

UNALASKA CITY COUNCIL

Unalaska, Alaska

Regular Meeting
Tuesday, February 27, 2018
6:00 p.m.

AGENDA

Unalaska City Hall
Council Chambers
43 Raven Way

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1. Call to order
 2. Roll call
 3. Pledge of allegiance
 4. Recognition of visitors
 5. Adoption of agenda
 6. Awards / Presentations
 7. Minutes of previous meeting: February 13, 2018
 8. Reports
 - a. City Manager
 - b. Financials: January 2018
 - c. Planning Commission Minutes: December 21, 2017 and January 18, 2018
 - d. Annual Reports
 - i. Planning Commission and Historic Preservation Commission
 - ii. Parks, Culture & Recreation Committee
 - iii. Library Advisory Committee
 9. Community Input / Announcements
 10. Public testimony on agenda items
 11. Legislative
 12. Public hearings
 13. Work session:
 - a. Presentation regarding the Library Renovation Project
 14. Consent agenda
 - a. Resolution 2018-20: A Resolution of the Unalaska City Council appointing Judges and Clerks for the Special Election on March 6, 2018, and Judges to serve on the Canvass Committee
 - b. Proclamation of the Unalaska City Council regarding 2018 Winter Olympics in PyeongChang, Republic of Korea
 15. Regular agenda
 - a. Unfinished Business
 - i. Resolution 2018-14: A Resolution of the Unalaska City Council authorizing the City Manager to dispose of personal property, specifically a 1992 Pierce Arrow Fire Engine, to an Alaska Municipal Corporation or agency thereof
 - b. New Business
 - i. Ordinance 2018-03: Budget Amendment #4, 1st reading
 - ii. Request to amend letter to Alaska Delegation regarding Jones Act Waiver, sponsored by Council Member Robinson
 16. Executive Session
 - a. Discuss Contract Dispute regarding construction of Wastewater Treatment Plant
 17. Council Directives to City Manager
 18. Community Input / Announcements
 19. Adjournment

UNALASKA CITY COUNCIL

Unalaska, Alaska

Regular Meeting
Tuesday, February 13, 2018
6:00 p.m.

MINUTES

Unalaska City Hall
Council Chambers
43 Raven Way

1. Call to order

The regular meeting of the Unalaska City Council came to order at 6:00 pm, February 13, 2018, in the Unalaska City Hall Council chambers.

2. Roll call

Present

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

Absent

David Gregory (Excused)

3. Pledge of Allegiance – Vice Mayor Robinson led the Pledge of Allegiance.

4. Recognition of visitors – Dennis Moran, Fishermen's Finest, Inc.

5. Adoption of agenda – Council adopted the agenda without objection.

6. Awards / Presentations: Clint Huling – 30 Years of Service to the City of Unalaska.

7. Minutes of previous meetings: January 23; February 3; and February 4, 2018.

Rowland made a motion to adopt the meeting minutes from January 23, February 3, and February 4, 2018; Fitch seconded. Motion passed by consensus.

8. Reports: City Manager.

9. Community Input / Announcements. The following audience members provided comments:

- IFHS
 - Monthly Report
 - Dental Sealants for ages 6-9
- PCR
 - Father Daughter Valentines Dance
 - Polar Bear Run
- Clerk's Department
 - Special Election March 6, 2018
 - 2018 Business Personal Property Tax Assessment Reports
- Post Office – Job Opening
- Mayor Laurie Gere, City of Anacortes
- Richard Nelson, Dakota Creek Industries, owner
- Kristian Uri, Fishermen's Finest Inc., General Manager
- Mark Horne, Sundance Stevedoring
- Dennis Moran, Fishermen's Finest, Inc., President
- Layton Wolf, Captain – Coastal Transportation
- Don Goodfellow, Alyeska Seafoods, Plant Manager
- Chris Reilly, Trident Seafoods

10. Public testimony on agenda items

11. Legislative

12. Public hearings

13. Work session

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

- a. Discussion: Funding disposal cost of fishing and processing vessel Akutan
- b. Presentation: Draft CMMP (Capital and Major Maintenance Plan)

14. Consent agenda

Coleman made a request to remove Resolution 2018-14 from Consent Agenda and place it under New Business. Vice Mayor moved Resolution 2018-14 to New Business.

Tungul made a motion to adopt Consent Agenda as amended; Rowland seconded.

Motion passed by consensus.

- a. Review seven liquor license renewal applications
- b. Resolution 2018-11: A Resolution of the Unalaska City Council establishing taxicab rates for calendar year 2018
- c. Resolution 2018-12: A Resolution of the Unalaska City Council approving the Council's goals for the FY19 budget
- d. Resolution 2018-19: A Resolution of the Unalaska City Council supporting passage of Senate Bill 92

15. Regular agenda

- a. Unfinished Business
- b. New Business

- i. Resolution 2018-15: A Resolution of the Unalaska City Council confirming the Mayor's appointments to the Library Advisory Committee; the Parks, Culture and Recreation Committee; the Planning Commission and Platting Board; and the Historic Preservation Commission

Rowland made a motion to adopt Resolution 2018-15; Fitch seconded. Roll Call Vote: Robinson – yes; Tungul – yes; Fitch – yes; Coleman – yes; Rowland – yes. Motion passed 5-0.

- ii. Resolution 2018-18: A Resolution of the Unalaska City Council authorizing the reimbursement of \$36,000 to the State of Alaska for the costs associated with the scuttling of the fishing and processing vessel Akutan

Tungul made a motion to adopt Resolution 2018-18; Coleman seconded. Roll Call Vote: Tungul – yes; Fitch – yes; Coleman – yes; Rowland – no; Robinson – yes. Motion passed 4-1.

- iii. Resolution 2018-14: A Resolution of the Unalaska City Council authorizing the City Manager to dispose of personal property, specifically a 1992 Pierce Arrow Fire Engine, to an Alaska Municipal Corporation or agency thereof

Resolution 2018-14 set for March 27, 2017 City Council Agenda

- iv. Approve Mayor and Council travel to Juneau, Alaska, March 18-22, 2018, for lobbying, the City's Constituent Dinner and Annual Seafood Reception.

Fitch made a motion to approve travel for Mayor and Council Members: Tungul, Gregory, and Robinson to Juneau, Alaska, March 18-22, 2018 for lobbying, the city's Constituent Dinner and Annual Seafood Reception; Coleman seconded. Roll Call Vote: Fitch – yes; Coleman – yes; Rowland – no; Robinson – yes; Tungul – yes. Motion passed 4-1.

16. Executive Session

8:08pm – Rowland made a motion to enter into Executive Session to discuss matters which, if discussed in public, could harm the reputation of a person; and which if immediately disclosed would tend to adversely affect the finances of the city; Fitch seconded. Motion passed by consensus.

- a. Discuss Contract Dispute regarding construction of the Wastewater Treatment Plant
- b. Discuss City Manager Contract Negotiations

17. Reconvene to Regular Session

9:33pm – Council reconvened to Regular Session

- a. Resolution 2018-17: A Resolution of the Unalaska City Council authorizing the Mayor to sign an Employment Agreement between the City of Unalaska and Thomas E. Thomas to serve as City Manager of the City of Unalaska

Rowland made a motion to adopt Resolution 2018-17; Fitch seconded. Roll Call Vote: Robinson – yes; Tungul – yes; Fitch - yes; Coleman – yes; Rowland – yes. Motion passed 5-0.

18. Council Directives to City Manager

19. Community Input / Announcements

20. Adjournment: Coleman made a motion to adjourn; Tungul seconded. Motion passed by consensus.

The meeting adjourned at 9:37pm.

Marjie Veeder
City Clerk

TO: Mayor and Council
FROM: Erin Reinders, Interim City Manager
SUBJECT: City Manager's Report
DATE: 2/27/18

PERSONNEL UPDATE: Both Mayor Kelty and Thomas Thomas have signed the negotiated City Manager Contract. Mr. Thomas's start date is set for March 19, 2018. The Thomas family's arrival to the island is scheduled for early March. Additionally, the selection process for the Fire Chief continues to move forward. Interviews with three Fire Chief Candidates are scheduled for Friday, February 23, 2018.

DMV: Although the DMV has reopened, it is not yet fully functional. It is taking some time to complete the audits and other requirements associated with transferring privileges on the State system from one user to another. Currently we can do vehicle registrations but we cannot yet make Identification Cards or Driver's Licenses. The Department of Public Safety will continue to keep the public informed of the services available at the DMV.

FY19 BUDGET: Staff is preparing the draft the FY19 Budget and the associated CMMP in accordance with Council's approved budget goals and schedule (see the attached schedule). We are striving to coordinate the PSEA contract negotiations within the budget development and approval process. March, April and May will be an exciting - and busy - three months.

UMC POSITIONS 3 & 4: The UMC Positions 3&4 Replacement Project is on schedule. Turnagain Marine is on winter break but their subcontractor, ANCOR, is on site. High mast light pole bases are being installed and trenching for electrical conduit is beginning. The newly created positions 3 and 4 have performed as expected for A Season thus far. The Port has turned no business away due to construction, in fact has seen an increase in vessel traffic. Position 3 is being used for barge mooring and some fueling operations and Position 4 is available for offloads with forklift traffic and access to the warehouse. Revenues from Positions 3 and 4 are solid and should meet and possibly exceed historic averages.

BIG YELLOW TRUCKS: DPW Roads is cleaning out culverts and storm manholes around town so you might see the big yellow vector truck parked in the streets.

WIND POWER UPDATE: As part of the Wind Power Development and Integration Project (EL18C), wind energy engineer, Douglas Vaught from V3 Energy, will be in Unalaska the week of March 5th. V3 completed the initial site visit and meeting with Ounalashka Corporation in November 2017. Sites on Little South American and in Pyramid Valley are on the short list. V3 Energy is returning to conduct more thorough site inspections and present their findings to staff. Doug Vaught will also give a brief wind energy presentation to high school students while in town. The present Phase II (Pre-Design) of the Wind Power Project only calls for V3 to assess prospective temporary Meteorological Tower (MET) sites, determine basic grid requirements, and provide a report outlining their findings. The next phase, should Council decide to move forward, would be to install 2 or 3 MET towers, and collect wind data for at least one full year.



FY19 CMMP and Budget Schedule

11/28/2017	Staff	CMMP Kickoff Meeting: Review of Process from Planning Director. Initial discussion of projects, focus on new projects.	Discussion
12/12/2017	Council	Council Review & comment on Budget Schedule and Process (CMMP, Community Grants, & City Budget)	Discussion
12/18/2017	Staff	**Deadline for New CMMP Nominations & Updates to Existing CMMP Projects**	Deadline
1/5/2018	Staff	CMMP Staff and City Manager: Meeting to review nominations, provide feed- back, and prioritize projects	Discussion
1/12/2018	Committee	CMMP Technical Review Committee: Meeting to review nominations, identify questions and feedback, evaluate and prioritize projects	Discussion
1/23/2018	Council	Presentation of Revenue Projections and Determination of Budget Goals	Discussion
1/26/2018	Staff	**Updated CMMP Nominations & Supporting Documentation Deadline**	Deadline
2/2/2018	Staff	CMMP Staff and City Manager: Meeting to review updated and compiled nominations for final clarification	Discussion
2/9/2018	Committee	CMMP Technical Review Committee: Meeting to review updated and compiled nominations for final clarification and to evaluate & prioritize projects	Discussion
2/9/2018	Staff	**Departmental Budget Deadline**	Deadline
2/13/2018	Council	Draft CMMP Presentation to City Council (Planning Director)	Discussion
2/20-23/2018	Staff	City Manager and Finance Director meet with Departments to review budget and confirm capital requests for FY19	Discussion
3/2/2018	Staff	CMMP Staff and City Manager: Meeting to review Draft CMMP for comment and suggestions	Discussion
3/9/2018	Committee	CMMP Technical Review Committee: Meeting to review Draft CMMP for comment, suggestions, and recommendation to City Council	Recommendation
3/16/2018	Staff	**Updated Departmental Budget Deadline, Goals and Objectives Deadline**	Deadline
3/23/2018	Staff	**Distribution of draft budgets, CMMP and UCSD to Council**	Deadline
3/26/2018	Council	Special Budget presentation: Overview, City departments & UCSD	Discussion
3/27/2018	Council	Special Budget presentation: CMMP, Budget, & Community Grant Requests (applicants presentations)	Discussion
4/20/2018	Staff	**CMMP Distribution to Council with meeting packet**	Deadline
4/24/2018	Council	Set up contribution amount for UCSD; Define Community Support Grant Awards; and Adopt FY 19-23 CMMP	Resolutions
		Budget follow-up questions, comments, & direction	Discussion
5/8/2018	Council	First reading of FY19 Budget	Ordinance
		Set property mill rate	Resolution
5/22/2018	Council	Public hearing, adoption of FY19 budget	Ordinance

Legend:

	Deadline
	Selected Staff Meeting
	Staff Committee Meeting
	Council Meeting or Work Session

CITY OF UNALASKA
INTERIM FINANCIAL REPORTS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2018

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MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: CLAY DARNELL, FINANCE DIRECTOR
THRU: ERIN REINDERS, ACTING CITY MANAGER
DATE: FEBRUARY 18, 2018
RE: INTERIM FINANCIAL REPORTS FOR THE
SEVEN MONTHS ENDED JANUARY 31, 2018

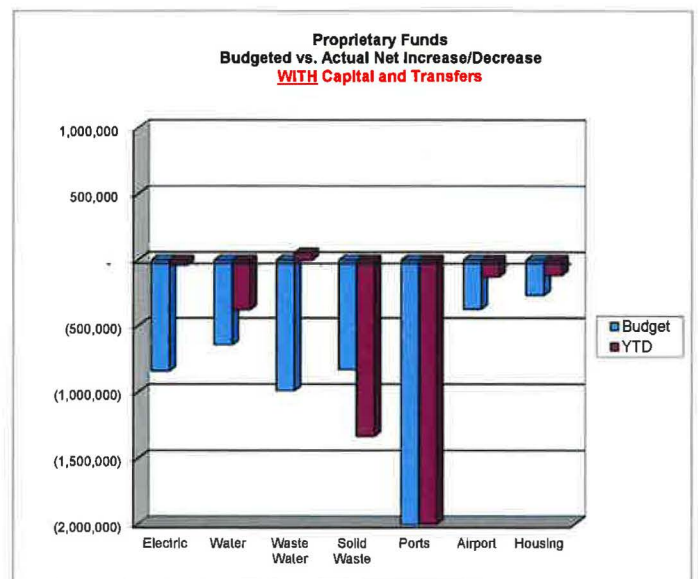
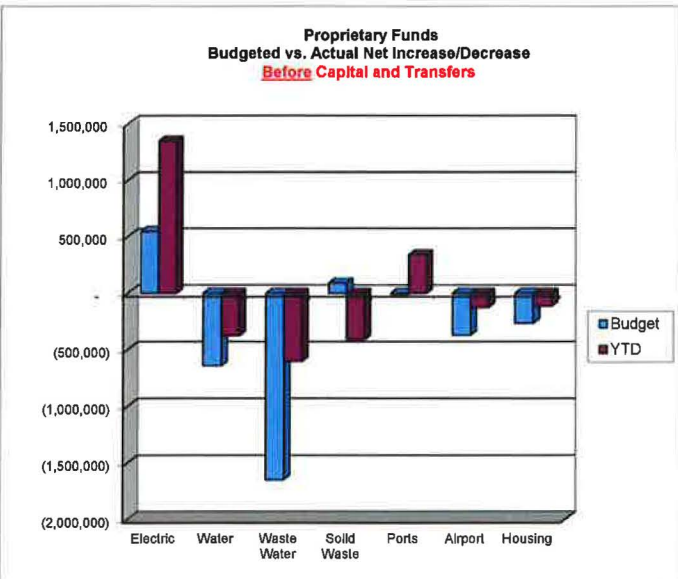
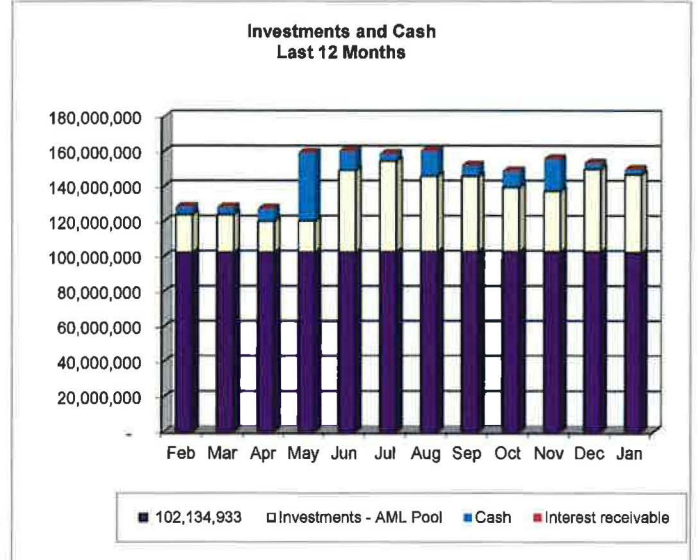
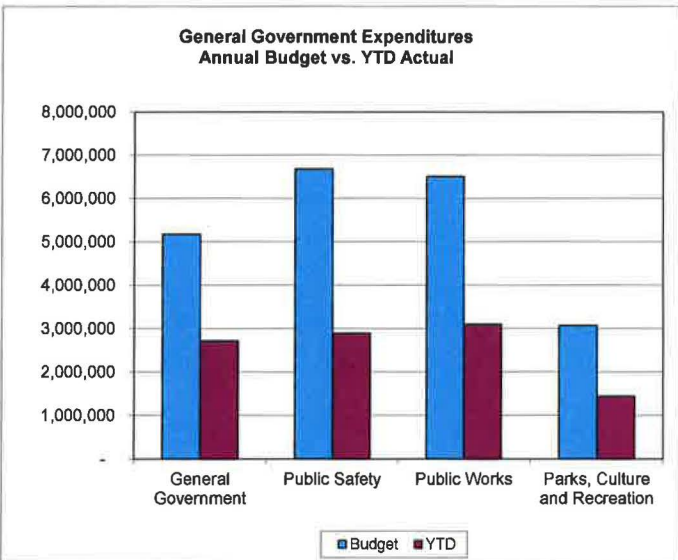
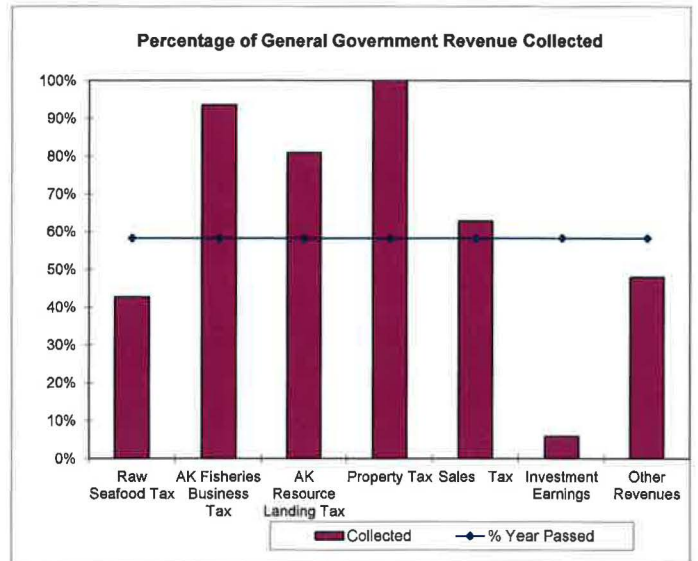
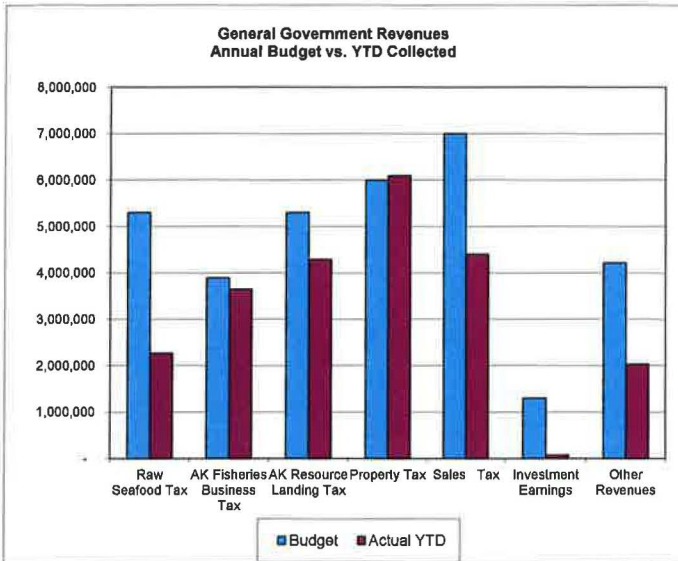
In an effort to keep the Council informed about the financial activity of the City of Unalaska, the Finance Department has prepared interim financial reports for the seven months ended January 31, 2018.

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. We expect to receive an additional \$605,500 from the DCCED allocations before fiscal year end.
- Investment earnings indicate a loss for the current month due to the mark-to-market value adjustment. Actual investment income received year to date represents 73% of the annual budget.
- Information Systems expenditures are 65% of budget due to annual Software / Hardware Support and Computer Hardware / Software expenditures occurring in the first seven months of the year.

City of Unalaska January 2018



FUND - General Fund

Data Date: 2/16/2018

General Fund Operating Monthly Summary - Month Ending January 2018

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	FY2018 Budget	January	FY2018 YTD	% OF BUD	FY2017 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	5,300,000	154,288	2,267,936	43%	2,769,277	(501,341)
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	6,077	6,094,899	102%	5,971,943	122,956
Sales Tax	7,000,000	522,447	4,401,952	63%	4,611,055	(209,104)
Investment Earnings	1,300,000	(204,203)	76,539	6%	(69,945)	146,483
Other Revenues	4,217,227	76,290	2,027,552	48%	1,871,074	156,478
Appropriated Fund Balance	0	0	0	0%	0	0
Total General Fund Revenues	33,017,227	554,898	22,809,730	69%	26,948,797	(4,139,066)
EXPENDITURES						
Mayor & Council	558,810	56,973	280,218	50%	233,870	46,348
City Administration						
City Manager's Office	437,189	19,615	186,956	43%	227,345	(40,388)
Administration	1,124,823	46,745	643,667	57%	547,964	95,703
Total City Administration	1,562,012	66,360	830,623	53%	775,309	55,315
City Clerk	516,165	31,886	250,941	49%	286,129	(35,188)
Finance						
Finance	1,049,291	66,343	531,610	51%	543,623	(12,014)
Information Systems	782,762	36,353	511,915	65%	408,690	103,225
Total Finance	1,832,054	102,697	1,043,525	57%	952,314	91,211
Planning	707,491	57,744	313,645	44%	216,747	96,897
Public Safety						
Police and Admin	3,889,087	232,188	1,662,000	43%	1,535,842	126,158
Corrections	924,391	75,774	452,710	49%	450,099	2,611
Fire, EMS, and Communications	1,864,471	113,101	781,863	42%	672,917	108,946
Total Public Safety	6,677,949	421,064	2,896,572	43%	2,658,858	237,714
Public Works						
DPW Admin & Engineering	753,685	55,684	367,273	49%	345,620	21,653
Streets and Roads	3,027,448	231,546	1,344,975	44%	1,219,412	125,563
Receiving and Supply	272,777	15,313	130,041	48%	149,152	(19,111)
Veh & Equip Maintenance	1,112,762	78,473	516,826	46%	702,551	(185,724)
Facilities Maintenance	1,339,631	138,958	741,085	55%	752,840	(11,755)
Total Public Works	6,506,303	519,974	3,100,201	48%	3,169,576	(69,374)
Parks, Culture & Recreation						
PCR Administration	218,192	24,893	129,076	59%	129,959	(884)
Recreation Programs	701,407	35,638	315,797	45%	393,846	(78,049)
Community Center Operations	942,263	57,243	429,477	46%	362,378	67,099
Library	784,526	51,721	383,049	49%	381,362	1,687
Aquatics Center	386,758	19,817	158,288	41%	133,912	24,376
Parks	37,350	316	26,959	72%	24,431	2,528
Total Parks, Culture & Recreation	3,070,495	189,628	1,442,645	47%	1,425,889	16,756
Other Expenses	6,410,052	948,540	3,850,563	60%	3,788,212	62,352
Total Operating Expenditures	27,841,330	2,394,864	14,008,934	50%	13,506,903	502,031
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)
	29,808,324	2,394,864	15,975,928	54%	17,516,675	(1,540,747)
Surplus/(Deficit)	3,208,903	(1,839,967)	6,833,802	62%	9,432,122	(2,598,319)

CITY OF UNALASKA, ALASKA
GENERAL FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS		
Cash and Cash Equivalents	1,450	1,488
Receivables		
Accounts	14,445	15,879
Intergovernmental	-	-
Taxes	1,996,112	1,932,232
Equity in Central Treasury	73,889,398	66,527,853
Inventory	802,372	749,480
Prepaid Items	165,694	116,778
Advances To Other Funds	1,184,720	1,392,960
TOTAL ASSETS	78,054,191	70,736,669
LIABILITIES		
Accounts Payable	-	-
Accrued Payroll & Related Liabilities	403,504	424,777
Intergovernmental	1,390	10,931
Retainage Payable	-	15,877
Deferred Revenue	514,650	421,292
Other Current Liabilities	2,907	910
Customer Deposits	6,154	2,110
TOTAL LIABILITIES	928,605	875,898
FUND BALANCE		
Fund Balance - Non Spendable	2,155,806	2,060,924
Fund Balance - Committed	14,000,000	14,000,000
Fund Balance - Assigned for Encumbrances	3,470,848	3,052,488
Undesignated (deficit)	57,498,932	50,747,359
TOTAL FUND BALANCE	77,125,586	69,860,771
TOTAL LIABILITIES & FUND BALANCE	78,054,191	70,736,669

CITY OF UNALASKA, ALASKA
1% SALES TAX
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	<u>2018</u>	<u>2017</u>
ASSETS		
Receivables		
Sales Tax Full Accrual	2,500	2,500
Taxes	586,730	551,989
Equity in Central Treasury	10,784,638	9,419,464
TOTAL ASSETS	<u>11,373,868</u>	<u>9,973,952</u>
LIABILITIES		
Accounts Payable	-	-
Deferred Revenue	2,500	2,500
TOTAL LIABILITIES	<u>2,500</u>	<u>2,500</u>
FUND BALANCE		
Undesignated (deficit)	11,371,368	9,971,452
TOTAL FUND BALANCE	<u>11,371,368</u>	<u>9,971,452</u>
TOTAL LIABILITIES & FUND BALANCE	<u>11,373,868</u>	<u>9,973,952</u>

CITY OF UNALASKA, ALASKA
BED TAX
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS		
Receivables		
Accounts	-	-
Taxes	11,217	16,803
Equity in Central Treasury	259,725	223,125
TOTAL ASSETS	270,942	239,928
LIABILITIES		
Accounts Payable	-	-
TOTAL LIABILITIES	-	-
FUND BALANCE		
Fund Balance - Assigned for Encumbrances	72,917	72,917
Undesignated (deficit)	198,026	167,011
TOTAL FUND BALANCE	270,942	239,928
TOTAL LIABILITIES & FUND BALANCE	270,942	239,928

