

Regular Meeting
Tuesday, January 10, 2023
6:00 p.m.

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Dennis M. Robinson
Alejandro R. Tungul
Shari Coleman

*To Provide a Sustainable Quality of Life
Through Excellent Stewardship of Government*

UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
Tel (907) 581-1251 • Fax (907) 581-1417 • www.ci.unalaska.ak.us

Mayor: Vincent M. Tutiakoff Sr. **City Manager:** Chris Hladick
City Clerk: Marjie Veeder, mveeder@ci.unalaska.ak.us

COUNCIL MEETING ATTENDANCE

The community is encouraged to attend meetings of the City Council:

- In person at City Hall
- Online via ZOOM (link, meeting ID & password below)
- By telephone (toll and toll free numbers, meeting ID & password below)
- Listen on KUCB TV Channel 8 or Radio Station 89.7

PUBLIC COMMENT

The Mayor and City Council value and encourage community input at meetings of the City Council. There is a time limit of 3 minutes per person, per topic. Options for public comment:

- In person
- By telephone or ZOOM - notify the City Clerk if you'd like to provide comment using ZOOM features (chat message or raise your hand); or *9 by telephone to raise your hand; or you may notify the City Clerk during regular business hours in advance of the meeting
- Written comment is accepted up to one hour before the meeting begins by email, regular mail, fax or hand delivery to the City Clerk, and will be read during the meeting; include your name

ZOOM MEETING LINK: <https://us02web.zoom.us/j/85203975430>

Meeting ID: 852 0397 5430 / **Passcode:** 977526

TELEPHONE: Meeting ID: 852 0397 5430 / **Passcode:** 977526

Toll Free numbers: (833) 548-0276; or (833) 548-0282; or (877) 853-5247; or (888) 788-0099

Non Toll Free numbers: (253) 215-8782; or (346) 248-7799; or (669) 900-9128

AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of Allegiance**
4. **Recognition of Visitors**
5. **Adoption of Agenda**
6. **Approve Minutes of Previous Meeting:** [December 27, 2022](#)
7. **Reports**
 - a. Financial Reports: [October 2022](#) and [November 2022](#)
 - b. [City Manager Report](#)

8. Community Input & Announcements

9. Public Comment on Agenda Items

10. Public Hearing

- a. [Ordinance 2022-22](#): Creating Budget Amendment #4 to the Fiscal Year 2023 Budget, increasing the Administration budget by \$100,000 for a Compensation and Classification Study; increasing the Ports budget by \$27,000 for a Site Survey for UMC positions 5-7; accepting \$400,000 from the Rasmuson Foundation and increasing the Library Improvement Project by \$400,000; appropriating \$450,000 from the General Fund for a Public Safety Records Management System; accepting \$386,400 from the Denali Commission and increasing the Water Fund transfers to Capital Projects by \$12,246 for matching funds and increasing the Captains Bay Road Waterline Project by \$398,646; increasing the Water Fund Operating Budget for transfers to Capital Projects and the project budget for the Pyramid Water Treatment Plant Inline Microturbines by \$105,000.

11. Consent Agenda

- a. [Resolution 2023-01](#): Establishing taxicab rates for Calendar Year 2023

12. Regular Agenda

- a. [Ordinance 2022-22](#): Second Reading, Creating Budget Amendment #4 to the Fiscal Year 2023 Budget, increasing the Administration budget by \$100,000 for a Compensation and Classification Study; increasing the Ports budget by \$27,000 for a Site Survey for UMC positions 5-7; accepting \$400,000 from the Rasmuson Foundation and increasing the Library Improvement Project by \$400,000; appropriating \$450,000 from the General Fund for a Public Safety Records Management System; accepting \$386,400 from the Denali Commission and increasing the Water Fund transfers to Capital Projects by \$12,246 for matching funds and increasing the Captains Bay Road Waterline Project by \$398,646; increasing the Water Fund Operating Budget for transfers to Capital Projects and the project budget for the Pyramid Water Treatment Plant Inline Microturbines by \$105,000
- b. [Resolution 2023-02](#): Approving a 20-year Tideland Lease Agreement between the City of Unalaska and Offshore Systems, Inc., for a 2.288 acre portion of Alaska Tidelands Survey no. 1432
- c. [Resolution 2023-03](#): Approving a 20-year Tideland Lease Agreement between the City of Unalaska and Offshore Systems, Inc., for Tracts and B of Alaska Tidelands Survey no. 1431
- d. [Resolution 2023-04](#): Identifying the City of Unalaska's State Priorities
- e. [Resolution 2023-05](#): Authorizing the City Manager to sign a Settlement Agreement with Jacobs Engineering Group, In., to resolve *City of Unalaska vs. Jacobs Engineering Group, Inc.*
- f. Travel approval for Mayor and Council
 - i. AML Winter Legislative Conference, February 22-24, 2023, Juneau
 - ii. SWAMC Economic Summit & Membership Meeting, March 2-3, 2023, Anchorage

13. Council Directives to City Manager

14. Community Input & Announcements

15. Adjournment

Regular Meeting
Tuesday, December 27, 2022
6:00 p.m.

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MINUTES

1. **Call to order.** The Mayor called the regular meeting of the Unalaska City Council to order on December 27, 2022 at 6:01 p.m.
2. **Roll call.** The acting City Clerk called the roll. The Mayor and Council Members Bell, Coleman Looby, Robinson and Tungul were present, while Nicholson was absent.

Bell read the City's Mission Statement: To provide a sustainable quality of life through excellent stewardship of government.
3. **Pledge of Allegiance.** Looby led the Pledge of Allegiance.
4. **Recognition of Visitors.** The Mayor recognized Jim Wilson with the Unalaska City School District; Tim Mahoney from the Ports Department; and personnel with the United States Coast Guard, Marine Safety Detachment, Dutch Harbor Office in the audience.
5. **Awards and Presentation**
 - a. The Mayor presented Jim Wilson the Community Extra Mile Award.
 - b. Lieutenant Kahl of the USCG-MSD presented Tim Mahoney the Good Samaritan Award.
 - c. Police Officer Julian Javier Govea was sworn into office and had the badge pinning ceremony.
6. **Adoption of Agenda.** Robinson moved to adopt the agenda with second by Tungul. There being no objection, the agenda was adopted by consensus.
7. **Approve Minutes of Previous Meeting.** Robinson moved to approve the proposed minutes of the council meeting held November 22, 2022 as presented, with second by Tungul. There being no objection, the minutes were approved by consensus.
8. **Reports.**
 - a. The Financial Report for October 2022 was moved to the next scheduled meeting in January. Interim Finance Director Clay Darnell answered Council's questions.

- b. City Manager Report – Interim City Manager Chris Hladick provided an overview of the report, while Acting City Manager Bil Homka, highlighted some points from the report.

9. Community Input & Announcements.

- a. PCR Director Roger Blakeley announced Youth Soccer League’s registration deadline of December 31, 2022; Little Dribblers Soccer will run from January 23 until January 27 and is open for 3 to 5-year-old kids. City League Soccer needs some referees & coaches.
- b. M. Lynn Crane from Unalaskans Against Sexual Assault & Family Violence announced that they still have some winter raffle tickets to sell. She also thanked OptimEra for their program, Christmas for Kids, which benefits USAFV; and CMA for their donation. Lastly, the Soup-off is scheduled for March 25, 2023.

10. Public Comment on Agenda Items.

- a. Frank Kelty provided a comment on Raw Seafood Tax.

- 11. Public Hearing.** The Mayor opened the Public Hearing on Ordinance 2022-19 Amending Title 3, Personnel, to add a longevity bonus, make executives eligible for the longevity bonus, provide latitude to the City Manager to hire above the midpoint of the wage range, and to increase moving expenses available for new employees.

There being no testimony, the Mayor closed the Public Hearing on Ordinance 2022-19.

The Mayor opened the Public Hearing on Ordinance 2022-20 Creating Budget Amendment #3 to the Fiscal Year 2023 Budget to fund increases in wages, fringe benefits and associated State of Alaska PERS contributions for unrepresented employees.

There being no testimony, the Mayor closed the Public Hearing on Ordinance 2022-20.

- 12. Work Session.** Tungul moved to go into Work Session, second by Robinson. Motion adopted by consensus.

6:34 p.m. – Entered into Work Session

- a. FY24 CMMP and Budget Schedule. Acting City Manager Bil Homka provided an overview of the schedule and answered Council questions. Roger Blakeley provided information and answered Council questions.

6:42 p.m. – Reconvened to Regular Session

- 13. Consent Agenda.** Robinson moved to adopt the Consent Agenda; second by Looby. Roll call vote: All Council members voted in the affirmative. Motion passed unanimously 5-0 adopting the following items:

- a. Resolution 2022-48: Approve Mayor’s appointment of Ryan Humphrey to the PCR committee
- b. Resolution 2022-52: Adopting an alternative allocation method for the FY 2023 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the FMA 2: Aleutians Islands Area
- c. Resolution 2022-53: Establishing dates for the fiscal year 2024 real property tax and business personal property tax collection effort

14. Regular Agenda.

- a. Ordinance 2022-22: First Reading, Creating Budget Amendment #4 to the Fiscal Year 2023 Budget, increasing the Administration budget by \$100,000 for a Compensation and Classification Study; increasing the Ports budget by \$27,000 for a Site Survey for UMC positions 5-7; accepting \$400,000 from the Rasmuson Foundation and increasing the Library Improvement Project by \$400,000; appropriating \$450,000 from the General Fund for a Public Safety Records Management System; accepting \$386,400 from the Denali Commission and increasing the Water Fund transfers to Capital Projects by \$12,246 for matching funds and increasing the Captains Bay Road Waterline Project by \$398,646; increasing the Water Fund Operating Budget for transfers to Capital Projects and the project budget for the Pyramid Water Treatment Plant Inline Microturbines by \$105,000.

Robinson moved to introduce Ordinance 2022-22 and schedule it for public hearing and second reading on January 10, 2023; second by Coleman.

Acting City Manager Bill Homka provided an overview.

Directors (PCR) Roger Blakeley, (Public Utilities) Steve Tompkins and (Ports) Peggy McLaughlin answered Council questions.

Roll call vote: Bell – yes; Looby – yes; Robinson – yes; Coleman – yes; Tungul – yes

Motion passed 5-0, advancing the ordinance 2nd reading on January 10, 2023.

- b. Ordinance 2022-19: Second Reading, Amending Title 3, Personnel, to add a longevity bonus, make executives eligible for the longevity bonus, provide latitude to the City Manager to hire above the midpoint of the wage range, and to increase moving expenses available for new employee

Robinson moved to adopt Ordinance 2022-19; second by Tungul.

Acting City Manager Bill Homka provided an overview.

Robinson moved to amend Ordinance 2022-19 to add explanatory examples at the end of paragraph (A) for the Executive Employee Longevity Bonus, and to add an “s” to the word paragraph; and add the words “and (B)” in paragraph (D) so that it includes both executive and non-executive employees; second by Tungul.

Council discussion

Roll call vote on the amendment: Coleman – yes; Bell – no; Looby – yes; Tungul – yes; Robinson – yes

Amendment passed 4-1

Bell moved to delete section (A) and reword section (B) to remove “non-executive”; second by Looby.

Council discussion

Roll call vote on the 2nd amendment: Looby – no; Coleman – no; Robinson – no; Tungul – no; Bell – yes

Amendment failed 1 yes – 4 nays

Roll call vote on the main motion as amended: Looby – yes; Bell – yes; Robinson – yes; Tungul – yes; Coleman – yes

Ordinance 2022-19 passed 5-0

- c. Ordinance 2022-20: Second Reading, Creating Budget Amendment #3 to the Fiscal Year 2023 Budget to fund increases in wages, fringe benefits and associated State of Alaska PERS contributions for unrepresented employees

Robinson moved to adopt Ordinance 2022-20; second by Tungul.

Acting City Manager Bill Homka provided an overview

Council discussion

Bell moved to amend Ordinance 2022-20 section B to include Increases in wages and benefits as a result of this Ordinance shall be paid retroactive to July 1, 2022; second by Coleman

Council discussion

Roll call vote on the amendment: Robinson – yes; Coleman – yes; Bell – yes; Tungul – yes; Looby – yes

Amendment passed 5-0

Roll call vote on the main motion as amended: Bell – yes; Tungul – yes; Looby – yes; Robinson – yes; Coleman – yes

Ordinance 2022-20 passed 5-0

- d. Resolution 2022-55: Authorizing the City Manager to Enter into an Agreement with Regan Engineering, P.C. for the Design of the Captains Bay Road Waterline Extension Project in the Amount of \$398,646

Tungul moved to approve Resolution 2022-55 and award the design of the Captains Bay Road Waterline Extension Project to Regan Engineering, P.C., the City's long-time designer of record; second by Robinson

Acting City Manager Bill Homka provided an overview of the resolution

Council discussion

Steve Tompkins answered Council questions

Roll call vote: Tungul – yes; Robinson – yes; Coleman – yes; Looby – yes; Bell – yes

Resolution 2022-55 passed 5-0

15. Council Directives to City Manager. None

16. Community Input & Announcements.

- a. Acting City Clerk reminded everyone that business licenses expire at the end of the year and to renew before the deadline to avoid penalty.
- b. New Year's Eve fireworks display will be on January 7, 2023 at 8:00 pm.

17. **Adjournment.** Having completed all items on the agenda, Mayor adjourned the meeting at 7:30 p.m.

These minutes were approved by the Unalaska City Council on January 10, 2023.

