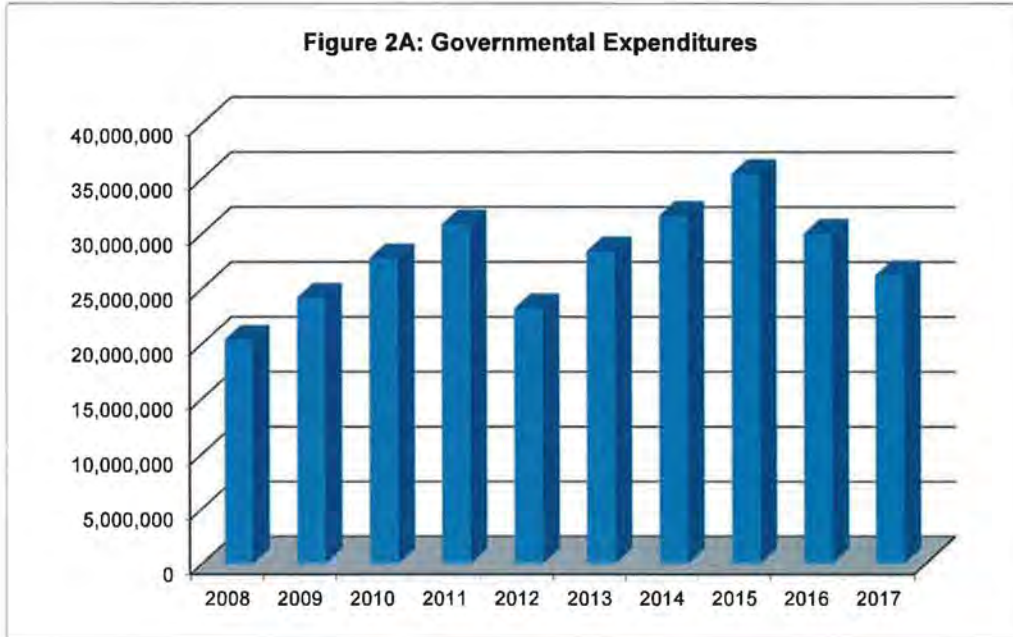


Table 7

**CITY OF UNALASKA, ALASKA**  
 General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (Modified accrual basis of accounting)  
 (Amounts expressed in thousands)

Fiscal year	Sales tax	Raw seafood tax	Real property taxes	Personal property taxes	Bed tax	Penalty and interest on taxes	Total
2008	\$ 11,042	4,690	2,905	1,383	210	29	20,259
2009	10,368	4,619	2,892	1,367	172	93	19,511
2010	8,713	3,594	2,967	1,282	150	56	16,762
2011	10,772	5,372	3,384	1,214	157	159	21,058
2012	13,790	5,261	3,364	1,367	170	87	24,039
2013	13,084	4,784	3,494	1,539	189	102	23,192
2014	12,385	4,450	3,451	1,713	169	118	22,286
2015	12,031	4,982	3,862	1,907	189	89	23,060
2016	11,846	5,123	4,085	1,836	210	32	23,132
2017	11,307	4,657	4,234	1,798	189	38	22,223

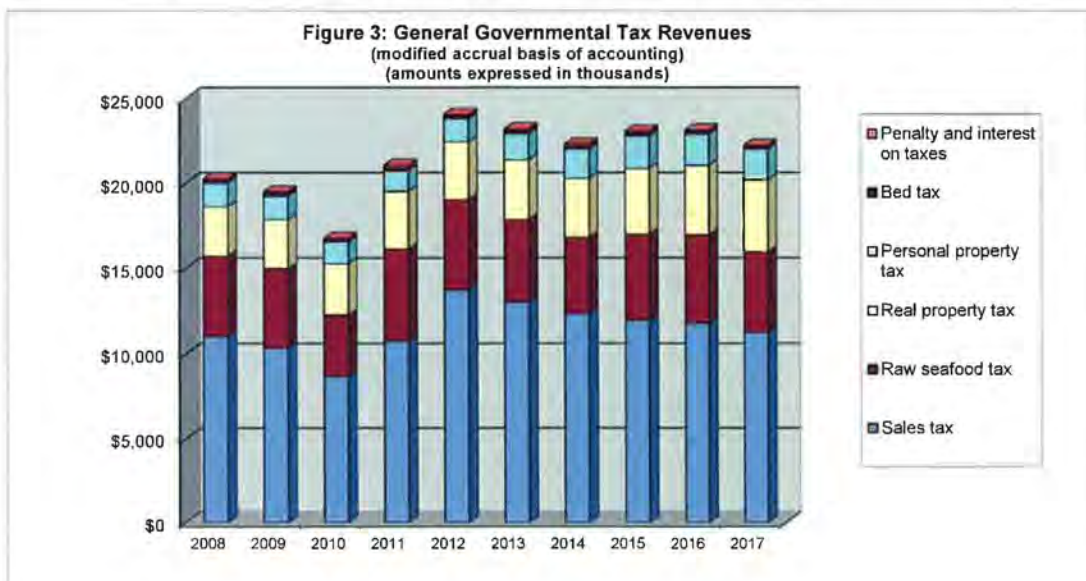


Table 8

**CITY OF UNALASKA, ALASKA**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (Amount expressed in thousands)

Fiscal year	Real property		Personal property		Total		Ratio of assessed value to estimated	Total direct tax rate
	Assessed value	Estimated value	Assessed value	Estimated value	Assessed value	Estimated value		
2008	\$ 246,322	328,429	117,384	156,512	363,706	484,941	75	11.78
2009	284,432	320,884	125,775	141,894	410,207	462,778	89	10.50
2010	329,903	378,069	122,778	140,704	452,681	518,773	87	10.50
2011	321,616	382,876	132,439	157,665	454,055	540,541	84	10.50
2012	330,239	393,142	134,744	160,410	464,983	553,552	84	10.50
2013	330,908	376,032	161,341	183,342	492,249	559,374	88	10.50
2014	367,166	410,517	177,979	198,993	545,145	609,510	89	10.50
2015	396,455	435,665	182,178	200,196	578,633	635,861	91	10.50
2016	397,350	428,733	171,733	185,297	569,083	614,030	93	10.50
2017	416,223	447,552	174,302	187,422	590,525	634,974	93	10.50



**Table 9**

**CITY OF UNALASKA, ALASKA**

City Tax Rates

All Governments

Last Ten Fiscal Years

	<u>Total city millage rate (1)</u>	<u>City Sales Tax rate (2)</u>	<u>City Raw Seafood Tax rate (3)</u>
Fiscal year ending:	11.78	3.00	2.00
2008	11.78	3.00	2.00
2009	10.50	3.00	2.00
2010	10.50	3.00	2.00
2011	10.50	3.00	2.00
2012	10.50	3.00	2.00
2013	10.50	3.00	2.00
2014	10.50	3.00	2.00
2015	10.50	3.00	2.00
2016	10.50	3.00	2.00
2017	10.50	3.00	2.00

(1) The rate is per thousand dollars of assessed value. There are no restrictions or mandates on the rate nor is there a separate component for debt service.

(2) Per Ordinance Section 6.40.020.

(3) Per Ordinance Section 6.44.020.

Note: There are no overlapping governmental units.

Table 10

## CITY OF UNALASKA, ALASKA

## Principal Real Property Taxpayers

June 30, 2017 and 2007

	2017			2008		
	Total assessed value	Rank	Percentage of total taxable assessed value	Total assessed value	Rank	Percentage of total taxable assessed value
Ounalashka Corporation and Subsidiaries	\$ 126,338,323	1	30.4 %	\$ 88,456,536	1	36.0 %
Unisea Inc.	57,370,856	3	13.8	39,471,313	2	16.1
Western Pioneer Inc.	52,177,449	2	12.5	*	*	*
Westward Seafoods Inc.	27,556,500	4	6.6	24,888,000	3	10.1
Alyeska Seafoods Inc.	21,850,290	5	5.2	19,395,095	4	7.9
Offshore Systems Inc.	14,636,400	6	3.5	*	*	*
Strong Holdings LLC	9,098,510	7	2.2	*	*	*
Valdez Petroleum Terminal Inc.	4,728,630	8	1.1	*	*	*
Petro Star	4,296,000	9	1.0	*	*	*
Karel and Marie Machalek	1,999,900	10	0.5	*	*	*
All Remaining Taxpayers	96,170,436		23.1	73,501,656		29.9
	<u>\$ 416,223,294</u>		<u>100 %</u>	<u>\$ 245,712,600</u>		<u>100 %</u>