Operating Monthly Summary - Month Ending January 2018

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	FY2018 Budget	January	FY2018 YTD	% OF BUD	FY2017 YTD	INC/(DEC) Last Year
Electric Proprietary Fund						
REVENUES	17,255,299	1,737,294	10,656,492	62%	9,450,826	1,205,665
Electric Line Repair & Maint	1,226,531	46,536	470,440	38%	423,156	47,284
Electric Production	9,571,114	876,066	5,752,535	60%	4,858,422	894,113
Facilities Maintenance	464,187	5,652	84,698	18%	46,408	38,290
Utility Administration	5,385,600	334,092	2,980,518	55%	2,943,903	36,615
Veh & Equip Maintenance	59,247	2,109	19,938	34%	26,394	(6,456)
Transfers Out	1,386,668	0	1,386,668	100%	263,070	1,123,598
EXPENSES	18,093,347	1,264,454	10,694,796	59%	8,561,353	2,133,443
NET EARNINGS/(LOSS)	(838,048)	472,840	(38,305)		889,473	(927,778)
Water Proprietary Fund						
REVENUES	2,586,020	201,937	1,350,367	52%	1,428,640	(78,273)
Transfers Out	21,600	0	21,600	100%	(128,033)	149,633
Facilities Maintenance	83,917	4,686	31,721	38%	14,518	17,203
Utility Administration	1,723,346	131,208	996,151	58%	935,700	60,451
Veh & Equip Maintenance	34,366	682	6,728	20%	9,953	(3,224)
Water Operations	1,364,784	81,715	669,762	49%	533,911	135,851
EXPENSES	3,228,012	218,290	1,725,962	53%	1,366,049	359,914
NET EARNINGS/(LOSS)	(641,992)	(16,353)	(375,595)		62,591	(438,186)
Wastewater Proprietary Fund						
REVENUES	2,531,305	214,968	1,304,497	52%	1,377,535	(73,038)
Transfers Out	415,000	0	415,000	100%	181,377	233,623
Facilities Maintenance	65,054	2,360	27,541	42%	23,757	3,784
Utility Administration	1,944,515	142,337	1,080,351	56%	1,059,039	21,312
Veh & Equip Maintenance	27,824	2,394	10,597	38%	7,487	3,110
Wastewater Operations	2,139,634	109,150	788,674	37%	781,407	7,267
EXPENSES	4,592,027	256,241	2,322,163	51%	2,053,067	269,096
NET EARNINGS/(LOSS)	(2,060,722)	(41,273)	(1,017,666)		(675,532)	(342,135)
Transfers In	1,072,156	0	1,072,156	100%	0	1,072,156
Solid Waste Proprietary Fund						
REVENUES	3,566,034	216,994	1,353,952	38%	1,288,626	65,326
Facilities Maintenance	77,798	3,517	29,001	37%	49,290	(20,289)
Solid Waste Operations	1,667,953	319,341	875,820	53%	638,669	237,151
Utility Administration	1,594,546	70,873	827,858	52%	875,890	(48,033)
Veh & Equip Maintenance	134,290	5,504	31,805	24%	20,902	10,903
Transfers Out	1,105,000	75,000	1,104,950	100%	0	1,104,950
EXPENSES	4,579,586	474,235	2,869,433	63%	1,584,751	1,284,682
NET EARNINGS/(LOSS)	(1,013,552)	(257,241)	(1,515,481)		(296,125)	(1,219,356)
Transfers In	184,704	0	184,704	100%	0	184,704

Operating Monthly Summary - Month Ending January 2018

Page 2 of 2

	FY2018 Budget	January	FY2018 YTD	% OF BUD	FY2017 YTD	INC/(DEC) Last Year
Ports & Harbors Proprietary Fund						
REVENUES	7,499,238	624,206	4,329,249	58%	3,767,950	561,299
Bobby Storrs Small Boat Harbor	168,888	8,134	67,556	40%	94,689	(27,134)
CEM Small Boat Harbor	686,904	59,872	399,847	58%	355,826	44,021
Facilities Maintenance	77,833	2,305	10,394	13%	24,474	(14,080)
Harbor Office	4,856,701	380,986	2,635,423	54%	2,583,031	52,392
Ports Security	79,918	0	11,460	14%	7,952	3,508
Spit & Light Cargo Docks	524,253	31,252	289,683	55%	249,859	39,824
Unalaska Marine Center	1,060,534	69,327	551,228	52%	556,226	(4,998)
Veh & Equip Maintenance	58,517	4,325	22,655	39%	23,983	(1,328)
Transfers Out	10,000,000	0	10,000,000	100%	4,450,000	5,550,000
EXPENSES	17,513,548	556,200	13,988,246	80%	8,346,040	5,642,206
NET EARNINGS/(LOSS)	(10,014,310)	68,006	(9,658,996)		(4,578,089)	(5,080,907)
Airport Proprietary Fund						
REVENUES	552,420	42,639	284,767	52%	301,516	(16,750)
Airport Admin/Operations	710,302	45,441	357,871	50%	382,274	(24,403)
Facilities Maintenance	213,110	9,599	53,653	25%	141,408	(87,754)
EXPENSES	923,412	55,040	411,524	45%	523,682	(112,158)
NET EARNINGS/(LOSS)	(370,992)	(12,401)	(126,757)		(222,165)	95,408
Housing Proprietary Fund						
REVENUES	275,242	11,913	145,191	53%	144,779	412
Facilities Maintenance	179,634	7,992	63,582	35%	53,557	10,025
Housing Admin & Operating	360,701	25,887	196,396	54%	190,004	6,392
EXPENSES	540,335	33,879	259,978	48%	243,561	16,417
NET EARNINGS/(LOSS)	(265,092)	(21,966)	(114,787)		(98,782)	(16,005)

City of Unalaska
Utility Revenue Report
Summary

01/31/18

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	1,655,910	7,205,469	6,750,620	454,849
Oct-17	1,284,656	115,907	196,827	199,323	1,796,713	9,002,181	8,512,726	489,456
Nov-17	1,186,456	97,898	171,544	147,838	1,603,736	10,605,917	10,210,214	395,703
Dec-17	1,341,991	63,925	147,647	134,636	1,688,199	12,294,116	11,590,601	703,515
Jan-18	1,742,294	201,937	214,968	216,994	2,376,193	14,670,308	13,017,150	1,653,158
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	10,661,492	1,350,367	1,304,497	1,353,952	14,670,308			
FY18 Budget	17,864,211	3,105,685	3,034,723	4,272,101	28,276,720			
% to budget	59.7	43.5	43.0	31.7	51.9			

City of Unalaska
Electric Revenue Report
Electric Fund

01/31/18

FY18 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY18 YTD Revenue	FY17 YTD Revenue	YTD Inc/(Dec)
Jul-17	86,889	79,548	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	129,959	115,497	169,042	1,245,126	77,299	5,371	1,742,294	10,661,492	9,450,826	1,210,665
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	761,463	679,865	1,069,853	7,688,860	393,794	67,656	10,661,492			
FY18 Budget	1,127,831	1,266,314	2,538,359	11,488,785	627,396	815,526	17,864,211			
% of Budget	67.5	53.7	42.1	66.9	62.8	8.3	59.7			

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	372,912	352,826	510,898	3,810,485	5,047,121	4,006,182	1,040,939
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	2,232,010	2,116,788	3,311,937	25,044,180	32,704,915	55,836,263	2,077,290
Percent Sold	6.8%	6.5%	10.1%	76.6%	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
2.3841	2.1193
	2.0840
	2.0177
	2.0589
	2.0609
	2.0047
2.2779	1.9945

14.21%
% Change from Prior Year

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
32,704,915	30,627,625
32,704,915	36,345,361
32,704,915	42,865,841
32,704,915	47,118,232
32,704,915	51,520,805
32,704,915	55,836,263

City of Unalaska
Water Revenue Report
Water Fund

01/31/18

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	12,820	189,097	20	201,937	1,350,367	1,428,640	(78,273)
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	89,957	1,258,058	2,352	1,350,367			
FY18 Budget	158,393	2,373,486	573,806	3,105,685			
% of Budget	56.8	53.0	0.4	43.5			

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	92.600	102.784	(10.184)
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	625.423	1284.147	(43.684)

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
625.423	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

01/31/18

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	8,458	13,502	573,512	646,453	(72,941)
Oct-17	37,839	138,557	6,925	13,505	196,827	770,339	847,978	(77,639)
Nov-17	37,958	125,270	4,359	3,957	171,544	941,883	1,028,280	(86,397)
Dec-17	38,018	98,689	1,220	9,720	147,647	1,089,530	1,169,143	(79,613)
Jan-18	37,860	162,141	6,433	8,534	214,968	1,304,497	1,377,536	(73,039)
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	264,723	958,364	27,392	54,019	1,304,497			
FY18 Budget	464,010	1,942,985	44,255	583,473	3,034,723			
% of Budget	57.1	49.3	61.9	9.3	43.0			

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	15,360,000	14,737,000	623,000
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	81,736,000	148,848,000	(7,334,000)

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
81,736,000	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

01/31/18

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	26,544	153,311	37,139	216,994	1,353,952	1,288,626	65,326
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	185,002	954,539	214,412	1,353,952			
FY18 Budget	261,982	1,966,240	2,043,879	4,272,101			
% of Budget	70.6	48.5	10.5	31.7			

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	663.00	577.07	85.93
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	4053.22	7415.49	(223.88)

Cumulative	
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
4053.22	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**

		UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM							
Month	Year	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	Monthly Revenue	FY18 YTD Revenue	% of Budget	FY17 YTD Revenue	YTD Inc(Dec)
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	119,366	229,738	42,349	67,588	30,502	11,450	(1,422)	2,342	19,818	17,027	26,111	58,302	1,036	624,206	4,329,249	61.1%	3,767,952	561,297
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		734,134	1,816,329	298,783	215,535	275,232	72,785	45,820	7,772	70,440	76,716	455,846	192,146	67,712	4,329,249				
Loc total		3,064,782				348,016		53,592		147,155		647,992							
Loc percent		70.8%				8.0%		1.2%		3.4%		15.0%							
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		54.8%	58.7%	49.8%	59.9%	65.8%	72.8%	53.9%	59.4%	58.7%	93.9%	84.4%	73.9%	92.8%	61.1%				

PORTS RECEIVABLES

Month	Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Jul	2017	510,987	144,274	19,556	2,806	677,623	0.4%	360,703
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	602,743	173,238	58,234	49,927	884,141	5.6%	582,465
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								3,906,973

**CITY OF UNALASKA
FY18 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY18 YTD REVENUE	% OF BUDGET	FY17 YTD REVENUE	YTD INC/(DEC)
JUL	2017	39,050	24	658	39,733	39,733	7.3%	41,806	(2,073)
AUG	2017	39,050	200	797	40,048	79,781	14.6%	86,793	(7,012)
SEP	2017	39,050	35	900	39,985	119,765	21.9%	131,096	(11,331)
OCT	2017	39,038	28	827	39,893	159,658	29.2%	173,963	(14,305)
NOV	2017	38,922	26	828	39,776	199,434	36.4%	216,738	(17,304)
DEC	2017	40,810	32	881	41,724	241,158	44.0%	256,362	(15,204)
JAN	2018	38,980	2,816	842	42,639	283,797	51.8%	301,516	(17,719)
FEB	2018				0	0	0.0%	308,973	0
MAR	2018				0	0	0.0%	355,500	0
APR	2018				0	0	0.0%	438,344	0
MAY	2018				0	0	0.0%	477,859	0
JUN	2018				0	0	0.0%	517,529	0
TOTAL		274,901	3,162	5,734	283,797		0.0%		
FY17 BUDGET		544,000	200	3,500	547,700				
% TO BUDGET		50.5%	1580.9%	163.8%	51.8%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2017	40,442	32,044	21,268	57,043	150,798	37.8%	37,118
AUG	2017	38,091	28,825	21,124	73,578	161,618	45.5%	29,004
SEP	2017	38,614	19,296	28,364	79,851	166,125	48.1%	40,820
OCT	2017	40,853	21,939	21,450	81,164	165,406	49.1%	45,692
NOV	2017	40,982	30,513	21,455	75,994	168,944	45.0%	37,763
DEC	2017	40,381	21,671	21,503	82,551	166,107	49.7%	46,900
JAN	2018	41,371	22,287	21,453	78,067	163,178	47.8%	48,960
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 TOTAL								286,256

FY 18 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY18 YTD REVENUE	% OF BUDGET	FY17 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	11,913		11,913	145,191	53.7%	144,779	412
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		145,191	0	145,191				
FY18 Budget		270,564	0	270,564				
% TO BUDGET		53.7%		53.7%				

CITY OF UNALASKA, ALASKA
ELECTRIC ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	1,588,961	1,152,159
Intergovernmental	123,977	309,882
Equity in Central Treasury	8,905,946	6,841,328
Inventory	1,171,488	925,469
Restricted Assets	4,243,004	4,236,081
TOTAL Current Assets	<u>16,033,376</u>	<u>13,464,919</u>
Property, Plant & Equipment		
Land	212,598	212,598
Buildings, Net	28,992,981	29,903,410
Other Improvements, Net	6,814,405	6,579,811
Equipment, Net	20,761,243	22,311,825
Construction in Progress	2,145,890	1,093,533
TOTAL Property, Plant & Equipment	<u>58,927,117</u>	<u>60,101,177</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>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>78,135,264</u>	<u>76,433,111</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accounts Payable	207,999	264,235
Accrued Payroll & Related Liabilities	222,666	253,385
Retainage Withheld	-	1,276
Accrued Interest Payable	282,035	297,107
Unamortized Premium (Rev Bonds)	117,181	117,181
Customer Deposits	101,564	117,926
Current Portion of Long Term Debt	208,240	208,240
TOTAL Current Liabilities	<u>1,139,686</u>	<u>1,259,350</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>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>32,491,483</u>	<u>32,853,607</u>
NET POSITION		
TOTAL NET POSITION	<u>45,643,781</u>	<u>43,579,504</u>

CITY OF UNALASKA, ALASKA
WATER ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	191,943	182,966
Intergovernmental	(367,895)	-
Special assessments	712	712
Equity in Central Treasury	9,372,480	8,313,048
Inventory	332,600	335,030
TOTAL Current Assets	<u>9,529,840</u>	<u>8,831,756</u>
Property, Plant & Equipment		
Land	125,074	125,074
Buildings, Net	13,458,804	13,617,738
Other Improvements, Net	7,432,737	7,941,988
Equipment, Net	184,592	160,995
Construction in Progress	505,383	739,357
TOTAL Property, Plant & Equipment	<u>21,706,589</u>	<u>22,585,152</u>
Deferred Outflows		
Pension Related	326,983	145,700
TOTAL Deferred Outflows	<u>326,983</u>	<u>145,700</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>31,563,411</u>	<u>31,562,608</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	99,189	104,631
Retainage Withheld	-	139
Accrued Interest Payable	28,433	-
Notes Payable	181,963	-
Customer Deposits	50,030	54,981
TOTAL Current Liabilities	<u>359,614</u>	<u>159,750</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>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>4,971,674</u>	<u>4,541,779</u>
NET POSITION		
TOTAL NET POSITION	<u>26,591,738</u>	<u>27,020,829</u>

CITY OF UNALASKA, ALASKA
WASTEWATER ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	203,923	195,430
Special assessments	21,260	23,275
Equity in Central Treasury	6,121,931	6,555,141
Inventory	32,860	33,424
TOTAL Current Assets	<u>6,379,974</u>	<u>6,807,271</u>
Property, Plant & Equipment		
Land	12,883	12,883
Buildings, Net	27,946,929	28,744,030
Other Improvements, Net	5,907,311	6,382,260
Equipment, Net	116,746	160,779
Construction in Progress	953,775	305,042
TOTAL Property, Plant & Equipment	<u>34,937,644</u>	<u>35,604,993</u>
Deferred Outflows		
Pension Related	336,907	123,814
TOTAL Deferred Outflows	<u>336,907</u>	<u>123,814</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>41,654,525</u>	<u>42,536,078</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	130,945	124,702
Retainage Withheld	600,124	1,078,284
Notes Payable	471,791	471,791
Customer Deposits	22,007	23,813
TOTAL Current Liabilities	<u>1,224,868</u>	<u>1,698,590</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>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>9,771,097</u>	<u>10,195,867</u>
NET POSITION		
TOTAL NET POSITION	<u>31,883,428</u>	<u>32,340,211</u>

CITY OF UNALASKA, ALASKA
SOLIDWASTE ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	178,275	144,625
Equity in Central Treasury	8,907,393	9,248,842
Inventory	55,052	51,942
TOTAL Current Assets	<u>9,140,719</u>	<u>9,445,409</u>
Property, Plant & Equipment		
Land	651,474	651,474
Buildings, Net	1,120,865	1,228,282
Other Improvements, Net	16,517,497	16,908,274
Equipment, Net	295,762	357,201
Construction in Progress	42,330	305,100
TOTAL Property, Plant & Equipment	<u>18,627,928</u>	<u>19,450,332</u>
Deferred Outflows		
Pension Related	313,576	136,128
TOTAL Deferred Outflows	<u>313,576</u>	<u>136,128</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>28,082,223</u>	<u>29,031,869</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	88,797	81,969
Retainage Withheld	-	4,290
Accrued Interest Payable	22,567	43,925
Notes Payable	254,232	-
Customer Deposits	7,943	6,943
TOTAL Current Liabilities	<u>373,539</u>	<u>137,127</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	5,553,732	5,348,458
TOTAL Long Term Debt	<u>10,129,899</u>	<u>10,186,816</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>11,739,607</u>	<u>11,126,471</u>
NET POSITION		
TOTAL NET POSITION	<u>16,342,616</u>	<u>17,905,398</u>

CITY OF UNALASKA, ALASKA
PORTS & HARBORS ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Cash and Cash Equivalents	150	150
Receivables		
Accounts	874,141	480,035
Intergovernmental	367,894	-
Equity in Central Treasury	24,475,399	14,542,001
Restricted Assets	2,899,058	2,500
TOTAL Current Assets	<u>28,616,643</u>	<u>15,024,686</u>
Property, Plant & Equipment		
Land	2,037,870	2,037,870
Buildings, Net	1,154,460	1,196,746
Other Improvements, Net	72,251,881	70,643,023
Equipment, Net	71,017	19,500
Construction in Progress	28,318,069	11,597,974
TOTAL Property, Plant & Equipment	<u>103,833,297</u>	<u>85,495,114</u>
Deferred Outflows		
Pension Related	533,099	225,447
TOTAL Deferred Outflows	<u>533,099</u>	<u>225,447</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>132,983,039</u>	<u>100,745,246</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	167,219	146,622
Intergovernmental AP	2,097,013	2,097,013
Retainage Withheld	-	4,104
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>2,629,936</u>	<u>2,546,927</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>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>39,298,136</u>	<u>7,614,218</u>
NET POSITION		
TOTAL NET POSITION	<u>93,684,903</u>	<u>93,131,029</u>

CITY OF UNALASKA, ALASKA
AIRPORT ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	159,178	160,322
Equity in Central Treasury	1,562,090	1,324,974
TOTAL Current Assets	<u>1,721,268</u>	<u>1,485,296</u>
Property, Plant & Equipment		
Buildings, Net	2,442,910	2,650,953
Other Improvements, Net	413,871	495,725
Construction in Progress	-	19,606
TOTAL Property, Plant & Equipment	<u>2,856,781</u>	<u>3,166,284</u>
Deferred Outflows		
Pension Related	54,731	25,080
TOTAL Deferred Outflows	<u>54,731</u>	<u>25,080</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>4,632,780</u>	<u>4,676,660</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	4,892	5,556
Intergovernmental AP	3,752	3,752
Retainage Withheld	-	8,594
Customer Deposits	11,000	11,000
TOTAL Current Liabilities	<u>19,644</u>	<u>28,902</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>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>239,978</u>	<u>176,777</u>
NET POSITION		
TOTAL NET POSITION	<u>4,392,802</u>	<u>4,499,883</u>

CITY OF UNALASKA, ALASKA
HOUSING ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
January 31, 2018 and January 31, 2017

	Totals	
	2018	2017
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	3,650	3,650
Equity in Central Treasury	524,746	1,367,705
TOTAL Current Assets	<u>528,396</u>	<u>1,371,355</u>
Property, Plant & Equipment		
Land	269,577	269,577
Buildings, Net	3,935,036	4,114,429
Other Improvements, Net	70,706	58,373
TOTAL Property, Plant & Equipment	<u>4,275,319</u>	<u>4,442,380</u>
Deferred Outflows		
Pension Related	41,119	18,185
TOTAL Deferred Outflows	<u>41,119</u>	<u>18,185</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>4,844,835</u>	<u>5,831,920</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	3,892	4,492
Retainage Withheld	-	569
Customer Deposits	16,490	12,247
TOTAL Current Liabilities	<u>20,382</u>	<u>17,309</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>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>174,471</u>	<u>115,352</u>
NET POSITION		
TOTAL NET POSITION	<u>4,670,364</u>	<u>5,716,568</u>

OPEN CAPITAL PROJECTS AS OF 01/31/18									
MUNIS ID	DESCRIPTION	FY2018 REVISED BUDGET	EXPENSED	ENCUMBERED	MUNIS AVAILABLE	PENDING ENCUMB	ACTUAL AVAILABLE	CLOSE-OUT FY	COMPLETED
GENERAL GOVERNMENT									
Public Safety									
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	
PS18C	HAYSTACK SECURITY FENCING	\$ 139,000	\$ -	\$ -	\$ 139,000		\$ 139,000	?	
Public Works									
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	
Parks, Culture & Recreation									
PR601	PUBLIC LIBRARY IMPROVEMENTS	\$ 42,500	\$ 3,500	\$ -	\$ 39,000		\$ 39,000	22	
PR18A	AQUATICS CENTER COLUMN REPAIRS	\$ 45,000	\$ 45,000	\$ -	\$ -		\$ -	18	Yes?
Education									
SS601	UCSD PLAYGROUND RENOVATION	\$ 300,000	\$ 5,442	\$ -	\$ 294,558	\$ -	\$ 294,558	18	
Other									
GG601	GIS ORTHOPHOTOGRAPHY	\$ 100,000	\$ -	\$ -	\$ 100,000		\$ 100,000	17	
ELECTRIC									
Electric									
EL17B	OLD PH BATTERY SYSTEM REPLACEMENT	\$ 263,070	\$ 50,670	\$ 17,527	\$ 194,873		\$ 194,873	18	
EL17C	CAPTAINS BAY ELECTRICAL UPGRADE	\$ 2,650,836	\$ 1,717,874	\$ 118,103	\$ 814,859	\$ -	\$ 814,859	18	
EL302	POWERHOUSE ENGINE 4* 7,550,900.82 CAP FY15	\$ 8,575,088	\$ 7,917,504	\$ 4,158	\$ 653,426		\$ 653,426	18	
EL18A	GENERATOR SETS REBUILD	\$ 1,267,306	\$ 894	\$ 814,822	\$ 451,590		\$ 451,590	22	
EL18B	AUTOMATIC METER READ SYSTEM	\$ 119,362	\$ -	\$ -	\$ 119,362		\$ 119,362	19	
EL18C	WIND ENERGY/ELECTRIC PRODUCTION	\$ 200,000	\$ 9,848	\$ 38,832	\$ 151,319		\$ 151,319	20	
WATER									
Water									
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	\$ 33,384	\$ -	\$ 72,668		\$ 72,668	19	
WA18A	GENERAL HILL WATER BOOSTER PUMP	\$ 21,600	\$ -	\$ -	\$ 21,600		\$ 21,600	20	
WASTEWATER									
Wastewater									
J0519	WASTE WATER TREATMENT PLANT	\$ 31,747,827	\$ 30,301,793	\$ 162,378	\$ 1,283,656		\$ 1,283,656	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	
SOLID WASTE									
Solid Waste									
SW18A	COMPOSTING PROJECT	\$ 105,000	\$ -	\$ -	\$ 105,000		\$ 105,000	19	
SW18B	CELLS 3&4 PARTIAL CLOSURE	\$ 1,000,000	\$ 42,330	\$ 11,719	\$ 945,952		\$ 945,952	18	
Ports & Harbors									
Ports									
PH17B	UMC SECURITY FENCING	\$ 325,000	\$ -	\$ 498	\$ 324,502		\$ 324,502	18	
PH17C	CEM BREAKWATER REPAIR	\$ 150,000	\$ 110,000	\$ -	\$ 40,000		\$ 40,000	18	
PH17D	UMC EXPANSION CONSTRUCTION	\$ 39,000,000	\$ 21,421,040	\$ 14,671,640	\$ 2,907,320		\$ 2,907,320	19	
PH201	DREDGE ENTRANCE CHANNEL-COE RECON	\$ 1,500,000	\$ 749,088	\$ -	\$ 750,912		\$ 750,912	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	
AIRPORT									
Airport									
AP18A	AIRPORT TERMINAL ROOF REPLACEMENT	\$ 140,000	\$ -	\$ -	\$ 140,000		\$ 140,000	19	
HOUSING									
Housing									
EH18A	LEAR RD DUPLEX KITCHEN RENOVATION	\$ 124,994	\$ -	\$ 8,440	\$ 116,554		\$ 116,554	18	
TOTALS		106,289,834	74,594,317	17,981,298	13,714,219	-	13,714,219		

**CITY OF UNALASKA, ALASKA
PLANNING COMMISSION & PLATTING BOARD
REGULAR MEETING
THURSDAY, DECEMBER 21, 2017, 6:00 P.M.
UNALASKA CITY HALL COUNCIL CHAMBERS
MINUTES**

CALL TO ORDER: Acting Chair Gehring called the meeting to order at 6:01 PM.

ROLL CALL

Commissioners Physically Present

Vicki Williams
Billie Jo Gehring
Travis Swangel

Commissioners Absent

Helen Brown
Lottie Roll

Staff Present

Bil Homka, Planning Director
Thomas Roufos, Associate Planner

REVISIONS TO THE AGENDA: *None*

APPEARANCE REQUESTS: *None*

ANNOUNCEMENTS: Mr. Homka reminded everyone that the Bus study will begin on January 13th and go until the 19th.

MINUTES: Acting Chair Gehring asked for a motion to approve the Minutes from October 19, 2017. Commissioner Swangel motioned and Commissioner Williams seconded. Motion passed 3:0.

PUBLIC HEARING

1. **RESOLUTION 2017-11:** APPROVING A CONDITIONAL USE PERMIT FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE

Acting Chair Gehring asked if there was any public comment or discussion.

Mr. Frank Kelty stood to speak in favor of this Resolution.

Mr. Dickerson asked if everyone received the handouts that he submitted and spoke on his behalf.

Ms. Sandra Moller on behalf of the Ounalashka Corporation stated that they are opposing the location, not the business.

Acting Chair Gehring asked if there was any more discussion.

Hearing none, this public hearing item was closed.

2. **RESOLUTION 2017-12:** APPROVING A VARIANCE OF SIX FEET FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE

Acting Chair Gehring asked if there were any questions.