Marjie Veeder, CMC
City Clerk

DRAFT

CITY OF UNALASKA
UNAUDITED FINANCIAL REPORTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022

TABLE OF CONTENTS

Memorandum to Council	1
Graphical results:	2
General Government Revenue – Annual Budget vs. YTD Collected	
Percentage of General Government Revenue Collected	
General Government Expenditures – Annual Budget vs. YTD Actual	
Cash and Investment – Last twelve months	
Enterprise Funds – Budgeted vs. Actual Net Change without transfers and capital	
Enterprise Funds – Budgeted vs. Actual Net Change with transfers and capital	
General Fund - Monthly Operating Summary	3
Special Revenue Funds – Monthly Operating Summaries:	4
1% Sales Tax	
Bed Tax Fund	
E911 Enhancement	
Tobacco Tax	
Enterprise Funds:	
Monthly Operating Summaries	5-8
Utility Revenue Recap Report	9
Revenue Detail Reports	
Electric Fund	10
Water Fund	11
Wastewater Fund	12
Solid Waste Fund	13
Ports & Harbors Fund	14
Airport Fund	15
Housing Fund	16

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: CLAY DARNELL, INTERIM FINANCE DIRECTOR
THRU: CHRIS HLADICK, INTERIM CITY MANAGER
DATE: DECEMBER 27, 2022
RE: UNAUDITED FINANCIAL REPORTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2022

In order to keep the Council informed about the financial activity of the City of Unalaska, the Finance Department has prepared interim financial reports for the three months ended October 31, 2022.

Fund/Departmental Highlights

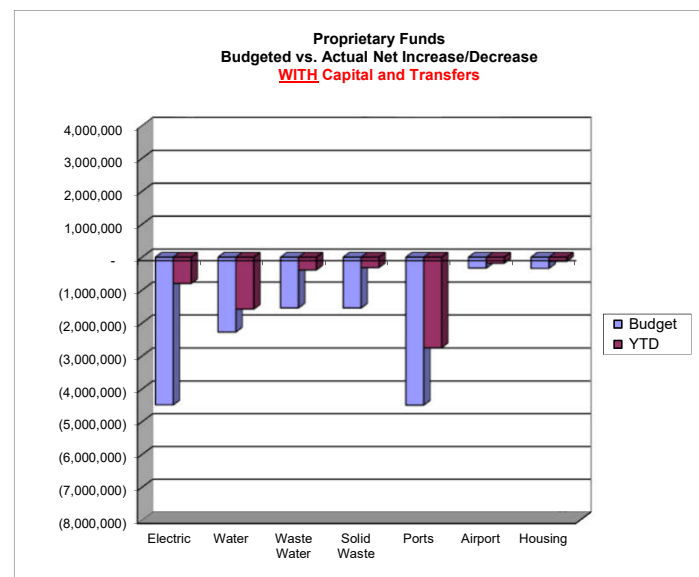
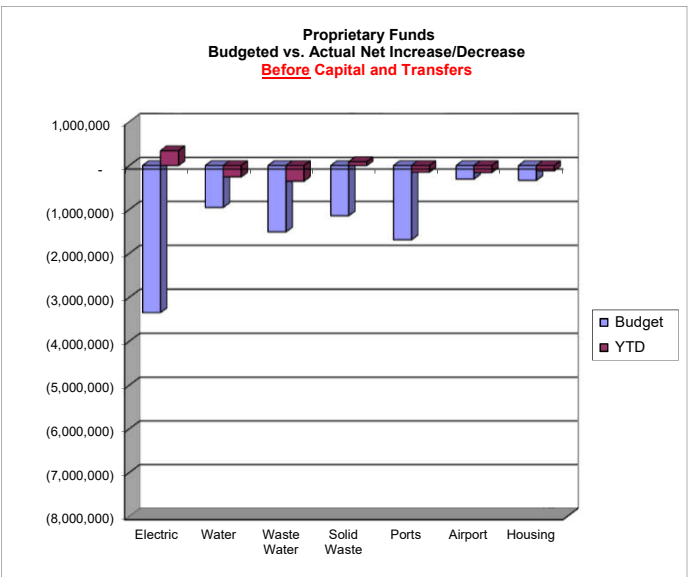
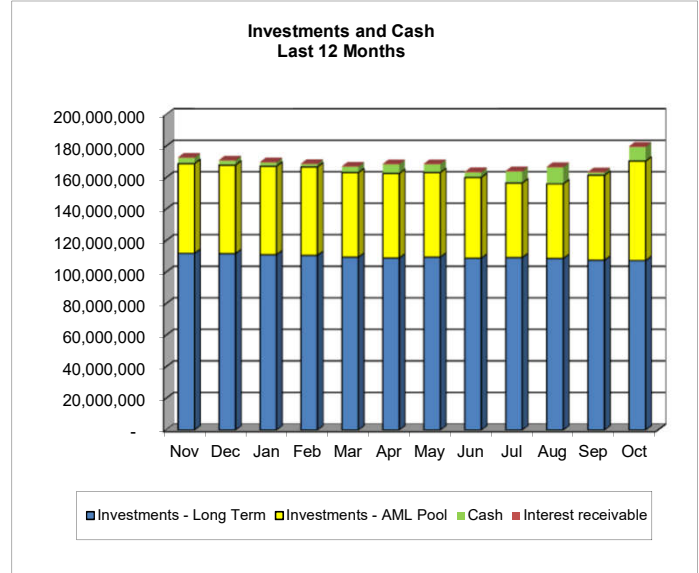
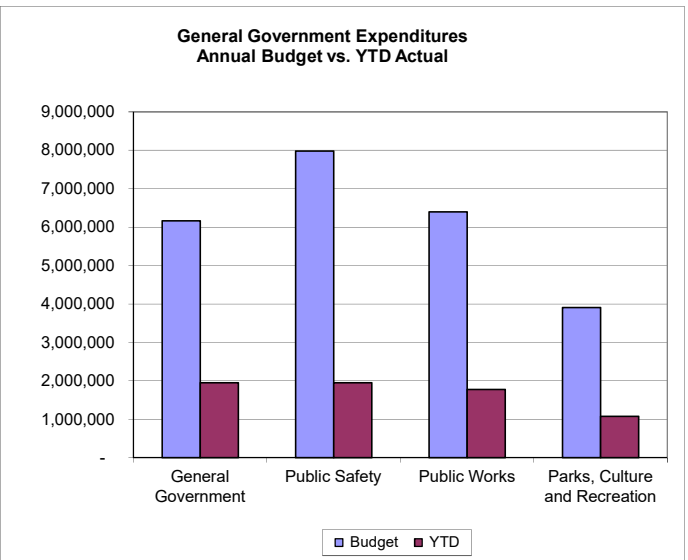
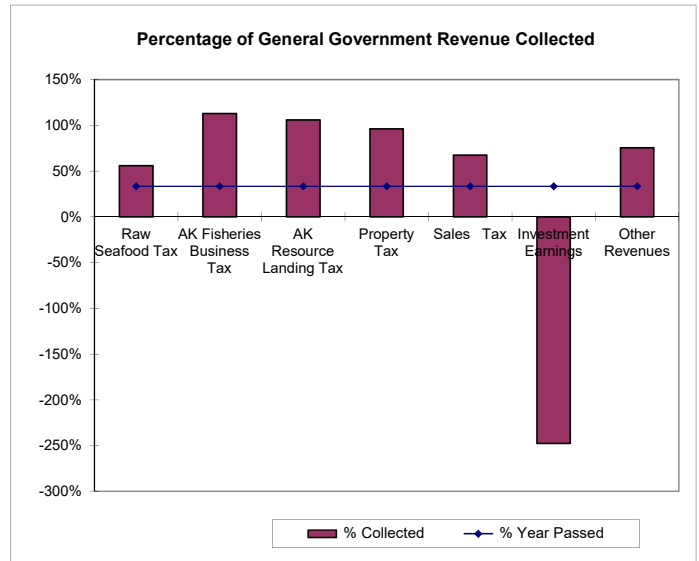
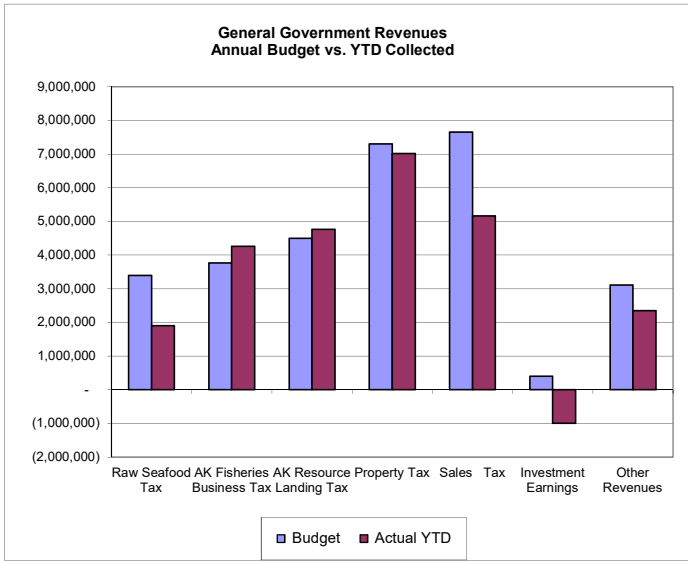
General Fund:

- The Fisheries Business and Resource Landing Taxes were received in October this year and the Fisheries Business Tax was received in November last year.
- Public Safety Admin and Public Safety were combined last year.

Proprietary Funds:

- Electric Fund – Revenues and expenses exceed budgeted amounts (33%). Use of fund balance is projected to be less than budgeted amount.
- Water Fund - Revenues and expenses are less than budgeted amounts (33%). Use of fund balance is projected to be less than budgeted amount.
- Wastewater Fund – Revenues are even with budgeted amounts, expenses are less than budgeted amounts (33%). Use of fund balance is projected to be more than budgeted amount.
- Solid Waste Fund – Revenues exceed budgeted amounts, expenses are less than budgeted amount (33%). Use of fund balance is projected to be less than budgeted amount.
- Ports & Harbors Fund – Revenues exceed budgeted amounts, expenses are even with budgeted amounts (33%). Use of fund balance is projected to be less than budgeted amount.
- Airport Fund - Revenues are less than budgeted amounts, expenses exceed budgeted amount (33%). Use of fund balance is projected to exceed budgeted amount.
- Housing Fund - Revenues are less than budgeted amounts, expenses are even with budgeted amount (33%). Use of fund balance is projected to exceed budgeted amount.

**CITY OF UNALASKA
OCTOBER, 2022**



General Fund Operating Monthly Summary - Month Ending October 2022

	FY2023 Budget	October	FY2023 YTD	% OF BUD	FY2022 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	3,400,000	148,492	1,899,215	56%	2,423,597	(524,382)
AK Fisheries Business	3,770,000	4,258,312	4,258,312	113%	-	4,258,312
AK Fisheries Resource Landing	4,500,000	4,760,389	4,760,389	106%	4,549,661	210,728
Property Taxes	7,300,000	3,105,686	7,019,996	96%	7,486,525	(466,529)
Sales Tax	7,650,000	2,802,809	5,166,141	68%	3,433,990	1,732,151
Investment Earnings	400,000	40,889	(991,626)	-248%	(215,735)	(775,891)
Other Revenues	3,109,220	722,683	2,345,743	75%	1,434,137	911,606
Total General Fund Revenues	30,129,220	15,839,259	24,458,170	81%	19,112,175	5,345,996
EXPENDITURES						
Mayor & Council	507,215	17,789	65,512	13%	110,588	(45,076)
City Administration	2,029,567	90,603	919,047	45%	929,256	(10,209)
City Clerk	579,434	39,480	152,414	26%	166,136	(13,721)
Finance	2,239,329	138,444	604,126	27%	695,710	(91,585)
Planning	810,112	42,677	209,646	26%	207,930	1,716
Public Safety Admin	1,134,862	74,207	306,521	27%	-	306,521
Public Safety	5,155,768	287,657	1,182,392	23%	1,466,970	(284,578)
Fire, EMS	1,686,600	99,666	462,796	27%	442,492	20,305
Public Works	6,393,759	480,693	1,770,949	28%	1,786,428	(15,478)
Parks, Culture & Recreation	3,907,838	288,807	1,077,654	28%	1,073,633	4,021
Community Grants	1,266,422	80,106	375,575	30%	444,123	(68,547)
School Support	5,004,910	417,076	1,668,303	33%	1,566,396	101,907
Total Operating Expenditures	30,715,816	2,057,205	8,794,936	29%	8,889,661	(94,724)
Net Operating Surplus	(586,596)	13,782,054	15,663,234		10,222,514	5,440,720
Capital Outlay and Transfers						
Capital Outlay	826,010	23,392	48,139	6%	147,482	(99,342)
Transfers To Capital Projects	2,787,950	-	2,787,950	100%	1,896,013	891,937
Transfers To Enterprise Capital	3,494,500	-	3,494,500	100%	3,494,500	-
Total Capital Outlay and Transfers	7,108,460	23,392	6,330,589	89%	5,537,995	792,595
Net Surplus (Deficit)	(7,695,055)	13,758,662	9,332,645		4,684,520	4,648,125
Appropriated Fund Balance	7,181,980	-	-		-	-
	\$ (513,075)	\$ 13,758,662	\$ 9,332,645		\$ 4,684,520	\$ 4,648,125

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
1% Sales Tax Special Revenue Fund						
REVENUE						
Sales Tax	\$ 3,825,000	\$ 1,401,405	\$ 2,583,070	68%	\$,716,995	\$ 866,075
TRANSFERS						
Govt Capital Projects	0	0	0	0%	1,000,000	(1,000,000)
Enterprise Capital	3,860,000	0	3,860,000	100%	3,860,000	0
Total Transfers	<u>3,860,000</u>	<u>-</u>	<u>3,860,000</u>	<u>100%</u>	<u>4,860,000</u>	<u>(1,000,000)</u>
1% Sales Tax Special Revenue Fund	<u>\$ (35,000)</u>	<u>\$ 1,401,405</u>	<u>\$ (1,276,930)</u>		<u>\$3,143,005</u>	<u>\$ 1,866,075</u>