\* Unknown or unavailable due to software change

Table 11

**CITY OF UNALASKA, ALASKA**  
Principal Electric Utility Customers  
June 30, 2017 and 2007

Taxpayer	2017			2008		
	Receipts from customer	Rank	Percentage of total electric utility customers billed	Receipts from customer	Rank	Percentage of total electric utility customers billed
Alyeska Seafoods	\$ 3,696,043	1	21.5 %	—		— %
American President Lines	3,120,843	2	18.1	1,799,065	1	15.0
Matson, Inc.	1,835,897	3	10.7	1,586,439	3	13.0
City of Unalaska	1,482,669	4	8.6	1,740,062	2	15.0
Kloosterboer	595,741	5	3.5			—
Safeway	482,430	6	2.8	651,651	5	5.0
Alaska Ship Supply	374,716	7	2.2	297,324	10	2.0
Unalaska City School	344,785	8	2.0	551,181	7	5.0
North Pacific Fuel	337,815	9	2.0	585,648	6	5.0
Coastal Transportation	331,546	10	1.9			—
Harbor Crown	—		—	854,756	4	7.0
Pacific Stevedoring, Inc.	—		—	322,412	9	3.0
Alaska Commercial Company	—		—	402,991	8	3.0
	<u>\$ 12,602,485</u>		<u>73 %</u>	<u>8,791,529</u>		<u>73 %</u>

Table 12

**CITY OF UNALASKA, ALASKA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
 (Amounts expressed in thousands)

<b>Fiscal year</b>	<b>Total tax levy</b>	<b>Current tax collections</b>	<b>Percent of levy collected</b>	<b>Delinquent tax collections</b>	<b>Total tax collections</b>	<b>Percent of total tax collections to tax levy</b>	<b>Outstanding delinquent taxes</b>	<b>Percent of delinquent taxes to tax levy</b>
2008	\$ 4,284	4,278	99.9	4	4,282	100.0	2	—
2009	4,307	4,260	98.9	2	4,262	99.0	45	1.0
2010	4,299	4,249	98.8	6	4,255	99.0	44	1.0
2011	4,645	4,622	99.5	8	4,630	99.7	15	0.3
2012	4,760	4,689	98.5	59	4,748	99.7	12	0.3
2013	4,986	4,948	99.2	—	4,948	99.2	38	0.8
2014	5,141	5,090	99.0	—	5,090	99.0	51	1.0
2015	5,725	5,656	98.8	40	5,696	99.5	29	0.5
2016	6,076	5,854	96.3	24	5,878	96.7	198	3.3
2017	6,183	5,942	96.1	89	6,031	97.5	152	2.5

Table 13

CITY OF UNALASKA, ALASKA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Amounts expressed in thousands, except per capital amount)

Fiscal year	Governmental activities		Business type activities		Total primary government	Percentage of personal income	Per capita
	General obligation bonds	Ports and harbors fund GO bonds	Electric fund revenue bonds	ADEC loans			
2008	\$ 4,467	—	—	439	4,906	3 %	1,382
2009	8,558	—	25,000	396	33,954	22	9,272
2010	7,796	5,000	25,000	352	38,148	24	8,718
2011	6,974	4,815	30,380	309	42,478	24	9,734
2012	6,186	4,635	29,560	265	40,646	21	8,515
2013	5,460	4,450	28,715	222	38,847	19	8,893
2014	4,698	4,260	27,845	178	36,981	58	7,800
2015	3,954	4,065	28,085	4,605	40,709	14	8,840
2016	3,114	3,942	29,175	16,006	52,237	*	11,270
2017	2,243	34,856	28,068	16,656	81,823	*	*

\* Data unavailable or incomplete



Table 14

## CITY OF UNALASKA, ALASKA

## Ratios of General Bonded Debt Outstanding

## Last Ten Fiscal Years

(Amounts expressed in thousands, except per capita amount)

<u>Fiscal year</u>		<u>General obligation bonds</u>	<u>Percentage of estimated actual taxable value of property</u>	<u>Per capita</u>
2008	\$	4,467	0.92	1,258
2009		8,558	1.85	2,337
2010		7,796	1.50	1,782
2011		6,974	1.29	1,598
2012		6,186	1.12	1,288
2013		5,460	0.98	1,242
2014		4,698	0.77	985
2015		3,954	0.62	843
2016		3,114	0.52	700
2017		2,243	—	*
				Population Not available

Table 15

**CITY OF UNALASKA, ALASKA**  
 Direct Governmental Activities Debt (1)  
 June 30, 2017

<u>Jurisdiction</u>	<u>Outstanding debt</u>	<u>Percentage applicable to City of Unalaska</u>	<u>Amount applicable to City of Unalaska</u>
Direct:			
City of Unalaska	\$ 2,243,260	100%	2,243,260

(1) Direct debt is long-term debt and does not include long-term liabilities such as internal advances, accrued landfill closure costs, or compensated absences.

Note: There are no overlapping governmental units.

**CITY OF UNALASKA, ALASKA**

Legal Debt Margin Information

June 30, 2017

There is no legal debt margin for municipalities in the State of Alaska.

Table 17

CITY OF UNALASKA, ALASKA

Pledged-Revenue Coverage

Electric Fund

<u>Fiscal year</u>	<u>Operating revenues</u>	<u>Operating expenses (1)</u>	<u>Income from operations</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage (2)</u>
2012	\$ 18,526,613	13,340,157	5,186,456	820,000	1,859,007	2,679,007	194
2013	17,389,996	13,523,054	3,866,942	845,000	1,510,417	2,355,417	164
2014	18,825,315	14,424,067	4,401,248	870,000	1,478,167	2,348,167	187
2015	16,571,260	11,780,405	4,790,855	910,000	1,420,542	2,330,542	206
2016	13,527,050	9,811,512	3,715,538	920,000	1,027,254	1,947,254	191
2017	17,198,440	11,505,578	5,692,862	990,000	1,123,667	2,113,667	269

(1) Operating expenses exclude depreciation.

(2) Rates are required to generate net revenues equal to or greater than 135% times annual debt payments.

Table 18

CITY OF UNALASKA, ALASKA

Demographic Statistics

Last Ten Fiscal Years

Calendar year	Unalaska population (1)	Aleutians west region personal income (amounts expressed in thousands) (2)	Aleutians west region per capita personal income (2)	Unalaska school enrollment (3)	Aleutians west region unemployment (4)
2008	3,551	\$ 166,328	36,127	403	5.6
2009	3,662	156,852	33,668	403	7.3
2010	4,376	159,644	28,791	407	6.9
2011	4,389	175,274	31,845	412	7.8
2012	4,516	195,082	35,525	414	9.1
2013	4,516	202,105	36,673	415	8.8
2014	4,517	304,806	53,010	407	4.8
2015	4,440	299,746	52,569	396	3.8
2016	4,448	*	*	375	3.3
2017	*	*	*	389	*

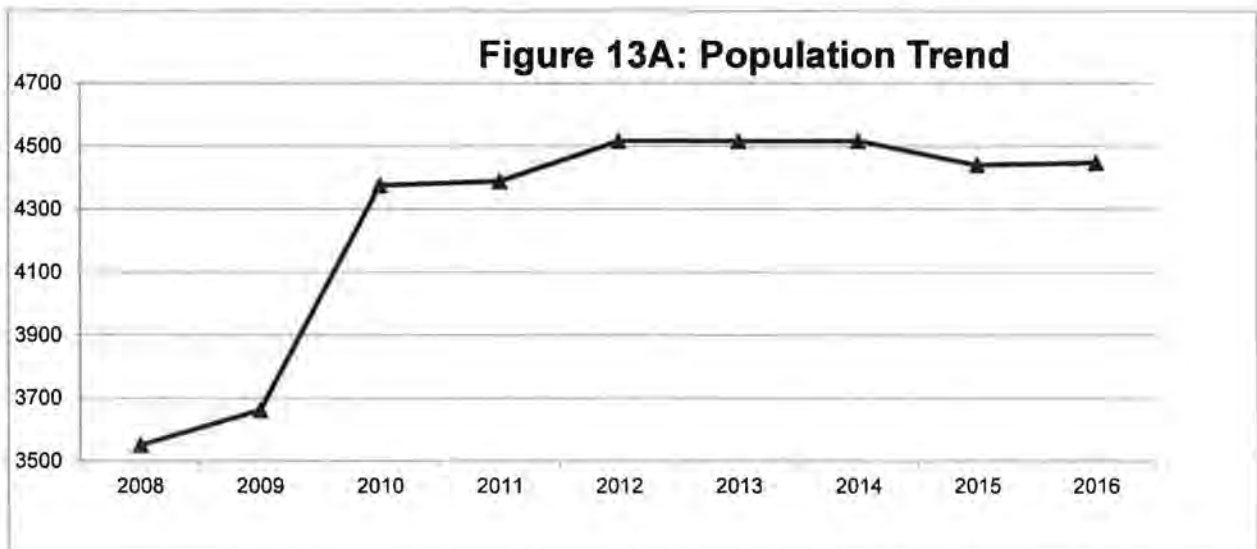
\* Data unavailable or incomplete.