Mr. Dickerson explained why they are asking for a variance

Mr. Robert Lund discussed the drainage easement that is on Mr. Dickerson's property.

Acting Chair Gehring asked if there was any other discussion.

Hearing no discussion, this public hearing item was closed

3. **RESOLUTION 2017-13:** APPROVING A CONDITIONAL USE PERMIT FOR SIX RESIDENTIAL UNITS ON LOT 3, BLOCK 2, ILULAQ SUBDIVISION, LOCATED AT 176/178/180 CHERNOFSKI DRIVE

Ms. Tina Tran spoke to represent her Father, Thuyen Dihn.

Acting Chair Gehring asked if there was any more discussion.

Hearing no discussion, Acting Chair Gehring closed this item.

OLD BUSINESS

No Items

NEW BUSINESS

1. **RESOLUTION 2017-11:** A RESOLUTION APPROVING A CONDITIONAL USE PERMIT FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE
RESOLUTION 2017-11: A RESOLUTION

Mr. Homka spoke to clarify some of the issues that were raised as the Staff was not focused on them.

Acting Chair Gehring asked for a motion. Commissioner Swangel motioned to accept Resolution 2017-11, Commissioner Williams seconded.

Acting Chair Gehring asked for a staff report. Mr. Roufos gave a staff report.

Acting Chair Gehring asked if there was any Commissioner discussion.

Acting Chair Gehring asked what the difference was between Industrial and Commercial.

Mr. Homka pointed to the Unalaska City Code of Ordinances to answer Acting Chair Gehring's question.

Commissioner Swangel asked at what point do you state something like this operation is industrial. He explained his concern about the potential increase or change in species. Commissioner Swangel asked Mr. Dickerson what the smell would be like.

Mr. Dickerson addressed Mr. Roufos on his staff report, agreed with Commissioner Gehring's statement.

Commissioner Swangel asked for confirmation on how they would be freezing the by-catch.

Mr. Dickerson explained and stated that he would be willing to provide a decibel test and he would be willing to sign an agreement stating that the building would not get bigger and it would be up for review every year.

Commissioner Swangel asked if there would be additional sounds with this building such as more back up signals for forklifts and things of that nature.

Mr. Dickerson described the equipment that they have on hand currently and that they will keep an electric forklift inside of the building.

Commissioner Swangel asked what the hours of operation would be.

Mr. Dickerson stated that they would operate from 6 AM to 10 PM.

Acting Chair Gehring asked if there would be more traffic because of buying product directly.

Mr. Dickerson said no people cannot buy from them directly.

Acting Chair Gehring asked where the problem with traffic is.

Mr. Dickerson explained his view on the traffic situation.

Commissioner Swangel asked for clarification on the process.

Mr. Dickerson described the process. He also stated there wouldn't be any additional traffic.

Acting Chair Gehring asked if they looked at any other properties.

Mr. Dickerson said he did not look at other properties.

Mr. Homka asked if there will be any inedible solid waste, aside from whatever goes down the sanitary sewer.

Mr. Dickerson explained that all the solid waste will go to Alyeska Seafoods to go into their meal plant. He said the only thing that will go down the drain is rinse-down water.

Mr. Homka asked if the intensity will increase over time with the machinery they have and are getting.

Mr. Dickerson answered that he could process up to 10,000 lb. per day with the equipment he has now.

Commissioner Roll asked if he would be processing fish.

Mr. Homka helped clarify that he was explaining the cuts in catching opportunities for Cod.

Mr. Dickerson explained that he would be open to helping individuals out with certain fish.

Commissioner Swangel said he would be open to working it out with limitations and reviews.

Mr. Homka explained that this is a Conditional Use Permit and the Commission can add conditions to the permit.

Commissioner Williams expressed concern about the new housing that Ms. Moller with OC mentioned. She thought the Conditional Use Permit should be reviewed when the housing was completed to see how it affected the new tenants.

Mr. Homka asked Ms. Moller to point out where OC is looking to add housing.

Commissioner Swangel asked Mr. Dickerson what his lot size was.

Mr. Dickerson answered that it is 3.5 acres.

Commissioner Swangel said that he feels that they need to go to the site and see the site in person. He asked if it may be a good idea to postpone taking any action until the Commission goes to take a look.

Commissioner Gehring said she is in full support and it is not industrial, she is also in support of having a review in 1 year and having a condition on the permit on the level of poundage that they are able to turn over. She said that she is okay with going to the site to see it.

Mr. Homka asked Mr. Charles Cassiola if it would be okay to have as a special meeting or as adding onto a regular meeting and if it is legal.

Mr. Cassiola explained the legality of the situation and that it is a good way as long as there is a public notice and documentation.

Commissioner Williams asked why they don't put the vans behind the building.

Mr. Dickerson said the vans will be completely gone.

Commissioner Swangel asked if the fire hydrant will be an issue.

Mr. Dickerson said that it was not on their property and it will not be an issue.

Mr. Homka asked Commissioner Williams to elaborate on her questions.

Commissioner Williams said that she was thinking that maybe they could move the building so they don't need a variance.

Mr. Homka explained.

Commissioner Swangel asked if the next item would be tabled if the Commission tabled the current item.

Mr. Homka said he would strongly suggest that but to get all testimony first.

Mrs. Dickerson explained the lot situation.

Acting Chair Gehring asked for additional comments. Hearing none, motion to approve **RESOLUTION 2017-13** was denied.

Commissioner Swangel made a motion to table **RESOLUTION 2017-11** and **RESOLUTION 2017-12** until the January 18, 2018 meeting to allow for a site visitation on January 15, 2018. Commissioner Williams seconded. The motion passed. ∴

2. **RESOLUTION 2017-12: APPROVING A VARIANCE OF 6 FEET FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE**

Acting Chair Gehring asked for a staff report. Mr. Roufos gave a staff report.

3. **RESOLUTION 2017-13: APPROVING A CONDITIONAL USE PERMIT FOR SIX RESIDENTIAL UNITS ON LOT 3, BLOCK 2, ILULAQ SUBDIVISION, LOCATED AT 176/178/180 CHERNOFSKI DRIVE**

Commissioner Swangel motioned to approve **RESOLUTION 2017-13**, Commissioner Williams seconded.

Acting Chair Gehring stated her desire to make a site visit before approving this resolution. She then stepped down due to conflict of interest.

Commissioner Swangel asked for a staff report. Mr. Homka gave a staff report.

Commissioner Swangel stated he did not think a 6-plex was needed in the Standard Oil Hill neighborhood.

Ms. Tran stated they were not asking for a 6-plex, only three units with 4 additional bedrooms and two bathrooms below.

Commissioner Swangel asked which units the additional bedrooms would be attached to.

Ms. Tran stated that they were not attached to any of the units.

Commissioner Williams stated her concern about having additional bedrooms in space that was originally approved for garages.

Mr. Homka stated the additional bedrooms could result in high-density conditions.

Commissioner Swangel asked for clarification that the conditional use permit application was for a 6-plex.

Mr. Homka confirmed that the application was for a 6-plex. Mr. Roufos explained the process by which that determination was made. He then read conditions from their original permit **2016-4**.

Voting was called for. The motion failed.

WORKSESSION

1. Discussion: Mr. Dale Miller and Street Improvements

Mr. Homka gave the background on Mr. Miller's request for help. After discussion Mr. Miller was encouraged to apply for a variance for his planned addition.

2. Discussion: Comprehensive Plan 2030

Mr. Homka gave an update for the Comprehensive Plan.

3. Identify Issues that Commissioners Feel Need Addressed

Commissioner Swangel questioned Bil on his meetings around town mentioned in the update. Bil clarified his intent.


Acting Chair Gehring asked for motion to adjourn. Commissioner Williams so motioned, Commissioner Swangel seconded.

ADJOURNMENT: Acting Chair Gehring adjourned the meeting at 8:05 pm.

PASSED AND APPROVED THIS 15th DAY OF FEBRUARY, 2018 BY THE CTY OF UNALASKA PLANNING COMMISSION.


Billie Jo Gehring
Acting Commission Chair

2/15/18
Date


Bil Homka, AICP
Secretary of the Commission

2.15.18
Date

Prepared by Morgyn McConnell, Administrative Assistant

**CITY OF UNALASKA, ALASKA
PLANNING COMMISSION & PLATTING BOARD
REGULAR MEETING
THURSDAY, JANUARY 18, 2018,
6:00 P.M.
UNALASKA CITY HALL COUNCIL CHAMBERS
MINUTES**

CALL TO ORDER: Acting Chair Gehring called the meeting to order at 6:00 PM.

ROLL CALL

Commissioners Physically Present

Billie Jo Gehring

Travis Swangel

Commissioners Telephonic

Helen Brown

Commissioners Absent

Lottie Roll

Vicki Williams

Staff Present

Bil Homka, Planning Director

Thomas Roufos, Associate Planner

REVISIONS TO THE AGENDA: *None*

APPEARANCE REQUESTS: *None*

ANNOUNCEMENTS:

MINUTES: *None*

PUBLIC HEARING

1. **RESOLUTION 2017-11:** APPROVING A CONDITIONAL USE PERMIT FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE
2. **RESOLUTION 2017-12:** APPROVING A VARIANCE OF SIX FEET FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE

Mr. Dickerson stated his intention to move the refrigeration unit inside the proposed building.

OLD BUSINESS

1. **RESOLUTION 2017-11:** A RESOLUTION APPROVING A CONDITIONAL USE PERMIT FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE RESOLUTION 2017-11: A RESOLUTION

Commissioner Swangel made a motion approving RESOLUTION 2017-11. Acting Chair Gehring seconded.

Commissioner Swangel expressed his apprehension about the housing included in the building.

Mr. Homka recommended amending the resolution to add the condition of annual review for noise, traffic, and waste disposal, and/or nuisance calls.

Commissioner Swangel made a motion to accept the revisions to RESOLUTION 2017-11. Chair Gehring seconded. Motion passed.

2. **RESOLUTION 2017-12:** APPROVING A VARIANCE OF 6 FEET FOR AN OCTOPUS PROCESSING FACILITY ON TRACT A, USS 5185, Plat 89-22, LOCATED AT 1757 BROADWAY AVE

Commissioner Swangel made a motion approving RESOLUTION 2017-12. Chair Gehring Seconded.

Chair Gehring asked for Staff Report. Mr. Homka asked for clarification whether the building would be built over the creek. Mr. Dickerson said no.

Commissioner Swangel stated that after the field trip to see the actual site, he thought the lot was large enough to build without a variance.

Mr. Dickerson pointed out that it was only a small corner of the building in the set back. He asked for reasons why the setbacks were necessary.

Commissioner Swangel stated the need for additional parking may be one reason.

Mr. Homka explained that it was to maintain a sense of order along corridors.

Mr. Dickerson said the cost of cutting the hillside back and the maintenance involved in that would add significant cost to the construction of the building.

Chair Gehring agreed with Commissioner Travis in that there seemed to be enough room on the existing lot to build without the need of a variance.

Commissioner Swangel expressed his excitement about the project. He supported the project, but not the variance.

Mr. Homka asked if Mr. Dickerson had a final site plan after deciding to move the refrigeration unit inside the building. He suggested possibly deferring the decision a month to allow for the changes to be presented to the commission.

Commissioner Swangel stated he still would not support a variance for the building.

Mr. Roufos asked if Mr. Dickerson had considered changing the direction of the building to allow it to fit on the site without a variance.

Mr. Dickerson stated the whole project had been evolving throughout the process. He was happy with all that had been accomplished thus far. He was trying to get the project done in the least costly manner.

Vote was called for. Resolution was denied.

NEW BUSINESS

None

WORKSESSION

Mr. Homka stated that Morgyn McConnell had resigned her position in the Planning department and Judy Huling would be taking that position as of February 1st.

Mr. Roufos reminded everyone to fill out their Statement of Personal Financial Disclosure and return them to Clerks.

Mr. Homka noted that Commissioner Roll and Commissioner William's terms would be expiring in February.

Commissioner Brown motioned to adjourn, Chair Gehring seconded. Motion passed.


ADJOURNMENT: Acting Chair Gehring adjourned the meeting at 6:50: pm.

PASSED AND APPROVED THIS 15th DAY OF FEBRUARY, 2018 BY THE CTY OF UNALASKA PLANNING COMMISSION.



Billie Jo Gehring
Acting Commission Chair

2/15/18
Date



Bil Homka, AICP
Secretary of the Commission

2-15-18
Date

Prepared by Judy Huling, Administrative Assistant

**CITY OF UNALASKA
PLANNING COMMISSION & PLATTING BOARD
2017 ANNUAL REPORT**



This annual report is designed to serve multiple functions: to summarize the planning activities of the Unalaska Planning Commission; to serve as a resource document; to project future planning needs and activities; and to meet the requirements of § 2.60.090, Unalaska Code of Ordinances.

The Planning Commission, Platting Board, Department of Planning, and Unalaska City Council refer to the adopted Comprehensive Plan, Platting and Subdivision Regulations, Zoning Code of Ordinances, Zoning Map, and other applicable codes for all decisions rendered.

The following residents of Unalaska served on the City of Unalaska's Planning Commission and Platting Board throughout 2017:

Chair Jessica Earnshaw (Resigned after meeting of August 17, 2017)

Chair Billie Jo Gehring (Elected at meeting of August 17, 2017)

Vice Chair Travis Swangel

Vicki Williams

Lottie Roll

Helen Brown (Appointed August 18, 2017)

The Planning Commission and Platting Board are supported by the City of Unalaska's Planning Department, which consists of:

William Homka, AICP, Planning Director

Thomas Roufos, Associate Planner

James Price, GIS Administrator

Judy Huling, Administrative Assistant

PLANNING COMMISSION AND PLATTING BOARD
RESOLUTION 2018-01

In accordance with § 2.60.090 of the Unalaska Code of Ordinances, the City of Unalaska's Planning Commission officially adopts the following annual report, filing the same with the Unalaska City Council.

CITY OF UNALASKA
PLANNING COMMISSION

BY: 
Billie Jo Gehring
Commission Chair


William Homka
Secretary of the Commission

DATE OF ADOPTION: February 15, 2018

INTRODUCTION

Alaska State law gives incorporated municipalities the authority and responsibility for planning, platting, and land use regulation. In addition to providing for the orderly and efficient use of land and other resources, planning can establish ground rules for development for the whole community and provide the means by which residents participate in important decisions about their community's future. With effective planning, a community can define its character and realize tangible benefits.



The Unalaska Code of Ordinances establishes the Planning Commission and Platting Board to help assure orderly growth of Unalaska and offers additional guidance regarding their functions, power and duties, which include:

- To recognize and utilize such basic information necessary to understand past trends, present conditions, and forces affecting community growth and development;
- To prepare and keep current a Comprehensive Plan for meeting present requirements and future needs for community growth and development as may be foreseen by the Commission/Board;
- To establish principles and policies for guiding actions affecting growth in the city;
- To prepare and to recommend to the City Council ordinances, regulations, or other proposals promoting orderly development indicated as desirable by the Comprehensive Plan;
- To exercise jurisdiction over platting as provided in Chapter 8.08, and to act upon requests for variances, conditional uses, and zone amendments as provided in Chapter 8.12;
- To keep the City Council and general public informed and advised as to matters before the Commission/Board;
- To conduct such meetings, as required, to gather information necessary for the drafting, establishment, and maintenance of the Comprehensive Plan and the ordinances and regulations relating to it; and

- To perform other duties lawfully assigned to the Commission/Board or which have a bearing on the preparation or accomplishment of the Comprehensive Plan.

§ 2.60.090 of the Unalaska Code of Ordinances requires each board and committee to submit an annual report which summarizes the activities which have occurred during the previous year. The Annual Report is a mechanism for monitoring those activities and for presenting to the City Council the goals and objectives for Planning in the coming year.

SUMMARY OF PLANNING ACTIONS FOR 2016

I. General Statistics (January 1, 2017 – December 31, 2017)

2017 was less busy than previous years for both the Planning Commission and Platting Board. The PC/PB actions for 2017 and previous years are summarized below:

Application Type	Considered or Reviewed/ Granted, Approved or Formally Recommended		
	2015	2016	2017
Variance	7/7	3/3	3/2
Conditional Use	4/4	7/7	
Zone Amendment	-	1/1	-
Property Acquisitions	-	-	-
Code Revisions	3/3	3/3	-
Plats	6/6	3/3	3
Planning Documents	3/1	2/1	2
TOTAL MEETINGS	12	11	8

II. Planning Commission Recommendations to Council

The Planning Commission recommended no Code Revisions and no Planning Documents to the City Council for action in 2017.

III. Planning Commission Actions and Activities

The Planning Commission & Platting Board reviewed two Planning Documents, approved three Variances, and approved four Conditional Use Permits in 2017.

<i>January 19, 2017: Approved Annual Report (Planning Document) and filed with City Council</i>	The Planning Commission through Resolution 2017-01 approved the <i>Planning Commission and Platting Board 2016 Annual Report</i> , which reviewed the year in Planning in Unalaska.
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<i>January 19, 2017: Approval of a Conditional Use Permit</i>	The Planning Commission, through Resolution 2017-02 approved Four One Bedroom Residential Units on Lot 10, Cape Cheerful Subdivision, Located at 2639 Airport Beach Road
<i>February 16, 2017: Approval of Variance</i>	The Planning Commission through Resolution 2017-03 approving a Variance for a reduction of lot width requirement from 60 feet to 30 feet to accommodate a subdivision of Lot 2, Warren-Machalek Subdivision, Plat 2010-17, at 72 Steward Rd
<i>March 16, 2017: Approval of a Conditional Use Permit</i>	The Planning Commission approved Resolution 2017-05 approving a conditional use permit for a cellular tower on a portion of ATS 1273, located approximately at 2530 Captains Bay Road, across from the fuel tanks.
<i>March 16, 2017: Approval of a Conditional Use Permit</i>	The Planning Commission approved Resolution 2017-06 approving a conditional use permit for a cellular tower on a portion of Lot 7 Shaishnikoff Subdivision C, located at 376 Steward Road. This was appealed to Council, appeal was granted on April 11, 2017
<i>April 27, 2017: Approval of a Conditional Use Permit</i>	The Planning Commission approved Resolution 2017-07 Approving a conditional use permit for a Bed and Breakfast on Lot 4, Block 5 of USS 1992, located at 208 Bay View Avenue
<i>October 19, 2017: Approval of Variance</i>	The Planning Commission approved Resolution 2017-08 approving a variance of four feet on the rear setback of Lot 7, of Shaishnikoff Subdivision "C", located at 376 Steward Road for an addition to an existing structure.
<i>October 19, 2017 Denial of Variance</i>	The Planning Commission denied Resolution 2017-09 Approving a variance of 19 feet on the front setback of Lot 2, of Creekside Estates located at 1937 Broadway Avenue for a shed

IV. Platting Board Actions

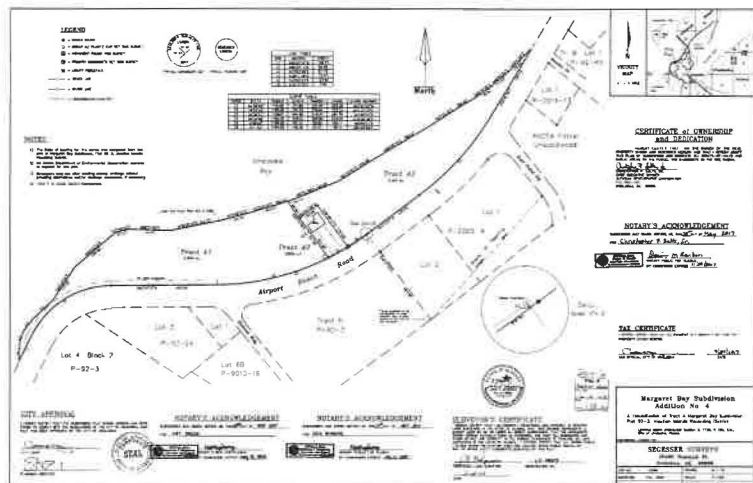
The Platting Board took action on one subdivision plat in 2017. Planning Department recorded a second plat with the state recorder's office that was awaiting final signatures from parties.

On February 16, 2017, the Platting Board approved the Preliminary Plat of DeCuir Subdivision, A replat of Lot 2, Warren-Machalek Subdivision, Plat 2010-17, Aleutian Islands Recording District (06-05-330) through **Resolution 2017-04**.

The final plat has been recorded with the Aleutian Islands Recording District as Plat 2017-05.



In June of 2017, the Planning Department recorded Plat 2017-06, Margaret Bay Subdivision Addition No. 4, with the Aleutian Islands Recording District.



V. Platting Authority Actions

The Planning Director acting as the Platting Authority and took action on one subdivision plat in 2017.

On November 23, 2017, the Platting Authority approved preliminary plat of Blueberry Hill Subdivision Satellite Dish Addition, a re-subdivision of Tract B-1, Hillside Subdivision, P-2013-8, Aleutian Islands Recording District thru **Resolution 2017-10**.

The final plat is expected to be recorded by the end of January 2018



VI. Planning Determinations

The Planning Director issued one planning determinations in 2017.

October 12, 2017: Planning Determination granting a variance of 10% or less.

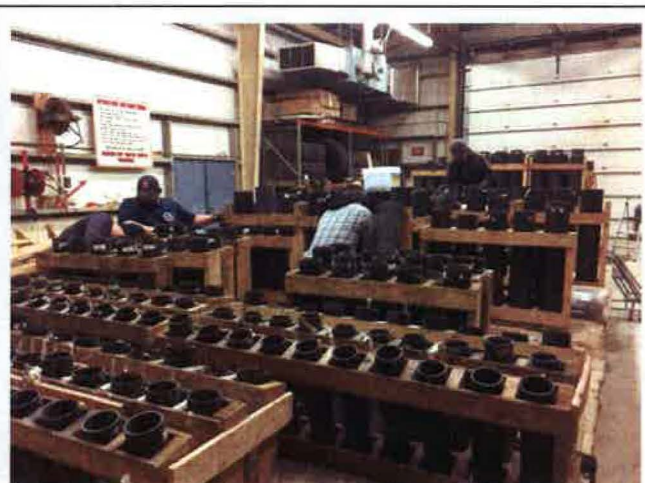
Reducing the minimum front yard requirement from 15 feet to 13.5 feet at 12 Thompson Circle. (HESTER SUBDIVISION)

VII. Summary of Appeals Cases and Actions:

The Planning Commission did not hear any appeals of administrative decisions.

VIII. Department of Planning Activities:

The Department of Planning's primary responsibility is coordinating community planning and development, land use, and capital growth within the City of Unalaska. Services include assisting the public, Mayor and City Council, Planning Commission, and other City departments by providing information, guidance, and direction on land use issues and regulations. Under the guidance of the department, the City's annual five-year capital improvement, replacement, and maintenance program is developed. The department also initiates and directs studies and reports relating to long and short-term planning needed for both` community growth and development, in accordance with the Comprehensive Plan.



Preparing Fireworks for New Year's Eve

In addition to the involvement in the items described in previous sections, Departmental activities and accomplishments for 2017 include the following:

- **Negotiated Agreements:** Coordinated the negotiation and approval of:
 1. Tideland leases and easements which will allow for businesses to expand operations in our community and help to diversify Unalaska's economic base, as well as provide access for public works projects.
 2. Negotiated the lease of city owned real estate for the location of a cellular tower on E. Broadway across from the Department of Public Works.
- **GIS Improvements.** Maintained contract with GTG and won a Special Achievement in GIS award from ESRI for last year's effort to migrate to a Local Government Information Model database.
- **Housing Conditions Survey.** Planning staff completed 95% of the field work for the Housing Conditions Survey between July and October 2017. This document will be completed in the 2018.
- **Planning Education and Outreach.** The planning department participated in the annual job fair at the Unalaska High School, and hosted 2 first grade classes during their field trip to City Hall.
- **Planning Commissioner Training.** Planning staff arranged for Commissioner Swangel to participate in Commissioner Training at the 2017 Alaska Planning Conference held in Anchorage in November, 2017.
- **Aerial Photography:** Established a new contract for obtaining aerial, orthographic imagery to update the city's 2010 aerial photography. New images to be comprised of two sources: images acquired from drone photography services provided by Aleutian Aerial of the city's built environment, and satellite imagery of a vast area surrounding the built environment. The project is the combined effort of a partnership between the City of Unalaska and the Ounalashka Corporation (OC). The Corporation is contracting for the satellite imagery. Together the two organizations will share data per an earlier data sharing agreement.
- **Transportation Study:** The planning department initiated a transportation study of all the islands transportation resources, including the study of possible public transit. In addition to collecting data about registered vehicles, licensed drivers, analyzing use patterns and possibilities, the staff set up cameras in partnership with several businesses. The cameras served to provide visual resources for reviewing traffic patterns, turning movements, etc. as well as to aid with counts of various types at eight locations. The staff also coordinated the operation of one study period whereby the city provided free bus service throughout an established route during a week in August. There were 266 riders who also completed surveys about transportation needs. Another week of transit operation is scheduled for a week in January, 2018.
- **Comprehensive Planning.** The planning department has begun the process of collecting data toward updating the Comprehensive Plan. The data collected thus far pertains to basic demographic and economic data, as well as housing data. Two committees were established to aid with the process and activities, including a Steering and a Technical Advisory Committee. A public meeting was held in October.



Transit Study – Bus Passengers

- **Fireworks Coordinator:** Director Homka assumed the role of coordinator in partnership with Dan Winters, Public Utilities Director. Dan has served in this capacity for over 10 years and mentored Bil in the role of coordinating the city's New Year's Eve fireworks display. The fireworks occur twice each year, on New Year's Eve and on Independence Day.

IX. Departmental goals for 2018 include the following:

- Continue to explore options for zoning code changes to better implement our 2020 Comprehensive Plan and Land Use Plan.
- Continue improving process of zoning and public nuisance code enforcement as minor offenses.
- Finalize the update to the GIS aerial photography layer, create web maps, set up collector app, and train staff in new programs.
- Update the Comprehensive Plan as the current plan is nearing the end of its lifespan and a new plan is required in order to provide guidance for community facility and infrastructure investments.
- Conclude the Transportation Study
- Conclude the Housing Conditions Study
- Analyze ways to improve inter-city permitting and review coordination
- Evaluate software to aid with the CMMP process; currently use Microsoft Excel.



Housing Conditions Survey



**City of Unalaska Department of Parks, Culture and Recreation
Advisory Committee Annual Report to Council
January 01 – December 31, 2017**

The City of Unalaska Department of Parks, Culture and Recreation (PCR) Advisory Committee Annual Report to Council highlights the Committee's accomplishments during the 2017 calendar year.

PCR ADVISORY COMMITTEE

- Kelly Stiles, Chair
- Jason Gates
- Jim Morris
- Joanne Villamor
- Elizabeth Wallace
- Thomas Roufos

The Committee has been active in the playground improvement project and reviewing the programming of the Parks Culture and Recreation Department. (PCR)

This group's major role was to provide insight and feedback on programming, events, and operations. They serve as another set of eyes looking at all of PCR. The Committee reviewed the department seasonal activity guides, annual budget, and fee schedule along with the newly developed Business Plans that were created by each division of PCR.