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Bed Tax Special Revenue Fund						
REVENUE						
Bed Tax	\$ 175,000	\$ 19,726	\$ 68,318	39%	\$ 69,146	(\$ 829)
EXPENSES						
Unalaska CVB	210,000	17,500	70,000	33%	70,000	-
Bed Tax Special Revenue Fund	<u>\$ (35,000)</u>	<u>\$ 2,226</u>	<u>\$ (1,682)</u>		<u>\$ (854)</u>	<u>\$ (829)</u>

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
E911 Enhancement Special Revenue Fund						
REVENUE						
E911 Enhancement Tax	\$ 75,000	\$ 7,792	\$ 28,632	38%	\$ 3,586	\$ 25,046
EXPENSES						
Public Safety Admin	75,000	-	-	-%	-	-
E911 Enhancement Special Revenue Fund	<u>\$ 0</u>	<u>\$ 7,792</u>	<u>\$ 28,632</u>		<u>\$ 3,586</u>	<u>\$ 25,046</u>

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Tobacco Tax Special Revenue Fund						
REVENUE						
Tobacco Tax	\$ 750,000	\$ 351,536	\$ 608,182	81%	\$ -	\$ 608,182
EXPENSES						
Community Support	88,000	7,333	29,333	33%	-	29,333
Tobacco Tax Special Revenue Fund	<u>\$ 662,000</u>	<u>\$ 344,202</u>	<u>\$ 578,848</u>		<u>\$ 0</u>	<u>\$ 578,848</u>

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Electric Proprietary Fund						
REVENUES	16,635,361	1,612,984	8,039,590	48%	6,277,102	1,762,487
EXPENSES - Cash Basis						
Electric Line Repair & Maint	1,433,247	22,647	109,070	8%	225,451	(116,381)
Electric Production	12,399,611	1,103,936	5,368,093	43%	3,700,116	1,667,977
Facilities Maintenance	133,898	19,331	35,145	26%	22,666	12,479
Utility Administration	2,291,879	86,259	940,285	41%	930,405	9,880
Veh & Equip Maintenance	67,356	994	7,554	11%	19,028	(11,474)
Total operating expenses - cash basis	<u>16,325,991</u>	<u>1,233,168</u>	<u>6,460,147</u>	<u>40%</u>	<u>4,897,666</u>	<u>1,562,481</u>
Net Profit (loss) from operations - cash basis	309,370	379,815	1,579,442		1,379,436	200,006
Depreciation	<u>3,656,123</u>	<u>310,302</u>	<u>1,241,209</u>	34%	<u>1,239,359</u>	<u>1,850</u>
Net Profit (loss) from operations - accrual basis	(3,346,753)	69,513	338,233		140,077	198,156
TRANSFERS and CAPITAL OUTLAY						
Capital Outlay	-	-	-	-%	64,980	(64,980)
Transfers Out	<u>1,135,266</u>	<u>252,154</u>	<u>1,135,266</u>	100%	<u>715,000</u>	<u>420,266</u>
Total Transfers and Capital Outlay	<u>1,135,266</u>	<u>252,154</u>	<u>1,135,266</u>	<u>100%</u>	<u>779,980</u>	<u>355,286</u>
Net earnings (loss)	(4,482,019)	(182,641)	(797,033)		(639,903)	(157,130)
Water Proprietary Fund						
REVENUES	2,716,329	81,607	748,813	28%	1,077,710	(328,897)
EXPENSES - Cash Basis						
Facilities Maintenance	62,250	11,216	17,383	28%	10,179	7,204
Utility Administration	770,020	44,476	295,107	38%	295,332	(225)
Veh & Equip Maintenance	41,119	11,331	16,910	41%	9,069	7,841
Water Operations	1,653,877	84,650	332,063	20%	400,253	(68,190)
Total operating expenses - cash basis	<u>2,527,265</u>	<u>151,673</u>	<u>661,463</u>	<u>26%</u>	<u>714,833</u>	<u>(53,370)</u>
Net Profit (loss) from operations - cash basis	189,064	(70,067)	87,350		362,877	(275,527)
Depreciation	<u>1,140,502</u>	<u>86,242</u>	<u>344,968</u>	30%	<u>372,159</u>	<u>(27,191)</u>
Net Profit (loss) from operations - accrual basis	(951,438)	(156,308)	(257,617)		(9,282)	(248,335)
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	<u>1,317,508</u>	<u>526,447</u>	<u>1,317,508</u>	100%	<u>1,915,500</u>	<u>(597,992)</u>
Capital Outlay	-	-	-	-%	51,114	(51,114)
Total Transfers and Capital Outlay	<u>1,317,508</u>	<u>526,447</u>	<u>1,317,508</u>	<u>100%</u>	<u>1,966,614</u>	<u>(649,106)</u>
	(2,268,946)	(682,755)	(1,575,125)		(1,975,896)	400,771

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Wastewater Proprietary Fund						
REVENUES	2,745,281	206,346	894,378	33%	871,617	22,761
EXPENSES - Cash Basis						
Facilities Maintenance	63,968	3,500	12,517	20%	19,989	(7,472)
Utility Administration	728,198	36,846	291,533	40%	329,068	(37,535)
Veh & Equip Maintenance	32,455	799	4,784	15%	12,236	(7,452)
Wastewater Operations	2,166,394	116,175	516,757	24%	530,879	(14,122)
Total operating expenses - cash basis	<u>2,991,016</u>	<u>157,321</u>	<u>825,592</u>	<u>28%</u>	<u>892,173</u>	<u>(66,582)</u>
Net Profit (loss) from operations - cash basis	(245,735)	49,026	68,786		(20,556)	89,343
Depreciation	<u>1,263,420</u>	<u>106,587</u>	<u>426,348</u>	<u>34%</u>	<u>408,080</u>	<u>18,268</u>
Net Profit (loss) from operations - accrual basis	(1,509,155)	(57,561)	(357,562)		(428,636)	71,074
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	28,272	-	28,272	100%	43,000	(14,728)
Capital Outlay	-	-	-	-%	478,231	(478,231)
Total Transfers and Capital Outlay	<u>28,272</u>	<u>-</u>	<u>28,272</u>	<u>100%</u>	<u>521,231</u>	<u>(492,959)</u>
	(1,537,427)	(57,561)	(385,834)		(949,867)	564,033
Solid Waste Proprietary Fund						
REVENUES	2,870,917	256,456	1,086,600	38%	957,217	129,383
EXPENSES - Cash Basis						
Facilities Maintenance	120,782	6,801	20,554	17%	14,825	5,729
Solid Waste Operations	2,039,518	103,778	418,259	21%	387,934	30,325
Utility Administration	806,738	52,093	243,741	30%	252,035	(8,294)
Veh & Equip Maintenance	158,420	4,451	20,402	13%	21,029	(627)
Total operating expenses - cash basis	<u>3,125,458</u>	<u>167,122</u>	<u>702,956</u>	<u>22%</u>	<u>675,822</u>	<u>27,133</u>
Net Profit (loss) from operations - cash basis	(254,541)	89,333	383,644		281,395	102,249
Depreciation	<u>886,148</u>	<u>73,695</u>	<u>296,588</u>	<u>33%</u>	<u>292,806</u>	<u>3,782</u>
Net Profit (loss) from operations - accrual basis	(1,140,689)	15,638	87,056		(11,411)	98,467
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	400,000	-	400,000	100%	1,171,100	(771,100)
Total Transfers and Capital Outlay	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>100%</u>	<u>1,171,100</u>	<u>(771,100)</u>
Net earnings (loss)	(1,540,689)	15,638	(312,944)		(1,182,511)	869,567

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Ports & Harbors Proprietary Fund						
REVENUES	8,566,054	712,683	3,245,268	38%	2,908,876	336,392
EXPENSES - Cash Basis						
Bobby Storrs Small Boat Harbor	180,650	9,351	46,889	26%	40,986	5,904
CEM Small Boat Harbor	960,269	80,926	336,828	35%	253,947	82,881
Facilities Maintenance	55,328	2,553	9,251	17%	11,896	(2,645)
Harbor Office	2,765,420	210,749	849,360	31%	851,484	(2,124)
Ports Security	72,295	591	2,458	3%	2,950	(492)
Spit & Light Cargo Docks	697,277	42,696	251,012	36%	207,546	43,466
Unalaska Marine Center	1,155,385	59,272	447,786	39%	436,591	11,195
Veh & Equip Maintenance	66,688	4,270	23,881	36%	12,768	11,113
Total operating expenses - cash basis	<u>5,953,312</u>	<u>410,407</u>	<u>1,967,466</u>	<u>33%</u>	<u>1,818,169</u>	<u>149,297</u>
Net Profit (loss) from operations - cash basis	2,612,742	302,276	1,277,802		1,090,707	187,095
Depreciation	<u>4,301,644</u>	<u>356,974</u>	<u>1,427,898</u>	<u>33%</u>	<u>1,432,205</u>	<u>(4,307)</u>
Net Profit (loss) from operations - accrual basis	(1,688,902)	(54,698)	(150,095)		(341,498)	191,403
TRANSFERS and CAPITAL OUTLAY						
Capital Outlay	206,923	-	-	-%	-	0
Transfers Out	<u>2,594,495</u>	<u>-</u>	<u>2,594,495</u>	<u>100%</u>	<u>6,045,000</u>	<u>(3,450,505)</u>
Total Transfers and Capital Outlay	<u>2,801,418</u>	<u>-</u>	<u>2,594,495</u>	<u>93%</u>	<u>6,045,000</u>	<u>(3,450,505)</u>
Net earnings (loss)	(4,490,320)	(54,698)	(2,744,590)		(6,386,498)	3,641,908
Airport Proprietary Fund						
REVENUES	560,400	39,857	159,385	28%	155,847	3,538
EXPENSES - Cash Basis						
Airport Admin/Operations	404,849	25,642	161,167	40%	138,784	22,383
Facilities Maintenance	183,947	19,145	62,795	34%	30,666	32,129
Total operating expenses - cash basis	<u>588,796</u>	<u>44,787</u>	<u>223,962</u>	<u>38%</u>	<u>169,450</u>	<u>54,512</u>
Net Profit (loss) from operations - cash basis	(28,396)	(4,930)	(64,577)		(13,603)	(50,975)
Depreciation	<u>278,541</u>	<u>23,139</u>	<u>92,557</u>	<u>33%</u>	<u>92,557</u>	<u>0</u>
Net Profit (loss) from operations - accrual basis	(306,937)	(28,069)	(157,134)		(106,160)	(50,975)
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	<u>22,280</u>	<u>-</u>	<u>22,280</u>	<u>100%</u>	<u>-</u>	<u>22,280</u>
Total Transfers and Capital Outlay	<u>22,280</u>	<u>-</u>	<u>22,280</u>	<u>100%</u>	<u>-</u>	<u>22,280</u>
Net earnings (loss)	(329,217)	(28,069)	(179,414)		(106,160)	(73,255)

	<u>FY2023 Budget</u>	<u>October</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Housing Proprietary Fund						
REVENUES	258,547	11,439	77,409	30%	84,431	(7,022)
EXPENSES - Cash Basis						
Facilities Maintenance	191,245	23,403	52,633	28%	43,822	8,810
Housing Admin & Operating	209,339	13,528	79,270	38%	71,678	7,592
Total operating expenses - cash basis	<u>400,584</u>	<u>36,931</u>	<u>131,903</u>	<u>33%</u>	<u>115,500</u>	<u>16,403</u>
Net Profit (loss) from operations - cash basis	(142,037)	(25,492)	(54,494)		(31,069)	(23,425)
Depreciation	<u>195,245</u>	<u>16,270</u>	<u>65,082</u>	<u>33%</u>	<u>60,722</u>	<u>4,360</u>
Net Profit (loss) from operations - accrual basis	(337,282)	(41,762)	(119,576)		(91,791)	(27,785)
TRANSFERS and CAPITAL OUTLAY						
Net earnings (loss)	(337,282)	(41,762)	(119,576)		(91,791)	(27,785)

City of Unalaska
Utility Revenue Report
Summary

10/31/22

FY23 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY23 Revenue	FY22YTD Revenue	YTD Inc/(Dec)
Jul-22	2,159,046	335,633	227,269	276,413	2,998,361	2,998,361	2,996,388	1,973
Aug-22	2,570,281	255,937	248,530	329,848	3,404,595	6,402,956	3,261,770	3,141,187
Sep-22	1,697,280	75,636	212,233	223,883	2,209,032	8,611,988	3,521,425	5,090,563
Oct-22	1,612,984	81,607	206,346	256,456	2,157,393	10,769,381	3,677,570	7,091,811
Nov-22	0	0	0	0	0	0	3,836,484	0
Dec-22	0	0	0	0	0	0	4,035,330	0
Jan-23	0	0	0	0	0	0	4,234,911	0
Feb-23	0	0	0	0	0	0	4,544,892	0
Mar-23	0	0	0	0	0	0	4,845,452	0
Apr-23	0	0	0	0	0	0	5,091,648	0
May-23	0	0	0	0	0	0	5,288,441	0
Jun-23	0	0	0	0	0	0	5,562,416	0
YTD Totals	8,039,590	748,813	894,378	1,086,600	10,769,381			
FY23 Budget	16,467,477	2,641,500	2,674,775	2,347,730	24,131,482			
% to budget	48.8	28.3	33.4	46.3	44.6			