(1) Source – Alaska Department of Community and Economic Development

(2) Source – U.S. Department of Commerce, Bureau of Economic Analysis: Statistics are kept for the region, not for the City of Unalaska.

(3) Source – Unalaska City School District: Official fall count of calendar year.

(4) Source – Alaska Department of Labor: Statistics are kept for the region, not for the City of Unalaska.





**CITY OF UNALASKA, ALASKA**

Principal Employers

Alaska Department of Labor can no longer give out any information related to employers in Alaska due to new federal regulations.

Table 20

**CITY OF UNALASKA, ALASKA**  
 Full-Time Equivalent City Government Employees by Function  
 Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Council	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Manager	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	11.50	11.50	11.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
IS	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Planning	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Public safety:	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	24.50
Correction	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fire protection	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Public works:										
Public works administration	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Streets and roads	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00
Supply	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Vehicle department	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Building maintenance	8.00	8.00	8.00	8.00	8.35	8.35	8.78	8.50	9.00	9.00
Parks, culture, and recreation:										
Community center	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.50	12.50	12.89
Libraries	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00
Community pool	5.50	5.50	5.50	5.50	5.00	5.00	5.00	4.25	4.25	4.78
Public utilities administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Electric	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.33	13.00
Water	4.00	4.00	4.00	4.00	4.33	4.66	5.00	5.00	5.00	5.00
Wastewater	3.34	3.34	3.34	3.34	3.34	4.00	4.50	5.17	3.50	7.00
Ports and airport	10.00	10.00	10.00	10.00	10.00	9.00	10.00	10.00	10.00	11.00
Solid waste	4.33	4.33	4.33	4.33	4.33	4.50	4.50	4.50	4.50	4.50
<b>Total employees</b>	<b>153.63</b>	<b>153.63</b>	<b>153.63</b>	<b>154.63</b>	<b>156.31</b>	<b>156.47</b>	<b>159.74</b>	<b>159.88</b>	<b>159.04</b>	<b>166.13</b>

## Notes:

1. Source: City of Unalaska, *Operating and Capital Budgets*

Table 21

CITY OF UNALASKA, ALASKA  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Custodies	420	337	320	257	274	241	271	263	325	267
Fire:										
Fire response	36	24	37	50	42	29	21	49	38	30
Burn permits	145	159	116	129	99	65	65	129	114	92
Fire safety	45	31	26	41	15	17	20	35	14	28
EMS:										
EMS ambulance Calls	176	191	107	147	184	131	113	290	186	148
Public works:										
Building permits issued	43	28	55	34	16	14	27	25	21	21
Parks, culture, and recreation:										
Community Center admissions	84,904	72,532	84,134	72,889	89,178	42,747	43,161	43,158	41,194	42,407
Aquatic center attendance	*	18,500	19,072	14,631	18,348	11,950	13,219	16,928	13,317	16,181
CC & aquatic center volunteer hours	1,175	2,260	1,334	1,908	1,731	1,693	975	894	885	889
Library volunteer hours	*	840	410	733	667	766	116	98	83	49
Library circulation	144,999	197,743	208,749	211,841	239,936	267,630	196,852	198,012	75,916	67,346
Library attendance	*	110,960	115,735	113,439	105,831	138,955	91,262	71,537	41,060	47,802
Electric:										
Power generated MW	31,443	35,705	30,060	37,998	46,858	43,742	45,198	44,411	43,213	58,515
Water:										
Water produced (MG)	1,042	1,093	971	1,090	1,204	1,262	1,164	1,163	1,246	1,284
Daily pumping capacity (MGD)	4	4	4	4	4	4	4	4	4	4
Total daily capacity (MGD)	5.5-13	13	12	12	12	12	12	12	13	13
Wastewater:										
Average daily treatment (MG)	0.47	0.48	0.47	0.56	0.55	0.43	0.43	0.39	0.40	0.41
Solid waste:										
Tons of waste collected	6,702	6,785	6,061	6,442	7,128	7,484	7,238	7,508	8,419	6,440
Cubic yards of waste collected	*	9,234	8,637	8,978	10,625	10,678	10,910	11,022	11,760	10,934
Ports and harbors:										
UMC vessel calls	520	407	334	237	577	655	751	680	574	—
UMC wharfage tons	464,549	286,698	363,038	338,029	479,630	356,032	498,098	535,028	488,758	—
Airport:										
Passengers	58,431	53,624	52,613	55,135	53,698	59,792	51,424	54,200	*	—

\* Data unavailable or incomplete

Source: City of Unalaska

Table 22

CITY OF UNALASKA, ALASKA  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Response vehicles	6	7	7	7	7	7	7	7	7	7
EMS:										
Ambulances	2	2	2	2	2	2	2	2	2	2
Public works:										
Miles of public roads	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2
Miles of paved roads	6.6	6.6	6.6	7.0	7.0	7.0	9.5	9.5	9.5	9.5
Street lights	179	179	179	179	179	179	245	246	251	317
Flashing/cautionary lights	9	9	9	9	9	9	15	15	15	15
Number of bridges	7	7	7	7	7	7	10	11	11	11
Parks, culture and recreation:										
Community Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Parks	8	8	8	8	8	8	8	8	8	8
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Electric:										
Number of city owned power plants	1	1	1	1	1	1	1	1	1	1
Number of sub-stations	2	2	2	2	2	2	2	2	2	2
Water:										
Wells	4	4	4	4	4	4	4	4	3	3
Surface water treatment facilities	1	1	1	1	1	1	1	1	1	1
Miles of water lines	23	23	23	23	23	23	23	23	23	23
Number of connections	599	599	599	599	599	582	582	586	590	590
Wastewater:										
Sanitary sewers MH's	353	353	353	353	353	353	367	367	367	367
Miles of sewer lines	17	17	17	17	17	17	18	21	21	21
Lift stations	9	9	9	9	9	9	10	10	10	10
Solid waste:										
Landfills	1	1	1	1	1	1	1	1	1	1
Ports and harbors:										
Dock facilities – linear feet of docking:										
Unalaska Marine Center (UMC)	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051
Spit Dock facility	1,975	1,975	1,975	1,975	1,975	2,400	2,400	2,400	2,400	2,400
Light Cargo Dock	340	340	340	340	340	340	340	340	340	340
Small Boat Harbor	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,072	1,072
CEM Small Boat Harbor	*	*	*	*	5,919	5,919	5,919	5,919	5,919	5,919

Source: City of Unalaska

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## MEMORANDUM TO COUNCIL

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**TO:** Mayor and City Council Members  
**THROUGH:** Nancy M. Peterson, City Manager  
**FROM:** Marjie Veeder, City Clerk  
**DATE:** January 23, 2018  
**RE:** Liquor License Renewals

**SUMMARY:** Liquor licenses must be renewed with the State of Alaska every two years. Each year Council reviews the renewal applications for the licenses up for renewal and determines whether or not the City will protest the request for renewal. A total of ten liquor licenses are held by Unalaska businesses, and two are up for renewal. It is recommended that the City not protest the renewal of either license.

**PREVIOUS COUNCIL ACTION:** Council reviews liquor license renewals each year. Council discussed protesting specific license renewals in 1995, 2002 and 2006 due to delinquent utility bills, but did not file any protests. In 2010 Council protested the renewal of a liquor license due to delinquent sales tax, property tax and utility bills, and because the business had no physical location due to fire.

**BACKGROUND:** AS 04.11.400 defines the distribution of liquor licenses based on population and location:

- For every 1,500 or fraction thereof in population, one restaurant/eating place license is authorized. Such licenses allow the establishment to serve only beer and wine.
- For every 3,000 or fraction thereof of population, one beverage dispensary license is authorized and one package store license is authorized.
- Beverage dispensary and restaurant/eating place licenses that are designated as tourism, convenience or airport do not count as licenses based on population.

The City of Unalaska has the following breakdown of licenses authorized:

Establishment	License Type	Explanation
Alaska Ship Supply	Package Store	One of two package store licenses allowed by population
Harbor View Liquor Store	Package Store	One of two package store licenses allowed by population
Dutch Harbor Fast Food	Restaurant/Eating Place	One of three restaurant/eating place licenses allowed by population
Amelia's Restaurant	Restaurant/Eating Place – Public Convenience	Restaurant/Eating Place – Public Convenience is not counted in population per AS 04.11.400(g)
Airport Restaurant & Lounge	Beverage Dispensary – Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)(2)
Grand Aleutian Hotel	Beverage Dispensary – Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)



Establishment	License Type	Explanation
Grand Aleutian Hotel Chart Room	Beverage Dispensary – Tourism Duplicate	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)
Harbor View Bar & Grill	Beverage Dispensary – Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)
Harbor Sushi	Beverage Dispensary	One of the two beverage dispensary licenses allowed by population
Norwegian Rat Saloon	Beverage Dispensary	One of the two beverage dispensary licenses allowed by population

Based on population, Unalaska has two unused restaurant/eating place licenses.