The Business Plan Project was to develop a format for anyone to look at the department in a more in-depth way without getting lost in spread sheets and schedules. The Business Plans have made it possible to look at the goals and outcomes by division.

The Committee was heavily involved in discussions regarding the Sitka Spruce Playground Project. As part of the Committee's input, the project was taken to the public asking for their ideas and a new design for the park was developed. Through a combination of input from the Committee, community and staff, the new design added more parking and a better playground placement, moving the playground away from the propane tanks of a local business. During these public discussions, the Committee agreed to look at possibly placing artificial climbing rocks around the grass area giving the children a place to run to each item along with playing on traditional playground equipment.

The Committee offered feedback and suggestions to help improve the Annual Unalaska Martin Luther King, Jr. Celebration, Father Daughter Dance, Christmas/Holiday Bazar, Egg Hunt and Halloween programs. The Committee also provided input on the PCR's electronic message board system that now keeps an updated programing offering scrolling throughout the day at PCR. All of the suggestions were implemented and the programs ran better this year.

The Committee also recommended suggestions for future PCR offerings such as offering more Youth Sports Leagues to include volleyball. Lastly, the Committee tackled PCR concerns that included new pool hours for children and adults. The Department worked on a background check policy and a parent responsibility policy with age limits for the department.

The below spreadsheet outlines the PCR Advisory Committee accomplishments for 2017.

PCR Advisory Committee 2017

Reviewed	Action
Activity Guides - Winter/Spring, Summer, & Fall	
Budget for Fiscal Year 2018	
Fee Schedule for Fiscal Year 2018	
Business Plans (Recreation; Library; Aquatics; Parks)	
Implemented Ideas & Suggestions	Feedback & Suggestions for Improvements to Existing Programs
Clearer rules regarding Teen Room usage	Annual Unalaska Martin Luther King, Jr. Celebration
Implemented shorting the time for the MLK Event	Father Daughter Dance
Implemented new format for Halloween and Christmas/Holiday Bazar	Halloween Event
Swapped out Turkey Trot for Santa Run in	Christmas/Holiday Bazar
Conjunction with Christmas/Holiday Bazar	Polar Bear Run
Suggestions for Potential Future PCR Offerings	Concerns
Additional exercise and fitness classes	Lack of qualified people to teach the classes

New Classes

The Committee determined that a key area of concern was in PCR's offerings regarding Aquatic Programing. As a means of addressing this concern, a restructure of the Recreation Coordinator staff was executed, resulting in providing a dedicated Coordinator solely to Aquatics programming. A Coordinator was hired in August, increasing class and events for all age groups, giving the community a greater opportunity to learn about and utilize this wonderful facility.

In an effort to address the shortage of fitness instructors available on the island, PCR staff purchased the Wellbeats Virtual Fitness System and a 120" digital commercial display wall that brings near life sized fitness instructors to patrons. This system provides regular access to a wide variety of group fitness classes and is updated periodically with new content. Staff has had some difficulty getting the system up and running due to network connectivity issues but at the time of writing this report, the system is nearly online and 100% functional. PCR staff will continue to work into the next fiscal year to purchase all supplies needed for the system so that patrons will have access to new and exciting classes like Spinning and Bar Strong cardio weight lifting.

Continuing to address the community's desire for increased fitness class offerings, PCR also sent Recreation Coordinator, Carlos Tayag to receive training and certification in POUND and ZUMBA fitness classes. Carlos will begin teaching these classes in the spring of 2018.

New Approaches

In an effort to align more with national trends and to fulfill the department's mission in youth sports of developing sportsmanship and a love for the games, PCR has moved away from providing participation trophies for Youth Sports Leagues. As a way to recognize all Sports League participants, PCR is now hosting a Youth Sports League Awards Ceremony at the end of each youth sport season. At this ceremony each participant is provided with a memento of the league they participated in, and given the opportunity to have the memento signed by all of their teammates. Additionally, awards are given to the player on each team who showed the most improvement and the best sportsmanship. These awards are given in an effort to encourage all the participants to continue to gain experience and build confidence in the league of their choice and value what it means to be a team player. Coaches are also given a card for each child and encouraged to write out some encouraging comments that are given to the players; this has enhanced the personal nature of the player coach relationship and will hopefully have a greater impact on the lives of the players than the traditional participation trophy ever could.

Additionally, this year PCR has shortened all youth leagues to six week seasons. This allows PCR to schedule youth mini leagues that give youth an opportunity to explore more sport options and also creates a buffer of off time between leagues that provides parents with a break from coming to games and practices every week nearly all year long.

City of Unalaska
Department of Parks, Culture, & Recreation
Unalaska Public Library
P.O. Box 1370
Unalaska, AK 99685
Ph: 907.581.5060 F: 907.581.5266

MEMORANDUM

TO: Mayor Frank Kelty
Unalaska City Council

FROM: M. Lynn Crane, Chair, Unalaska Public Library Advisory Committee

DATE: February 27, 2018

SUBJECT: Calendar Year 2017 Public Library Advisory Committee Report to the Mayor and Council

I am pleased to submit this Calendar Year report to the Mayor and Council. In 2017, the Unalaska Public Library continued to provide valuable services and resources to the community. The following statistics provide a snapshot of core library services and usage.

	2017	Daily Average	2016	% Difference
Users through the door	50,597	141	43,367	+17%
Items checked out	74,345	208	64,374	+15%
Computer & Wireless Sessions	37,987	106	27,947	+36%
Reference Questions	1,266	4	420	+200%
Active Registered Users ¹	4,427	-	4,621	-4%
Programs Offered	137	-	126	+9%
Attendance at Programs	2,088	-	1,985	+5%
Meeting Room Reservations	270	-	301	-10%
Notarized Documents ²	197	-	-	NA
Passport Applications	149	-	122	+22%
Passport Photos ³	190	-	-	NA

1. Patrons who have used their library cards in the last 60 months
2. Statistics not tracked in 2016
3. New service as of March 2017

Future Improvement and Potential Expansion of the Library Facility

The Committee thanks the Mayor and Council for beginning the CMMP process in 2012 to eventually improve the library facility. The community has expressed a need for improvements in the areas of children's and teen space, meeting and study space, and more room for seating and library materials.

In 2017, we saw major progress on this project, with its acceptance into a Pre-Development Program, funded and administered by the Rasmuson Foundation and Foraker Group. An architect visited the island twice in 2017 to gather community and staff input and present draft concepts to the public, staff, and City Council. In spring of 2018, the Pre-Development stage will conclude with a final report and presentation from the architect and recommendations to City Council. If the project moves forward with Council approval, full design and construction will commence in FY19-21.

Committee Work: In 2017, the Committee met eight times: seven times in regular session and once in special session.

The Committee received information and gave advice to the City Librarian and the Director of Parks, Culture, and Recreation on the following discussion topics in 2017:

- Library Building Improvement Project
- Library Business Plan
- Valentine Rose Writing Contest judging
- Summer Reading Program
- Spring and Fall/Winter Library Programs
- OWL Funding
- Library Business Plan
- Rotating Art Exhibit

Library Advisory Committee Members:

	Term Expires:
M. Lynn Crane, Chair	02/2021
Cyri Thompson, Vice Chair	02/2019
Debbie Hanson-Zueger	02/2020
Rhonda Anderson	02/2019
Virginia Hatfield	02/2019
Cat Hazen	02/2021
Robert Cummings	02/2021

In summary, members of the Public Library Advisory Committee report that the library has had an exceptional year and that the Unalaska community continues to use the library's resources, services, and programs. We look forward to discussing this report and answering any questions that may be raised by Council members or City Administration on February 27, 2018.

UNALASKA PUBLIC LIBRARY

YEAR IN REVIEW

2017

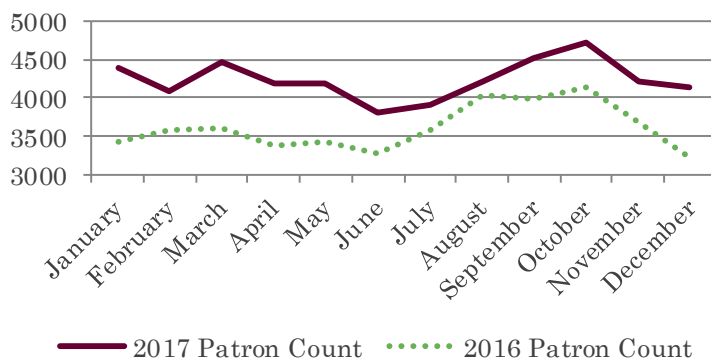


50,597 Visitors

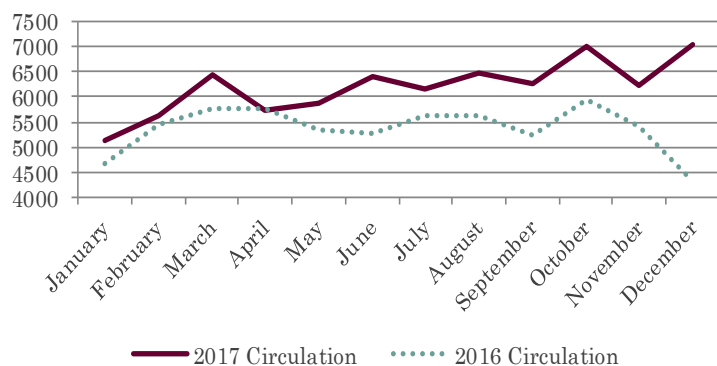
1,930 Cards Used for Check-Out

396 New Library Cards

Library Visits



Library Check-Outs



74,345 Check-Outs

3,547 Items Added



137 Programs

2,088 Program Attendance



1,266 Reference Questions
270 Mtg Room Reservations
197 Documents Notarized
149 Passport Applications



16,331 Computer Sessions
21,656 Wireless Sessions

Unalaska Public Library

Library Expansion - Concept Summary Report :: 02.21.18

Project Purpose Recap

The existing Library is well used by full and part-time residents but is undersized and outdated to meet the current needs of the community. Some particular needs that are not currently met include adequate space for children, dedicated space for teens, quiet study/reading spaces, and current technology infrastructure.

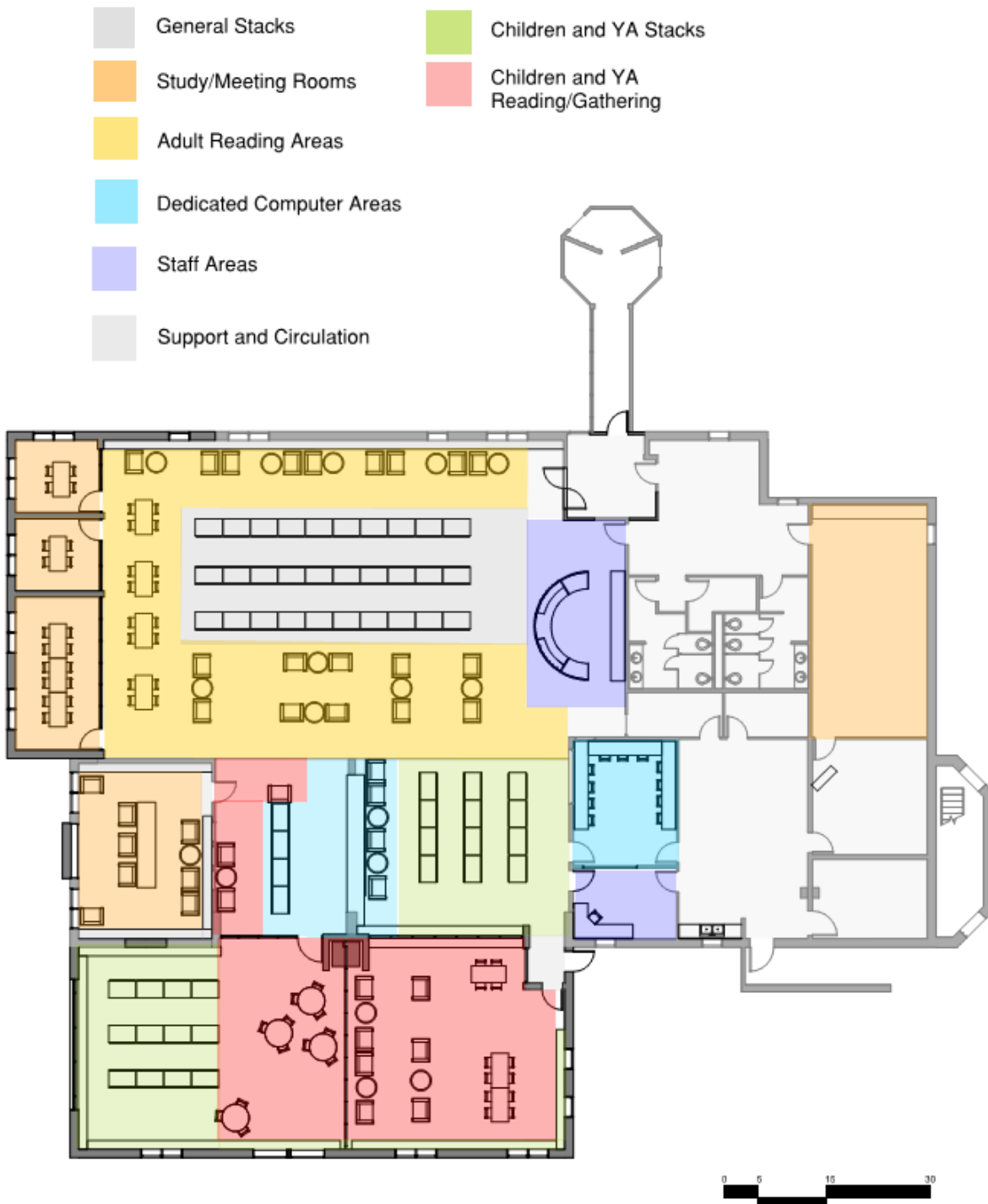
Through refinement of the options in the fall of 2017 with various Library and community groups the resultant components of the overall project were established:

1. An addition to the south accommodating new children's and young adult areas
2. A smaller addition to the west providing two modest study rooms and one larger study room/meeting room.
3. Replacement of original finishes throughout the public areas of the building.



Aerial View with Additions

Plan and Function



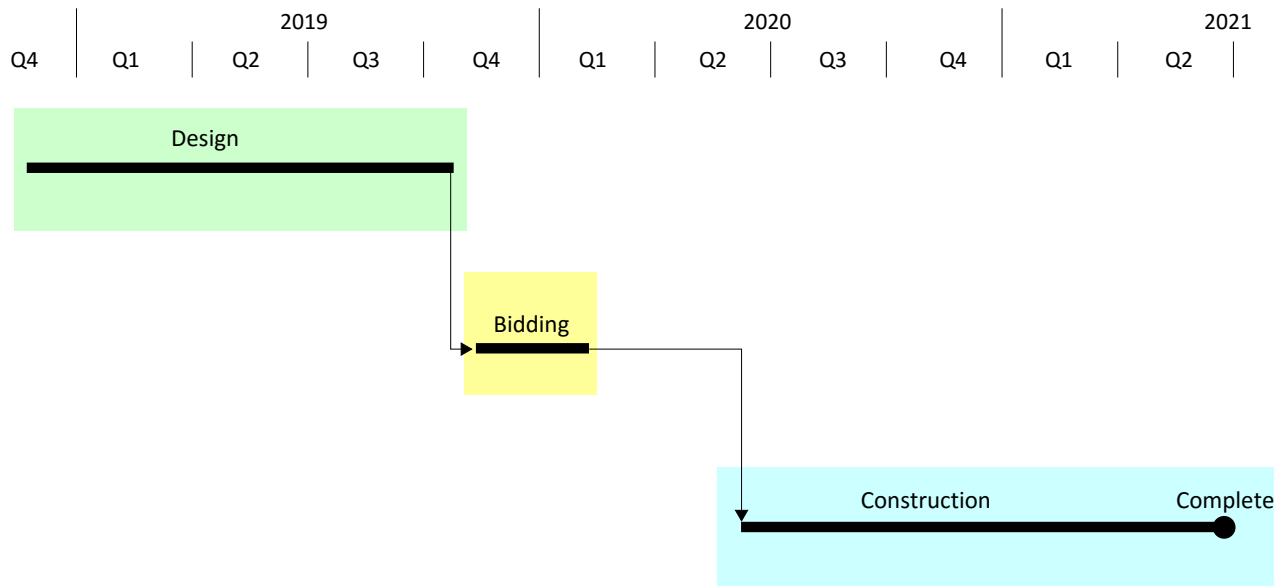
Space List

#	Component	Existing SF	Grow or Shrink	Future Quantity	Future SF	Plan Update	Calculations and Notes on Future Space
Reading Room:							
1	Adult Reading Area	Adult Collections Area	1,156	↔		1,156	1,161
		Adult Seating, Tables	558	↔	4	440	440
		Adult Seating, Individual Nooks / Carrels	nic	↑	6	360	360
		Adult Seating, Comfortable Chairs	nic	↑	12	500	580
		Magazines / New Books	209	↔		209	inc
		Adult Computers	274	↔		274	274
2	Young Adult Reading Area	Young Adult (Teen) Collections Area	663	↑		525	525
		YA Seating with YA Transition Books				170	170
		YA Seating	414	↑		600	685
		Young Adult Computer Area	inc	↔		150	150
3	Children's Area	Children's Collections Area	573	↑		400	420
		Children's Seating/ Story Area	inc			300	560
		Children's Activity Area	nic	↑		400	inc
		Children's Computer	inc	↔		70	inc
		Children's Staff Desk	nic	↑		120	inc
		Family Toilet	nic	↑		65	tdb not shown on concept plan; research plumbing then locate accordingly
		Children's Storage	nic	↑		80	inc
4	Hudson Room	Alaskan Collection	493	↑		200	493
		Study Table	inc	↓	1	125	inc
		Comfortable Chairs	nic	↑	2	80	402
5	Meeting / Study	Multipurpose Room	570	↔		570	570
		Large Study Room					270
		Small Study Rooms	nic	↑	2	240	260
		Quiet Rooms for 1 to 2 persons	nic	↑	2	160	Not Inc
							rooms for quiet study, phone calls, testing or viewing media - use small study
6	Other	Business Center	nic	↑	1	80	-
		Friend's Book Sale	125	↔		125	-
	Sub-total Reading Room	5,035				7,399	7,320
Support Spaces							
7	Staff Support Areas	Circulation/Checkout Desk	193	↔		193	193
		Staff Work / Break Area	546	↔		546	546
		Library Director Office	157	↔		157	157
		Copy	90	↔		90	90
							existing copy area is in a traffic way, but is conveniently located
		Sub-Total	986			986	986
8	Building Support Spaces	Arctic Entry	97	↔		97	158
		Lobby, Display	262	↔		262	410
		Public Restrooms	318	↔		318	318
		Storage Room	282	↔		282	282
		Telecom	79	↔		79	79
		Boiler	193	↔		193	193
		Janitorial	50	↔		50	50
		Sub-Total	1,281			1,281	1,490
	Sub-total Support Areas	2,267				2,267	2,476
	Total Net Square Footage	7,302				9,666	9,796
	Circulation, Exterior Walls	1,517	21%			2,008	2,035
	Total Square Footage Measured, Main Floor	8,819				11,674	11,831
							does not include fan loft

Schedule

Preliminary Design and Construction Schedule for Remainder of Project:

- | | |
|--|--------------|
| • Hire Architect for Full Design | Winter 2018 |
| • Schematic Design (35%) – Cost Estimate | April 2019 |
| • Design Development (65%) - Cost Estimate | July 2019 |
| • Construction Documents (100%) Complete | October 2019 |
| • Award Bid | January 2020 |
| • Begin Building Construction | May 2020 |
| • Construction Completion | Spring 2021 |



Budget

A project budget of \$4.5 million has been established using historical data, comparison to similar facilities, analysis of site development costs, and a conceptual estimate provided by a professional cost estimator. To ensure that the project stays within budget, additional construction cost estimates will be prepared at 35% Schematic Design, 65% Design Development, and 100% Construction Document phases. The budget includes the following components:

- | | |
|--|-------------|
| • Building and Site Construction | \$3,240,000 |
| • A/E Design & Engineering | 355,000 |
| • Construction Administration | 130,000 |
| • Fixtures, Furnishings, & Equipment | 160,000 |
| • Permits/Utilities/Entitlements/Inspections/Admin | 225,000 |
| • Project Contingency | 410,000 |
| • Total Project Budget | \$4,520,000 |

Project Narrative

Aspects of Existing Conditions and Proposed Modifications

From the reviews of the possible expansion options in Fall 2017, direction was given to expand to the south and west. The primary goals were to accommodate more study rooms, a larger children's area, and a teen area while improving circulation and providing more varied reading spaces for adults.

This direction was also guided by the overall themes from the Library Board:

- o Make sure the expansion is 'right-sized' so it is achievable and sustainable.
- o Focus on improvements that support library programs and patrons.
- o Focus on reconfigurable space and flexibility. Don't overbuild any over-specialized spaces.
- o Think of the library as a multi-generational and multi-cultural gathering space that serves a large and diverse population made up of full-time residents and itinerant workers.

Some of the additional details we learned in the site visits and meetings in the Fall of 2017 included:

- Preference for the Easy, Juvenile and Young Adult collections to be located on a continuum to support literacy and reduce stigma.
- More single, comfortable seating, and more locations for individual or dual study.
- More computer's for children's homework are needed, but not desired within the children's reading area competing for attention with the books and other library activities.
- Teens need their own spaces to gather and to study.
- Average size of study group is 2-4.
- An additional area that could be used as a medium sized meeting room would be well- used.
- Better spaces to display best sellers, new books, and new young adult books is desired.
- A new circulation desk with proper book drop and intelligible service areas with ergonomic consideration for staff is needed. During later design phases, staff would like to consider a more modern circulation desk that is further out into the library, similar to the desk at the Kenai Library.
- Exterior book drop is in poor repair and should be replaced and possibly relocated.
- Provision for charging of devices is needed.
- Create a more open feel. The current space feels dark.
- The Friends of the Library are an important asset and should be part of the library though they may not need an enclosed dedicated space. Consider locating sale books within the library proper, similar to the Homer Library.

Exterior and Structural Considerations

The existing building was designed in 1996 and constructed in 1999. The 11" deep typical exterior wall depth with fiber cement siding was repainted in 2017. The roof is a standing seam metal panel construction. The perimeter concrete foundation bottom of footer is at approx. 42".

The main addition proposed to south of existing building of 2500 sq ft will accommodate the new children's area and teen areas. The exterior form will be a roof gable peak matching the height of the existing building perpendicular to the existing roof. Additional support at the peak is likely necessary at existing column location and additional support at existing exterior wall is also anticipated for new ridge.

A 750 sq ft addition to the west end of the building will accommodate a series of study rooms and expanded reading areas. This form is an extension of the north half of the existing roof at the west side of the building. The corner of this expansion is tight to the property line, therefore further discussion will be required with the fire marshal regarding fire rating of that portion of wall.

Roof extensions and new areas will match existing the existing standing seam metal roof type.

Typically, new windows are proposed as triple pane vinyl windows in similar style to the existing building. The view to the west from the addition was identified in the site visits and meetings with stakeholders as particularly valuable in terms of natural beauty and local wildlife. A set of larger picture windows with window seats is proposed for the children's area looking this direction.

It is anticipated the new portions of the building will receive the same type of exterior siding as the existing building and the entire building will be repainted at completion of project.

The existing book drop is in poor condition and will be replaced with a new exterior book drop and associated interior cart.

Interior Finishes

The main reading and stack areas will be updated with new lighting and ceiling finishes to brighten the spaces and take better advantage of natural lighting. The existing bookstacks will be refurbished with new end-panels and augmented with new lower shelving units. The lower bookstack units allow better sightlines and supervision to all areas of the library.

The children's area will be relocated to the southwest corner of the library in the new addition with young adult bookstacks and teen areas nearby.

An acoustically rated folding wall partition is located between the teen and children's area for additional flexibility for larger programs and future uses.

The location of the Hudson room will remain intact. A gas fireplace is included to add to the welcoming community gathering area, further enhancing this space as the heart of the library.

The carpet will be replaced with good commercial quality carpet tile in public areas. Walk off carpet will be provided in the vestibule and lobby. New linoleum or rubber flooring will be replaced in restrooms and in select portions of the children's area.

The restrooms will receive all new finishes on walls and floors. The toilet fixtures themselves will remain.

Mechanical and Electrical considerations

A new heat recovery ventilation unit (HRV) will be added to accommodate the addition area.

The older of two existing boilers will be replaced with a new high efficiency boiler with capacity to support the expanded library.

New electrical outlets including potential for direct USB connection for charging of personal devices will be located throughout the new and existing spaces, particularly in reading areas and study rooms.

The public spaces in the library including reading areas, stacks, children's' areas, lobby and restrooms will receive new energy efficient LED lighting throughout. The lighting will include various levels of control that may include individualized switching, occupancy sensors, and/or daylight sensors.

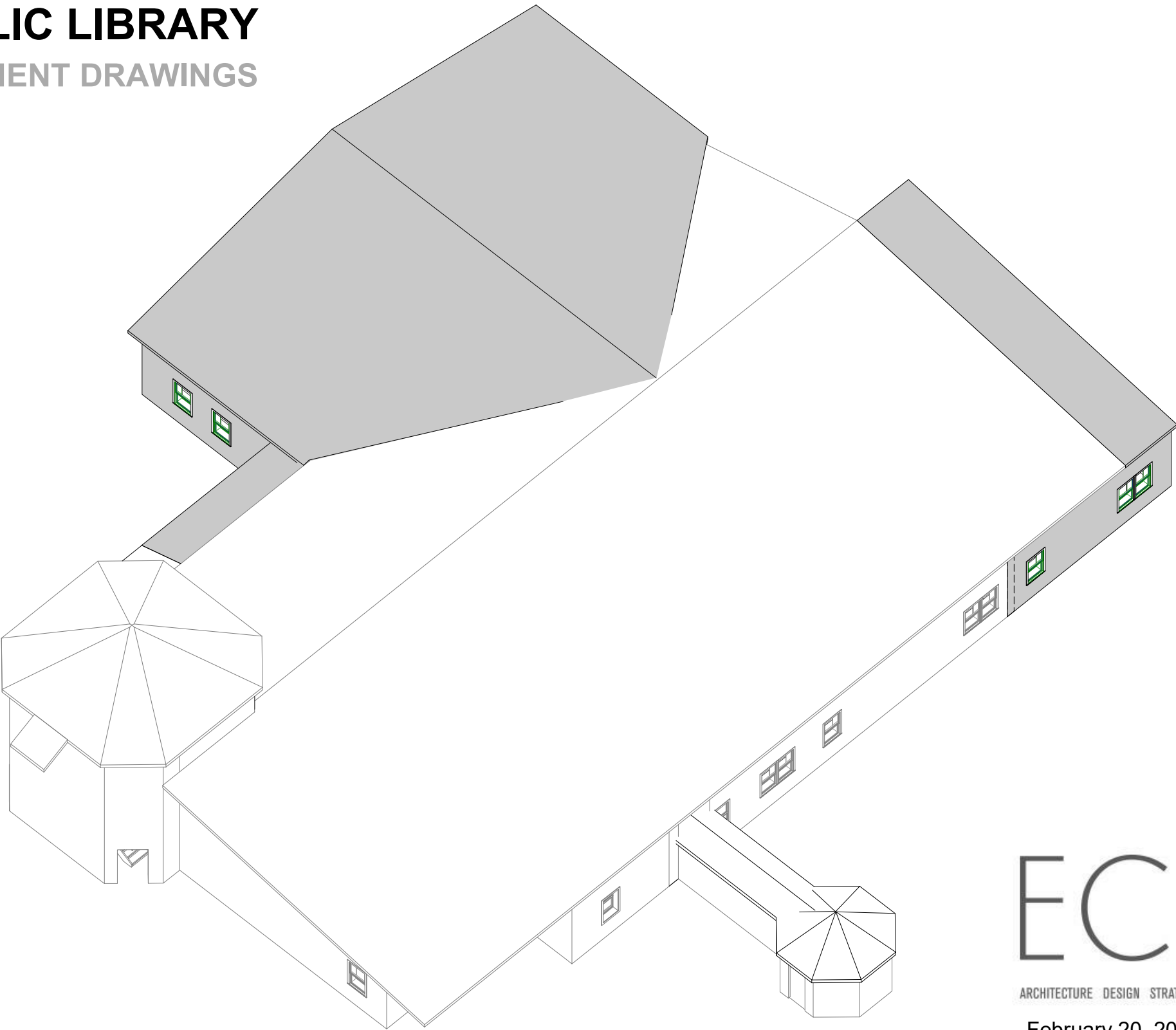
The infrastructure for internet and wireless internet will be upgraded throughout the building.