City of Unalaska
Electric Revenue Report
Electric Fund

10/31/22

FY23 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	113,527	127,998	173,262	1,643,546	95,787	4,926	2,159,046	2,159,046	1,399,334	759,711
Aug-22	126,002	139,392	200,807	1,957,035	139,452	7,593	2,570,281	4,729,326	3,068,626	1,660,701
Sep-22	109,122	122,019	170,891	1,149,356	133,965	11,926	1,697,280	6,426,606	4,745,122	1,681,484
Oct-22	137,591	134,901	178,296	1,076,857	82,090	3,247	1,612,984	8,039,590	6,277,102	1,762,487
Nov-22							0	0	7,571,652	0
Dec-22							0	0	8,649,785	0
Jan-23							0	0	9,741,741	0
Feb-23							0	0	11,164,186	0
Mar-23							0	0	12,829,600	0
Apr-23							0	0	14,418,044	0
May-23							0	0	16,055,029	0
Jun-23							0	0	17,866,853	0
YTD Totals							8,039,590			
FY22 Budget	1,629,433	1,300,162	1,882,732	10,990,917	612,733	51,500	16,467,477			
% of Budget	0.0	0.0	0.0	0.0	0.0	0.0	48.8			

Kwh Sold

FY 23 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY23 Kwh Sold	Total FY22 Kwh Sold	Increase (Decrease)
July	249,699	256,555	357,071	3,240,445	4,103,770	3,609,461	494,309
August	287,328	271,719	414,571	3,738,430	4,712,048	4,418,992	293,056
September	279,890	66,396	397,415	2,438,955	3,182,656	4,472,383	(1,289,727)
October	307,431	293,388	381,700	2,345,465	3,327,984	4,272,956	(944,972)
November					0	3,463,728	0
December					0	2,922,427	0
January *					0	2,759,416	0
February					0	3,274,024	0
March					0	3,871,003	0
April					0	3,549,715	0
May					0	3,374,757	0
June					0	3,491,880	0
Total	1,124,348	888,058	1,550,757	11,763,295	15,326,458	43,480,742	(1,447,334)
Percent Sold	7.3%	5.8%	10.1%	76.8%	100.0%		

Generator Fuel	
FY23 Average Price Fuel	FY22 Average Price Fuel
5.2724	2.6143
4.0382	2.7156
4.1865	2.5013
4.2822	2.7635
	2.9311
	2.8861
	3.1072
	3.3337
	3.7527
	4.3688
	4.6063
	5.0664
4.4449	3.3872

FY23 Cumulative kwh Sold	FY21 Cumulative kwh Sold
4,103,770	3,609,461
8,815,818	8,028,453
11,998,474	12,500,836
15,326,458	16,773,792
15,326,458	20,237,520
15,326,458	23,159,947
15,326,458	25,919,363
15,326,458	29,193,387
15,326,458	33,064,390
15,326,458	36,614,105
15,326,458	39,988,862
15,326,458	43,480,742

% Change from Prior Year

City of Unalaska
Water Revenue Report
Water Fund

10/31/22

FY23 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	12,580	323,064	(11)	335,633	335,633	359,168	(23,535)
Aug-22	12,610	242,800	527	255,937	591,571	748,631	(157,060)
Sep-22	12,575	63,051	10	75,636	667,207	989,962	(322,755)
Oct-22	12,515	69,094	(2)	81,607	748,813	1,077,710	(328,897)
Nov-22				0	0	1,178,759	0
Dec-22				0	0	1,270,043	0
Jan-23				0	0	1,432,982	0
Feb-23				0	0	1,836,037	0
Mar-23				0	0	2,159,686	0
Apr-23				0	0	2,307,515	0
May-23				0	0	2,424,938	0
Jun-23				0	0	2,664,186	0
YTD Totals	50,280	698,010	524	748,813			
FY22 Budget	148,000	2,485,000	8,500	2,641,500			
% of Budget	34.0	28.1	6.2	28.3			

Million Gallons Produced

FY23 Month	FY 23 Produced	FY 22 Produced	Increase (Decrease)
July	148.673	147.336	1.337
August	102.648	163.373	(60.725)
September	42.857	104.305	(61.448)
October	41.598	45.402	(3.804)
November		50.688	0.000
December		45.300	0.000
January		73.309	0.000
February		169.312	0.000
March		139.668	0.000
April		65.458	0.000
May		52.996	0.000
June		108.098	0.000
Total	335.776	1165.245	(124.640)

FY23 Water Cumulative	FY22 Water Cumulative
148.673	147.336
251.321	310.709
294.178	415.014
335.776	460.416
0.000	511.104
0.000	556.404
0.000	629.713
0.000	799.025
0.000	938.693
0.000	1004.151
0.000	1057.147
0.000	1165.245

City of Unalaska
Wastewater Revenue Report
Wastewater Fund

10/31/22

FY23 Budget Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	43,699	163,381	17,642	2,547	227,269	227,269	211,269	16,001
Aug-22	43,802	186,885	17,701	142	248,530	475,799	455,031	20,767
Sep-22	43,682	141,787	13,249	13,515	212,233	688,031	711,870	(23,838)
Oct-22	43,471	143,592	11,356	7,928	206,346	894,378	871,617	22,761
Nov-22					0	0	1,048,692	0
Dec-22					0	0	1,227,000	0
Jan-23					0	0	1,441,097	0
Feb-23					0	0	1,700,452	0
Mar-23					0	0	1,956,007	0
Apr-23					0	0	2,162,195	0
May-22					0	0	2,382,905	0
Jun-22					0	0	2,584,848	0
YTD Totals	174,653	635,645	59,948	24,131	894,378			
FY22 Budget	482,000	2,045,950	91,300	55,525	2,674,775			
% of Budget	36.2	31.1	65.7	43.5	33.4			

FY22 Month	FY23 Effluent (Gal)	FY22 Effluent (Gal)	Increase (Decrease)
July	10,309,000	12,412,000	(2,103,000)
August	12,316,000	10,241,000	2,075,000
September	9,074,000	11,063,000	(1,989,000)
October	9,656,000	12,963,000	(3,307,000)
November		10,952,000	0
December		10,736,000	0
January		16,093,000	0
February		15,241,000	0
March		12,698,000	0
April		12,240,000	0
May		9,502,000	0
June		9,616,000	0
Total	41,355,000	143,757,000	(5,324,000)

FY23 Cumulative	FY22 Cumulative
10,309,000	12,412,000
22,625,000	22,653,000
31,699,000	33,716,000
41,355,000	46,679,000
0	57,631,000
0	68,367,000
0	84,460,000
0	99,701,000
0	112,399,000
0	124,639,000
0	134,141,000
0	143,757,000

City of Unalaska
Solid Waste Revenue Report
Solid Waste Fund

10/31/22

FY23 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	34,750	191,553	50,110	276,413	276,413	276,036	378
Aug-22	34,753	231,556	63,538	329,848	606,261	541,417	64,844
Sep-22	34,865	136,176	52,842	223,883	830,144	801,072	29,072
Oct-22	35,289	155,497	65,670	256,456	1,086,600	957,217	129,383
Nov-22				0	0	1,116,131	0
Dec-22				0	0	1,314,977	0
Jan-23				0	0	1,514,559	0
Feb-23				0	0	1,824,540	0
Mar-23				0	0	2,125,099	0
Apr-23				0	0	2,371,296	0
May-23				0	0	2,568,089	0
Jun-23				0	0	2,842,063	0
YTD Totals	139,657	714,782	232,161	1,086,600			
FY22 Budget	325,165	1,548,679	473,886	2,347,730			
% of Budget	42.9	46.2	49.0	46.3			

FY23 Month	FY23 Tons of Waste	FY22 Tons of Waste	Increase (Decrease)
July	564.59	643.54	(78.95)
August	747.78	519.96	227.82
September	474.02	739.81	(265.79)
October	488.77	417.18	71.59
November		336.84	0.00
December		405.23	0.00
January		438.77	0.00
February		707.24	0.00
March		815.41	0.00
April		549.57	0.00
May		464.39	0.00
June		459.09	0.00
Total	2275.16	6497.03	(45.33)

Cummulative	
FY23 Tons of Waste	FY22 Tons of Waste
564.59	643.54
1312.37	1163.50
1786.39	1903.31
2275.16	2320.49
0.00	2657.33
0.00	3062.56
0.00	3501.33
0.00	4208.57
0.00	5023.98
0.00	5573.55
0.00	6037.94
0.00	6497.03

**CITY OF UNALASKA
FY23 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY23 YTD REVENUE	% OF BUDGET	FY22 YTD REVENUE	YTD INC/(DEC)
JUL	2022	39,834	13	5	39,852	39,852	7.2%	38,057	1,795
AUG	2022	39,821	19	2	39,842	79,694	14.4%	77,027	2,667
SEP	2022	39,821	3	9	39,834	119,528	21.6%	115,999	3,529
OCT	2022	39,821	36	0	39,857	159,385	28.8%	154,047	5,338
NOV	2022				0	0	0.0%	190,185	0
DEC	2022				0	0	0.0%	232,170	0
JAN	2023				0	0	0.0%	270,162	0
FEB	2023				0	0	0.0%	304,294	0
MAR	2023				0	0	0.0%	339,243	0
APR	2023				0	0	0.0%	374,361	0
MAY	2023				0	0	0.0%	408,465	0
JUN	2023				0	0	0.0%	448,969	0
TOTAL		159,297	70	17	159,385		0.0%		
FY23 BUDGET		544,000	3,500	6,000	553,500				
% TO BUDGET		29.3%	2.0%	0.3%	28.8%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2022	35,511	18,112	297	(22,940)	30,979	0.0%	36,339
AUG	2022	42,212	9,048	267	(23,026)	28,500	0.0%	44,692
SEP	2022	42,521	17,611	(5,347)	(22,751)	32,033	0.0%	38,073
OCT	2022	42,307	1,224	0	(28,566)	14,966	0.0%	63,363
NOV	2022					0	0.0%	
DEC	2022					0	0.0%	
JAN	2023					0	0.0%	
FEB	2023					0	0.0%	
MAR	2023					0	0.0%	
APR	2023					0	0.0%	
MAY	2023					0	0.0%	
JUN	2023					0	0.0%	
YTD TOTAL								182,467

FY 23 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY23 YTD REVENUE	% OF BUDGET	FY22 YTD REVENUE	YTD INC/(DEC)
JUL	2022	28,048	0	28,048	28,048	11.3%	14,804	13,244
AUG	2022	19,283		19,283	47,331	19.0%	35,618	11,713
SEP	2022	18,639		18,639	65,970	26.5%	56,069	9,901
OCT	2022	11,439		11,439	77,409	31.2%	84,431	(7,022)
NOV	2022			0	0	0.0%	101,145	0
DEC	2022			0	0	0.0%	125,075	0
JAN	2023			0	0	0.0%	149,004	0
FEB	2023			0	0	0.0%	172,934	0
MAR	2023			0	0	0.0%	203,288	0
APR	2023			0	0	0.0%	218,284	0
MAY	2023			0	0	0.0%	246,730	0
JUN	2023			0	0	0.0%	258,805	0
TOTAL		77,409	0	77,409				
FY23 Budget		248,500	0	248,500				
% TO BUDGET		31.2%		31.2%				

CITY OF UNALASKA
UNAUDITED FINANCIAL REPORTS
FOR THE FIVE MONTHS ENDED NOVEMBER 31, 2022

TABLE OF CONTENTS

Memorandum to Council	1
Graphical results:	2
General Government Revenue – Annual Budget vs. YTD Collected	
Percentage of General Government Revenue Collected	
General Government Expenditures – Annual Budget vs. YTD Actual	
Cash and Investment – Last twelve months	
Enterprise Funds – Budgeted vs. Actual Net Change without transfers and capital	
Enterprise Funds – Budgeted vs. Actual Net Change with transfers and capital	
General Fund - Monthly Operating Summary	3
Special Revenue Funds – Monthly Operating Summaries:	4
1% Sales Tax	
Bed Tax Fund	
E911 Enhancement	
Tobacco Tax	
Enterprise Funds:	
Monthly Operating Summaries	5-8
Utility Revenue Recap Report	9
Revenue Detail Reports	
Electric Fund	10
Water Fund	11
Wastewater Fund	12
Solid Waste Fund	13
Ports & Harbors Fund	14
Airport Fund	15
Housing Fund	16

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: CLAY DARNELL, INTERIM FINANCE DIRECTOR
THRU: CHRIS HLADICK, INTERIM CITY MANAGER
DATE: JANUARY 10, 2023
RE: UNAUDITED FINANCIAL REPORTS FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2023

In order to keep the Council informed about the financial activity of the City of Unalaska, the Finance Department has prepared interim financial reports for the five months ended November 30, 2022.