**DISCUSSION:** The following licenses are up for renewal: (1) M&M Holding, LLC, dba The Norwegian Rat Saloon; and (2) Edelmira Cortez, dba Amelia's Restaurant. Neither of these businesses is behind in taxes or utilities payments owed to the City. Council also considers the number of public safety calls made to an establishment each year, which are summarized in the following chart:

CALL TYPE	Norwegian Rat 2016	Norwegian Rat 2017	Amelia's 2016	Amelia's 2017
Ambulance Request	2	6		
Assault	11	8		
Assistance Rendered	5	4	1	1
Disorderly Conduct		4		
Drunk Disturbance	5	12		
DUI	2	2		
Fire Safety				1
Forgery		1		
Found Property		2		
Harassment	1	1		
Liquor Law Violation	1	5		
Marijuana Enforcement	1	1		
MVA-Damage	2	1		
Release Conditions	4	3		
Suspicious Person/Activity	4	8		1
Taxi Violation	2	2		
Theft	9	4		
Traffic Crime	3	2	1	
Trespass	10	9	1	
Warrant Arrest	1			
Weapons	1			
Welfare Check		8		
<b>Total Calls to Establishment</b>	<b>64</b>	<b>83</b>	<b>3</b>	<b>3</b>
<b>Calls initiated by officer</b>	<b>14</b>	<b>16</b>	<b>1</b>	<b>1</b>
<b>Calls initiated by staff/civilian</b>	<b>50</b>	<b>67</b>	<b>2</b>	<b>2</b>

**ALTERNATIVES:** The Council may choose to protest a license renewal for either or both businesses and must provide the business the opportunity to present a defense to the protest at a future council meeting. This must be accomplished no later than February 26, 2018.

**FINANCIAL IMPLICATIONS:** Probable loss of sales tax revenue if a license is not renewed.

**LEGAL:** None

**STAFF RECOMMENDATION:** Staff recommends that Council not protest the renewal of either license.

**PROPOSED MOTION:** No action is necessary unless Council wishes to protest the renewal of either license.

**CITY MANAGER'S COMMENTS:** I support staff's recommendation not to protest the renewal of either liquor license.

**ATTACHMENTS:**

- Letter from AMCO and renewal application – Amelia's
- Letter from AMCO and renewal application – Norwegian Rat Saloon



December 28, 2017

City of Unalaska  
Attn: Catherine Hazen  
Via Email: [chazen@ci.unalaska.ak.us](mailto:chazen@ci.unalaska.ak.us)

**Re: Notice of 2018/2019 Liquor License Renewal Application**

<b>License Type:</b>	Restaurant/Eating Place – Public Convenience	<b>License Number:</b>	4048
<b>Licensee:</b>	Edelmira Cortez		
<b>Doing Business As:</b>	Amelia’s Restaurant		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Erika McConnell, Director  
[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)



**Alaska Alcoholic Beverage Control Board**  
**Restaurant or Eating Place License**  
**Form AB-17a: 2018/2019 Renewal License Application**

**What is this form?**

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing restaurant or eating place liquor license that will expire on December 31, 2017. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

**This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.**

**Section 1 – Establishment and Contact Information**

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	Edelmira Cortez	License #:	4048
License Type:	Restaurant/Eating Place - Public Convenience	Statute:	AS 04.11.400(g)
Doing Business As:	Amelia's Restaurant		
Premises Address:	Corner of Airport & East Point		
Local Governing Body:	City of Unalaska		
Community Council:	None		

Mailing Address:	P.O. BOX 920332			
City:	DUTCH HARBOR UNALASKA	State:	ALASKA	ZIP: 99692

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

Point of Contact:	EDELMIIRA CONTEZ		
Contact Phone:	907-581-2800	Business Phone:	907-581-2800
Contact Email:	Edelmira.CONTEZ@AOTMASC.COM		

Seasonal License?  Yes  No  
 If "Yes", write your six-month operating period: \_\_\_\_\_







Alaska Alcoholic Beverage Control Board  
**Restaurant or Eating Place License**  
**Form AB-17a: 2018/2019 Renewal License Application**

**Section 2 – Authorization**

Communication with AMCO staff: Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:

*N/A*

**Section 3 – Sole Proprietor Ownership Information**

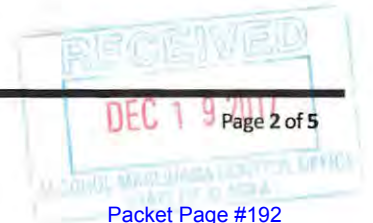
This section must be completed by any sole proprietorship who is applying for license renewal. Entities should skip to Section 4. If more space is needed, please attach a separate sheet with the required information. The following information must be completed for each licensee and each affiliate (spouse).

This individual is an:  applicant  affiliate

Name:	Edelmira Cortez			
Mailing Address:	PO BOX 920332			
City:	DUTCH HARBOR	State:	ALASKA	ZIP: 99692
Email:	EdelmiraCortez@HOTMAIL.COM			
Contact Phone:	907-581-2800			

This individual is an:  applicant  affiliate

Name:				
Mailing Address:				
City:		State:		ZIP:
Email:				
Contact Phone:				







# Alaska Alcoholic Beverage Control Board

## Restaurant or Eating Place License

### Form AB-17a: 2018/2019 Renewal License Application

#### Section 4 – Entity Ownership Information

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). You may view your entity's status or find your CBPL entity number by visiting the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>  
Partnerships may skip to the second half of this page. Sole proprietorships should skip to Section 5.

Alaska CBPL Entity #:	
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

<input type="checkbox"/>
--------------------------

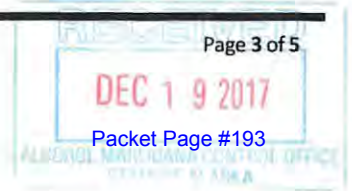
This subsection must be completed by any community or entity, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **stockholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a **limited partnership**, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

Entity Official Name:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:

Entity Official Name:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:

Entity Official Name:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:





**Alaska Alcoholic Beverage Control Board**  
**Restaurant or Eating Place License**  
**Form AB-17a: 2018/2019 Renewal License Application**

**Section 5 – License Operation**

Check a single box for each calendar year that best describes how this liquor license was operated:	2016	2017
The license was regularly operated continuously throughout each year, for 8 or more hours each day.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The license was regularly operated during a specific season each year, for 8 or more hours each day.	<input type="checkbox"/>	<input type="checkbox"/>
The license was only operated to meet the minimum requirement of 30 days each year, 8 hours each day. <i>If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.</i>	<input type="checkbox"/>	<input type="checkbox"/>
The license was not operated at all or was not operated for at least the minimum requirement of 30 days each year, 8 hours each day, during one or both of the calendar years. <i>If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement.</i>	<input type="checkbox"/>	<input type="checkbox"/>

**Section 6 – Violations and Convictions**

Applicant violations and convictions in calendar years 2016 and 2017:	Yes	No
Have any notices of violation (NOVs) been issued to this licensee in the calendar years 2016 or 2017?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2016 or 2017?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

**Section 7 – Alcohol Server Education**

Read the line below, and then sign your initials in the box to the right of the statement:	Initials
I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as required under AS 04.21.025 and 3 AAC 304.465.	<div style="border: 1px solid black; padding: 5px; display: inline-block;">EC</div>







Alaska Alcoholic Beverage Control Board

Restaurant or Eating Place License

**Form AB-17a: 2018/2019 Renewal License Application**

**Section 8 – Gross Receipts**

Enter the dollar amounts of the food and gross (food + alcohol) receipts on the licensed premises, and calculate the percentage of gross receipts that are from food sales on the licensed premises for each calendar year. (Food Receipts ÷ Gross Receipts x 100 = %)

2016 Food Receipts:	\$ 851,323	2016 Gross Receipts:	\$ 1,001,556	% From Food:	85%
2017 Food Receipts:	\$ 652,050	2017 Gross Receipts:	\$ 767,117	% From Food:	85%

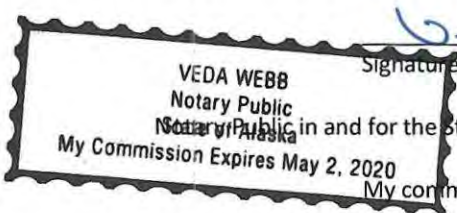
**Section 9 – Certifications**

Read each line below, and then sign your initials in the box to the right of each statement:

- |   |          |
|---|----------|
|   | Initials |
| I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.  | EC       |
| I certify that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.   | EC       |
| I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently on file with the Alcoholic Beverage Control Board. | EC       |
| I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.   | EC       |

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

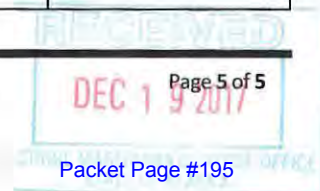
Edelmira Cortez  
 Signature of licensee  
Edelmira Cortez  
 Printed name of licensee



Veda Webb  
 Signature of Notary Public  
 in and for the state of Alaska  
 My commission expires: May 02 2020

Subscribed and sworn to before me this 15 day of December, 2017.