Exterior Sketch from South Side of Library with Addition

UNALASKA PUBLIC LIBRARY

ADDITION CONCEPT DEVELOPMENT DRAWINGS

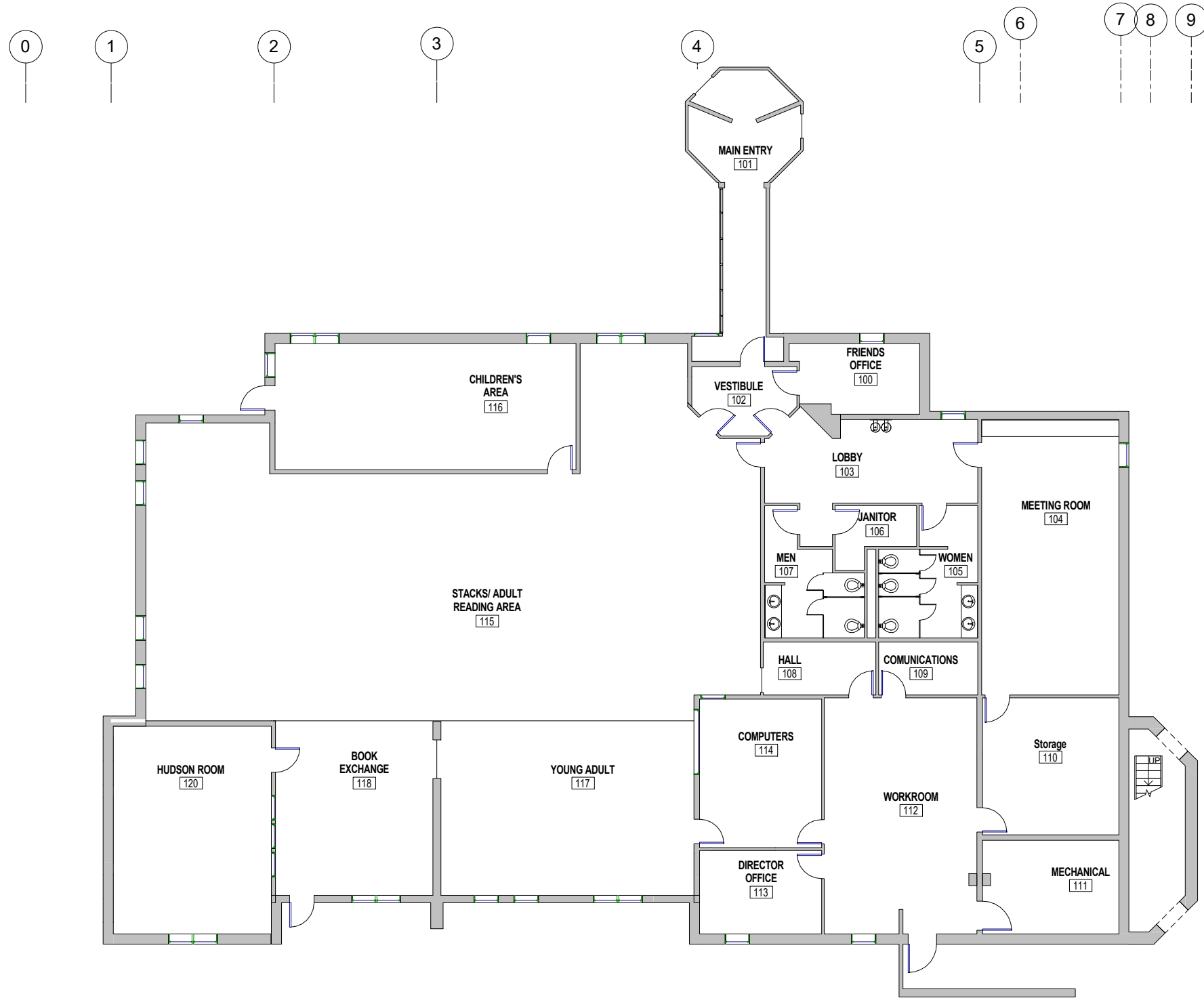


ECI

ARCHITECTURE DESIGN STRATEGY

February 20, 2018

① Level 1-EXISTING
1/8" = 1'-0"



FIRST FLOOR EXISTING PLAN

AUTHOR: KMZ
REVISION:
ISSUE DATE: 01/24/18
CHECKED: BAM
OWNER PROJECT NO: -

UNALASKA PUBLIC LIBRARY

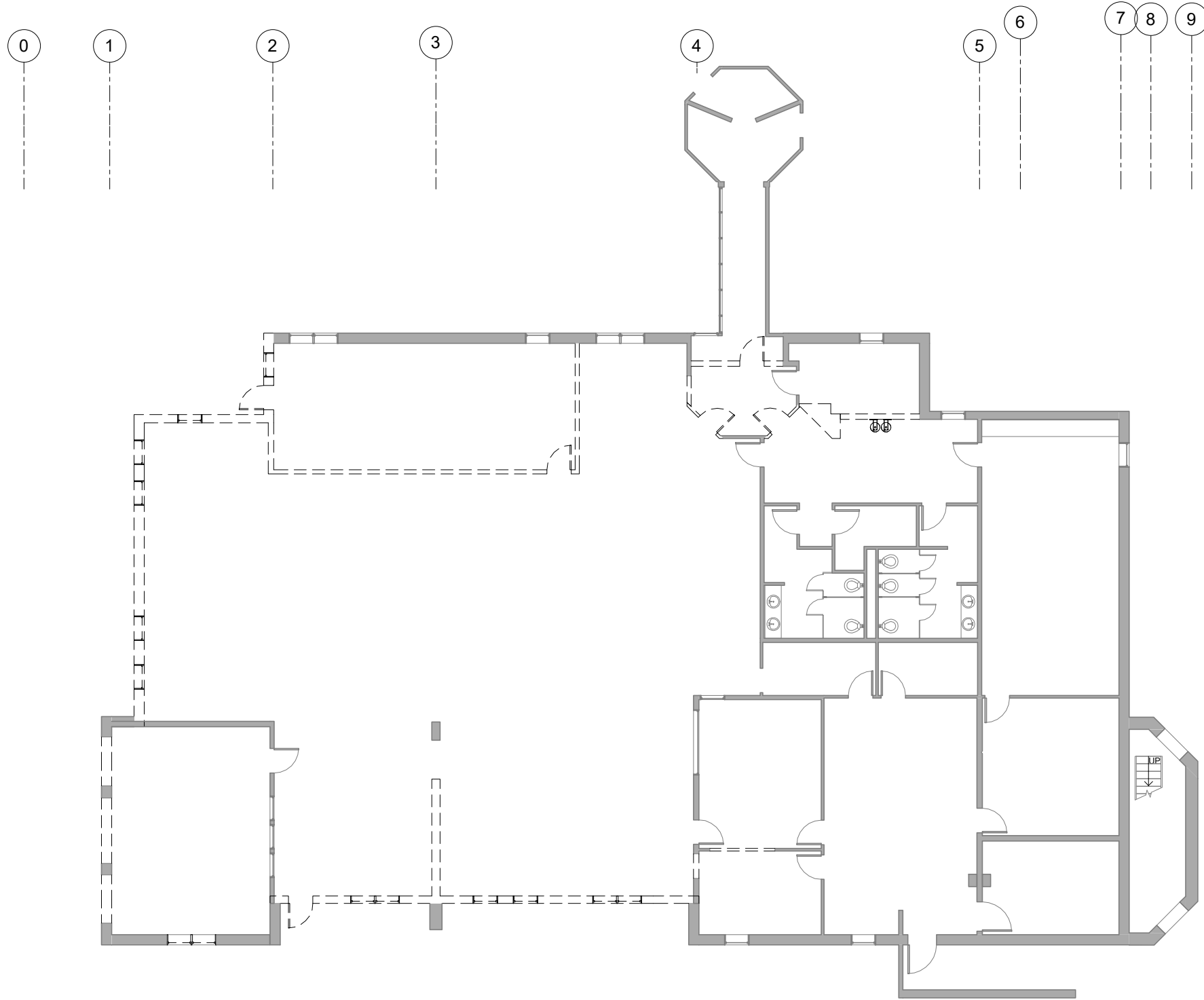
CONCEPT DEVELOPMENT DRAFT



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ECI ARCHITECTURE DESIGN STRATEGY
3909 ARCTIC BOULEVARD, SUITE 103
ANCHORAGE, ALASKA 99503 907.561.5543
PROJECT NO.

① Level 1 DEMO
1/8" = 1'-0"



FIRST FLOOR DEMO PLAN

AUTHOR: KMZ
REVISION:
ISSUE DATE: 01/24/18
OWNER PROJECT NO: -

CHECKED: BAM



UNALASKA PUBLIC LIBRARY

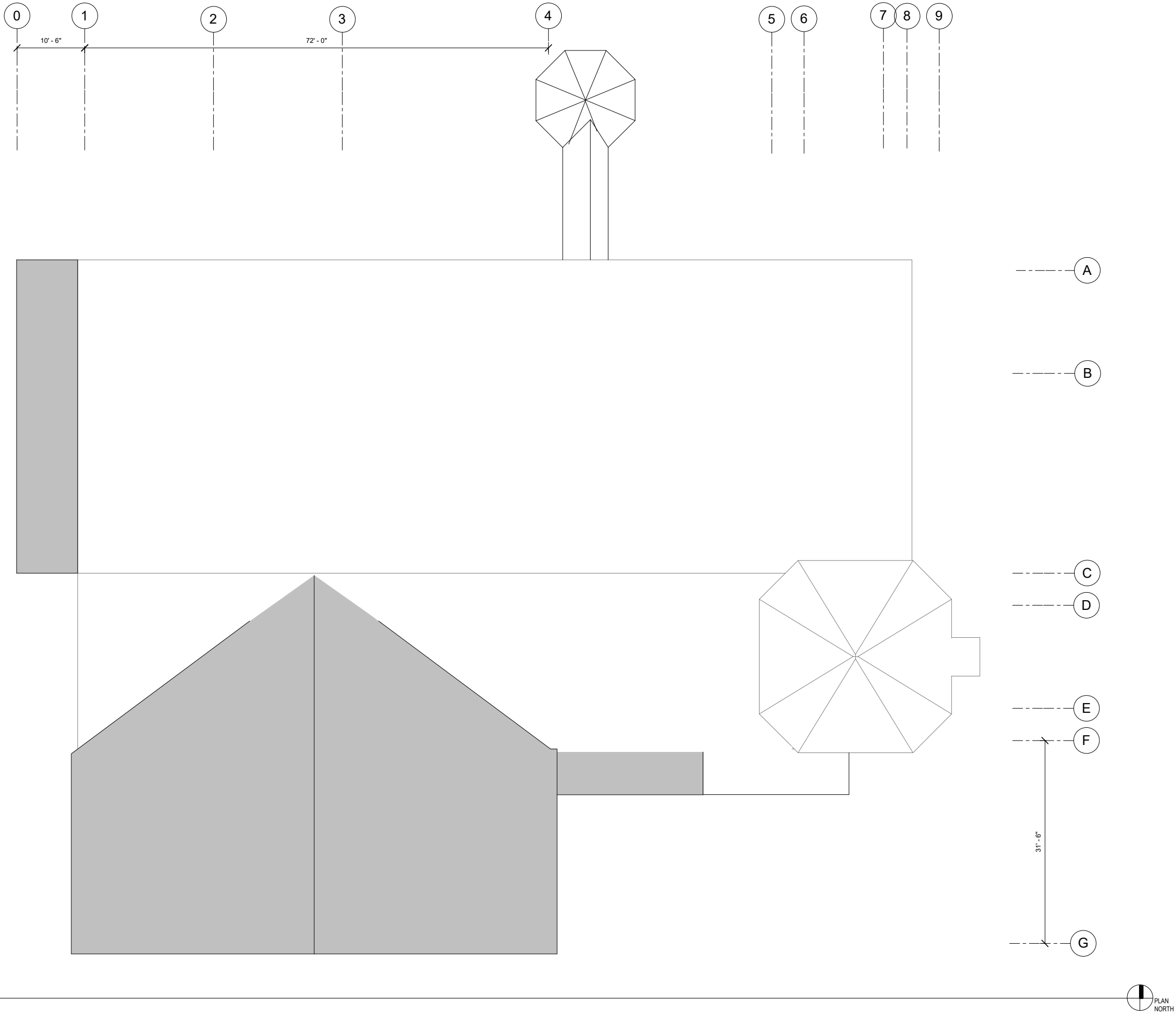
CONCEPT DEVELOPMENT DRAFT

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ANCHORAGE, ALASKA 99503 907.561.5543
PROJECT NO.



1 ROOF PLAN
1/8" = 1'-0"



ROOF PLAN WITH ADDITIONS
AUTHOR: KMZ
REVISION:
ISSUE DATE: 01/24/18
CHECKED: BAM
OWNER PROJECT NO: -

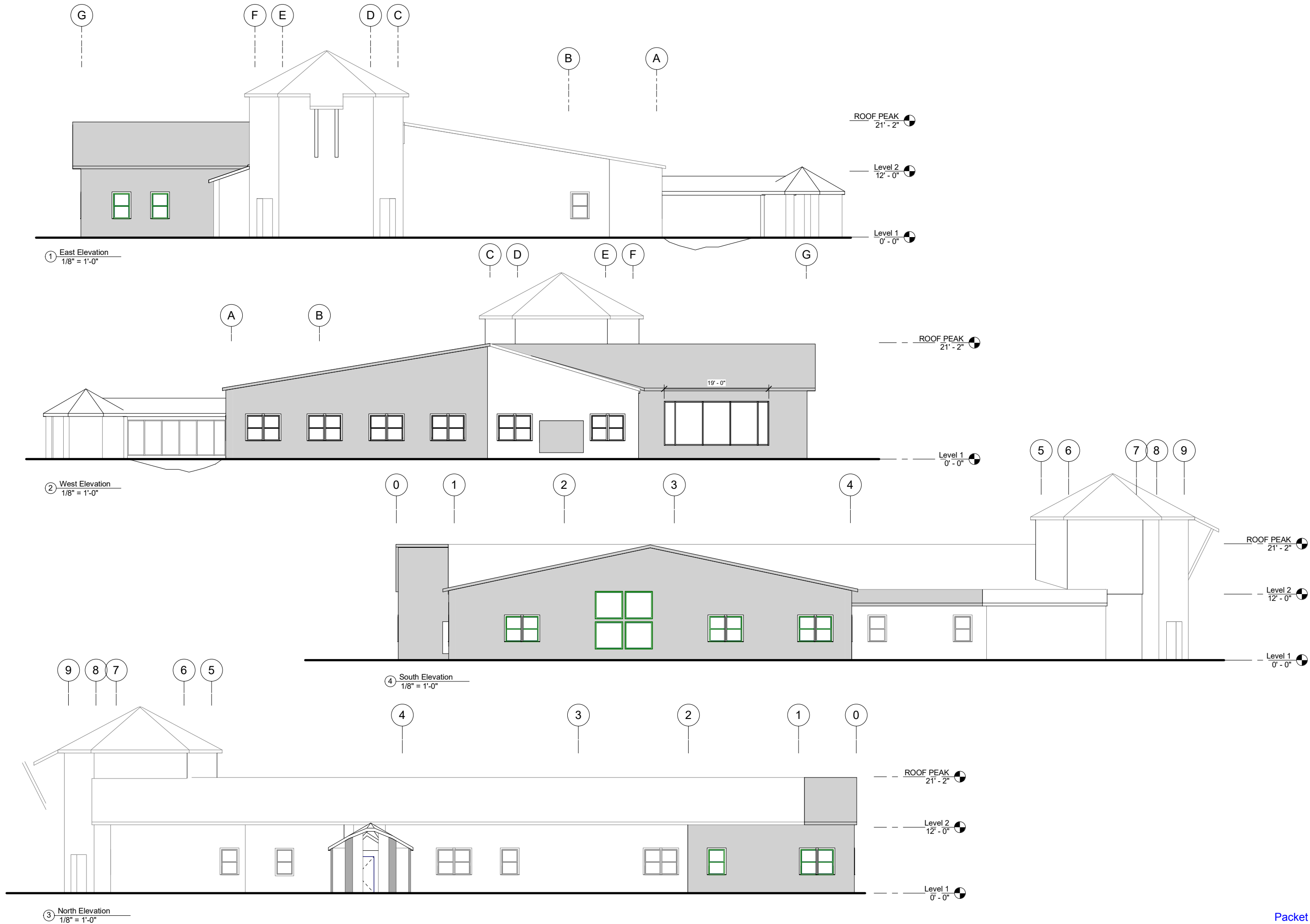


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CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-20

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPOINTING JUDGES AND CLERKS FOR THE SPECIAL ELECTION ON MARCH 6, 2018, AND JUDGES TO SERVE ON THE CANVASS COMMITTEE

WHEREAS, Unalaska City Code § 4.08.020 states that the City Council will appoint judges and clerks who will conduct the City of Unalaska special election to be held March 6, 2018; and

WHEREAS, Unalaska City Code § 4.08.020 states that the City Council will appoint three judges to constitute the canvass committee that will canvass all votes after the election.

NOW THEREFORE BE IT RESOLVED by the Unalaska City Council that the following persons are appointed judges and clerks for the Unalaska precinct and shall attend at the Unalaska Precinct Polling place, namely Unalaska City Hall, at 7:30 a.m. on March 6, 2018, and shall continue until polls close at 8:00 p.m.; thereafter, the judges and clerks shall count and check all votes cast against the poll listed in the manner required by law:

ELECTION BOARD

Judges

Marjie Veeder, Chair
Roxanna Winters
Estkarlen Magdaong

Clerks

Harriet Berikoff
Annamarie Ammons

BE IT FURTHER RESOLVED by the Unalaska City Council that the following are appointed canvass committee judges for the Unalaska precinct and shall meet on March 9, 2018 (the first Friday after the March 6, 2018 election) to canvass all votes after the election judges have completed their tally of votes:

CANVASS COMMITTEE JUDGES

Alejandro Tungul
Marjie Veeder
Estkarlen Magdaong

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 27, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

TO: Mayor and City Council Members
THROUGH: Erin Reinders, Interim City Manager
FROM: Marjie Veeder, City Clerk
DATE: February 27, 2018
RE: Resolution 2018-20: A Resolution of the Unalaska City Council Appointing Judges and Clerks for the March 6, 2018 Special Election, and Judges to serve on the Canvass Committee

SUMMARY: Unalaska City Code (UCO) § 4.08.020 requires Council to appoint three election judges and two clerks for the special election to be held on March 6, 2018, and three judges to serve on the canvass committee on March 9, 2018. Code allows the City Clerk to appointment up to three additional clerks should they be needed. Staff requests that Council adopt Resolution 2018-20.

PREVIOUS COUNCIL ACTION: Council approves a similar resolution for each election.

BACKGROUND: A special election is scheduled to be held on March 6, 2018.

DISCUSSION: State Statute and Unalaska City Code require Council to appoint election judges and clerks who will conduct the regular municipal election. UCO 4.08.020(A) requires appointment of three judges and two clerks; and allows for the City Clerk to appointment additional clerks should the need arise.

Additionally, Council appoints three judges to constitute the canvass committee that will canvass all votes following the election. Traditionally, one Council member serves on the canvass committee and this year Alejandro Tungul has agreed to be a canvass committee judge.

ALTERNATIVES: None

FINANCIAL IMPLICATIONS: Per UCO 4.04.050 Expenses, "Salaries for non-employee election judges and clerks shall be \$10.00 per hour." Salaries for election workers are included in the Clerk's Office FY18 budget.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends Council adopt Resolution 2018-20.

PROPOSED MOTION: "I move to adopt Resolution 2018-20."

CITY MANAGER'S COMMENTS: The Manager recommends that Council adopt Resolution 2018-20.



PROCLAMATION City of Unalaska, Alaska

WHEREAS, every four years, nations from around the globe send their best athletes to compete in the Winter Olympic Games; and

WHEREAS, the 2018 PyeongChang Winter Olympics took place from February 9 to 25, 2018; and

WHEREAS, the Republic of Korea hosted an event where countries came together to compete, and demonstrated that we can unite to promote athleticism, as well as peace and friendship; and

WHEREAS, the City of Unalaska, Alaska, is proud to support the athletes from the State of Alaska, Team USA, and athletes from around the world who have worked diligently in pursuit of excellence; and

WHEREAS, the citizens of the City of Unalaska shared in the excitement of the 2018 Winter Olympics and are grateful to all the residents of PyeongChang for making the 2018 Winter Olympics a time of sportsmanship, athleticism, and unity for the world to enjoy.

NOW, THEREFORE, I, Frank Kelty, Mayor of the City of Unalaska, Alaska, do hereby recognize the

2018 Winter Olympics in PyeongChang, Republic of Korea

As an event that celebrated the gathering of nations, and congratulate the athletes and volunteers who made the 2018 Winter Olympics a success!

Dated: February 27, 2018

Frank Kelty, Mayor

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION NO. 2018-14

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO DISPOSE OF PERSONAL PROPERTY, SPECIFICALLY A 1992 PIERCE ARROW FIRE ENGINE, TO AN ALASKA MUNICIPAL CORPORATION OR AGENCY THEREOF

WHEREAS, Unalaska Code of Ordinances (UCO) § 7.20.010(B) allows for the disposal of City of Unalaska surplus property, with a value of less than \$25,000, that is no longer needed for municipal purposes; and

WHEREAS, the Department of Public Safety has a 1992 Pierce Arrow Fire Engine that is determined to be surplus property and is no longer needed for municipal purposes; and

WHEREAS, the 1992 Pierce Arrow Fire Engine is a special purpose vehicle, with few other applications than as an emergency fire response vehicle; and

WHEREAS, it has been determined that the value of this fire engine is less than \$25,000; and

WHEREAS, UCO § 7.20.010(B) states in part: personal property no longer needed for municipal purposes shall be disposed of in one or more of the following manner; (1) by public outcry auction to the highest bidder, (2) by public sealed auction to the highest bidder, (3) to the best qualified proposal who responds to a request for proposal to acquire property, (4) to an educational, religious, charitable, or non-profit association or corporation providing services to Unalaska citizens, (5) to the United States, the State of Alaska or an Alaska municipal corporation or any agency or department thereof; and

WHEREAS, the Department of Public Safety shall notify other Alaska communities that the 1992 Pierce Arrow Fire Engine is being disposed of by the City of Unalaska. Public Safety shall solicit letters of interest, asking that any interested parties detail their specific need and their understanding that they would pay for all shipping costs; and

WHEREAS, the letters of interest will be reviewed and a scoring matrix will be applied in order to select which interested party would receive the fire engine; and

WHEREAS, the selected party be responsible for all shipping costs.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to dispose of city personal property, specifically a surplus 1992 Pierce Arrow Fire Engine, to an Alaska municipal corporation or agency thereof.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 13, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

TO: Mayor and City Council Members
FROM: Jennifer Shockley, Acting Director Department of Public Safety
THROUGH: Erin Reinders, Interim City Manager
DATE: February 27, 2018
RE: Resolution 2018-14 – A Resolution of the Unalaska City Council Authorizing the City Manager to dispose of personal property, specifically a 1992 Pierce Arrow Fire Engine, to an Alaska Municipal Corporation or agency thereof

SUMMARY: The City recently acquired a new Fire Engine for service in Unalaska and delivery is expected within the next month or so. Once the new engine is delivered to Unalaska, Resolution 2018-14 will authorize the City to dispose of the engine it is replacing, a 1992 Pierce Arrow Fire Engine, to an Alaska Municipal Corporation or agency, as allowed for in the Unalaska Code of Ordinances.

PREVIOUS COUNCIL ACTION: Council addressed Resolution 2018-14 at the February 13, 2018 Council meeting, and requested additional information regarding the possibility of keeping the 1992 Pierce Arrow Fire Engine as reserve apparatus rather than disposing of the surplus specialty fire department apparatus as in the past.

BACKGROUND: In 2016 the council authorized the disposal of a 1999 surplus ambulance to a nearby community. The surplus ambulance was awarded to Chignik after they demonstrated a specific need through a letter of interest and the application of a scoring matrix. Chignik was responsible for paying the cost of shipping the ambulance to their community. Other specialty Fire/EMS apparatus have been similarly disposed of in previous years.

DISCUSSION: The Department of Public Safety has two stations, the shared Public Safety building at 29 Safety Way and the single-use Amaknak Fire Hall. These two buildings have a total of seven large bays, six of which are used for Fire/EMS apparatus and the seventh of which is dedicated to criminal evidence processing and storage for the Patrol division. The Fire/EMS division currently stores all primary apparatus – two ambulances, a ladder truck, two pumpers and an equipment truck+trailer – inside these bays. Fire and EMS apparatus are designed to be kept indoors and on a constant trickle charge to ensure all equipment is maintained in a response-ready state – the motor, component parts, and passenger compartments are at room temperature and emergency responses need not be held up by lengthy engine warm-ups or defrosting. Indoor storage for the apparatus achieves other financial and operational benefits: It vastly reduces wear and tear on the apparatus, reducing the amount of time and money spent on maintenance and ensuring that the apparatus is out-of-service for the least amount of time.