Fund/Departmental Highlights

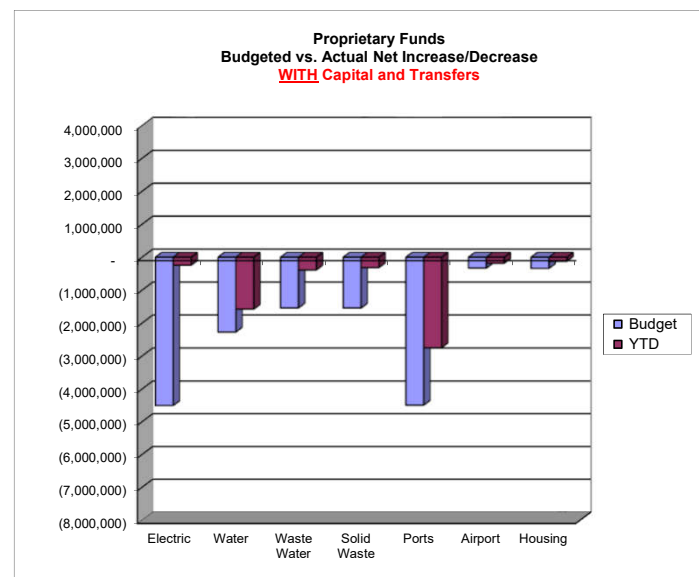
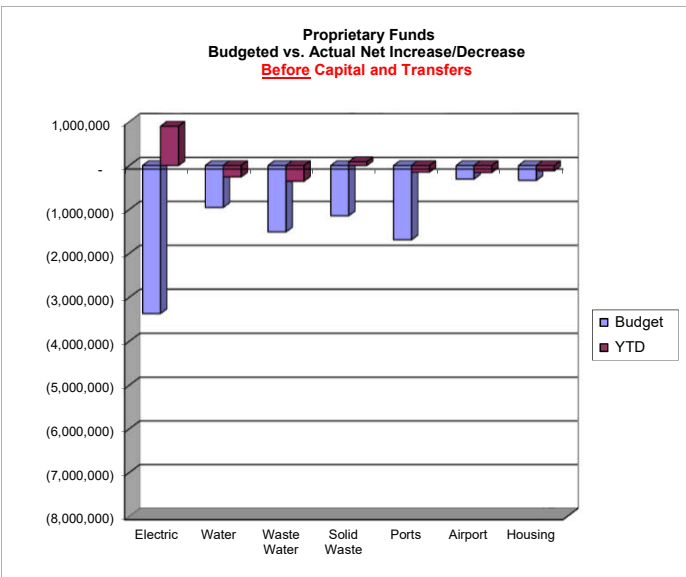
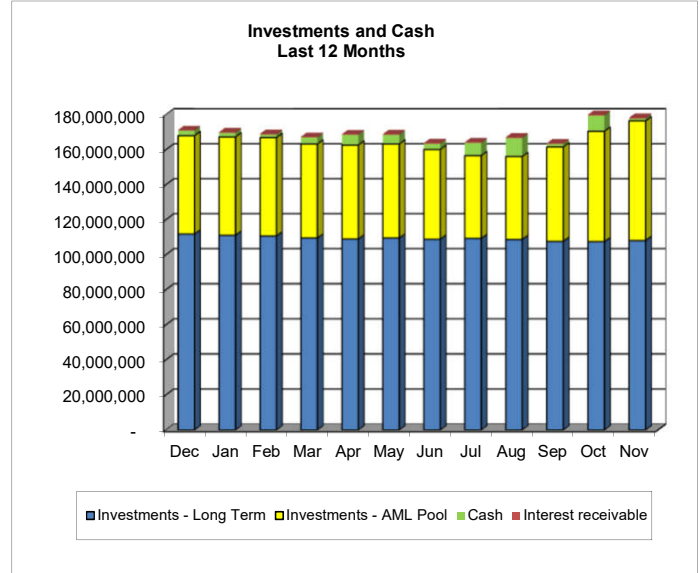
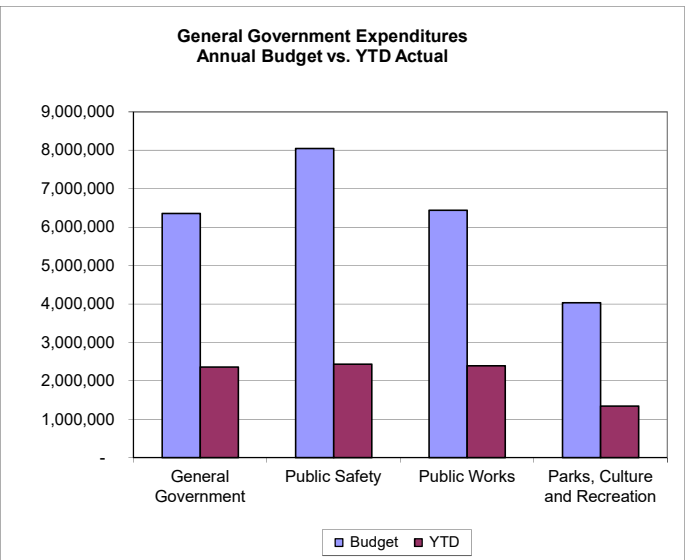
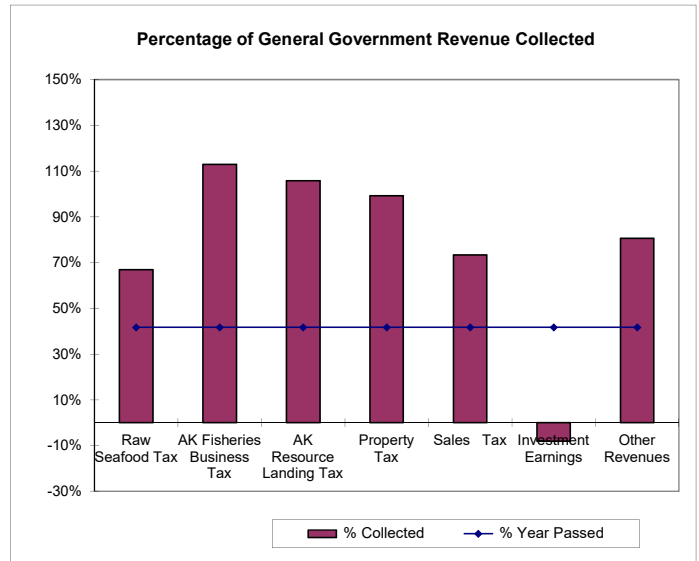
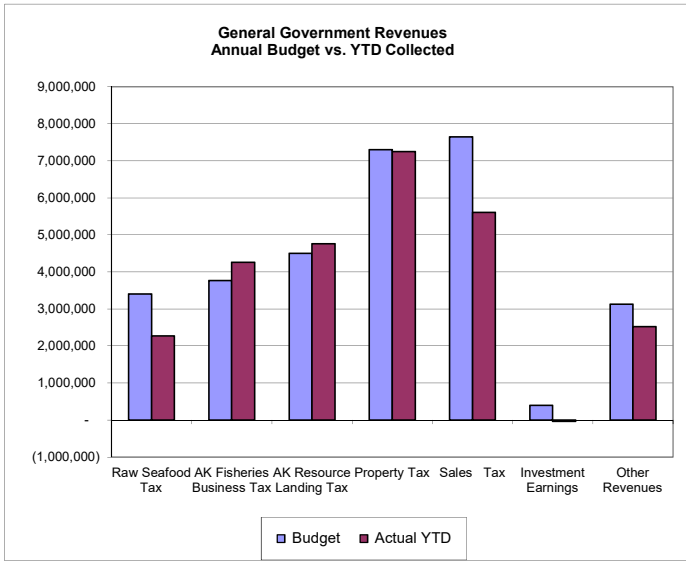
General Fund:

- All revenue sources are ahead of budgeted revenues for this time period (42%) except Investment Earnings.
- Investment Earnings realized \$738,911, portfolio adjustment to market/fair value, unrealized (\$771,260) = net loss on summary statement (\$32,349)
- We will analyze City Administration for possible budget amendment in the future.
- Public Safety Admin and Public Safety were combined last year.

Proprietary Funds:

- Electric Fund – Revenues and expenses exceed budgeted amounts (42%). The spending level in Electric Production (45%) is related to the increase in fuel costs and is consistent with the revenue increase. Use of fund balance is projected to be less than budgeted amount.
- Water Fund - Revenues and expenses are less than budgeted amounts. Use of fund balance is projected to be less than budgeted amount.
- Wastewater Fund – Revenues are even with budgeted amounts, expenses are less than budgeted amounts. Use of fund balance is projected to be less than budgeted amount.
- Solid Waste Fund – Revenues exceed budgeted amounts, expenses are less than budgeted amounts. Use of fund balance is projected to be less than budgeted amount.
- Ports & Harbors Fund – Revenues exceed budgeted amounts, expenses are less than budgeted amounts. Use of fund balance is projected to be less than budgeted amount.
- Airport Fund - Revenues are less than budgeted amounts, expenses are less than budgeted amounts. Use of fund balance is projected to exceed budgeted amount.
- Housing Fund - Revenues are less than budgeted amounts, expenses are less than with budgeted amounts. Use of fund balance is projected to slightly exceed budgeted amount.

**CITY OF UNALASKA
NOVEMBER, 2022**



FUND - General Fund

Data Date: 1/5/2023

General Fund Operating Monthly Summary - Month Ending November 2022

Page 1 of 1

	FY2023 Budget	November	FY2023 YTD	% OF BUD	FY2022 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	3,400,000	374,712	2,273,927	67%	2,610,651	(336,724)
AK Fisheries Business	3,770,000	-	4,258,312	113%	3,775,900	482,411
AK Fisheries Resource Landing	4,500,000	-	4,760,389	106%	4,549,661	210,728
Property Taxes	7,300,000	224,887	7,244,883	99%	7,561,485	(316,601)
Sales Tax	7,650,000	437,697	5,603,838	73%	4,457,942	1,145,896
Investment Earnings	400,000	959,277	(32,349)	-8%	(332,027)	299,679
Other Revenues	3,127,534	176,357	2,522,101	81%	1,479,112	1,042,989
Total General Fund Revenues	30,147,534	2,172,930	26,631,100	88%	24,102,723	2,528,377
EXPENDITURES						
Mayor & Council	507,215	29,536	95,048	19%	144,085	(49,038)
City Administration	2,090,803	113,457	1,032,504	49%	1,030,930	1,574
City Clerk	644,917	55,688	208,102	32%	220,519	(12,418)
Finance	2,267,072	186,505	790,631	35%	906,169	(115,538)
Planning	848,263	21,822	231,468	27%	257,531	(26,064)
Public Safety Admin	1,203,900	72,344	378,865	31%	-	378,865
Public Safety	5,155,768	288,517	1,470,909	29%	1,831,441	(360,531)
Fire, EMS	1,686,600	120,145	582,941	35%	543,472	39,469
Public Works	6,436,533	617,005	2,387,955	37%	2,265,640	122,315
Parks, Culture & Recreation	4,034,371	264,454	1,342,108	33%	1,323,401	18,707
Community Grants	1,266,422	80,106	455,681	36%	530,403	(74,722)
School Support	5,004,910	417,076	2,085,379	42%	1,957,995	127,384
Total Operating Expenditures	31,146,774	2,266,655	11,061,591	36%	11,011,587	50,004
Net Operating Surplus	(999,240)	(93,725)	15,569,509		13,091,136	2,478,373
Capital Outlay and Transfers						
Capital Outlay	826,010	-	48,139	6%	159,975	(111,836)
Transfers To Capital Projects	2,787,950	-	2,787,950	100%	1,896,013	891,937
Transfers To Enterprise Capital	3,494,500	-	3,494,500	100%	3,494,500	-
Total Capital Outlay and Transfers	7,108,460	-	6,330,589	89%	5,550,488	780,101
Net Surplus (Deficit)	(8,107,699)	(93,725)	9,238,919		7,540,647	1,698,272
Appropriated Fund Balance	7,594,624	-	-		-	-
	\$ (513,075)	\$ (93,725)	\$ 9,238,919		\$ 7,540,647	\$ 1,698,272

	<u>FY2023 Budget</u>	<u>November</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
1% Sales Tax Special Revenue Fund						
REVENUE						
Sales Tax	\$ 3,825,000	\$ 218,849	\$ 2,801,919	73%	2,228,971	\$ 572,948
TRANSFERS						
Govt Capital Projects	0	0	0	0%	1,000,000	(1,000,000)
Enterprise Capital	3,860,000	0	3,860,000	100%	3,860,000	0
Total Transfers	<u>3,860,000</u>	<u>-</u>	<u>3,860,000</u>	<u>100%</u>	<u>4,860,000</u>	<u>(1,000,000)</u>
1% Sales Tax Special Revenue Fund	<u>\$ (35,000)</u>	<u>\$ 218,849</u>	<u>\$ (1,058,081)</u>		<u>\$2,631,029</u>	<u>\$ 1,572,948</u>

	<u>FY2023 Budget</u>	<u>November</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Bed Tax Special Revenue Fund						
REVENUE						
Bed Tax	\$ 175,000	\$ 19,301	\$ 87,618	50%	\$ 161,786	(\$ 74,167)
EXPENSES						
Unalaska CVB	210,000	17,500	87,500	42%	87,500	-
Bed Tax Special Revenue Fund	<u>\$ (35,000)</u>	<u>\$ 1,801</u>	<u>\$ 118</u>		<u>\$ 74,286</u>	<u>\$ (74,167)</u>

	<u>FY2023 Budget</u>	<u>November</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
E911 Enhancement Special Revenue Fund						
REVENUE						
E911 Enhancement Tax	\$ 75,000	\$ 6,796	\$ 35,428	47%	\$ 5,296	\$ 30,132
EXPENSES						
Public Safety Admin	75,000	-	-	-%	-	-
E911 Enhancement Special Revenue Fund	<u>\$ 0</u>	<u>\$ 6,796</u>	<u>\$ 35,428</u>		<u>\$ 5,296</u>	<u>\$ 30,132</u>

	<u>FY2023 Budget</u>	<u>November</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Tobacco Tax Special Revenue Fund						
REVENUE						
Tobacco Tax	\$ 750,000	\$ -	\$ 608,182	81%	\$ -	\$ 608,182
EXPENSES						
Community Support	88,000	7,333	36,667	42%	-	36,667
Tobacco Tax Special Revenue Fund	<u>\$ 662,000</u>	<u>\$ (7,333)</u>	<u>\$ 571,515</u>		<u>\$ 0</u>	<u>\$ 571,515</u>