License Fee:	\$ 600.00	Application Fee:	\$ 200.00	TOTAL:	\$ 800.00
Late Fee of \$500.00 – if received or postmarked after 01/02/2018:					
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):					





December 28, 2017

City of Unalaska  
Attn: Catherine Hazen  
Via Email: [chazen@ci.unalaska.ak.us](mailto:chazen@ci.unalaska.ak.us)

**Re: Notice of 2018/2019 Liquor License Renewal Application**

<b>License Type:</b>	Beverage Dispensary	<b>License Number:</b>	5264
<b>Licensee:</b>	M&M Holding, LLC		
<b>Doing Business As:</b>	The Norwegian Rat Saloon		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Erika McConnell, Director  
[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)





Alaska Alcoholic Beverage Control Board

**Master Checklist: Renewal Liquor License Application**

License Type:	BD	License Number:	5264
Doing Business As:	The Norwegian Rat Saloon		
Examiner:	Carrie	Transaction #:	1020248

Document	Received	Completed	Notes
AB-17: Renewal Application	11/20/17	12/27	
App and License Fees	11/20/17	12/27	

Supplemental Document	Received	Completed	Notes
Tourism/Rec Site Statement			
AB-25: Supplier Cert (WS)			
AB-29: Waiver of Operation			
AB-30: Minimum Operation			
Fingerprint Cards & Fees / AB-08a: Crim. History			
Late Fee			

Names on FP Cards:	
--------------------	--

	Yes	No
Selling alcohol in response to written order (package stores)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mailing address different than one in database?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In "Good Standing" with CBPL (skip this and next question for sole proprietor)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Officers and stockholders match CBPL and database (if "No", determine if transfer necessary)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>





Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

**Form AB-17: 2018/2019 Renewal License Application**

**What is this form?**

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing liquor license that will expire on December 31, 2017. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

**This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.**

**Section 1 – Establishment and Contact Information**

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	M & M Holdings, LLC	License #:	5264
License Type:	Beverage Dispensary	Statute:	AS 04.11.090
Doing Business As:	The Norwegian Rat Saloon		
Premises Address:	1906 Airport Beach Road		
Local Governing Body:	City of Unalaska		
Community Council:	None		

Mailing Address:	PO Box 920554				
City:	Dutch Harbor	State:	AK	ZIP:	99692

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

Point of Contact:	monica Henning		
Contact Phone:	1-907-359-3615	Business Phone:	1-907-581-4455
Contact Email:	mmm_8k@hotmail.com		

Seasonal License?    Yes     No

If "Yes", write your six-month operating period: \_\_\_\_\_

DEC 7 7 2017





Alaska Alcoholic Beverage Control Board

**Form AB-17: 2018/2019 Renewal License Application**

**Section 2 – Authorization**

Communication with AMCO staff: \_\_\_\_\_ Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:  
\_\_\_\_\_

**Section 3 – Sole Proprietor Ownership Information**

This section must be completed by any sole proprietorship who is applying for license renewal. Entities should skip to Section 4. If more space is needed, please attach a separate sheet with the required information. The following information must be completed for each licensee and each affiliate (spouse).

This individual is an:  applicant  affiliate

Name:					
Mailing Address:					
City:		State:		ZIP:	
Email:					
Contact Phone:					

This individual is an:  applicant  affiliate

Name:					
Mailing Address:					
City:		State:		ZIP:	
Email:					
Contact Phone:					

DEC 27 2017







Alaska Alcoholic Beverage Control Board

**Form AB-17: 2018/2019 Renewal License Application**

**Section 4 – Entity Ownership Information**

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). You may view your entity's status or find your CBPL entity number by visiting the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>  
 Partnerships may skip to the second half of this page. Sole proprietorships should skip to Section 5.

Alaska CBPL Entity #:	995443 10013351
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

This subsection must be completed by any community or entity, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a corporation, the following information must be completed for each *stockholder who owns 10% or more* of the stock in the corporation, and for each *president, vice-president, secretary, and managing officer*.
- If the applicant is a limited liability organization, the following information must be completed for each *member with an ownership interest of 10% or more*, and for each *manager*.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each *partner with an interest of 10% or more*, and for each *general partner*.

Entity Official Name:	Rogue properties LLC				
Title(s):	member	Phone:	(907) 359-3615	% Owned:	50
Mailing Address:	PO Box 920524				
City:	Dutch Harbor	State:	AK	ZIP:	99692

Entity Official Name:	Weak Link LLC				
Title(s):	member	Phone:	(907) 359-2165	% Owned:	50
Mailing Address:	PO Box 920785				
City:	Dutch Harbor	State:	AK	ZIP:	99692

Entity Official Name:	Monica Henning				
Title(s):	Affiliate	Phone:	1-907-359-3615	% Owned:	
Mailing Address:	PO Box 920524				
City:	Dutch Harbor	State:	AK	ZIP:	99692

NOV 21 2017  
 Page 3 of 5  
 ALCOHOL MARIJUANA CONTROL OFFICE  
 STATE OF ALASKA

DEC 27 2017





Alaska Alcoholic Beverage Control Board  
**Form AB-17: 2018/2019 Renewal License Application**

**Section 5 – License Operation**

<u>Check a single box for each calendar year that best describes how this liquor license was operated:</u>	2016	2017
The license was regularly operated continuously throughout each year, for 8 or more hours each day.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The license was regularly operated during a specific season each year, for 8 or more hours each day.	<input type="checkbox"/>	<input type="checkbox"/>
The license was only operated to meet the minimum requirement of 30 days each year, 8 hours each day. <i>If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.</i>	<input type="checkbox"/>	<input type="checkbox"/>
The license was not operated at all or was not operated for at least the minimum requirement of 30 days each year, 8 hours each day, during one or both of the calendar years. <i>If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement.</i>	<input type="checkbox"/>	<input type="checkbox"/>

**Section 6 – Violations and Convictions**

<u>Applicant violations and convictions in calendar years 2016 and 2017:</u>	Yes	No
Have any notices of violation (NOVs) been issued to this licensee in the calendar years 2016 or 2017?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2016 or 2017?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

**Section 7 – Alcohol Server Education**

This section must be completed only by the holder of a beverage dispensary, club, or pub license or conditional contractor's permit. The holders of all other license types should skip to Section 8.

Read the line below, and then sign your initials in the box to the right of the statement: Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as required under AS 04.21.025 and 3 AAC 304.465.

DEC 7 2017





Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

**Form AB-17: 2018/2019 Renewal License Application**

**Section 8 – Certifications**

Read each line below, and then sign your initials in the box to the right of each statement:

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

Initials

I certify that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently on file with the Alcoholic Beverage Control Board.

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Monica Henning  
 Signature of licensee

[Signature]  
 Signature of Notary Public

Monica Henning  
 Printed name of licensee

Notary Public in and for the State of Alaska



My commission expires: 02/14/2019

Subscribed and sworn to before me this 16 day of November, 2017.