Keeping the 1992 Pierce Fire Engine as reserve apparatus has merit if the apparatus can be kept in a controlled environment, plugged in to electrical power, and stored in such a way that personnel can easily check battery levels, exercise valves, and ensure that all onboard equipment is operational. However, there is no available indoor, warm storage for apparatus of

this size, at DPS or at any other City facility. Being stored outside means personnel would need to keep the engine cleared of snow and ice at all times in order to maintain it in a response-ready state; even when cleared of snow and ice it would still take 15 – 20 minutes to warm up the engine and fill the brake air tanks. Water in the tanks and pumps could freeze in winter, rendering the engine useless for a fire response. Mechanical controls and electrical connections may seize up and/or deteriorate, and, depending where the engine is parked, ravens, rats and eagles may damage equipment intended for life-saving, all of which increases both the maintenance and personnel costs involved in keeping the engine in a state of readiness. As an example, the ambulance which was donated in 2016 was briefly stored outside, awaiting shipment to another community. After only three months of outdoor storage, the brakes had locked up from rust and the batteries were drained. The cost of maintaining this apparatus in 2016-2017 included approximately \$4,000 in DPW parts and labor, and approximately \$7,000 in DPS labor; it can be assumed these costs would increase considerably if the apparatus were stored outside.

The City of Unalaska currently has an ISO rating of Class 04/4X, achieved with an earned credit of 63.89. While the addition of a reserve engine would in fact increase the City's earned credit, it would increase by only .5, for a total earned credit of 64.39. Our rating would remain at Class 04/4X.

ALTERNATIVES: Request a motion to adopt Resolution 2018-14; dispose of the surplus engine through the auction process; re-purpose the vehicle for other City use; or maintain the 1992 Pierce Fire Engine in an outdoor location.

FINANCIAL IMPLICATIONS: None if the engine is disposed of as previously outlined, as the cost for shipping would be borne by the community awarded the engine. If the engine is kept as a reserve, there will be considerable equipment and personnel costs associated with maintaining it in a response-ready condition.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends the Council move quickly to approve the disposal of the 1992 Pierce Engine through the process outlined. Shipping a significantly deteriorated apparatus to a neighboring community reflects poorly on the City of Unalaska and the Department of Public Safety.

PROPOSED MOTION: Request a motion to adopt Resolution 2018-14, allowing the City Manager to dispose of the 1992 Pierce Engine to an Alaska municipal corporation or agency thereof that demonstrates the highest need, which will be established through a letter of interest and the application of a scoring matrix.

CITY MANAGER'S COMMENTS: I support adoption of Resolution 2018-14. The City's previous practice to surplus specialty equipment in this manner has been very helpful to other communities in our region.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2018-03

CREATING BUDGET AMENDMENT #4 TO THE FISCAL YEAR 2018 BUDGET, INCREASING THE WASTEWATER FUND - TRANSFERS TO CAPITAL PROJECTS TO FUND COMPLETION OF THE DELTA WAY SEWER LINE REPAIRS PROJECT; INCREASING THE SOLID WASTE FUND - OPERATING EXPENSES, TO PAY FOR REMOVAL COSTS OF BAGGED NETS & FISHING LINE FROM THE LANDFILL; INCREASING THE SOLID WASTE FUND - TRANSFERS TO CAPITAL PROJECTS, TO FUND THE LANDFILL CELLS 3 & 4 PARTIAL CLOSURE PROJECT; INCREASING PORTS & HARBORS - UMC FENCING PROJECT BASED ON BIDS RECEIVED AND REDUCING THE PORTS AND HARBORS - UMC EXPANSION PROJECT CONTINGENCY FUNDS.

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 #4 to Ordinance #2017-07

		<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGETS				
A. Proprietary Fund				
Source:				
Wastewater Enterprise Fund - Budgeted Use of Unrestricted Net Position		\$ 918,418	\$ 392,400	\$ 1,310,818
Use:				
Wastewater Enterprise Fund - Transfers to Enterprise Capital Projects		415,000	392,400	807,400
Source:				
Solid Waste Fund - Budgeted use of Unrestricted Net Position		706,067	232,000	938,067
Uses:				
Solid Waste Fund - Operating Expenses		678,700	232,000	910,700
Source:				
Solid Waste Fund - Accrued Landfill Closure Costs		5,525,405	346,000	5,179,405
Uses:				
Solid Waste Enterprise Fund - Transfer to Enterprise Capital Projects		1,105,000	346,000	1,451,000
II. CAPITAL BUDGETS				
B. Public Utilities - Project Budget				
Source:				
Transfer from Wastewater Fund Operating	WW18A	415,000	392,400	807,400
Uses:				
Construction Services	WW18A	369,000	392,400	761,400
Source:				
Transfer from Solid Waste Fund Operating	SW18B	1,000,000	346,000	1,346,000
Uses:				
Construction Services	SW18B	1,000,000	346,000	1,346,000

C. Ports & Harbors - Project Budget

Source:					
	Transfer from UMC Expansion Project	PH17D	<u>10,000,000</u>	<u>110,360</u>	<u>9,889,640</u>
Uses:					
	UMC Security Fencing Project	PH17B	<u>325,000</u>	<u>110,360</u>	<u>435,360</u>

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

ATTEST:

MAYOR

CITY CLERK

**Fiscal Year Budget Amendment #4
and Schedule of Proposed Accounts**

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
1) <u>General Fund - Operating Budget</u>						
2) <u>Wastewater Fund - Operating Budget</u>						
Sources:						
Enterprise Fund Budgeted Use of Unrestricted Net Position	52016049	49910		918,418.00	392,400.00	1,310,818.00
Uses:						
Transfer to Prop Cap Project	52029854	59940		415,000.00	392,400.00	807,400.00
3) <u>Solid Waste Fund - Operating Budget</u>						
Sources:						
Enterprise Fund Budgeted Use of Unrestricted Net Position	53016549	49910		706,067.00	232,000.00	938,067.00
Accrued Landfill Closure Costs	5300	23800		5,525,405.00	346,000.00	5,179,405.00
Uses:						
Solid Waste Fund - Solid Waste	53024752	54210		65,000.00	232,000.00	297,000.00
Solid Waste Fund - Transfer to Capital Projects	53029854	59940		1,105,000.00	346,000.00	1,451,000.00
4) <u>Wastewater - Capital Project</u>						
Sources:						
Transfer from Wastewater Operating	52119848	49130	WW18A	415,000.00	392,400.00	807,400.00
Uses:						
Construction Services	52126053	54500	WW18A	369,000.00	392,400.00	761,400.00
5) <u>Solid Waste - Capital Project Budget</u>						
Sources:						
Transfer in from SW Op fund	53119848	49130	SW18B	1,000,000.00	346,000.00	1,346,000.00
Uses:						
Engineering & Architectural	53126553	53240	SW18B	54,000.00	106,179.00	160,179.00
Construction Services	53126553	54500	SW18B	942,950.00	88,050.00	1,031,000.00
Contingency	53126553	55912	SW18B	-	151,771.00	151,771.00
6) <u>Ports & Harbors Project Budget</u>						
Sources:						
Transfer from UMC Expansion Project	54119848	49130	PH17D	10,000,000	110,360	9,889,640
Contingency	54127053	55912	PH17D	2,209,140	110,360	2,098,780
Uses:						
Ports & Harbors Fund - Transfer from Enterprise Fund	54119848	49130	PH17B	-	110,360	110,360
Construction Services	54127053	54500	PH17B	-	55,360	55,360
Contingency	54127053	55912	PH17B	-	55,000	55,000

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Dan Winters, Director of Public Utilities
Through: Erin Reinders, Interim City Manager
Date: February 27, 2018
Re: Ordinance 2018-03 – Budget Amendment Request for \$392,400 increase funding for the Delta Way Sewer Line Repairs Capital Project.

SUMMARY: Through this Budget Amendment, Staff Requests \$392,400 in construction services funding in order to complete the Delta Way Sewer Line Repairs Project. This funding will come from the Wastewater Proprietary Fund - Budgeted Use of Unrestricted Net Position.

PREVIOUS COUNCIL ACTION: A Budget Amendment to create this project was approved on September 26, 2017, funding the emergency and limited scope of the project at \$415,000 via Ordinance 2017-13.

BACKGROUND: A breached sewer main on Delta Way has caused bunker fuel to enter the Wastewater Collection System. The Emergency Repairs Project was funded via Budget Amendment, protecting a portion of the sewer line from further infiltration. The funding for the remaining repairs, which were deemed non-emergency at the time, was to be requested via the FY2019 CMMP process. However, it appears that the collection system piping is marinating in Bunker C fuel and, until this project is constructed, the Sewer Lift Station at Delta Way must be extensively cleaned once per week to prevent the fuel from reaching the Wastewater Treatment Plant in violation of the Plant's NPDES permit. We have paid over \$25,000 to date to Resolve Marine Group to conduct the Lift Station cleaning.

DISCUSSION: Accessing the sewer main for a direct repair is impractical due to the bunker fuel contamination and because the line sits below the water table. To avoid digging up the main, the Utility intends to issue an Invitation to Bid to slip line the affected sewer main lines. Slip lining is a proven long-term repair for sewer mains and is often considered equal to or better than the original installation. The limited emergency repairs completed by NAC were performed utilizing the slip line method. Through this budget amendment, Staff requests funding for construction services in order to slip line the existing sewer line from the Old Powerhouse to Lift Station #3. Construction Administration and Inspecting will be performed in-house for this project.

ALTERNATIVES: This breach is a potentially serious environmental hazard that could affect Unalaska Bay, causing damage to marine life and the safety of residents as well as subjecting the City to fines from ADEC and/or EPA. Staff knows of no other viable alternative to funding these vital repairs to the collection system.

FINANCIAL IMPLICATIONS: The proposed revised budget is set forth below. Construction Administration will be performed in-house. Construction cost is based upon a quote from Northern Alaska Contractors, LLC which was provided at the time the emergency repairs were conducted.

Delta Way Emergency Sewer Line Repairs	Description	Original Budget	Expensed & Encumbured	Available Budget	This Request	Revised Budget
5211-9848-4913\ WW18A	Transfer from Proprietary Fund	\$ (415,000)				
5212-6053-5324\ WW18A	Engineering & Architectural	\$ 10,000	\$ (10,000)	\$ -		\$ -
5212-6053-5430\ WW18A	Repair & Maintenance Services	\$ 36,000	\$ (36,000)	\$ -		\$ -
5212-6053-5450\ WW18A	Construction Services	\$ 369,000	\$ (350,000)	\$ 19,000	\$ 392,400	\$ 430,400
		\$ 415,000	\$ (396,000)	\$ 19,000	\$ 392,400	\$ 430,400

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends approval of this Ordinance.

PROPOSED MOTION: “I move to approve Ordinance 2018-03”.

CITY MANAGER COMMENTS: This budget amendment funds necessary and time sensitive sewer repairs. Additional funding will be noted in any future CMMPs with the project description and details will be updated accordingly.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Dan Winters, Director Department of Public Utilities
Through: Erin Reinders, Interim City Manager
Date: February 27, 2018
Re: Ordinance 2018-03 –Budget Amendment to Reimburse the Solid Waste Operations Budget for Bagged Net & Line Recycling Expense of \$232,000

SUMMARY: This Budget Amendment request will reimburse the Operating Budget of the Solid Waste Division of the Department of Public Utilities for their expenditure of \$232,000 to pay for the Bagged Net & Line Recycling Project. The reimbursement will come from the Retained Earnings of the Solid Waste Proprietary Fund.

PREVIOUS COUNCIL ACTION:

- Council funded the operating budget for FY18 via Ordinance 2017-07, adopted May 24, 2017.
- Council awarded the Bagged Net & Line Recycling Project contract to RL Moore Metal Recycling via Resolution 2017-67, adopted on December 12, 2017.

BACKGROUND: Because the Landfill accumulates bagged nets and line at the rate of about 250 tons per year, Staff let a Request for Quotes for the removal and off-island shipment of these items. Council awarded the work through Resolution 2017-67. The \$232,000 Purchase Order was funded from the Solid Waste Division's Operating Budget.

DISCUSSION: The removal of nets from the Landfill during the week of January 22nd was paid for by the Solid Waste operating budget; through this ordinance, Staff requests the reimbursement of \$232,000 to the Solid Waste operating budget line item 5302-4752-54210. This budget amendment request is a housekeeping item.

ALTERNATIVES: If the funding is not replaced in the Solid Waste Division's Operating budget, a different budget amendment will need to be requested. The Solid Waste operating budget cannot withstand an expenditure of this magnitude and continue to operate.

FINANCIAL IMPLICATIONS: This budget amendment will transfer \$232,000 from the retained earnings of the Solid Waste Proprietary Fund into the Solid Waste line item of the Operating Budget of the Solid Waste Utility.

G/L Code	Description	Original Appropriation	Current Budget	This Request	Revised Budget
5302-4752-54210	Solid Waste	\$65,000	\$(196,049)	\$232,000	\$35,951

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends approval of Ordinance 2018-03.

PROPOSED MOTION: "I move to approve Ordinance 2018-03".

CITY MANAGER COMMENTS:

The contract for this project has already been signed, as authorized by City Council. This budget amendment then serves as a housekeeping item.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Thomas Cohenour, Director of Public Works
Through: Erin Reinders, Interim City Manager
Date: February 27, 2018
Re: Ordinance 2018-03 – Budget Amendment #04 (Landfill Cells 3 & 4 Partial Closure Project)

SUMMARY: This budget amendment, if approved, will move \$346,000 from the Solid Waste Fund to the Landfill Cells 3&4 Partial Closure Project.

PREVIOUS COUNCIL ACTION:

- Council adopted Resolution 2017-24 on April 25, 2017 which approved this project in the amount of \$1,000,000 via the FY2018 CMMP
- Council adopted Ordinance 2017-07 on May 24, 2017 which funded the FY18 Operating and Capital Budget which in turn funded this project via the Unrestricted Net Assets of the Solid Waste Proprietary Fund.

BACKGROUND: The City's ongoing Landfill Development Project has, over the past decade, caused the construction of 3 new lined cells at the Landfill as well as the Leachate Management System and the re-alignment of Summer Bay Road around the Landfill. The next step in the Development Plan is the Partial Closure of Cells 3 & 4.

Staff worked with Bristol Engineering Services Corporation to develop the bid ready documents for this project which was advertised for 30 days. Bids were due on February 13, 2018 and a single bid, from Northern Alaska Contractors, LLC, the company that has constructed most of the Landfill's cells and moved the Road, was received. That bid was slightly over the amount of funding available for the project but was \$14,350 under the Engineer's Estimate.

Engineer's Estimate..... \$1,045,350.
Northern Alaska Contractors bid..... \$1,031,000.

DISCUSSION: A portion of Landfill Cells 3&4 are full and ready for their exterior closure cover. Installing this cover will keep the landfill in compliance by stopping rain water from entering the cells. Water entering the cells and seeping thru the baled garbage is called leachate and is collected via a network of pipes at the bottom of the cells. The collected water is then pumped into the large white leachate holding tank at the Leachate Facility at the Landfill. From there, leachate is pumped to the Wastewater Treatment Plant (WWTP) for treatment before being discharged into the ocean.

Minimizing the amount of leachate is critical, not only for regulatory compliance, but also for holding down operational costs at the WWTP and Landfill. Installation of the partial cover will, upon completion, reduce present leachate flows by approximately 15% and keep it out of the WWTP system. After this Partial Closure Project is complete, rainfall and snowmelt landing on top of the cover will run off like typical storm water into drainage ditches.

ALTERNATIVES:

1. Not Fund: Council could choose not to fund this project. However, there are regulatory requirements as well as operational benefits for completing this work.
2. Rebid: Council could choose to rebid this work. However, the single bid received was well below the engineer's estimate so is deemed a fair price for the work. Rebidding this work will likely result in higher priced bid(s).
3. Postpone: Council could choose to postpone this work. However, this work is part of a long range plan that has been in place since 2007 and approved by regulatory agencies. Monies are set aside each year from the Solid Waste Fund for the specific purpose of partial closure and full closure.

FINANCIAL IMPLICATIONS: The proposed revised budget for the project is set forth below. A transfer of \$346,000 from the Solid Waste Proprietary Fund's Unrestricted Net Assets into the following line items of the project is requested.

Engineering and Architectural:\$106,179.

The engineering firm of record, Bristol Engineering, will provide construction engineering and administration. Regan Engineering will provide construction management and inspection.

Construction Services:\$88,050.

Northern Alaska Contractors bid was \$1,031,000 which was over the amount allocated to construction.

Contingency\$151,771.

To cover unforeseen circumstances throughout the project.

Funds will only be used for approved changes.

MUNIS PROJECT SW18B - CELLS 3&4 PARTIAL CLOSURE					
Description	FY18 Budget	Spent or Allocated	Available Budget	This Request	Revised Available Budget
Engineering / Arch	\$ 54,000.00	\$ 53,610.00	\$ 390.00	\$ 106,179.00	\$ 106,569.00
Construction Services	\$ 942,950.00		\$ 942,950.00	\$ 88,050.00	\$ 1,031,000.00
Telephone / Fax / TV	\$ 200.00		\$ 200.00		\$ 200.00
Advertising	\$ 450.00	\$ 438.26	\$ 11.74		\$ 11.74
Contingency				\$ 151,771.00	\$ 151,771.00
Permit Fees	\$ 2,400.00		\$ 2,400.00		\$ 2,400.00
	\$ 1,000,000.00	\$ 54,048.26	\$ 945,951.74	\$ 346,000.00	\$ 1,291,951.74

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends fully funding this budget amendment.

PROPOSED MOTION: I move to approve Ordinance 2018-03.

CITY MANAGER COMMENTS:

This budget amendment is required to fund a project that is a regulatory requirement.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Tom Cohenour, Director, Department of Public Works
Through: Erin Reinders, Acting City Manager
Date: February 27, 2018
Re: Ordinance 2018-03 - Budget Amendment #04
UMC Security Fence Project

SUMMARY: This budget amendment request, if approved, will move \$110,360 from the contingency line item of the UMC Positions 3&4 Replacement Project into the UMC Security Fence Project. Bids were received on February 20, 2018, however, the low bid exceeded available funding. Therefore, additional funding is requested to cover the shortfall.

PREVIOUS COUNCIL ACTION: Council has taken the following action specific to the UMC Security Fence project:

- On December 27, 2016, via Ordinance 2016-18, Council approved the reallocation of \$325,000 from the Department of Public Safety's State Homeland Security Grant to the UMC Security Fence project account.
- On December 28, 2017, via Resolution 2017-68, Council authorized the City Manager to amend Turnagain Marine's contract for the UMC Positions 3&4 Replacement Project to include post holes for the UMC Security Fence Project in an amount not to exceed \$194,660.

BACKGROUND: The lack of security fencing has been identified during annual port security drills as an area that was vulnerable and needed upgrading. The UMC facility is used to tie up both foreign and domestic cargo vessels, cruise ships, bulk fuel carriers, United States Coast Guard, and State of Alaska enforcement vessels. Physical security of the facility is required to create a controlled access point allowing law enforcement to better screen personnel for potential terrorists, acts of vandalism, and theft. The scope of this project is to install commercial grade security fencing around the UMC facility which constitutes a series of 7 dock positions spanning 2200+ feet.

DPS applied for, and received, a State Homeland Security Grant for \$325,000.

Staff contracted with PND Engineers in the amount of \$17,500 to prepare bid ready documents for the construction of this project. Funding came from the UMC Position 3&4 Replacement project. The project was advertised for over 30 days and bids were due February 20, 2018. We received two bids for the work and Turnagain Marine was found to be the lowest responsive and responsible bidder.

We received a very fair bid from Turnagain Marine as shown by comparing it to the Engineer's Estimate and the other bid received on February 20, 2018:

1. Northern Alaska Contractors\$575,060.
2. Engineer's Estimate.....\$533,777.
3. Turnagain Marine\$367,360.

This request for \$110,360 will be allocated to Construction Services and Contingency.

MUNIS PROJECT PH17B - UMC SECURITY FENCING					
Description	FY18 Budget	Spent or Allocated	Available Budget	This Request	Revised Available Budget
Engineering / Arch	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00
Survey Services	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00
Const Services	\$ 312,000.00	\$ -	\$ 312,000.00	\$ 55,360.00	\$ 367,360.00
Advertising	\$ 500.00	\$ -	\$ 500.00	\$ -	\$ 500.00
Contingency	\$ -	\$ -	\$ -	\$ 55,000.00	\$ 55,000.00
Interest Expense	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -	\$ 1,500.00
	\$ 325,000.00	\$ -	\$ 325,000.00	\$ 110,360.00	\$ 435,360.00

In efforts to budget conservatively but realistically and being mindful of the fact that Council has already voiced some concern regarding the cost of this particular project, Staff has outlined a budgeted contingency at 15% of the contractors bid amount for construction services. Earlier on in the planning stages of projects, using 20% or more is common. Staff is hopeful given the scope and lower level of complexity with this project that this lower contingency will be adequate. It is promising that we are able to fund this budget amendment from the remaining contingency line item of the UMC Positions 3&4 Replacement Project, a project headed up by the same contractor.

DISCUSSION: The grant has a deadline of 9-30-18 to expend funds. With the UMC Security Fence project being impacted by the UMC Positions 3&4 project, Turnagain Marine, as contractor on both projects, will stage construction of both projects in order to complete the fence work by the grant deadline.

Turnagain Marine has already been contracted to perform the security fence post hole work as a separate contract via Resolution 2017-68. Therefore, as the single contractor on the work site, they will be able to seamlessly coordinate the work.

ALTERNATIVES:

1. Not Fund: Council could choose not to fund this request. However, not funding the completion of the security fence leave all 7 dock positions unsecured and vulnerable to potential terrorists, acts of vandalism, and theft.

2. Rebid: Council could direct staff to rebid the work. However, the low bid from Turnagain Marine was very fair since they are already on site. Future bids will almost certainly be much higher.
3. Postpone: Council could postpone the completion of the security fence. However, that course of action will likely lead to forfeiture of the \$325,000 grant because the work will not be able to be completed by the grant deadline.

FINANCIAL IMPLICATIONS: This budget amendment request will move funds from the UMC Positions 3&4 Replacement project Contingency line item which is adequately funded.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends fully funding this budget amendment request.

PROPOSED MOTION: I move to approve Ordinance 2018-03.

CITY MANAGER COMMENTS: The budget amendment utilizes unused funds from contingency line item of the UMC Positions 3&4 Replacement Project to supplement the grant funded UMC Security Fencing Project. The fencing significantly improves security at the International Port of Dutch Harbor.

As previously presented to Council, the UMC Security Fencing Project is a time sensitive project due to the grant agreement. Postponing or rebidding this project is an option if council determines that the project is too costly. However, project costs and bids rarely go down as time moves forward. Additionally, postponing the project would result in returning the grant funding, which would likely make it more challenging to be awarded these grants in the future.

Regarding a Regular Agenda item, under New Business: "Request to amend letter to Alaska Delegation regarding Jones Act Waiver, sponsored by Council Member Robinson"

TABLE OF CONTENTS
Council Packet Information

1. January 25, 2018 letter from Unalaska Mayor Frank Kelty to the Alaska Delegation in Washington, DC: Senator Dan Sullivan, Senator Lisa Murkowski and Representative Don Young (2 pages)
2. February 23, 2018 memo from Unalaska Lobbyist Brad Gilman to Mayor Kelty, the City Council and City Manager (5 pages)
3. February 22, 2018 memo from Mayor Kelty to the City Council (2 pages), with these additional documents:
 - a. January 22, 2018 statement from the Aleutians East Borough (1 page);
 - b. Mayor Kelty's compilation of Pacific Cod Landings in Unalaska (1 page);
 - c. Memo from Mayor Kelty to City Manager and City Clerk regarding real property taxes (1 page)
 - d. Email from City Clerk's office regarding certain real property ownership in Unalaska (1 page)
 - e. Email from City Attorney Brooks Chandler to City Manager and forwarded to Mayor and Council (1 page)
 - f. Confidentiality Order referenced by City Attorney and Mayor Kelty (1 page)
4. Documents provided by Fishermen's Finest and other interested parties provided at the Unalaska City Council meeting on February 13, 2018 (18 pages)
 - a. Cover page listing 7 items:
 1. Letter from Fishermen's Finest to the NPFMC
 2. Letter from Fishermen's Finest to Alaska Department of Revenue
 3. Fishermen's Finest, LLC Undertaking
 4. Letter from Mayor Amy Walen, City of Kirkland to Senator Maria Cantwell
 5. Letter from Mayor Laurie Gere, City of Anacortes to Representative Young and Representative Larsen
 6. Email from Transpac Marinas, plus attached news article
 7. Email from Glen Reed, PSPA

CITY OF UNALASKA

P.O. BOX 610

UNALASKA, ALASKA 99685-0610

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January 25, 2018

To Alaska Delegation Staff

Erik Elam, Office of Senator Dan Sullivan
Scott Leathard, Office of Senator Dan Sullivan
Ephraim Froehlich, Office of Senator Lisa Murkowski
Jeremy Mathis, Office of Senator Lisa Murkowski
Juan Ramirez, Office of Senator Lisa Murkowski
Martha Newall, Office of Representative Don Young
Ross Dietrich, Office of Representative Don Young

I'm writing to you today in strong support of sideboards to be placed on any Jones Act waiver that may be granted to Fishermen's Finest new Catcher Processing Vessel "America's Finest".

The City of Unalaska is this nation's number one commercial fishing port. We are highly dependent on fishery landings made by catcher vessels that deliver Pollock, Pacific Cod and various crab species to Unalaska's shore-based processing plants. The fishing industry of the Bering Sea is our only industry. Any negative impact to the fishing economy is felt in all sectors of the community from revenues to the City, to the processing plants, harvesters support sector businesses, and schools.

The Pacific Cod fishery in the Bering Sea has a large percentage of the cod fishery unrationalized, including the catcher vessel trawl, catcher vessel pot and longline, and jig sectors. This means that these fishing sectors, which are of major importance to the shoreside processing plants, are still in the race for fish. For Unalaska, the Pacific Cod fishery is the next most important species to Pollock for harvesters, processors, support sector businesses, and community tax revenues. Unalaska shore plants are already facing added pressure on the Pacific Cod fishery, with the Bering Sea Cod allocation taking a 15% reduction for the 2018 federal quota. We will be seeing additional vessels moving into the Bering Sea federal water fishery, and the Bering Sea state water 60' and under pot cod fishery with the total closure of the Gulf of Alaska Pacific Cod fishery. The Pacific Cod fishery failure means a shorter fishing season, less revenue for harvesters, processors, and support sector businesses. Unalaska will face impacts to employment in all sectors of the community, especially people that work on the waterfront and transportation sectors.

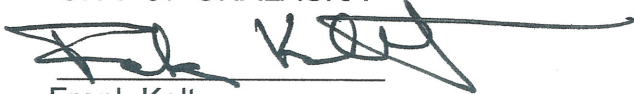
The granting of the wavier to Fishermen's Finest for their newest catcher processing vessel would allow the company to use some combination of its three vessels as motherships on the Bering Sea fishing grounds after harvesting their own Amendment 80 quota. This is certainly going to make an already bad situation much worse. Alaska's fishery dependent communities depend on catcher vessel deliveries to shorebased plants; they are the economic engine for Unalaska and other fishery dependent communities across this state. I believe you will be hearing from many communities that share Unalaska's concerns.