	<u>FY2023 Budget</u>	<u>November</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Electric Proprietary Fund						
REVENUES	16,636,224	1,394,770	9,434,359	57%	7,571,652	1,862,707
EXPENSES - Cash Basis						
Electric Line Repair & Maint	1,433,247	171,532	280,602	20%	274,135	6,466
Electric Production	12,399,611	196,899	5,564,993	45%	4,511,344	1,053,649
Facilities Maintenance	133,898	4,994	40,140	30%	28,064	12,075
Utility Administration	2,312,861	152,239	1,092,524	47%	1,082,636	9,888
Veh & Equip Maintenance	67,356	2,835	10,389	15%	22,406	(12,017)
Total operating expenses - cash basis	<u>16,346,973</u>	<u>528,500</u>	<u>6,988,647</u>	<u>43%</u>	<u>5,918,586</u>	<u>1,070,061</u>
Net Profit (loss) from operations - cash basis	289,251	866,270	2,445,712		1,653,067	792,645
Depreciation	<u>3,656,123</u>	<u>310,302</u>	<u>1,551,512</u>	<u>42%</u>	<u>1,549,199</u>	<u>2,313</u>
Net Profit (loss) from operations - accrual basis	(3,366,872)	555,967	894,200		103,868	790,333
TRANSFERS and CAPITAL OUTLAY						
Capital Outlay	-	-	-	-%	64,980	(64,980)
Transfers Out	<u>1,135,266</u>	<u>-</u>	<u>1,135,266</u>	<u>100%</u>	<u>715,000</u>	<u>420,266</u>
Total Transfers and Capital Outlay	<u>1,135,266</u>	<u>-</u>	<u>1,135,266</u>	<u>100%</u>	<u>779,980</u>	<u>355,286</u>
Net earnings (loss)	(4,502,138)	555,967	(241,066)		(676,112)	435,047
Water Proprietary Fund						
REVENUES	2,717,139	96,292	845,105	31%	1,178,759	(333,654)
EXPENSES - Cash Basis						
Facilities Maintenance	62,250	6,204	23,588	38%	15,631	7,956
Utility Administration	789,338	50,754	345,861	44%	343,402	2,459
Veh & Equip Maintenance	41,119	2,617	19,527	47%	10,360	9,167
Water Operations	1,653,877	115,639	447,702	27%	512,817	(65,115)
Total operating expenses - cash basis	<u>2,546,583</u>	<u>175,214</u>	<u>836,678</u>	<u>33%</u>	<u>882,211</u>	<u>(45,534)</u>
Net Profit (loss) from operations - cash basis	170,556	(78,923)	8,427		296,548	(288,121)
Depreciation	<u>1,140,502</u>	<u>86,242</u>	<u>431,210</u>	<u>38%</u>	<u>465,199</u>	<u>(33,989)</u>
Net Profit (loss) from operations - accrual basis	(969,946)	(165,165)	(422,782)		(168,650)	(254,132)
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	<u>1,317,508</u>	<u>-</u>	<u>1,317,508</u>	<u>100%</u>	<u>1,915,500</u>	<u>(597,992)</u>
Capital Outlay	-	-	-	-%	51,114	(51,114)
Total Transfers and Capital Outlay	<u>1,317,508</u>	<u>-</u>	<u>1,317,508</u>	<u>100%</u>	<u>1,966,614</u>	<u>(649,106)</u>
	(2,287,454)	(165,165)	(1,740,290)		(2,135,265)	394,975

	<u>FY2023 Budget</u>	<u>November</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Wastewater Proprietary Fund						
REVENUES	2,746,005	245,335	1,139,713	42%	1,048,692	91,021
EXPENSES - Cash Basis						
Facilities Maintenance	63,968	6,323	18,840	29%	24,687	(5,848)
Utility Administration	745,012	42,482	334,015	45%	368,656	(34,641)
Veh & Equip Maintenance	32,455	1,795	6,580	20%	13,480	(6,901)
Wastewater Operations	2,166,394	132,970	649,727	30%	671,967	(22,240)
Total operating expenses - cash basis	<u>3,007,830</u>	<u>183,570</u>	<u>1,009,161</u>	<u>34%</u>	<u>1,078,791</u>	<u>(69,629)</u>
Net Profit (loss) from operations - cash basis	(261,825)	61,766	130,552		(30,099)	160,651
Depreciation	<u>1,263,420</u>	<u>106,587</u>	<u>532,935</u>	<u>42%</u>	<u>510,100</u>	<u>22,835</u>
Net Profit (loss) from operations - accrual basis	(1,525,245)	(44,821)	(402,383)		(540,199)	137,816
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	28,272	-	28,272	100%	43,000	(14,728)
Capital Outlay	-	-	-	-%	478,638	(478,638)
Total Transfers and Capital Outlay	<u>28,272</u>	<u>-</u>	<u>28,272</u>	<u>100%</u>	<u>521,638</u>	<u>(493,366)</u>
	(1,553,517)	(44,821)	(430,655)		(1,061,836)	631,181
Solid Waste Proprietary Fund						
REVENUES	2,871,598	225,426	1,312,026	46%	1,116,131	195,895
EXPENSES - Cash Basis						
Facilities Maintenance	120,782	7,871	28,426	24%	22,821	5,605
Solid Waste Operations	2,039,518	125,654	543,914	27%	511,525	32,389
Utility Administration	822,227	55,041	298,782	36%	306,403	(7,621)
Veh & Equip Maintenance	158,420	2,964	23,365	15%	26,593	(3,228)
Total operating expenses - cash basis	<u>3,140,947</u>	<u>191,531</u>	<u>894,487</u>	<u>28%</u>	<u>867,342</u>	<u>27,145</u>
Net Profit (loss) from operations - cash basis	(269,349)	33,895	417,539		248,789	168,750
Depreciation	<u>886,148</u>	<u>73,695</u>	<u>370,283</u>	<u>42%</u>	<u>366,007</u>	<u>4,276</u>
Net Profit (loss) from operations - accrual basis	(1,155,497)	(39,800)	47,256		(117,218)	164,475
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	400,000	-	400,000	100%	1,171,100	(771,100)
Total Transfers and Capital Outlay	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>100%</u>	<u>1,171,100</u>	<u>(771,100)</u>
Net earnings (loss)	(1,555,497)	(39,800)	(352,744)		(1,288,318)	935,575

	<u>FY2023 Budget</u>	<u>November</u>	<u>FY2023 YTD</u>	<u>% OF BUD</u>	<u>FY2022 YTD</u>	<u>INC/(DEC) Last Year</u>
Ports & Harbors Proprietary Fund						
REVENUES	8,568,891	550,694	3,795,962	44%	3,430,034	365,928
EXPENSES - Cash Basis						
Bobby Storrs Small Boat Harbor	180,650	9,803	56,693	31%	49,223	7,469
CEM Small Boat Harbor	967,129	91,680	428,508	44%	350,046	78,462
Facilities Maintenance	55,328	4,638	13,889	25%	16,109	(2,220)
Harbor Office	2,828,241	268,026	1,117,386	40%	1,127,322	(9,935)
Ports Security	72,295	-	2,458	3%	2,949	(491)
Spit & Light Cargo Docks	697,277	51,799	302,811	43%	262,263	40,549
Unalaska Marine Center	1,155,385	51,767	499,553	43%	504,261	(4,708)
Veh & Equip Maintenance	66,688	2,759	26,640	40%	15,911	10,729
Total operating expenses - cash basis	<u>6,022,993</u>	<u>480,473</u>	<u>2,447,939</u>	<u>41%</u>	<u>2,328,083</u>	<u>119,855</u>
Net Profit (loss) from operations - cash basis	2,545,898	70,222	1,348,024		1,101,951	246,073
Depreciation	<u>4,301,644</u>	<u>356,974</u>	<u>1,784,872</u>	<u>41%</u>	<u>1,790,256</u>	<u>(5,384)</u>
Net Profit (loss) from operations - accrual basis	(1,755,746)	(286,753)	(436,848)		(688,305)	251,457
TRANSFERS and CAPITAL OUTLAY						
Capital Outlay	206,923	-	-	-%	-	0
Transfers Out	<u>2,594,495</u>	<u>-</u>	<u>2,594,495</u>	<u>100%</u>	<u>6,045,000</u>	<u>(3,450,505)</u>
Total Transfers and Capital Outlay	<u>2,801,418</u>	<u>-</u>	<u>2,594,495</u>	<u>93%</u>	<u>6,045,000</u>	<u>(3,450,505)</u>
Net earnings (loss)	(4,557,164)	(286,753)	(3,031,343)		(6,733,305)	3,701,962
Airport Proprietary Fund						
REVENUES	560,774	42,376	201,761	36%	192,918	8,843
EXPENSES - Cash Basis						
Airport Admin/Operations	414,807	26,449	187,616	45%	162,555	25,061
Facilities Maintenance	183,947	27,897	90,692	49%	41,572	49,120
Total operating expenses - cash basis	<u>598,754</u>	<u>54,346</u>	<u>278,308</u>	<u>46%</u>	<u>204,127</u>	<u>74,181</u>
Net Profit (loss) from operations - cash basis	(37,980)	(11,970)	(76,547)		(11,209)	(65,338)
Depreciation	<u>278,541</u>	<u>23,139</u>	<u>115,696</u>	<u>42%</u>	<u>115,696</u>	<u>0</u>
Net Profit (loss) from operations - accrual basis	(316,521)	(35,109)	(192,243)		(126,905)	(65,338)
TRANSFERS and CAPITAL OUTLAY						
Transfers Out	<u>22,280</u>	<u>-</u>	<u>22,280</u>	<u>100%</u>	<u>-</u>	<u>22,280</u>
Total Transfers and Capital Outlay	<u>22,280</u>	<u>-</u>	<u>22,280</u>	<u>100%</u>	<u>-</u>	<u>22,280</u>
Net earnings (loss)	(338,801)	(35,109)	(214,523)		(126,905)	(87,618)

	FY2023 Budget	November	FY2023 YTD	% OF BUD	FY2022 YTD	INC/(DEC) Last Year
Housing Proprietary Fund						
REVENUES	258,781	18,639	96,048	37%	101,145	(5,098)
EXPENSES - Cash Basis						
Facilities Maintenance	191,245	14,942	67,574	35%	48,416	19,158
Housing Admin & Operating	215,545	11,203	90,473	42%	83,719	6,754
Total operating expenses - cash basis	<u>406,790</u>	<u>26,144</u>	<u>158,047</u>	<u>39%</u>	<u>132,134</u>	<u>25,913</u>
Net Profit (loss) from operations - cash basis	(148,009)	(7,505)	(61,999)		(30,989)	(31,010)
Depreciation	<u>195,245</u>	<u>16,270</u>	<u>81,352</u>	42%	<u>75,902</u>	<u>5,450</u>
Net Profit (loss) from operations - accrual basis	(343,254)	(23,776)	(143,352)		(106,891)	(36,460)
TRANSFERS and CAPITAL OUTLAY						
Net earnings (loss)	(343,254)	(23,776)	(143,352)		(106,891)	(36,460)

City of Unalaska
Utility Revenue Report
Summary

11/30/22

FY23 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY23 Revenue	FY22YTD Revenue	YTD Inc/(Dec)
Jul-22	2,159,046	335,633	227,269	276,413	2,998,361	2,998,361	2,996,388	1,973
Aug-22	2,570,281	255,937	248,530	329,848	3,404,595	6,402,956	3,261,770	3,141,187
Sep-22	1,697,280	75,636	212,233	223,883	2,209,032	8,611,988	3,521,425	5,090,563
Oct-22	1,612,984	81,607	206,346	256,456	2,157,393	10,769,381	3,677,570	7,091,811
Nov-22	1,394,770	96,292	245,335	225,426	1,961,822	12,731,203	3,836,484	8,894,720
Dec-22	0	0	0	0	0	0	4,035,330	0
Jan-23	0	0	0	0	0	0	4,234,911	0
Feb-23	0	0	0	0	0	0	4,544,892	0
Mar-23	0	0	0	0	0	0	4,845,452	0
Apr-23	0	0	0	0	0	0	5,091,648	0
May-23	0	0	0	0	0	0	5,288,441	0
Jun-23	0	0	0	0	0	0	5,562,416	0
YTD Totals	9,434,359	845,105	1,139,713	1,312,026	12,731,203			
FY23 Budget	16,467,477	2,641,500	2,674,775	2,347,730	24,131,482			
% to budget	57.3	32.0	42.6	55.9	52.8			

City of Unalaska
Electric Revenue Report
Electric Fund

11/30/22

FY23 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	113,527	127,998	173,262	1,643,546	95,787	4,926	2,159,046	2,159,046	1,399,334	759,711
Aug-22	126,002	139,392	200,807	1,957,035	139,452	7,593	2,570,281	4,729,326	3,068,626	1,660,701
Sep-22	109,122	122,019	170,891	1,149,356	133,965	11,926	1,697,280	6,426,606	4,745,122	1,681,484
Oct-22	137,591	134,901	178,296	1,076,857	82,090	3,247	1,612,984	8,039,590	6,277,102	1,762,487
Nov-22	157,349	133,502	170,777	790,395	116,728	26,018	1,394,770	9,434,359	7,571,652	1,862,707
Dec-22							0	0	8,649,785	0
Jan-23							0	0	9,741,741	0
Feb-23							0	0	11,164,186	0
Mar-23							0	0	12,829,600	0
Apr-23							0	0	14,418,044	0
May-23							0	0	16,055,029	0
Jun-23							0	0	17,866,853	0
YTD Totals							9,434,359			
FY22 Budget	1,629,433	1,300,162	1,882,732	10,990,917	612,733	51,500	16,467,477			
% of Budget	0.0	0.0	0.0	0.0	0.0	0.0	57.3			

Kwh Sold							
FY 23 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY23 Kwh Sold	Total FY22 Kwh Sold	Increase (Decrease)
July	249,699	256,555	357,071	3,240,445	4,103,770	3,609,461	494,309
August	287,328	271,719	414,571	3,738,430	4,712,048	4,418,992	293,056
September	279,890	66,396	397,415	2,438,955	3,182,656	4,472,383	(1,289,727)
October	307,431	293,388	381,700	2,345,465	3,327,984	4,272,956	(944,972)
November	382,480	306,083	394,511	1,778,380	2,861,454	3,463,728	(602,274)
December					0	2,922,427	0
January *					0	2,759,416	0
February					0	3,274,024	0
March					0	3,871,003	0
April					0	3,549,715	0
May					0	3,374,757	0
June					0	3,491,880	0
Total	1,506,828	1,194,141	1,945,268	13,541,675	18,187,912	43,480,742	(2,049,608)
Percent Sold	8.3%	6.6%	10.7%	74.5%	100.0%		