License Fee:	\$ 2500.00	Application Fee:	\$ 200.00	TOTAL:	\$ 2700.00
Late Fee of \$500.00 – if received or postmarked after 01/02/2018:					
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):					





Department of Commerce, Community, and Economic Development  
Division of Corporations, Business and Professional  
Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

**NAME(S)**

Type	Name
Legal Name	M & M Holdings LLC

**ENTITY DETAILS**

**Entity Type:** Limited Liability Company  
**Entity #:** 10013351  
**Status:** Good Standing  
**AK Formed Date:** 6/3/2013  
**Duration/Expiration:** Perpetual  
**Home State:** ALASKA  
**Next Biennial Report Due:** 1/2/2019  
**Entity Mailing Address:** 510 L STREET, SUITE 500, ANCHORAGE, AK 99501  
**Entity Physical Address:** 510 L STREET, SUITE 500, ANCHORAGE, AK 99501

**REGISTERED AGENT**

**Agent Name:** John Kauffman  
**Registered Mailing Address:** 510 L STREET, SUITE 500, ANCHORAGE, AK 99501  
**Registered Physical Address:** 510 L STREET, SUITE 500, ANCHORAGE, AK 99501

**OFFICIALS**

AK Entity #	Name	Titles	Owned	<input type="checkbox"/> Show Former
	Rogue Properties LLC	Member	50	
	Weak Link LLC	Member	50	

**FILED DOCUMENTS**

Date Filed	Type	Filing	Certificate
6/03/2013	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
9/30/2013	Initial Report	<a href="#">Click to View</a>	
12/17/2014	Biennial Report	<a href="#">Click to View</a>	
12/06/2016	Biennial Report	<a href="#">Click to View</a>	

**Juneau Mailing Address**

P.O. Box 110806  
 Juneau, AK 99811-0806

**Physical Address**

333 Willoughby Avenue  
 9th Floor  
 Juneau, AK 99801-1770

**Phone Numbers**

Main Phone: (907) 465-2550  
 FAX: (907) 465-2974

**Anchorage Mailing/Physical Address**

550 West Seventh Avenue  
 Suite 1500  
 Anchorage, AK 99501-3567

**Phone Numbers**

Main Phone: (907) 269-8160  
 FAX: (907) 269-8156

## MEMORANDUM

To: Unalaska City Council Members  
From: Mayor Frank Kelty  
Date: January 23, 2018  
Subject: Proposed letter of Support to Governor Walker from the City of Unalaska supporting the nomination of Nicole Kimball for a seat on the North Pacific Fishery Management Council (NPFMC) representing the State of Alaska

I was contacted by Glenn Reed, President of the Pacific Seafood Processors Association (PSPA), requesting that the City of Unalaska send a letter supporting the nomination of Nicole Kimball to the NPFMC. PSPA is a non-profit trade association comprised of nine seafood processing companies with 31 facilities in 18 coastal Alaska communities, as well as three floating processors.

I have known Ms. Kimball professionally for almost 20 years, and she is a born and raised Alaskan currently living in Anchorage. She will bring to the NPFMC a wealth of knowledge and experience regarding fishery management issues in Alaska, having worked as a fisheries analyst for NPFMC for 12 years and having recently served 4 years as the Federal Fisheries Coordinator for the Alaska Department of Fish and Game. Nicole currently serves as Vice President of Alaska Operations for PSPA.

Nicole is hoping to be nominated for the seat currently held by Dan Hull who has served 3 terms, the maximum allowed due to term limits. I believe Nicole to be an outstanding nominee who will “hit the ground running” if chosen by the Governor as his nominee. Nicole has a wealth of knowledge and understanding of Council processes and has worked effectively with stakeholders in all areas of the Alaska seafood industry for years. I believe Nicole would be a valuable contributing member to the Council from the outset.

The Alaska seafood processing sector has gone almost 10 years without an Alaska representative on the council, despite a long history of involvement and leadership roles on the council. The processing sector is of critical importance to harvesters and is the economic engine for fishery dependent communities across Alaska. I feel that this lack of representation on the council needs to be corrected.

I request that the Unalaska City Council consider supporting Ms. Kimball’s nomination. A proposed letter of support is attached, along with Ms. Kimball resume, her letter to Governor Walker and the current roster of North Pacific Council members representing Alaska.

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



January 23, 2018

Honorable Bill Walker  
Governor, State of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Walker:

I'm writing to you today in support of the nomination of Ms. Nicole Kimball for one of the upcoming State of Alaska vacancies on the North Pacific Fishery Management Council.

Governor, we know how political these appointments can be, and the pressure many organizations and people put on you. We feel that you have an outstanding candidate in Ms. Kimball whom I have known for almost 20 years. Nicole was born and raised in Alaskan. If she is chosen as the appointee, she will do a great job representing the State of Alaska on the North Pacific Council. She will bring a wealth of knowledge and experience on the fishery management issues having worked as a fisheries analyst for the North Pacific Council for 12 years and having served 4 years as the Federal Fisheries Coordinator for the Alaska Department of Fish and Game. Nicole will hit the ground running if chosen as your nominee as she has a wealth of knowledge and understanding of the Council process and has worked effectively with stakeholders in all areas of the Alaska Seafood industry for years. We believe Nicole would be a contributing member to the Council process from the onset.

Nicole currently serves as Vice President of Alaska Operations for the Pacific Seafood Processors Association (PSPA) in Anchorage. PSPA is a non-profit trade association comprised of nine processing companies with 31 facilities in 18 coastal Alaska communities and three floating processors. It has been almost 10 years that this very important sector of Alaska Seafood Industry has not been represented on the North Pacific Council, despite a history of involvement and leadership roles on the Council. The City of Unalaska, the nation's top commercial fishing port, feels that the lack of representation on the Council of this important sector of the Alaska Seafood Industry needs to be corrected. The processing sector is of critical importance to harvesters and is the economic engine for fishery dependent communities across Alaska.

In closing, Governor Walker, we give you our highest recommendation for the nomination of Ms. Nicole Kimball to represent the State of Alaska on the North Pacific Fishery Management Council. With Nicole's solid background and many years of experience in Council processes, and her knowledge of the issues facing the Council, there won't be a learning curve for her to overcome.

Sincerely,

CITY OF UNALASKA

---

Frank Kelty  
Mayor

January 4, 2018

Office of Governor Bill Walker  
3rd Floor, State Capitol  
PO Box 110001  
Juneau, AK 99811

Dear Governor Walker,

I am writing to express my interest in serving on the North Pacific Fishery Management Council in the Alaska seat that will be open in 2018.

I would like to serve on the North Pacific Council because I care about the state of fisheries management in Alaska, and the communities that depend upon sound management. The North Pacific Council has a long history of sustainable management that puts science first, and that has served us well for decades. Significant challenges lie ahead, however, as changing ecosystems are increasingly the driver in fishery trends, and must be understood and considered by both industry and managers when making annual and long-term decisions. There is an increasing reliance on our core data, such as marine surveys, stock assessments, observer data, and ecological research to guide decision-making. More than ever, we will need to utilize adaptive management if we want to maintain a fisheries economy in the wake of both a changing environment and global market expectations for sustainable fisheries. Given my analytical and public policy background, I am well suited to work collaboratively with all stakeholder groups within the Council process to address these challenges.

I am a born and raised Alaskan, and currently serve as the Vice President of Alaska Operations for the Pacific Seafood Processors Association (PSPA) in Anchorage. PSPA is a non-profit trade association, comprised of nine seafood processing companies that operate 31 facilities in 18 coastal communities across Alaska and 3 floating processors, all of which buy seafood from fishermen in waters off Alaska. PSPA member companies purchase, process, and market wild Alaska salmon, pollock, crab, Pacific cod, halibut, sablefish, flatfish, and other species of Alaska seafood and take deliveries from every major commercial fishery and gear type. They have been at the forefront of supporting management systems based on sound science and sustainability principles, and are committed to continuing their vital role in Alaska's fisheries-based economy and the economies of our coastal communities. These companies are dependent on healthy communities, support sector businesses, and independent fishermen. Because of this broad interest and role in a healthy fisheries economy, I believe including processor representation on the Council would meaningfully benefit Alaska.

Before working for PSPA, I served as the Federal Fisheries Coordinator for the Alaska Department of Fish & Game, where I represented the state in regional, national, and international fisheries venues, and served on the North Pacific Council as the Commissioner's alternate for four years. In this position, I was responsible for understanding and communicating the impacts of proposed regulatory programs on fish stocks, harvesters, processors, and communities across the North Pacific and developing robust policy positions to support the state. Previous to this, I worked as a fisheries analyst for the North Pacific



Council for over 12 years, which allowed me an in-depth understanding of the data, programs, and fisheries under the Council's jurisdiction, as well as the federal laws with which all Council actions must comply. I have extensive experience in the North Pacific Council system on both the analytical and policy side, and have proven effective at moving proposals through this complex process to action.

The Council process and sound fisheries management are fundamental to a sustainable resource that provides long-term benefits to Alaska and the nation. I wholly believe in this process, and the standards set out in the Magnuson Stevens Act, which prioritizes the health of the resource and is reliant upon consistent stakeholder engagement and regionally-driven decision-making. Effective Council members must be great listeners and collaborators; I have long experience in public service working with diverse groups of Council stakeholders, including non-governmental organizations, tribal organizations, harvesters, processors, and community representatives. I was responsible for implementing the first rural outreach efforts as an analyst at the Council, primarily related to salmon bycatch issues. In my current role, I continue to work with interests across commercial fisheries, including many commercial fishery associations, Maritime Works, and Alaska Sea Grant. I currently serve on the Observer Advisory Committee and IFQ Committee for the North Pacific Council.

My resume is attached. Please let me know if you would like additional information as your office deliberates on nominations for the Council seat currently up for consideration. I appreciate the opportunity to apply for this critically important position.

Sincerely,

A handwritten signature in black ink that reads "Nicole S. Kimball". The signature is written in a cursive, flowing style.