I have one additional comment that has to do with the Fishermen's Finest Inc. Fishermen's Finest is now challenging the State of Alaska Department of Revenue 3% Resource Landing Tax. This tax is paid by the catcher processing sector that harvests and processes fish at sea in federal waters. The taxes go to the State of Alaska and the State allocates half of it back to the community where the finished product is landed. This tax has been in existence for 20 years and was passed by the legislature to mirror the 3% Alaska Fisheries Business tax that the shoreside processors pay to the State of Alaska! Fishermen's Finest is the only offshore processing company that is on record as challenging this tax. This tax has been very important to communities such as Unalaska that are impacted by the offshore fleet's use of roads, docks, airport, clinic and jails.

The landing tax usually brings in a total of \$9-10 million annually to the State of Alaska. Unalaska receives a substantial amount of these tax revenues from the State pass-back. If Fishermen's Finest wins this case it will greatly impact my community and the State of Alaska at a time when both the State and Local governments are hurting from declining revenues. I believe this shines some additional light on what kind of company we are dealing with and the vessel wavier they are requesting. Please advise the Members of the Alaska Congressional Delegation of this additional information.

Sincerely

CITY OF UNALASKA

A handwritten signature in black ink, appearing to read 'Frank Kelty', with a long horizontal line extending to the right.

Frank Kelty
Mayor

To: The Honorable Frank Kely
The Unalaska City Council
Erin Reinders, Assistant City Manager

From: Brad Gilman

Re: The Fishermen's Finest/Dakota Creek Controversy

Date: February 23, 2018

It is my understanding that a group from Washington State appeared before the Unalaska City Council last week to discuss a controversial Jones Act and fishery issue being considered by the Congress. The Alaska Congressional Delegation is actively involved in the issue. This memorandum is intended to make sure that you are fully informed of the substance of the legislative debate in the event the City Council takes up this issue. Senator Sullivan is in the middle of negotiations with Senator Cantwell to grant the waivers, conditional on some agreement on sideboard limitations on the Fishermen's Finest fleet for a period of years. This agreement may be reached within the next week.

The Reason For the Waivers

The Washington State company Fishermen's Finest contracted for the construction of a new trawl catcher-processor with Dakota Creek Shipyard ("DCI"). In order to be eligible to obtain a fishery endorsement necessary to use a vessel in the domestic fisheries and carry processed fish products between two points in the U.S., the vessel must be constructed in the United States. The Coast Guard allows foreign steel to be used in the construction of a U.S. fishing vessel, but there is a strict limit on the amount of foreign fabricated steel that can be used (steel that has in some fashion been worked or molded prior to being imported into the U.S.). The Coast Guard prohibits more than 1.5% of the steel weight of the hull and superstructure being foreign fabricated steel.

DCI has admitted publicly that *AMERICA'S FINEST* was constructed with too much foreign fabricated steel (the press reports 10% of the steel weight). The company maintains that it cannot break the ship down and remove the excess foreign steel. The ship is currently ineligible for Jones Act and Fisheries Endorsements, and cannot be used for its intended purpose without an Act of Congress that waives these federal statutes. DCI has said that it will be required to seek protection from the U.S. Bankruptcy Court if the Congress does not act quickly to grant the waivers.

Bering Sea

Fishermen's Finest currently operates two trawl catcher-processors (*AMERICAN NO. 1* and *U.S. INTREPID*) in the "Amendment 80" trawl head-and-gut fishery. Through Amendment 80, the North Pacific Fishery Management Council authored a catch share program which exclusively allocated to this sector its historic share of the Bering Sea harvest of yellowfin sole, flathead sole, rock sole, Atka mackerel, and Aleutians Island pacific ocean perch. The company also participates in the non-pollock, non-Amendment 80 groundfish trawl fishery (Greenland turbot and Kamchatka mackerel are two examples of a number of species within this non-rationalized fishery).

The company is part of the growing controversy over using Amendment 80 catcher-processors as motherships to take Bering Sea Pacific cod over the side from shore-based trawl vessels. The Bering Sea shore-based cod fishery is not subject to a catch share program. Amendment 80 companies have been using their catcher-processors as motherships to compete with the shore plants in Unalaska and Akutan in the Eastern Bering Sea. The situation is aggravated by the significant reduction in the Bering Sea cod quota available to the shore-based sector.

The North Pacific Council was sufficiently concerned by the growing conflict between the shore-based industry and the Amendment 80 fleet acting as motherships to begin a regulatory process to impose limits on the participation of the Amendment 80 sector in Bering Sea cod. That process will take eighteen months to two years. In the meantime, there is no regulatory restriction on the expansion of the Amendment 80 fleet into the shore-based cod industry.

A good recent example of the fluidity of the situation is Adak. There was a flare-up within the North Pacific Council a few weeks ago over the Amendment 80 vessels acting as motherships in the Aleutian Island sub-region near Adak. The Council has allocated 5000 metric tons of Pacific Cod in the Aleutian Island region to the shore-based sector, with the intent that this allocation supports a shore-based industry in Adak. There is currently an onshore processor in Adak that is employing over 200 people. This fishery is supposed to be prosecuted at the same time as the Eastern Bering Sea cod fishery. That fishery closed earlier than expected due to the lower quotas. An Amendment 80 company, U.S. Seafoods, planned to take its vessel to the Aleutians to participate in the 5000 metric ton set-aside. The plan was for the vessel to serve as a mothership and take cod over the side from qualified shore-based vessels. Such a shift would have severely restricted shore deliveries to Adak, potentially impacting the economic viability of the fledgling operation. The issue was raised at the Council, which asked U.S.

Seafoods to stand down voluntarily. To its credit, the company acted as a good corporate citizen and stood down. There was no regulatory requirement to do so.

Gulf of Alaska

The Gulf of Alaska shore-based industry is vulnerable to sudden shifts in historic fishing practices with the collapse of Pacific cod. The directed trawl fishery for Pacific cod was cancelled this year. In order to survive the sudden impact of the loss of cod, trawl vessels from Kodiak will need to shift their emphasis to arrowtooth flounder and other non-halibut flatfish species.

These fisheries are severely constrained by halibut and salmon bycatch caps. Once the caps are reached, the fisheries are shut down. Any unexpected shift in fishing effort could accelerate the rate of halibut and/or salmon bycatch, prematurely triggering closures to the detriment of dependent fishermen, crew, processing companies, processing workers, and communities.

There are two points of concern raised by shore-based interests in the Gulf over the expansion of the Amendment 80 sector. The first is the use of Amendment 80 vessels as motherships to take arrowtooth flounder and other flatfish over the side from qualified shore-based trawl vessels. The Gulf trawl industry is not subject to a catch share program. In addition to the active trawl fleet in Kodiak, there are a number of vessels with latent fishing permits which could be encouraged to support an Amendment 80 mothership processing operation in the Central Gulf. If these operations surface, any halibut or salmon harvested by the vessels get counted against the shore-based halibut and salmon bycatch quotas. These fish are not brought to shore for processing, potentially diminishing the economic benefits to local processing workers and Kodiak businesses, and potentially shortening the length of the fishery for everyone else.

The second point of concern is grounds preemption. While the entire Western Gulf and Central Gulf is open to arrowtooth and other flatfish fishing for both the offshore and onshore sectors, the best fishing grounds are close to Kodiak in Areas 620 and 630. Area 620 has been shared by Kodiak and Sand Point Pollock trawlers over the years. The best flatfish grounds in Area 630 are close to Kodiak Island. There is concern that an expansion of the Amendment 80 fleet into flatfish in the Gulf will bring the vessels into Area 620 and Area 630, putting gear into the water in areas traditionally fished by the local trawlers.

Any expansion of Amendment 80 activity in the Gulf on flatfish could bring more vessels into the portions of Area 620 and 630 which are the most productive fishing grounds, leading to competition from the local trawlers from Kodiak and Sand Point.

The Sideboards

The specific concern over DCI's request for the Jones Act/Fisheries Endorsement waivers relates to the potential expansion and deployment of the Fishermen's Finest fleet. The new vessel (*AMERICA'S FINEST*) has sufficient harvesting, processing and storage capacity to take all of the Amendment 80 species currently being harvested and processed by the two older boats (*U.S. INTREPID* and *AMERICAN NO. 1*). This provides the company with excess harvesting and processing capacity should it choose to expand into the non-rationalized fisheries of the Bering and Gulf, either as catcher-processors or as mothership processors.

The Alaska Congressional Delegation has supported the position for sideboards. Our Delegation is sensitive to the plight of the shipyard and would like to help bail them out of their mistake if there is a way to do so that doesn't hurt their shore-based constituency. As Chairman of the Coast Guard & Fisheries Subcommittee, Senator Sullivan is in the process of finalizing a **temporary** sideboard provision to provide time for the North Pacific Council to address the sideboard issue.

As it has been described to me, the waivers would be granted to DCI and the *AMERICA'S FINEST* will be eligible to engage in the U.S. fisheries. The sideboards would do the following—

- The limitations on Fishermen's Finest would last for a period of years, unless the North Pacific Council acts earlier to address sideboards for the entire Amendment 80 fleet. The duration of the limitations is still under discussion.
- Fishermen's Finest could use its fleet to harvest and process all of its Amendment 80 fish without limitation.
- Fishermen's Finest could use its fleet to expand its harvesting and processing of non-Amendment 80 flatfish and pacific ocean perch in the Bering Sea without limitation.
- Fishermen's Finest can use its fleet to act as a mothership for Pacific Cod in a limited fashion in the Bering Sea. If nothing happens at the Council level within the specified sideboard period, the restrictions go away.

- Fishermen's Finest can use its catcher-processors to harvest and process groundfish in the Gulf of Alaska at its historic levels.
- Fishermen's Finest can use its fleet to act as a mothership for groundfish in a limited fashion in the Gulf. If nothing happens at the Council level within the specified sideboard period, the restrictions go away.

Memorandum

To: Unalaska City Council,

CC: Acting City Manager Reinders, City Clerk Veeder,

From: Mayor Frank Kelty, 

Date: February 22, 2018

Subject: City of Unalaska letter of January 25, 2018 in support of Sideboards on Fishermen's Finest new Catcher Processing Vessel "American Finest"

I'm writing to you today in strong opposition of changing the position that was taken by the City of Unalaska in the letter of January 25, 2018 to the Alaska Delegation Staff in Washington, D.C. I would remind you that the letter had unanimous support of the Unalaska City Council. I have also included in your meeting packet a similar letter from the Aleutians East Borough on this issue.

Unalaska is highly dependent on fishery landings made by catcher vessels that deliver Pollock, Pacific Cod and various crab species to Unalaska's shore-based processing plants. The fishing industry of the Bering Sea is our only industry, and if the shore-based plants are negatively impacted it is felt in all sectors of this community from revenues to the City, employment in the community, impacts to the processing plants, harvesters, support sector businesses, and schools.

The shore plants in Unalaska, Akutan and King Cove have invested tens of millions each year in their respective communities through taxes paid, plant upgrades, capital needs, services, wages, scholarships funds, donations to charitable causes, and community support. In Unalaska alone, real property taxes paid by the 5 major shore-based companies for FY18 came in at \$1.1 million dollars and millions more in sales and fishery taxes. Fishermen's Finest, on the research I did on the tax rolls, pays no real property taxes in Unalaska but do pay sales taxes on goods and services received, as well as State of Alaska Resource Landing Tax.

Investment in cod processing plant upgrades recently done by Unalaska shore-based plants is substantial, in the many millions of dollars. To further show the importance of cod processing to Unalaska, I have included with this memo a 5-year spread sheet on cod deliveries to Unalaska shore based plants, based on volume, value and taxes paid. This information shows the importance of cod landings to Unalaska.

Sideboards preserve the historical catch of Fishermen's Finest, but don't allow them to expand by catching more cod at the expense of harvesters delivering to shore. Without sideboards, Fishermen's Finest three boats could take over one-quarter of the cod that shore plants depend on. I understood after the last Unalaska City Council meeting, that there were

discussions held that if sideboards were a reality then the North Pacific Fishery Management Council should address them. My concern on that is that it could take years in the very political world of the Council process to put sideboards in place, and they may not get done at all. In the meantime, the Fishermen's Finest vessels and other Amendment 80 vessels will be acting as Motherships, processing cod from catcher vessels that traditionally deliver to shore based plants at the expense of the Unalaska shore side operations and the community.

Unalaska shore plants are already facing added pressure on the cod fishery, with the Bering Sea Cod allocation taking a 15% reduction for the 2018 federal water total allowable catch (TAC). This season the Catcher Vessel A season cod allocation was taken in record time. These impacts mean a shorter fishing season, less revenue for the City, harvesters, processors, and support sector businesses. Unalaska will also face impacts to employment in all sectors of the community, especially people that work on the waterfront and in transportation. Without sideboards this is certainly going to make an already bad situation much worse. I don't think Unalaska can take that risk on the second most important fishery that our shore-based plants depend on.

On the advice of the City of Unalaska attorney the confidentiality order does not apply to the City of Unalaska so I will make the following comment. Fishermen's Finest is challenging the legality in it's entirety of the State of Alaska Department of Revenue 3% Resource Landing Tax. This tax is paid by the catcher processing sector that harvests and processes fish at sea in federal waters, to the State of Alaska and the state shares 1.5% of the tax back to the community where the finished product is landed. This tax has been in existence for 20 years and was passed by the legislature to mirror the 3% Alaska Fisheries Business tax that the shore side processors pay to the State of Alaska and 1.5% is shared back to the community where the raw fish is landed. Fishermen's Finest is the only offshore processing company that is on record as challenging this tax, and if by chance Fishermen's Finest wins this case, all of the other offshore processing companies would benefit as well. This legislation has been very important to communities such as Unalaska that are impacted by the offshore fleet's use of our roads, docks, airport, and clinic.

This 3% tax brings in 10-11 million dollars annually to the State of Alaska. Unalaska, since we have the only major shipping port in the Bering Sea, usually receives 5 million dollars of the 1.5% that is shared back to the communities. This a huge concern if this issue ended up in court and they won. A third of the fishery related taxes would be impacted and 14% of our General Fund revenues would be gone.

In closing, in the best interest of Unalaska businesses and local residents; I believe the City Council should not make any changes to the letter dated January 25, 2018.



January 22, 2018

Aleutians East Borough Request for Sideboards to Jones Act Waiver

The Aleutians East Borough and all of our communities are highly dependent on fisheries in the Gulf of Alaska and the Bering Sea, particularly fish that are delivered onshore to our shore-based processors. These shore-based processors collect the raw fish tax on shore-based deliveries in our communities that fund our local governments, and the continued presence of these shore-based processing companies in our communities maintains a foundation for the local economies.

The Aleutians East Borough supports the continued shore-based processing of the fish harvested off of our shores. We oppose any increase in the amount of fish processed offshore in the Gulf of Alaska and the Bering Sea that would reduce the amount of fish processed onshore and negatively impact regional shore-based processors and the communities they help sustain.

A proposed legislative waiver of the Jones Act, that requires all steel that is used in the hulls of newly built US fishing vessels be fabricated within the United States, could potentially threaten our local onshore processors and communities. The company "Fisherman's Finest" that operates vessels in the Amendment 80 sector, is requesting a waiver for the new vessel "America's Finest" that has been built with at least 10% foreign steel in the hull. Fishermen's Finest has been increasing Pacific cod production in recent years and this new vessel, if granted the Jones Act waiver, would allow their fleet to unfairly take an even larger percentage of the open access Pacific cod quota to be processed offshore, reducing the amount available onshore, thus harming our communities.

The Aleutians East Borough requests that if a Jones Act waiver is granted for the new non-compliant vessel America's Finest, that Congress include 'sideboards' that would prohibit Fishermen's Finest vessels from increasing fishing/processing activities in open access fisheries beyond the company's current levels, particularly Pacific cod in the Gulf of Alaska and Bering Sea. Attaching these sideboards to the proposed waiver could give the North Pacific Fishery Management Council an opportunity to consider the issue, meanwhile protecting our local coastal communities.

Contact: Ernie Weiss, Natural Resources Director eweiss@aeboro.org

Pacific Cod Landings in Unalaska, Based on Volume, Value, and Tax Information

Pacific Cod Harvest Year	lbs.	Ave Price lbs.	Gross Sale	2% Local tax	AK Bus State 3%	Total Taxes
2013	66,203,669	\$0.26	\$17,469,599.88	\$349,391.99	\$524,087.99	\$873,479.98
2014	70,568,521	\$0.33	\$23,399,594.12	\$467,992.46	\$701,988.69	\$1,169,981.15
2015	70,218,979	\$0.24	\$17,080,862.13	\$341,617.24	\$512,425.86	\$854,043.01
2016	76,554,095	\$0.23	\$,18,277,081.07	\$365,541.62	\$548,312.42	\$913,854.04
2017	70,433,197	\$0.31	\$21,992,733.91	\$439,854.78	\$659,782.01	\$1,099,636.79
Totals	353,978,461	\$0.28	\$98,219,871.11	\$1,964,397.42	\$2,946,596.13	\$4,910,993.55
Note: Average price per pound is influenced by Cod that goes to fish meal at a lower price per pound.						
These landings are combined trawl and pot cod highest percentage is from the trawl sector.						
Note: Alaska State Shared 3% tax is shared at 50% with the community the product was landed in .						

Memorandum

To: Unalaska City Council,

CC: Acting City Manager Reinders, City Clerk Veeder,

From: Mayor Frank Kelty,



Date: February 22, 2018

Subject: City of Unalaska Real Property Taxes Paid By Shore Side Processors

In FY 18 the combined real property taxes paid to the City of Unalaska by the following seafood companies Alyeska Seafood's, Icicle Seafood's, Trident Seafood's, Unisea Inc. and Westward Seafood's was \$1,122,647. Fishermen's Finest was not listed on the property rolls.

Marjorie Veeder

From: Roxanna Winters
Sent: Tuesday, February 20, 2018 10:11 AM
To: Marjorie Veeder
Subject: FW: Real Property tax information

Marjie,
Please see email below.

After doing a quick search, I did not find any records of real property ownership for these companies as they are listed below.

I have not relayed this information to the Mayor.

Thanks,
R

Roxanna Winters
Deputy City Clerk
PO Box 610
Unalaska, AK 99685
Phone (907) 581-1251
Fax (907) 581-1417
rwinters@ci.unalaska.ak.us



From: Mayor Kelty
Sent: Tuesday, February 20, 2018 9:58 AM
To: Roxanna Winters; Estkarlen Magdaong
Subject: Real Property tax information

Clerks Dept.

Can you look up the 3 listed companies below if they own real property in Unalaska.

1. Fishermen's Finest
2. North Pacific Fishing Inc.
3. US Fishing, LLC.

Thank You
Mayor Kelty

Mayor Frank Kelty
City of Unalaska
Box 610
Unalaska, AK 99685

Mayor Kelty

From: Marjorie Veeder
Sent: Tuesday, February 20, 2018 8:45 AM
To: Erin Reinders; Alejandro Tungul; David Gregory; Dennis Robinson; Jim Fitch; Mayor Kelty; Nancy Peterson; Roger Rowland; Shari Coleman
Subject: FW: Tuesday Night council meeting

Marjie Veeder
CITY CLERK
City of Unalaska
Direct line (907) 581-1251, ext. 2104

From: Nancy Peterson
Sent: Wednesday, February 14, 2018 4:27 PM
To: Marjorie Veeder
Subject: FW: Tuesday Night council meeting

Marjie, please distribute to council on Monday.

.....

Mayor and Council:

Following is Brooks' full response regarding the Landing Tax suit and Fishermen's Finest concerns regarding confidentiality.

From: Brooks Chandler [<mailto:BChandler@bcfaklaw.com>]
Sent: Monday, February 12, 2018 4:33 PM
To: Nancy Peterson
Subject: RE: Tuesday Night council meeting

Greetings Nancy:

The confidentiality order only applies to the parties to the revenue department tax appeal. The order does not apply to Unalaska. We are free to use the information obtained from the Juneau Empire article any way we wish and for whatever purpose we wish.

As for FF's use of this order as a reason not to talk about the tax appeal - there are probably things they could discuss without violating the order (which pertains only to "records and proceedings" in the tax appeal), however, since they most likely expressed outrage in the wake of the newspaper article they almost have to claim confidentiality rather than talk about the details of their case.

FYI- I talked to the AG handling the case I think back in December. FF is challenging the legality of the tax entirely is what I recall him telling me. This is a battle FF began before but then dropped. It's a constitutional argument.

Brooks Chandler
Boyd, Chandler & Falconer LLP

BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of)
)
NORTH PACIFIC FISHING, INC., and)
U.S. FISHING, LLC)
)
Fishery Resource Landing Tax)
Tax Years Ended 12/31/2012 – 12/31/2015)

OAH No. 16-1194-TAX

**ORDER GRANTING, IN PART, UNOPPOSED MOTION TO MAINTAIN
CONFIDENTIALITY**

Appellants North Pacific Fishing, Inc. and U.S. Fishing, LLC. have filed a motion requesting an order requiring the parties to maintain the confidentiality of the records, proceedings and decisions during the pendency of this appeal as required by AS 43.05.470. The motion is premised on the discovery that a media outlet was somehow able to obtain briefs filed in this matter that should have been confidential. The Department does not oppose the motion and noted it's shared concern about the apparent breach of confidentiality.

The undersigned equally shares the concerns expressed by both parties, and has inquired within the Office of Administrative Hearings as to any possible way documents could have become available to the media, with no results.

In light of the media's apparently receipt of confidential documents, the parties are reminded that all records, proceedings and decisions in this matter are confidential during the pendency of this appeal. As 43.05.470(a). The parties are further reminded that any release of certain taxpayer information may be unlawful pursuant to 43.05.230. The parties are requested to make whatever inquiries they can to determine how the media may have gotten access to the pleadings in this matter so as to prevent any further breach of confidentiality. This office will do the same.

In the event that any party is able to determine how the breach may have occurred, you are ordered to notify this tribunal so that any further action deemed necessary may be taken.

DATED: January 3, 2018.

By: 

Karen L. Loeffler
Administrative Law Judge

Certificate of Service: The undersigned certifies that on the 3rd day of January, 2018, a true and correct copy of this document was distributed to the following: Leon Vance, counsel for the taxpayers (by email); and AAG Christopher Peloso (by email). A copy was emailed to Hollie Kovach, Chief of Appeals, Tax Division.


Law Office Assistant

Attached for Council review, is the information received from Fishermen's Finest, Inc. and other interested parties:

1. Letter from Fishermen's Finest to NPFMC RE: Catcher vessel fleet consolidation
2. Letter from Fishermen's Finest to Department of Revenue
3. Fishermen's Finest Undertaking
4. Letter from Mayor Amy Walen, City of Kirkland to Senator Maria Cantwell
5. Letter from Mayor Laurie Gere, City of Anacortes to Representative Young and Representative Larsen
6. Email from Dave Rytand, Transpac Marinas – RE: Dakota Creek shipyard (plus attachment titled "Coast Guard won't certify America's Finest Waiver")
7. Email from Glenn Reed, Pacific Seafood Processors Assoc., supporting the City of Unalaska's letter to federal delegation.

1

Mr. Dan Hull, Chairman
North Pacific Fishery Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

November 30, 2017

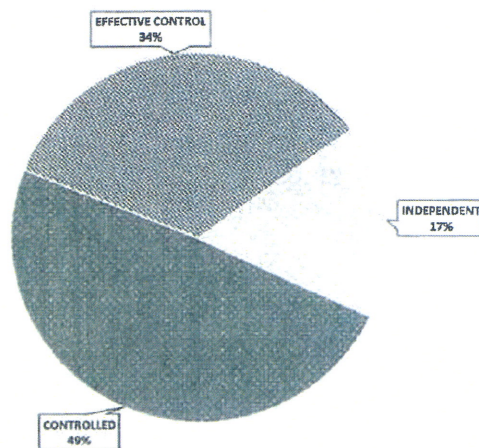
RE: C7 Participation and Effort in the BS Trawl Pacific Cod Fishery.

Dear Chairman Hull and members of the Council,

Thank you for the opportunity to provide public comment on agenda item C7, Participation and Effort in the BS Trawl Pacific Cod Fishery. We would like to make a few observations about the catcher vessel fishery for Pacific cod.

The pie chart below is a visual representation of the universe of catcher vessels that can fish Pacific cod in the Bering Sea. There are 118 vessels that meet our criteria (see data source section)¹, grouped into three categories based on vessel ownership characteristics.

Bering Sea Pacific Cod Catcher Vessel Fleet



- 1) The first group are the vessels that are owned by companies/corporations which also have processing capacity. This group is labeled "Controlled" and represents the vertically integrated catcher vessels (58 vessels or 49% of the fleet).
- 2) The second group are the vessels that are not vertically integrated, but are inextricably linked to shoreside processors through Bering Sea pollock cooperatives set up by the American Fisheries Act (AFA). These vessels are bound by AFA cooperative agreements with their

¹ **Data Source:** The data used to generate the BS P. cod CV Fleet pie chart is from the publicly available National Marine Fisheries Service Database of 2017 Federal Fisheries Permits (FFP). Since each FFP is assigned to a distinct vessel, the FFP Database was selected as the best indicator of the number of vessels that could potentially be active in a fishery in a given year. Vessels displayed in the chart meet four criteria: they are listed in the 2017 database as a catcher vessel, they declared the proper endorsements to fish Pacific cod in the Bering Sea, they are not an Amendment-80 endorsed vessel, and each vessel is over 58 feet in length.

shoreside pollock market and the effects of this control spill over into the Pacific cod fishery. This group is labeled “Effective Control” and represents the group of vessels that the shoreside market holds substantial power over (40 vessels or 34% of the fleet).

- 3) And the third group are the vessels that are both independently owned and should be able to operate somewhat autonomously from shoreside processing interests. These are catcher vessels that a) deliver their Bering Sea pollock solely to mothership operations in the Bering Sea, where the processing capacity is owned by the catcher vessels, or b) vessels that do not fish BS pollock and mostly fish in the Gulf of Alaska (but of course have the correct endorsements to fish Bering Sea Pacific cod if they had a market). It is worth noting that catcher vessels that operate in the Gulf of Alaska also have existing relationships with shoreside processing operations, who may be able to leverage control over the vessels, but this control is too nuanced to tease out for this visual representation. This group is labeled “Independents” and there are 20 vessels (only 17% of the fleet).

Eighty-three percent (83%) of catcher vessels able to target Bering Sea Pacific cod are either vertically integrated or directly or effectively controlled by the shoreside plants. This leaves seventeen percent (17%) that in theory could contract with an offshore processor without the threat of shoreside processing retaliation in other fisheries for doing so (Example: Plant A won’t process your pollock/lease you pollock unless you deliver your cod to them). Therefore, any narrative of offshore Amendment 80 cod processing continuously expanding is false- ***there are only twenty or so vessels that are not already controlled by their processing markets.*** Further, many of these twenty independent vessels do not have Refrigerated Seawater (RSW) tanks and only have the capacity to deliver offshore. ***Eliminating the offshore market eliminates these vessels from participating in the cod fishery.*** This Council action cannot be about “stabilizing” the processing sector by eliminating or curtailing offshore cod processing because there is already an inherent limit to offshore expansion- the harvesters willing or able to deliver offshore. The only way for additional expansion above this level is if vessels owned and controlled by shore plants suddenly decide to start delivering offshore.