Generator Fuel	
FY23 Average Price Fuel	FY22 Average Price Fuel
5.2724	2.6143
4.0382	2.7156
4.1865	2.5013
4.2822	2.7635
4.4177	2.9311
	2.8861
	3.1072
	3.3337
	3.7527
	4.3688
	4.6063
	5.0664
4.4394	3.3872

FY23 Cumulative kwh Sold	FY21 Cumulative kwh Sold
4,103,770	3,609,461
8,815,818	8,028,453
11,998,474	12,500,836
15,326,458	16,773,792
18,187,912	20,237,520
18,187,912	23,159,947
18,187,912	25,919,363
18,187,912	29,193,387
18,187,912	33,064,390
18,187,912	36,614,105
18,187,912	39,988,862
18,187,912	43,480,742

% Change from Prior Year

City of Unalaska
Water Revenue Report
Water Fund

11/30/22

FY23 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	12,580	323,064	(11)	335,633	335,633	359,168	(23,535)
Aug-22	12,610	242,800	527	255,937	591,571	748,631	(157,060)
Sep-22	12,575	63,051	10	75,636	667,207	989,962	(322,755)
Oct-22	12,515	69,094	(2)	81,607	748,813	1,077,710	(328,897)
Nov-22	12,509	77,561	6,222	96,292	845,105	1,178,759	(333,654)
Dec-22				0	0	1,270,043	0
Jan-23				0	0	1,432,982	0
Feb-23				0	0	1,836,037	0
Mar-23				0	0	2,159,686	0
Apr-23				0	0	2,307,515	0
May-23				0	0	2,424,938	0
Jun-23				0	0	2,664,186	0
YTD Totals	62,788	775,570	6,746	845,105			
FY22 Budget	148,000	2,485,000	8,500	2,641,500			
% of Budget	42.4	31.2	79.4	32.0			

Million Gallons Produced

FY23 Month	FY 23 Produced	FY 22 Produced	Increase (Decrease)
July	148.673	147.336	1.337
August	102.648	163.373	(60.725)
September	42.857	104.305	(61.448)
October	41.598	45.402	(3.804)
November	41.802	50.688	(8.886)
December		45.300	0.000
January		73.309	0.000
February		169.312	0.000
March		139.668	0.000
April		65.458	0.000
May		52.996	0.000
June		108.098	0.000
Total	377.578	1165.245	(133.526)

FY23 Water Cumulative	FY22 Water Cumulative
148.673	147.336
251.321	310.709
294.178	415.014
335.776	460.416
377.578	511.104
0.000	556.404
0.000	629.713
0.000	799.025
0.000	938.693
0.000	1004.151
0.000	1057.147
0.000	1165.245

City of Unalaska
Wastewater Revenue Report
Wastewater Fund

11/30/22

FY23 Budget Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	43,699	163,381	17,642	2,547	227,269	227,269	211,269	16,001
Aug-22	43,802	186,885	17,701	142	248,530	475,799	455,031	20,767
Sep-22	43,682	141,787	13,249	13,515	212,233	688,031	711,870	(23,838)
Oct-22	43,471	143,592	11,356	7,928	206,346	894,378	871,617	22,761
Nov-22	43,449	179,151	2,705	20,031	245,335	1,139,713	1,048,692	91,021
Dec-22					0	0	1,227,000	0
Jan-23					0	0	1,441,097	0
Feb-23					0	0	1,700,452	0
Mar-23					0	0	1,956,007	0
Apr-23					0	0	2,162,195	0
May-22					0	0	2,382,905	0
Jun-22					0	0	2,584,848	0
YTD Totals	218,102	814,795	62,653	44,162	1,139,713			
FY22 Budget	482,000	2,045,950	91,300	55,525	2,674,775			
% of Budget	45.2	39.8	68.6	79.5	42.6			

FY22 Month	FY23 Effluent (Gal)	FY22 Effluent (Gal)	Increase (Decrease)
July	10,309,000	12,412,000	(2,103,000)
August	12,316,000	10,241,000	2,075,000
September	9,074,000	11,063,000	(1,989,000)
October	9,656,000	12,963,000	(3,307,000)
November	11,502,000	10,952,000	550,000
December		10,736,000	0
January		16,093,000	0
February		15,241,000	0
March		12,698,000	0
April		12,240,000	0
May		9,502,000	0
June		9,616,000	0
Total	52,857,000	143,757,000	(4,774,000)

FY23 Cumulative	FY22 Cumulative
10,309,000	12,412,000
22,625,000	22,653,000
31,699,000	33,716,000
41,355,000	46,679,000
52,857,000	57,631,000
0	68,367,000
0	84,460,000
0	99,701,000
0	112,399,000
0	124,639,000
0	134,141,000
0	143,757,000

City of Unalaska
Solid Waste Revenue Report
Solid Waste Fund

11/30/22

FY23 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY23 YTD Revenue	FY22 YTD Revenue	YTD Inc/(Dec)
Jul-22	34,750	191,553	50,110	276,413	276,413	276,036	378
Aug-22	34,753	231,556	63,538	329,848	606,261	541,417	64,844
Sep-22	34,865	136,176	52,842	223,883	830,144	801,072	29,072
Oct-22	35,289	155,497	65,670	256,456	1,086,600	957,217	129,383
Nov-22	35,357	132,364	57,704	225,426	1,312,026	1,116,131	195,895
Dec-22				0	0	1,314,977	0
Jan-23				0	0	1,514,559	0
Feb-23				0	0	1,824,540	0
Mar-23				0	0	2,125,099	0
Apr-23				0	0	2,371,296	0
May-23				0	0	2,568,089	0
Jun-23				0	0	2,842,063	0
YTD Totals	175,014	847,147	289,865	1,312,026			
FY22 Budget	325,165	1,548,679	473,886	2,347,730			
% of Budget	53.8	54.7	61.2	55.9			

FY23 Month	FY23 Tons of Waste	FY22 Tons of Waste	Increase (Decrease)
July	564.59	643.54	(78.95)
August	747.78	519.96	227.82
September	474.02	739.81	(265.79)
October	488.77	417.18	71.59
November	389.88	336.84	53.04
December		405.23	0.00
January		438.77	0.00
February		707.24	0.00
March		815.41	0.00
April		549.57	0.00
May		464.39	0.00
June		459.09	0.00
Total	2665.04	6497.03	7.71

Cummulative	
FY23 Tons of Waste	FY22 Tons of Waste
564.59	643.54
1312.37	1163.50
1786.39	1903.31
2275.16	2320.49
2665.04	2657.33
0.00	3062.56
0.00	3501.33
0.00	4208.57
0.00	5023.98
0.00	5573.55
0.00	6037.94
0.00	6497.03

**CITY OF UNALASKA
FY23 PORTS REVENUE**

Month	Year	UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM			Monthly Revenue	FY23 YTD Revenue	% of Budget	FY22 YTD Revenue	YTD Inc(Dec)
		Docking/Moorage	Wharfage Fees	Rental Fees	Utility Fees	Docking / Moorage	Utility Fees	Docking / Moorage	Utility Fees	Dockage / Moorage	Wharfage Rental/Util	Docking/Moorage	Utility Fees	Other Rev&Fees					
Jul	2022	183,332	357,504	109,024	27,370	15,884	2,651	14,352	531	2,223	13,076	12,191	9,521	6,261	753,920	753,920	8.9%	511,920	242,000
Aug	2022	244,418	506,385	74,487	14,753	108,709	11,871	7,311	327	4,207	19,258	66,849	33,178	5,633	1,097,385	1,851,305	21.7%	1,255,232	596,073
Sept	2022	127,898	242,506	82,799	15,465	41,082	7,181	7,622	435	2,670	23,264	88,925	28,799	2,729	671,378	2,522,682	29.6%	2,088,870	433,812
Oct	2022	196,314	253,401	77,755	24,750	25,046	9,426	4,230	563	4,290	25,598	46,041	41,326	1,506	710,246	3,232,928	38.0%	2,908,630	324,298
Nov	2022	90,657	86,057	76,731	12,748	36,469	22,227	9,193	768	1,403	11,123	121,124	69,397	2,542	540,438	3,773,366	44.3%	3,429,716	343,650
Dec	2022														0	0	0.0%	4,157,725	0
Jan	2023														0	0	0.0%	4,602,424	0
Feb	2023														0	0	0.0%	5,238,563	0
Mar	2023														0	0	0.0%	6,151,388	0
Apr	2023														0	0	0.0%	6,960,237	0
May	2023														0	0	0.0%	7,612,089	0
Jun	2023														0	0	0.0%	8,179,699	0
Totals		842,619	1,445,852	420,796	95,086	227,191	53,356	42,708	2,623	14,793	92,320	335,130	182,220	18,671	3,773,366				
Loc total		2,804,355				280,546		45,331		107,112		517,350							
Loc percent		74.3%				7.4%		1.2%		2.8%		13.7%							
FY23 Budget		1,900,000	3,300,000	930,000	250,000	590,000	100,000	85,000	7,000	30,362	143,000	700,000	330,000	153,000	8,518,362				
% to Budget		44.3%	43.8%	45.2%	38.0%	38.5%	53.4%	50.2%	37.5%	48.7%	64.6%	47.9%	55.2%	12.2%	44.3%				

PORTS RECEIVABLES

Month	Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Jul	2022	748,145	96,003	90,731	155,731	1,090,610	14.3%	439,807
Aug	2022	1,082,897	142,553	38,903	154,942	1,419,296	10.9%	768,699
Sept	2022	758,769	100,551	36,376	94,819	990,515	9.6%	1,100,159
Oct	2022	608,945	144,468	33,913	83,409	870,734	9.6%	830,027
Nov	2022	525,690	170,108	40,289	79,196	815,283	9.7%	595,889
Dec	2022					0	0.0%	
Jan	2023					0	0.0%	
Feb	2023					0	0.0%	
Mar	2023					0	0.0%	
Apr	2023					0	0.0%	
May	2023					0	0.0%	
Jun	2023					0	0.0%	
YTD Cash Received								3,734,580

**CITY OF UNALASKA
FY23 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY23 YTD REVENUE	% OF BUDGET	FY22 YTD REVENUE	YTD INC/(DEC)
JUL	2022	39,834	13	5	39,852	39,852	7.2%	38,057	1,795
AUG	2022	39,821	19	2	39,842	79,694	14.4%	77,027	2,667
SEP	2022	39,821	3	9	39,834	119,528	21.6%	115,999	3,529
OCT	2022	39,821	36	0	39,857	159,385	28.8%	154,047	5,338
NOV	2022	41,349	33	8	41,390	200,775	36.3%	190,185	10,590
DEC	2022				0	0	0.0%	232,170	0
JAN	2023				0	0	0.0%	270,162	0
FEB	2023				0	0	0.0%	304,294	0
MAR	2023				0	0	0.0%	339,243	0
APR	2023				0	0	0.0%	374,361	0
MAY	2023				0	0	0.0%	408,465	0
JUN	2023				0	0	0.0%	448,969	0
TOTAL		200,647	103	25	200,775		0.0%		
FY23 BUDGET		544,000	3,500	6,000	553,500				
% TO BUDGET		36.9%	3.0%	0.4%	36.3%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2022	35,511	18,112	297	(22,940)	30,979	0.0%	36,339
AUG	2022	42,212	9,048	267	(23,026)	28,500	0.0%	44,692
SEP	2022	42,521	17,611	(5,347)	(22,751)	32,033	0.0%	38,073
OCT	2022	42,307	1,224	0	(28,566)	14,966	0.0%	63,363
NOV	2022	44,718	2,970	244	(28,560)	19,371	0.0%	40,320
DEC	2022					0	0.0%	
JAN	2023					0	0.0%	
FEB	2023					0	0.0%	
MAR	2023					0	0.0%	
APR	2023					0	0.0%	
MAY	2023					0	0.0%	
JUN	2023					0	0.0%	
YTD TOTAL								222,787

FY 23 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY23 YTD REVENUE	% OF BUDGET	FY22 YTD REVENUE	YTD INC/(DEC)
JUL	2022	28,048	0	28,048	28,048	11.3%	14,804	13,244
AUG	2022	19,283		19,283	47,331	19.0%	35,618	11,713
SEP	2022	18,639		18,639	65,970	26.5%	56,069	9,901
OCT	2022	11,439		11,439	77,409	31.2%	84,431	(7,022)
NOV	2022	18,639		18,639	96,048	38.7%	101,145	(5,097)
DEC	2022			0	0	0.0%	125,075	0
JAN	2023			0	0	0.0%	149,004	0
FEB	2023			0	0	0.0%	172,934	0
MAR	2023			0	0	0.0%	203,288	0
APR	2023			0	0	0.0%	218,284	0
MAY	2023			0	0	0.0%	246,730	0
JUN	2023			0	0	0.0%	258,805	0
TOTAL		96,048	0	96,048				
FY23 Budget		248,500	0	248,500				
% TO BUDGET		38.7%		38.7%				