Nicole S. Kimball

I submitted an application on January 4 to serve on the North Pacific Fishery Management Council in an Alaska seat whose term will expire in August 2018. Two seats are up: Andy Mezirow (charter seat) and Dan Hull (halibut longline). Dan Hull is termed out so cannot reapply; this is the seat I'm targeting. **Support letters can be submitted at any time but preferably by Feb 1**, as the Governor may make a decision in mid-Feb. Support letters should be addressed to Governor Walker and emailed to the Office of Boards and Commissions: [boards@alaska.gov](mailto:boards@alaska.gov)

Points that could be used in a letter of support:

- Born and raised Alaskan (born in Ketchikan, grew up in Anchorage, raising a family in Anchorage).
- Currently serve as the Vice President of Alaska Operations for the Pacific Seafood Processors Association (PSPA) in Anchorage. PSPA is a non-profit trade association, comprised of nine seafood processing companies that operate 31 facilities in 18 coastal communities across Alaska and 3 floating processors, all of which buy seafood from fishermen in waters off Alaska. PSPA member companies purchase, process, and market wild Alaska salmon, pollock, crab, Pacific cod, halibut, sablefish, flatfish, and other species of Alaska seafood and take deliveries from every major commercial fishery and gear type. These companies are dependent on healthy communities, support sector businesses, and independent fishermen.
- There is no processor representation on the current Council, despite a history of involvement and leadership. Diverse membership is critical to the Council's success and strived for in the Magnuson Stevens Act. Because processors have a broad interest in all commercial fisheries off Alaska, and play a strong role in a healthy fisheries economy in tandem with harvesters and communities, processor representation on the Council would be of benefit to Alaska.
- Previous analytical and policy work uniquely qualifies Nicole for this appointment:

*Federal Fisheries Coordinator* in the Commissioner's Office at the Alaska Department of Fish & Game, where I represented the state in regional, national, and international fisheries venues, and served on the North Pacific Fishery Management Council as the Commissioner's alternate for four years. Primary job was to understand impacts of proposed changes to fishery management plans and regulations, and to develop (and communicate) policy at the direction of the Commissioner.

*Fisheries Analyst* for the North Pacific Council for over 12 years.

Long experience working effectively with diverse groups of stakeholders, through Council committee work, serving all stakeholders at ADFG, and in various federal, state and private forums with PSPA.

Have comprehensive understanding of the Magnuson Stevens Act, federal fisheries regulations, federal fisheries data, and federal management programs in the North Pacific.

Understand the federal requirements for environmental and economic analysis; work on a detailed level to understand impacts of proposed changes to fishery management plans and regulations on affected participants and fisheries access

Proven record of working effectively as a Council member to see proposals through to fruition (action)

Both analytical experience and policy experience focus is on healthy, fishery dependent coastal communities

Significant experience working with the council's Observer Advisory Committee on maintaining and improving monitoring programs to support commercial fisheries, both at-sea and in shoreside processing plants

Significant experience with the council's programs to minimize salmon and halibut bycatch in the Bering Sea and Gulf of Alaska

## Nicole Sioux Kimball

2042 Cliffside Drive, Anchorage, Alaska 99501

907-223-1648

*nicolek@pspafish.net*

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### Education

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#### **M.A. Environmental Policy**

*September 1996 to May 1998*

*Tufts University, Medford, Massachusetts*

Concentration: Renewable resource policy & fisheries management

Thesis: National Estuary Program: A study of ecological economic value

#### **B.S. Natural Resource Management**

*August 1990 to May 1994*

*University of Maine, Orono, Maine*

Concentration: Environmental law and policy

Bickford Prize: Top student in the College of Natural Sciences, Forestry, and Agriculture

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### Work Experience

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#### **Vice President, Alaska Operations**

*March 2016 - present*

*Pacific Seafood Processors Association, Anchorage, Alaska*

Responsible for representing the interests of member seafood processing companies with operations in Alaska on legislative and regulatory issues at state and federal levels. Responsible for policy analysis at state and national level. Lead projects to foster a public understanding of the importance of the seafood sector to Alaska, support workforce development, improve scientific understanding related to commercial fisheries management, and implement outreach to improve communication and coordination with coastal communities.

#### **Federal Fisheries Coordinator**

*January 2012 – January 2016*

*Commissioner's Office*

*Alaska Department of Fish & Game, Anchorage, Alaska*

Develop policy and management actions for the Commissioner for federal fisheries off Alaska through the North Pacific Fishery Management Council. Serve as the alternate to the Commissioner on the Council. Serve as supervisor for the Extended Jurisdiction Section, comprised of two staff biologists and an economist. Leadership on specific issues includes bycatch reduction in the Bering Sea, Aleutian Islands and Gulf of Alaska; improving fisheries monitoring; development of a catch sharing plan for the commercial and charter halibut sectors; Aleutian Islands community protections; and design of a cooperative program to minimize bycatch and increase stability and optimum yield in the Gulf of Alaska trawl fisheries.

Additional duties include:

- Department designee on the U.S. - Russia Intergovernmental Consultative Committee
- Department designee on the Pacific Fishery Management Council
- Evaluate congressional legislation pertaining to federal fisheries management
- Department lead on federal/state marine boundary issues



**Fisheries Analyst***October 1999 – January 2012**North Pacific Fishery Management Council, Anchorage, Alaska*

Responsible to the Council and its Executive Director for economic and environmental analyses to support management of the Nation's fisheries off Alaska. Liaison between Council and state and federal agencies and the public on fisheries management issues, including presentation at scientific, advisory, and committees. Responsible for development and implementation of rural community outreach plans.

Lead analyst in development of the following major fishery management programs:

- Revisions to the western Alaska Community Development Quota Program
- Establishing a Gulf of Alaska community quota program for halibut and sablefish
- Restructuring of the North Pacific Observer Program
- Revisions to the Pacific cod fixed gear fishery in the Bering Sea and Aleutian Islands
- License limitation program for trawl groundfish fisheries off Alaska
- Bering Sea and Aleutian Islands Pacific Cod allocations by gear type
- Community charter halibut permit program for Gulf of Alaska communities

Other projects and duties:

- Steering committee, Fishing People of the North, Lowell Wakefield Fisheries Symposium, 2011
- Lead on community outreach on multiple projects in coastal western Alaska and Gulf of Alaska
- Steering committee, Alaska's Fishing Communities Conference, NOAA and Alaska Sea Grant, 2005 (chair) and 2006
- Staff of Council's Rural Community Outreach Committee; Observer Advisory Committee; Community Quota Share Committee; and Community Development Quota Committee
- Council staff to State of Alaska Blue Ribbon Panel on the western Alaska CDQ Program

**Natural Resource Specialist, Navigable Waters***February to October 1999**Division of Mining, Land & Water**Alaska Department of Natural Resources, Anchorage, Alaska**Prepared analysis of State navigable water issues and liaised with counsel and public.*

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**Current Professional Associations/Affiliations**

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**Alaska Sea Life Center***Board of Directors***IFQ Committee, North Pacific Fishery Management Council***Committee Member***Observer Advisory Committee, North Pacific Fishery Management Council***Committee Member***Maritime Works Leadership Council***Council Member***Communications Committee, Alaska Seafood Marketing Institute***Committee Member***State of Alaska's Salmon and People (SASAP) project, National Center for Ecological Analysis and Synthesis at UC Santa Barbara and Nautilus Impact Investing***Team Member*

Bill Walker  
OFFICE OF THE GOVERNOR

You are here: [Home](#) / [Services](#) / [Boards and Commissions](#) / [Roster](#)

## ROSTER

### North Pacific Fishery Management Council

NAME	APPOINTED	REAPPOINTED	EXPIRES
<b>Cotten, Samuel R.</b> (Eagle River) Commissioner of Fish & Game	12/01/2014		
<b>Hull, Daniel</b> (Wasilla) AK Gov Nom/Fed Appt	08/10/2009	08/11/2015	08/10/2018
<b>Kinneen, Simon</b> (Nome) AK Gov Nom/Fed Appt	08/11/2014	08/10/2017	08/10/2020
<b>Laukitis, Michael (Buck)</b> (Homer) AK Gov Nom/Fed Appt	08/11/2016		08/10/2019
<b>Mezirow, Andrew</b> (Seward) AK Gov Nom/Fed Appt	08/11/2015		08/10/2018
<b>Peterson, Theresa</b> (Kodiak) AK Gov Nom/Fed Appt	08/11/2016		08/10/2019

Board Fact Sheet



Southwest Alaska Municipal Conference

1100 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7110 www.swamc.org

Alaska Peninsula  
Aleutian Chain  
Bristol Bay  
Kodiak Island  
Pribilof Islands

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

Dear Sponsor,

The Southwest Alaska Municipal Conference (SWAMC) celebrates its 30<sup>th</sup> anniversary in 2018. Past 30 years our region has made progress on many economic development fronts but challenges remain. SWAMC role and mission, to promote economic development and community well-being in Southwest Alaska, is 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 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 upon your support so we invite you to support the 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.