Instead, this action is an attempt to use the Council process to eliminate the competition in the marketplace. Eliminating offshore competition means that shoreside plants will be the only market in town, and will be able to continue to artificially suppress the prices they pay to harvesters for delivered cod. The table below shows the Year over Year (YOY) percent change in the average price received by our fishing vessel for their Pacific cod production compared to the YOY change in the publicly available Alaska Statewide Average Price (SWAP) for Pacific cod.

	2013	2014	2015	2016	2017
YOY % Change in Avg. Price of USI P. Cod H&G - J Cut, FOB	-27.6%	30.6%	6.1%	0.1%	19.1%
YOY % Change P. Cod Alaska Statewide Avg. Price/lb	-23.5%	11.5%	-3.4%	0.0%	7.1%

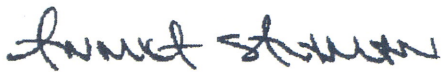
SWAP is the average prices paid by the shoreside plants to CVs for shoreside deliveries in Alaska and is based on Pacific cod raw materials/unordered deliveries. Our vessel’s product (J-cut) is a headed and gutted, frozen at sea product. It’s not an apples to apples comparison- more like apples and pears- but the trend lines in price should show correlation and they don’t. As you can see, both J-cut and SWAP prices fell dramatically in 2013. Their recoveries were very different though- the J-cut

product rebounded 30% in 2014 and 6% in 2015 before another large jump again in 2017. SWAP on the other hand has largely stayed flat from 2014 to 2017².

The final observation we would like to include in this letter is that the portion of Bering Sea Pacific cod allocated to the catcher vessel sector (22.1%) is not fully harvested. In the years 2014-2017, a total of seven percent (7%) of the cod that was allocated to the CV sector, or 14,000 mt of fish, was left unharvested³.

Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Annika Saltman". The signature is fluid and cursive, with the first name "Annika" and last name "Saltman" clearly distinguishable.

Annika Saltman

Fishermen's Finest, Inc.

² Note, the 2017 SWAP is not yet published, so the prices shoreside processors paid for A & B season Pacific cod have been used as an estimate.

³ **Data Source:** The data used to generate these charts is from the publicly available National Marine Fisheries Service Catch Reports 2014-2017.



Fishermen's Finest, Inc.

570 Kirkland Way ~ Kirkland, WA 98033

TEL: 206.283.1137 ~ FAX: 206.281.8681

September 28, 2017

Commissioner Sheldon Fisher
Alaska Department of Revenue
PO Box 110200
Juneau AK 99811-0200

Dear Commissioner Fisher,

The North Pacific Fishing Council is currently analyzing Bering Sea Pacific cod trawl catcher vessel ("CV") deliveries to Amendment 80 catcher processors ("CP") acting as motherships. The primary proponent of limiting offshore markets, the Pacific Seafoods Processors Association ("PSPA"), has veiled their true goal of controlling markets and CV prices with the argument that deliveries to shoreside processors results in higher tax revenues for the State of Alaska due to tax rate differences between shoreside and offshore (Amendment 80) processing platforms. While we believe the PSPA narrative is both inaccurate and incomplete, and that managing Federal fisheries to optimize a single state's tax revenues violates the Magnuson-Stevens Act, the PSPA does raise interesting issues regarding both tax inequities and asymmetric tax incentives between offshore and onshore, CP and CV markets that should be addressed. This, in addition to the current Alaska State revenue troubles, presents an opportunity to look at solutions to all these problems as well as injecting some long overdue tax simplification. Specifically, we believe that it is time to consider a) repealing the state landing and fisheries business taxes entirely, and b) replacing them with a new, tax on fuel, a Commercial Fisheries Marine Fuel Tax that surcharge that would apply to all fishing vessels, CP and CV alike.

Status quo is that Amendment 80 and AFA CPs pay Fisheries Resource Landing Tax ("FRLT") on the weight of fish landed, either by the CP itself or by CVs delivering to CPs. The complicated FRLT calculation applies a rate of 3% for "Established" and 1% for "Developing" species to a Statewide Average Price ("SWAP") for the unprocessed lbs. landed by the CP. SWAP is based on averages of fish ticket data, which generally is only used for shoreside deliveries where pricing varies significantly compared to offshore pricing and has historically undervalued offshore landings. SWAP is not published until May 31 of the following year, with returns and final payments due 30 days thereafter. The return requires tedious manual preparation as the Alaska DOR has not provided a suitable online filing platform for multi-specie catchers.

Like CPs, shoreside processors also pay an ad valorem tax known as the Fisheries Business Tax ("FBT"). FBT has rates of 3% to 5% for "Established" species and 1% for "Developing" species applied to the fish ticket value of species delivered. Bycatch such as Rock Sole and Yellowfin Sole in the Pacific cod fishery and under 19 inch P. cod, which is retained and processed in H&G form by Amendment 80 CPs, is typically discarded or processed as fish meal and ascribed little value, if anything on fish tickets, thus depressing the SWAP. On top of FBT, shoreside processors also pay a 2% Raw Seafood Sales Tax ("RSST") in certain boroughs such as Unalaska, Akutan, Sand Point and Adak, for a total tax rate of 5% to 7% versus the 3% that is paid by CPs for "Established" species. It's important to note that FBT and RSST are both passed along to delivering CVs as a deduction from their gross fish prices, so it is ultimately the harvesting vessel, CV or CP, that bears the tax and not the shoreside processor.

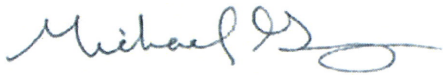
The State of Alaska currently levies a \$.05 per gallon Marine Diesel Tax ("MDT"). Replacing the FBT, FRLT and RSST (collectively "ad valorem fish taxes") with a higher CPI-indexed Commercial Fishing Marine Fuel Tax ("CFMF") could address tax inequities between the offshore and onshore sectors in a very reasonable and fair way. In concept, the tax would be weighted towards larger processing platforms which typically consume more fuel. Additionally, a swap of ad valorem fish tax for fishing vessel fuel consumption tax would have several other potential positive externalities:

- 1) Simplification of tax compliance – Currently both the FBT and the FRLT require complicated tax reporting. Fishermen's Finest spends approximately 45 hours annually completing FRLT related activities (quarterly estimates and annual returns) for two fishing vessels. Extrapolated across the North Pacific fishing fleet, thousands of taxpayer hours are likely required to comply with FBT and FRLT each year. Tax returns are manually entered and liabilities are calculated and submitted to Alaska Department of Revenue in hard copy. Hard copies are then reviewed and entered into the State's database, errors are corrected and balances due to/from are communicated to tax payers. It's not hard to imagine that thousands of AK DOR employee hours are absorbed by FBT and FRLT annually. Replacing FBT and FRLT with a compensating higher fuel tax eliminates this reporting and expedites the collection of tax revenue since a fuel tax is essentially paid at the pump. The boroughs currently collecting the RSST could likewise capture the above-mentioned benefits by assessing a local fuel tax.
- 2) Stabilizing of tax revenue – Fish prices have large swings, affected by global supply and demand, competition from other protein sources and currency fluctuation. Price volatility affects the tax base for FBT and FRLT which tax rates are applied to. As an example, Pacific cod had a SWAP of \$.57/lb. in 2008. In 2016, the SWAP for P. cod had fallen to \$.28/lb. During the same period Pollock, the most harvested fish in the North Pacific, fell from \$.21/lb. to \$.13/lb. Replacing a tax base subject to high price volatility for a stable, CPI-indexed per gallon tax would provide much needed budget stability for the State of Alaska.
- 3) Incentivizing the fishing fleet operators to burn less fuel and reduce the carbon footprint – Warming ocean temperature, the product of fossil fuel driven climate change, is having profound effects on the marine ecosystem that we are only beginning to understand. Based on 2016 data, 119 million gallons of marine diesel were consumed in Alaska, creating 2.7 billion lbs. of CO₂ emissions. This is the equivalent of more than 320,000 automobiles. To put this in perspective, there are less than 200,000 registered automobiles in Alaska. A higher Marine Fuel

tax in lieu of ad valorem fish taxes will implicitly serve as incentivization to reduce fuel consumption, either through investment in repowering with modern clean-technology, replacing antiquated hydraulic systems with new electric versions or through modification of operating profiles.

Fishermen's Finest wishes to pay its fair share of taxes to help support the great State of Alaska. We believe there are many options for consideration, this approach is but one. If you have any questions, please feel free to contact me directly at (206) 283-1137 or at mguy@fishermensfinest.com.

Respectfully,

A handwritten signature in blue ink, appearing to read "Michael Guy", with a stylized flourish at the end.

Michael Guy
Chief Financial Officer
Fishermen's Finest, Inc.

CC Commissioner Sam Cotten
 Deputy Commissioner Jerry Burnett

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Fishermen's Finest, LLC Undertaking

Fishermen's Finest, LLC owner of the vessel FV America's Finest, ON 1276760 (the Vessel) undertakes the following obligations upon the issuance of an unrestricted Certificate of Documentation with unrestricted Coastwise and unrestricted Fishery endorsements:

1. To cause the Vessel to not participate in any Gulf of Alaska mother shipping operations;
2. To cause the Vessel to not participate in any Gulf of Alaska rockfish mother shipping operations; and
3. To cause the Vessel to not participate in any Bering Sea Pacific Cod mother shipping operations.
4. These Undertakings shall apply until the earlier of a) Final Action by the North Pacific Fisheries Management Council on the matter titled "Bering Sea Pacific Cod Trawl Participation Motion," or b) January 1, 2020.

Done this ____ day of January, 2018.

By Dennis Moran,
President, Fishermen's Finest, LLC.

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February 6, 2018

U.S. Senator Maria Cantwell
511 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

Re: AMERICA'S FINEST / Dakota Creek Industries Hull #63

Dear Honorable Senator Cantwell:

I am writing on behalf of the Kirkland City Council to ask you to strongly support the America's Finest Jones Act Waiver with no restrictions as it progresses through the Senate as part of a yet to be determined Bill.

As you may know, Fishermen's Finest is a Kirkland based fishing company that operates fishing/processing vessels in the Bering Sea and Gulf of Alaska. Fishermen's Finest is:

- One of the largest female-owned companies in the state of Washington, according to the Puget Sound Business Journal;
- A successful progressive company with a stable workforce of family wage jobs;
- An industry leader acquiring a new, state of the art, green, safe, seaworthy vessel built here in the state of Washington;
- Planning to purchase carbon offsets to make *F/V America's Finest* the first carbon neutral fishing vessel in the world;
- Currently employing approximately 200 people, which is expected to increase to over 300 people when the new vessel is operational; and
- Received unanimous support of Kirkland Chamber of Commerce for this issue.

Fishermen's Finest worked hard to secure the building of its new vessel in the state of Washington, eventually coming to a construction agreement with Dakota Creek Industries ("Dakota Creek") in Anacortes, Washington. Now, Dakota Creek, due to what we understand was an honest and relatively minor mistake is at risk of not meeting its obligations to deliver the fishing/processing vessel to Fishermen's Finest with a Coastwise Fisheries Endorsement.

Dakota Creek is well known and respected across the country for building quality ships with a stable/longstanding workforce here in the state of Washington. Dakota Creek is:

- A family owned and operated shipyard dating back to 1975 (Dick Nelson and now son, Mike).
- Providing maintenance support to the State of Washington Ferry System.

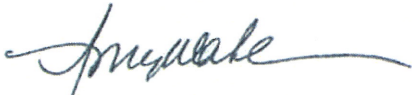
- The builder of Navy, tug, offshore, fire, and fishing vessels – *F/V America's Finest* is their 63rd hull.
- An employer of 328 people; up to 400 in the past 5 years.

All of this is at risk – a trauma to Fishermen's Finest and a financial disaster for Dakota Creek – because of an honest misunderstanding of the rules on the part of Dakota Creek that had a financial value of only \$270,000 in relation to this \$75 million project. The City of Kirkland has joined over 160 businesses and thousands of people supporting a Coalition to Save our Ship www.soscoalition.com and www.facebook.com/saveourshipcoalition/ and save our jobs.

We hope you will take this request into account when considering your support for the American's Finest Jones Act Waiver with No Restrictions. Thank you for your consideration.

Sincerely,

KIRKLAND CITY COUNCIL



Amy Walen, Mayor
City of Kirkland

cc: Kirkland City Council



ANACORTES EXECUTIVE DEPARTMENT

P.O. BOX 547, ANACORTES, WA 98221-0547
LAURIE GERE, MAYOR

PH (360) 299-1950
FAX (360) 293-1938

E-MAIL: laurieg@cityofanacortes.org

May 22, 2017

Representative Don Young
2314 Rayburn House Office Bldg.
Washington, DC 20515

Representative Rick Larsen
2113 Rayburn House Office Bldg.
Washington, DC 20515

Dear Congressmen,

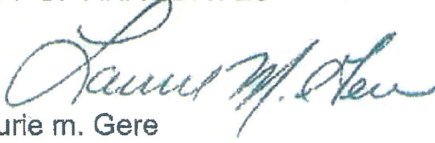
I am writing on behalf of the City of Anacortes to urge your support of obtaining a legislative waiver for the construction of Fishermen's Finest, Inc.'s state-of-the-art catcher processor (named "*America's Finest*") in the Dakota Creek Industries, Inc.'s ("DCI") shipyard in Anacortes, Washington. A legislative waiver will bring the newest technology to the U.S. fishing fleet.

A legislative waiver of the U.S. build requirements for the *America's Finest* is needed because the vessel does not technically meet one hull component requirement despite the fact that the vessel is being built entirely in a U.S. shipyard and otherwise completely meets all coastwise trade requirements. Such a waiver will authorize the Coast Guard to issue a certificate of documentation with coastwise and fisheries endorsements. Accordingly, this vessel will then be able to engage in the fisheries trade in the North Pacific and Bering Sea that will ultimately benefit the overall U.S. shipyard and fishing interests of the United States.

Thank you for your consideration and we would greatly appreciate your support of this legislation.

Sincerely,

CITY OF ANACORTES


Laurie m. Gere
Mayor

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Nancy Peterson

From: Dave Rytand <daver@transpacmarinas.com>
Sent: Monday, February 12, 2018 2:44 PM
To: Nancy Peterson
Subject: Dakota Creek Industries Needs Your Help
Attachments: Coast Guard won't certify America's Finest; waiver still possible Undercurrent News.pdf
attached

Nancy,

Transpac Marinas has been involved in helping build and rebuild many Alaska harbors over the past 33 years, and we have always conducted our business with the utmost respect for our clients and their interests. For many of these projects, we have closely allied ourselves with another Anacortes business, Dakota Creek Industries. Without their help it would have been difficult if not impossible to achieve the stature we presently enjoy among our customers.

Unfortunately, Dakota Creek is an innocent bystander in a vicious political battle being waged by some against the fishing company, Fishermen's Finest. Their new vessel, "America's Finest" fell a few percentage points below the required domestic materials content, and a waiver to the Jones Act has been sought to allow the vessel to enter service. The US House of Representatives has approved and passed a bill to permit the US Coast Guard to document the ship for service, and it is now up to the US Senate to sign onto the bill to make approval final.

At forces have begun a bitter and unprecedented political fight to deny this approval and force the fishing company out of business and, as collateral damage, Dakota Creek as well. Putting Dakota Creek at risk of financial failure would also damage Transpac Marinas, another innocent closely-held Anacortes business. Our two companies serve similar markets in complimentary fashion, each relying on the other for facilities support here in Anacortes.

- The political fight being waged against Fishermen's Finest is based on misinformation, hyperbole and fear mongering over the Jones Act exemption for the MV America's finest and is indeed unfortunate.
- We understand and know well the fisheries in Alaska. The MV America's Finest is an Amendment 80 fishing vessel with fixed quota allocations and simply put, will catch the same quota share fish as the vessel or vessels it will replace. The only differences are that it will do it burning a lot less fuel and making the crews a lot safer.
- Rumors that some of the coastal local governments have expressed concerns about this new vessel causing economic harm to their communities is totally unfounded. Fishermen's Finest is simply replacing a vessel, in line with North Pacific Fisheries Council rules.
- The need for the Jones Act exemption is only due to a technical mistake by the shipyard. It has nothing to do with increasing or altering the capability of the ship.
- Placing fishing restrictions on that vessel serves no good purpose. It serves only to reduce the value of the vessel and will likely prevent the vessel from being used in the US Fisheries at all. That will cause the shipyard to collapse, and that serves no good purpose.

Today, a majority of the shipyard's work force has been laid off. This is wreaking economic havoc with many Pacific Northwest families. Continuing this serves no good purpose, only a cruel one. For the sake of the families and businesses in Alaska and Washington State, I urge you to support the Jones Act waiver, without restrictions on the vessel.

Please help by urging Senator Dan Sullivan, his Chief of Staff Larry Burton or Scott Leathard at (202) 224-3004 to support all the innocent families and businesses being caught up in this contentious issue and encourage the Senate to pass the waiver without restriction.

Finally, representatives of Dakota Creek and the City of Anacortes will be attending the Unalaska City Council meeting tomorrow evening, February 13th, in an effort to fully explain this situation. If we could take a moment of your time we'd like to discuss further. We're hopeful that if the community has a better understanding of the situation we could garner more support and possible assistance in sharing this story.

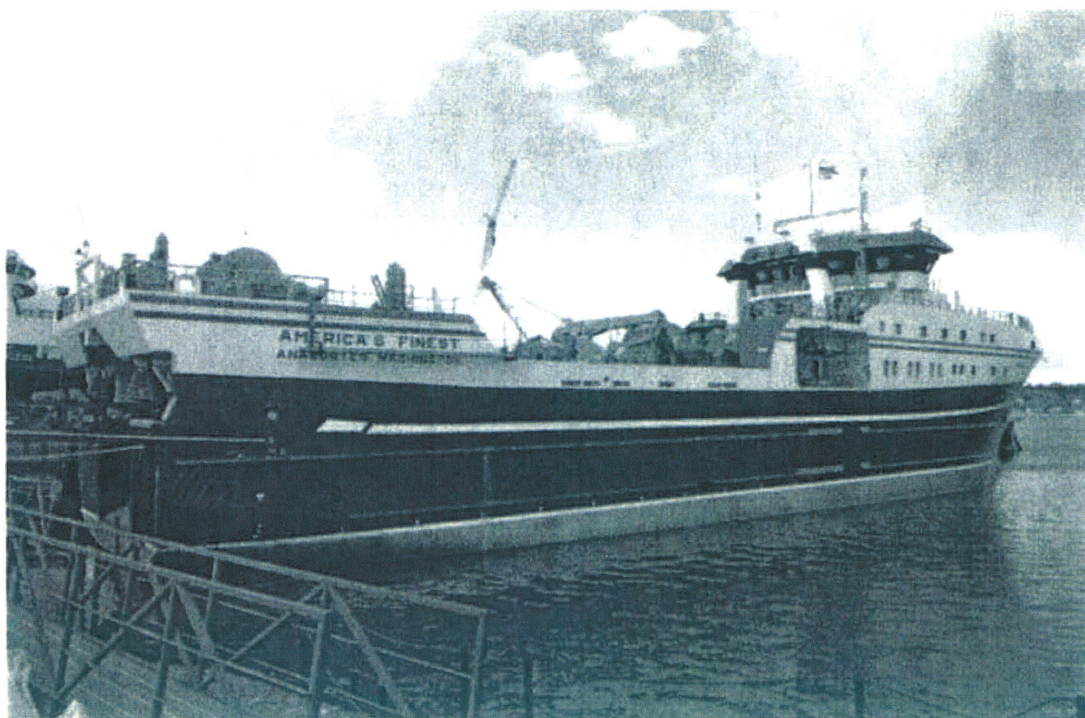
We have attached additional information that you might find helpful and we would like to follow up with a phone call later this afternoon or tomorrow. Many thanks in advance.

<https://saveourshipcoalition.org/>

Dave Rytand, Dan Jankelson, Traci Stark | TRANSPAC MARINAS, INC.
702 R Ave / PO Box 1169 Anacortes, WA 98221 | 360.293.8888 | www.TranspacMarinas.com

Coast Guard won't certify America's Finest; waiver still possible

By SeafoodNews.com Sep. 25, 2017 16:03 GMT



 The America's Finest, photographed in May 2017

Peggy Parker, Seafood.com News

In a letter dated August 31 to Dakota Creek Industries (DCI), the National Vessel Documentation Center (NVDC) found that the state-of-the-art catcher processor 'America's Finest' will "not be eligible to be issued a Certificate of Documentation with fishery or coastwise endorsements upon completion of construction" at DCI.

Without this document, the vessel is not eligible to fish in US waters.

This is the latest, but certainly not the last determination on whether the 262-foot America's Finest, built as the most "environmental and carbon footprint friendly" vessel in the Bering Sea, will be fishing there this coming winter.

The problem rests in the vessel's highly efficient hull shape which "reduces hull resistance when sailing in ice or at open sea," according to the ship's architects. The hull was built using steel plates that were cold-formed in the Netherlands. Those foreign-processed plates were about 7% of the total weight of the steel hull, surpassing the Jones Act maximum allowance of 1.5%.

According to press reports at the time, DCI was unaware of the foreign processed steel restriction or of guidance on Jones Act compliance that was available from the Coast Guard. Fishermen's Finest President Dennis Moran has been quoted as saying he believes it was an unintended mistake on DCI's part.

Construction on America's Finest began in June of 2015. In late April 2017, Representative Rick Larsen visited DCI to tour the nearly completed vessel and learn about the energy efficiencies in power generation, fuel use, and processing. Both DCI and Fishermen's Finest are based in Larson's Congressional district.

It is unknown at what point the companies were aware of the problem, but a May 16, 2017 briefing paper from attorney Jon Waldron representing DCI, asserted that the mistake was inadvertent, a "one-time technical misunderstanding of the Coast Guard's steel rules," and support was needed for a congressional waiver. Waldron is a partner in Blank Rome, a DC-based firm that specializes in Jones Act issues.

On May 24, Rep. Larsen sponsored an amendment to the Coast Guard Authorization Act of 2017 that included a waiver for the vessel. It was approved by the House Transportation and Infrastructure Committee that day, but later was cut from that bill and inserted in the Department of Homeland Security Reauthorization Act. That legislation passed with the waiver on July 20, and headed for the Senate.

Back in May, the congressman's spokesman noted that Larsen "had learned about the issue with the trawler the week before and 225 Dakota Creek workers urged him to take action," according to a *Seattle Times* story dated June 3, 2017.

The Senate version of the House bill has not yet been introduced, but HR

2825, the Homeland Security Act passed by the House with the waiver, was received and referred to the Committee on Homeland Security and Governmental Affairs.

On August 18, Waldron sent a letter to the Coast Guard's NVDC asking for an "expedited determination that construction of ... America's Finest ... with cold-formed plates installed as part of the hull shell will not adversely affect the coastwise eligibility of the vessel."

In her response to Waldron and DCI, Director Christina Washburn raised questions about when DCI became aware of the problem and when her agency was notified.

"On March 20, 2017, the National Vessel Documentation Center (NVDC) received an Application for Initial Documentation (CG-1258) seeking documentation of the vessel with fishery and coastwise endorsements, both of which require that the vessel seeking those endorsements must be built in the United States as a condition of eligibility," she wrote. "An official number was assigned to the vessel and that application is still pending.

"However, it was not until the NVDC received an internal request to review an early draft of the current Coast Guard Authorization Act that it came to our attention that there might be an issue as to whether or not the vessel would qualify as having been built in the US. That draft contained -- and as of this writing (to our knowledge) -- still contains a provision which would waive the US build requirements ... for this vessel."

Shortly after that review, on June 14, 2017, the NVDC was asked to brief congressional staff on the waiver; they received a copy of Waldron's briefing paper as part of that brief.

"It was not until August 8, 2017, however, that you and a representative of DCI, together with a representative of Fishermen's Finest Inc... and their counsel, met with the NVDC staff ... at our office to discuss your proposed way forward for the documentation of this vessel in light of that mistake and the proposed and pending legislative waiver," Washburn wrote.

A case similar to America's Finest came before the NVDC on December 3, 2003. The case was an appeal to an earlier decision denying "US built" designation for a container ship with a Dutch-designed hull of a precise curvature. The arguments to allow 14% cold-formed steel of the total failed to convince the NVDC and a long-held principal was even more strongly established.

Washburn sharply criticized Waldron arguments in favor of a "US build" determination, saying "... they all appear to be arguments of a type which

could be prefaced with the phrase "if only."

"If only, the 1.5% limitation were, let's say 10%; or

"if only, the standard were tied to the monetary value of the work done rather than its steel weight; or

"if only, the Coast Guard would interpret the Jones Act, and promulgate regulations according, designed to assist in the evolution of the U.S. shipbuilding industry by not counting the kind of foreign fabrication done here as long as it is done for the creation of 'generic' shapes for the construction of a generally standardized series or type of vessels (although, as to this particular line of argument and its logical extension, it is difficult to see how a greater allowance for such foreign fabricated components would, as you have argued, promote a more robust and evolved American shipbuilding industry as opposed to, perhaps, a more robust and evolved shell of an increasingly hollowed out ship assembly industry or how, at the end of the day, that would be consistent with the purpose of the Jones Act); or, finally, if only, DCI had realized its error."

The NVDC has an appeal process, which DCI may use.

The option of a congressional waiver is still very much on the table. Both DCI and Fishermen's Finest are successful companies that employ hundreds of people and generate significantly to the U.S. economy.

DCI has agreed to bring the cold-forming technology to the US so other ships may be built under Jones Act requirements using the high-tech process.

The American Maritime Partnership, an association of the U.S. maritime industry, has not yet commented on the DCI case, although they have been asked to.

If a waiver does go forward, it will be important to get the language right for the final Senate bill, and AMP may be involved there. Opponents of the waiver are concerned that other companies could use the law to allow overages for future new trawlers, and even that America's Finest may be able to apply the waiver to future rebuilds or repairs.



Contact the author seafoodnews@seafoodnews.com

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Nancy Peterson

From: Glenn Reed <glennr@pspafish.net>
Sent: Tuesday, February 13, 2018 9:25 AM
To: Nancy Peterson; Mayor Kelty
Cc: John Garner; Joe Plesha; Tom Enlow; Mark JoHahnson; Sinclair Wilt; Stefanie Moreland; Nicole Kimball
Subject: Letter from Unalaska on Sideboards
Attachments: Letter to Alaska Wash DC delegation in support of sideboards on Fishermens Finest new vessel.pdf

Dear Mayor Kelty and Ms Peterson:

On behalf of our members, including those in Unalaska/Dutch Harbor and Akutan, I'm reaching out to thank the Mayor, City Council, and the City of Unalaska for sending the attached letter.

The seafood companies in Unalaska and Akutan that our group represents have operated in these communities for decades, invested millions of dollars in the communities and continue to invest annually (including recent investments in the cod fishery), pay local and state taxes that benefit the communities and their residents, and plan to remain permanent productive fixtures in the future.

It's important to all of us that people hear from those representing all the residents, from school children to residents of the senior center, that a solid tax dependable tax base is critical to life in rural Alaska and worth speaking out to defend. Again, thank you.

Please let me know if there is anything further that we may provide.

Sincerely,

Glenn E Reed
President
Pacific Seafood Processors Association
1900 W. Emerson Place, Suite 205
Seattle, WA 98119
glennr@pspafish.net
www.pspafish.net