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](mailto:dgriffin@swamc.org) with any questions. Happy Holidays, and we look forward to seeing you in March!

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Skinner". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Rebecca Skinner, President  
Southwest Alaska Municipal Conference

**8:00 Registration & Networking Breakfast****8:30 Opening and Welcome – Welcome – Mayor Berkowitz  
Approaches to Dealing with Homelessness (invited)****9:00 Sponsors and Exhibitors****9:30 Shifting the Service Mix – Filling the Vital Service Gap**

State Jail Contracts – Clare Sullivan/Karen Cann, Deputy Commissioners – Department of Corrections (invited)

Troopers/VPSO Program – Capt. Andrew Merrill, AST (confirmed)

District Attorneys – Richard Allen Department of Law, District Attorney's Office (confirmed)

Tribal Compacts – Department of Health and Social Services (invited)

Break ~~~

**10:45 Fish Take Flight – The Growing Importance of Air Cargo in Marketing Seafood**

Dr. Darren Prokop, Professor of Logistics, University of Alaska - Anchorage (confirmed)

Shannon Stevens, Alaska Airlines (confirmed)

Lynden Air Cargo – Adak Live Crab Project (contacted)

Airports – DOT/PF

~~~ Break ~~~

**12:00 Lunch— Automation and Robotics–**

Doug Johnson - Professional Growth Systems (confirmed)

H. "Ky" Holland – Alaska Accelerator Fund (confirmed)

Craig Tomita – Universal Robots (confirmed)

~~~ Break ~~~

**1:05 Gold Sponsor's Update -- GCI****1:15 Opioid Crisis – Cause, Treatment, Enforcement, Community Response**

Dr. Jay Butler, State of Alaska Chief Medical Officer (cause)(confirmed)

Dr. Shane Coleman, Southcentral Foundation (treatment) + one (confirmed)

Lt. Steven Adams, Alaska State Troopers (enforcement)(confirmed)

Carol Wren, Bristol Bay Native Corporation (community response)(confirmed)

~~~ Break ~~~

**2:30 Federal Issues for SW Alaska -- The Trump Administration**

Jerry Ward, Dept. of Agriculture, Alaska Region (confirmed)

Steve Wackowski, Alaska Dept. of Interior Advisor (confirmed)

Chris Hladick, U.S. Environmental Protection Agency, Region X (invited)

~~~ Break ~~~

**3:45 U.S. Bureau of the Census****4:00 Broadband in SW Alaska – Seeking Connection to the Digital World**

Dan Boyette, GCI (confirmed)

Kristian Woolston, Quintillion (invited)

ACS/OneWeb (invited)

Tom Brady, Pacific Datapoint (invited)

~~~ Break ~~~

**5:30 President's Reception – Quarter Deck**

**Announced Gubernatorial Candidates:** Representative Mike Chenault (invited), Former Senator Mike Dunleavy (invited), Scott Hawkins (invited), Former Senator Charlie Huggins (invited), Governor Bill Walker (invited)



**8:00 Registration & Networking Breakfast**

**8:10 Opening and Welcome**

**8:15 Governor Walker (invited)**

**8:40 Board and Commission Involvement – Shirley Marquardt, Office of the Governor (confirmed)**

~~~ Break ~~~

**9:00 Legislative Update -- Focus on Fiscal Plan**

- Senator Gary Stevens (invited)
- Senator Lyman Hoffman (invited)
- Representative Edgmon (invited)
- Representative Stutes (confirmed)

~~~ Break ~~~

**10:15 SWAMC's 2017 Membership Meeting**

- SWAMC Membership and Stakeholders

~~~ Break ~~~

**12:00 Lunch – SWAMC – 30 Years Later** –Incorporators of SWAMC in 1988:

Jerome Selby, Former Mayor Kodiak Island Borough (confirmed); Paul Fuhs, Former Mayor of Unalaska (invited); Lamar Cotten, Former Lake and Peninsula Borough Manager (invited); Leon Braswell, Former Mayor City of Dillingham (confirmed)

**Silent Auction Announcement**

~~~ Break ~~~

**1:00 Supporting a \$4.2 Billion Fishing Industry with Diminishing State Budgets –**

Michael Link, Bristol Bay Science and Research Institute (confirmed)

Scott Kelly, Director, Commercial Fisheries Division, ADF&G (invited)

Representative Jonathan Kreiss – Tomkins (confirmed)

Shannon Carroll – Alaska Marine Conservation Council(confirmed)

~~~ Break ~~~

**2:15 Gold Sponsor's Minute – Alaska Airlines**

**2:25 End Silent Auction**

**2:30 SWAMC Energy Update: Laura Vaught – Energy Coordinator**

~~~ Break ~~~

**3:10 Managing a \$4.2 Billion Fishing Industry in Times of Change**

Glenn Merrill, NMF (invited)

Commissioner Cotten, Alaska Department of Fish and Game (invited)

U.S Coast Guard – (invited)

~~~ Break ~~~

**4:15 Adding Value in Alaska to Grow a \$4.2 Billion Industry**

**Mariculture – Julie Decker Alaska Fisheries Development Foundation (confirmed)**

**Jeremy Woodrow, ASMI – Marketing (confirmed)**

**Andy Wink, McDowell Group (invited)**

**Fish Processor - To be determined**

**5:15 Conference Wrap-up**

## Marjorie Veeder

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**From:** Betty Svensson <Betty@akml.org>  
**Sent:** Friday, January 19, 2018 10:31 AM  
**Subject:** 2018 AML Winter Legislative Conference in Juneau  
**Attachments:** Winter Outline 2018Draft.pdf

Please join the Alaska Municipal League and the Alaska Conference of Mayors February 20-22, 2018 for the AML Winter Legislative Conference at the Baranof Hotel. During this meeting, AML members will be able to discuss legislative priorities, hear from the Administration and key legislators about the 2018 Legislative Session, and learn about legislation that may affect Alaska's cities and boroughs.

### DRAFT MEETING AGENDA

#### Tuesday, February 20, 2018

(lunch on your own)

1:00 p.m. – 5:00 p.m..... AML Board of Directors Meeting..... Treadwell Room

#### Wednesday, February 21, 2018

8:30 a.m. – 11:45 a.m..... Alaska Conference of Mayors Meeting..... Treadwell Room

Lunch on your own

1:30 p.m. – 4:30 p.m. ....AML Legislative Conference.....Treadwell Room

5:00 p.m. – 6:00 p.m.....Reception at the Governors House

#### Thursday, February 22, 2018

8:00 a.m. - 8:30 a.m..... Continental Breakfast (Included).....Treadwell Room

8:30 a.m. – 11:45 a.m..... Legislative Conference..... Treadwell Room

12:00 p.m.- 1:15 p.m..... Lunch (Included).....Treadwell Room

1:30 p.m. – 4:00 p.m..... Legislative Conference, continued..... Treadwell Room

5:30 p.m. – 7:00 p.m..... AML Legislative Reception.....Treadwell Room

Use this opportunity to meet with your legislators and staff while in Juneau. Please make your own appointments with legislators at your convenience.

### Hotel Room Block-RESERVE YOUR ROOM NOW!

A room block has been reserved at the Baranof Hotel, rates are \$145/night plus tax depending on room type and occupancy. Please call **1-800-544-0970** for reservations. **All reservations must be made prior to 1/29/2018.** PLEASE NOTE: The hotel is sold out except for our room block.

When booking your room you must mention the **AML booking code: “Alaska Municipal League AML-2018”. Group Code AML2018**

Attached is the preliminary agenda for making travel arrangements. [You may also register online at www.akml.org](http://www.akml.org)

Hope to see you in Juneau!

Betty Svensson, Deputy Director  
Alaska Municipal League  
One Sealaska Plaza, Suite 200



**Alaska Municipal League/Alaska Conference of Mayors  
Winter Legislative Conference  
February 20-23, 2018  
Baranof Hotel, Juneau, AK**

**Tuesday, February 20, 2018**

Lunch on your own

1:00 – 5:00p.m. AML Board Meeting Treadwell Room

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Lunch on your own

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**Thursday, February 22, 2018**

8:00 - 8:30 a.m. Breakfast

8:30 – 11:45 a.m. Legislative Meeting Treadwell Room

12:00 – 1:15 p.m. Lunch (included) Treadwell Room

1:30 – 4:00 p.m. Legislative Meeting Continued Treadwell Room

5:30 – 7:00 p.m. AML Legislative Reception Treadwell Room

Agenda subject to change.