Manager Report

Regular City Council Meeting

January 10, 2023

Interim Manager Chris Hladick

1. **New Year:** Welcome to the New Year. I am looking forward to getting some key positions filled for the city. We will be including a list of open positions as part of my manager's report on a monthly basis going forward. This should help keep the council informed.
2. **State Priorities:** CAPSIS, the legislative portal is open for editing our projects from last year. Last session our state priorities were the same as our federal priorities. I have met with Diane Blummer to discuss upcoming state priorities and that discussion will happen this evening.
3. **Budget:** Frank Kelty has completed his work on fish revenues projections, the budget calendar has been drafted, so the process has begun. The revenue projections will be discussed on January 24; at that time we will discuss council goals for the budget process. It is very important to have these goals in mind during the process and not at the end of the process. This saves staff time and makes our work more efficient. There are a host of questions to be answered including, but not limited to, whether or not we limit the number of employees, increases / decreases to capital projects, how much money will the school request, and what capital projects are rolling forward on the CMMP. While we may not know all the answers we need to work on them early in the process.
4. **AML:** The winter AML meeting in Juneau is on the agenda this evening for travel approval. It is not a bad idea to participate in all the meetings you can to stay informed on issues effecting municipalities.
5. **Capital Projects Update:** This will take place at the January 24 council meeting. I look forward to the discussion.
6. **Police Chief Position:** We received 6 applications for the open police chief position and are processing them now. We expect to be in a position to have first round interviews scheduled in the next two weeks.
7. **Open Positions:** Staffing fluctuates almost daily. As of writing this report there are about 26 vacancies but Admin is preparing 3 offer letters (1/6/2023).
8. **Playing Catch Up:** Admin has 6 positions; one is currently vacant and two were approved for extended leave by the prior administration. While HR is busy trying to advertise openings and process applications, some ongoing HR issues have taken priority. Risk is gearing up new programs while rebooting existing ones such as the Safety Committee. Bil continues to work with Interim City Manager Chris Hladick while also providing some coverage to Planning Department in addition to Assistant City Manager. We are slowly catching up.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-01

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING TAXICAB RATES FOR
CALENDAR YEAR 2023

WHEREAS, Unalaska Code of Ordinances § 9.12.065 requires all licensed taxicabs operating within the city to have installed an instrument (meter) by which charges for hire of such taxicabs are calculated; and

WHEREAS, Unalaska Code of Ordinances requires that the meter shall calculate the fare and be calibrated in accordance with the fare standards set by the City Council at its first regular meeting in January each year; and

WHEREAS, the taxi rates for calendar year 2023 will not change from the rates for calendar year 2022.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council establishes the taxicab rates for 2023, which include the 3% sales tax, as follows:

- \$2.65 per flag drop;
- \$0.30 per 1/10 mile;
- \$5.30 for each additional fare over two;
- \$1.06 per minute waiting time;
- \$80.00 per hour charter.

BE IT FURTHER RESOLVED that said rates include a Senior Citizen Discount of \$1.00 off any metered rate between \$5.00 and \$10.00, and \$2.00 off any metered rate over \$10.00.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 10, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Chris Hladick, City Manager
Date: January 10, 2023
Re: Resolution 2023-01: Establishing taxicab rates for the calendar year 2023 as required by the Unalaska Code of Ordinances

SUMMARY: Unalaska Code of Ordinances (UCO) § 9.12.065(A)(3) requires that the City Council set taxicab rates at the first regular meeting in January each year. Resolution 2023-01 sets the rates for calendar year 2023 at the same level as the rates for 2022. Staff recommends adoption of this resolution.

PREVIOUS COUNCIL ACTION: Council has adopted taxicab rates annually since 1993. Through Resolution 2006-01, Council increased rates by \$0.03 per minute for waiting time and added \$80 per hour for charters. Rates have not changed since 2006.

BACKGROUND: The taxicab ordinance was adopted in 1993 and revised in 2003 and 2005. In 2005, several changes were made, but UCO § 9.12.065(A)(3) has not changed through the years of revision. The ordinance requires the City Council to set the rates each year. At the time of the 1993 adoption, the Taxi Owner's Association was active and provided input on this issue.

During a meeting held at Public Safety in November 2017, taxi drivers and taxi permit holders expressed no interest in changing the rates. There has been no response to the Clerk's written request to the permit holders to comment on rates before council set the rates (2018 to present). There was no public comment on this topic at the council meetings from 2018-2022.

On December 1, 2022, the City Clerk mailed letters to all taxi permit holders inviting them to submit comments about the rates for 2023 and encouraging them to attend tonight's council meeting. Copy attached. No responses were received before the writing of this memo.

ALTERNATIVES: Adopt rates as recommended, raise the rates, or lower the rates.

FINANCIAL IMPLICATIONS: If rates are changed, it is expected that a corresponding increase or decrease would be seen in sales tax revenue to the City. Also if rates are changed, meters would have to be reprogrammed at the expense of taxi owners.

STAFF RECOMMENDATION: Staff recommends the adoption of Resolution 2023-01.

PROPOSED MOTION: This item is on the consent agenda and will be included in the motion to adopt the consent agenda. If the item is moved to the regular agenda for discussion, the proposed motion is "I move to adopt Resolution 2023-01".

CITY MANAGER'S COMMENTS: I support the Staff Recommendation.

ATTACHMENT: Letter to taxi permit holders.

CITY OF UNALASKA
Office of the City Clerk
43 Raven Way - P.O. Box 610
Unalaska, Alaska 99685
TEL (907) 581-1251 FAX (907) 581-1417



December 1, 2022

Taxi Permit Holders:

In January of each year, the Unalaska City Council sets the rates taxicabs may charge. As a permit holder, you are encouraged to provide comments or suggestions to the City Council regarding taxicab rates.

You are encouraged to attend the meeting in person to provide information to the Council about taxicab rates. This is your opportunity to provide input to the City Council as they prepare to set the taxi rates for 2023. The meeting will be:

Tuesday, January 10, 2023
6:00 p.m.
Council Chambers, City Hall

If you would like to submit written comments instead, I need to receive them no later than 5pm on Wednesday, January 4, 2023.

Unless we hear from you, the rates adopted will most likely be the same as last year, which are listed below and include City sales tax:

- \$2.65 per flag drop
- \$0.30 per 1/10 mile
- \$5.30 for each additional fare over two
- \$1.06 per minute waiting time
- \$80.00 per hour charter
- Senior Citizen Discount of \$1.00 off any metered rate between \$5.00 and \$10.00, and \$2.00 off any metered rate over \$10.00.

If you have any questions, please stop by the Clerk's Office at City Hall; give me a call at 581-1251 ext. 2104; or email me at mveeder@ci.unalaska.ak.us.

Sincerely,

CITY OF UNALASKA



Marjie Veeder
City Clerk

CITY OF UNALASKA
UNALASKA, ALASKA
ORDINANCE 2022-22

CREATING BUDGET AMENDMENT #4 TO THE FISCAL YEAR 2023 BUDGET, INCREASING THE ADMINISTRATION BUDGET BY \$100,000 FOR A COMPENSATION AND CLASSIFICATION STUDY; INCREASING THE PORTS BUDGET BY \$27,000 FOR A SITE SURVEY FOR UMC POSITIONS 5-7; ACCEPTING \$400,000 FROM THE RASMUSON FOUNDATION AND INCREASING THE LIBRARY IMPROVEMENT PROJECT BY \$400,000; APPROPRIATING \$450,000 FROM THE GENERAL FUND FOR A PUBLIC SAFETY RECORDS MANAGEMENT SYSTEM; ACCEPTING \$386,400 FROM THE DENALI COMMISSION AND INCREASING THE WATER FUND TRANSFERS TO CAPITAL PROJECTS BY \$12,246 FOR MATCHING FUNDS AND INCREASING THE CAPTAINS BAY ROAD WATERLINE PROJECT BY \$398,646; INCREASING THE WATER FUND OPERATING BUDGET FOR TRANSFERS TO CAPITAL PROJECTS AND THE PROJECT BUDGET FOR THE PYRAMID WATER TREATMENT PLANT INLINE MICROTURBINES BY \$105,000.

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 FY23 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 #2022-10

	Current	Requested	Revised
I. OPERATING BUDGETS			
A. General Fund			
Sources:			
General Fund - Appropriated Fund Balance	\$ 7,594,624	\$ 550,000	\$ 8,144,624
Uses:			
City Administration	\$ 2,087,093	\$ 100,000	\$ 2,187,093
Transfer to Govt Capital Projects	\$ 2,787,950	\$ 450,000	\$ 3,237,950
B. Proprietary Funds			
Water Fund			
Sources:			
Water Fund - Budgeted use of unrestricted net assets	\$ 2,286,058	\$ 117,246	\$ 2,403,304
Uses:			
Water Fund - Transfers to Water Capital Projects	\$ 1,317,508	\$ 117,246	\$ 1,434,754
Ports Fund			
Sources:			
Ports Fund - Budgeted use of unrestricted net assets	\$ 4,349,481	\$ 27,000	\$ 4,376,481
Uses:			
Ports Fund - UMC Expenses	\$ 1,155,311	\$ 27,000	\$ 1,182,311

II. CAPITAL BUDGETS

A. Governmental Project Budgets

Public Library Improvements

Sources:

Rasmuson Foundation Grant	\$	-	\$ 400,000	\$ 400,000
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Uses:

Public Library Improvement Project	\$	9,329,201	\$ 400,000	\$ 9,729,201
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Records Management System

Sources:

Transfer from General Fund	\$	-	\$ 450,000	\$ 450,000
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Uses:

Records Management System	\$	-	\$ 450,000	\$ 450,000
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B. Water Fund Project Budgets

Captains Bay Road Waterline Extension

Sources:

Denali Commission Grant	\$	-	\$ 386,400	\$ 386,400
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Transfer in from Water Operating	\$	-	\$ 12,246	\$ 12,246
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Uses:

Captains Bay Road Waterline Extension	\$	800,000	\$ 398,646	\$ 1,198,646
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Pyramid Water Treatment Microturbines Project

Sources:

Transfer in from Water Operating	\$	2,212,019	\$ 105,000	\$ 2,317,019
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Uses:

Pyramid Water Treatment Microturbine Project	\$	2,212,019	\$ 105,000	\$ 2,317,019
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PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 10, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Peggy McLaughlin, Port Director
Through: Bil Homka, Acting City Manager
Date: December 27, 2022
Re: Amending Ports Operating Budget in the amount of \$27,000 for the assessment of Unalaska Marine Center Positions 5-7 for concept design and Rough Order of Magnitude (ROM) for maintenance, repair, and surfacing

SUMMARY: Ordinance 2022-22 will move \$27,000 from the Port Fund to the UMC Operating Fund for other professional services. The funding will allow for an assessment and develop a concept design for major maintenance and ROM for the aging sections of UMC positions 5-7.

PREVIOUS COUNCIL ACTION: No previous Council Action

BACKGROUND: Unalaska Marine Center Positions 5-7 were designed by PND engineers in the early 1990's. Construction was completed and the facility became operational in 1992. Over the last 30 years, settling has occurred and the concrete surfacing needs maintenance. This budget amendment funds the assessment of UMC Positions 5-7 for necessary maintenance and repair, develops the ROM, and funds a concept design for repairs.

DISCUSSION: UMC Positions 5-7 have been in operation since 1992. In the 30 years of tractor trailer cargo operations, the fill behind the sheet pile and underneath the concrete surfacing, has settled. The settling has created undulations in the concrete paving. The troughs of the surfacing hold water and impact efficient drainage. Initial assessments done during the 2018-2019 UMC Expansion and Replacement Project indicate this is not structural, however, it will impact the life of the dock.

This assessment cost was originally in the FY22 budget and the proposal was not finalized through the Administrative process before FY22 closed. It was not budgeted again in FY23 and in order to proceed, we need this budget amendment to properly assess required maintenance.

This survey scope will include topographical data of the project area, ground structures, existing utility locates (above and below ground), and the as-builts of storm drain manholes/catch basins. Further, the survey will develop a concept design for repair and a ROM. The completion of this project will prolong the life of the dock and increase safety for dock workers.

The Port needs this assessment in order to plan the timing of repairs and cost through the CMMP process.

ALTERNATIVES: Council could support the amendment; Council could choose to not fund the survey through this amendment; Council could post pone this until the next Fiscal Year.

FINANCIAL IMPLICATIONS: This would increase the Port Operating Budget by \$27,000 and reduce the Port Fund by the same amount.

LEGAL: No legal requirements

STAFF RECOMMENDATION: Staff recommends funding the survey in order to budget and plan for a capital maintenance project.

PROPOSED MOTION:

I move to introduce Ordinance 2022-22 and schedule it for public hearing and second reading on January 10, 2023.

CITY MANAGER COMMENTS:

ATTACHMENTS:

PND proposal from PND Engineers for Assessment and Concept design and ROM



ENGINEERS, INC.

November 9, 2021

PND 21A-128

Peggy McLaughlin
Director of Ports
City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685

Re: PND Proposal for Site Survey and Concept Design of UMC Dock Position 5-6-7 Dock Re-Surfacing

Dear Peggy,

PND Engineers, Inc. (PND) is pleased to provide this proposal for site survey and conceptual design of UMC Dock Pos 5-6-7 Resurfacing.

Task S1 – Site Survey

PND will perform an on-site design survey to update the UMC project basemap to support design for planned replacement of existing concrete surfacing with a concrete paver system in area of UMC Dock Position 5-6-7. Survey scope will include topographical data of the project area, location of above ground structures, existing utility locates (above and below ground), and the as-built of storm drain manholes/catch basins. PND will rely upon the City of Unalaska and local utilities to provide underground utility locates for the survey. The survey will tie-in to existing survey control monuments utilized for previous survey basemaps of the area.

Deliverable - Survey basemap drawing (in AutoCAD and PDF) of the project area.

Schedule – Travel for field work within 3 weeks of NTP, basemap 4 weeks after return

Cost -	Field Survey and Preparation	\$7,460 T&M
	Expenses (travel, freight, supplies, equipment, etc.)	\$4,800 T&M
	Office Processing of Field Data, Basemap development	<u>\$2,100 T&M</u>

Total (including expenses) = \$14,360 T&M

Task D1 – Conceptual Design and ROM Cost Estimate (optional task)

PND will develop conceptual design based upon the intended scope of the project and the survey basemap from Task S1 above. The scope of this task will include consideration of surface drainage, upgrades to existing utilities (vaults/lids, utility ducts/conduits), demo of existing concrete surfacing, installation of concrete paver system and appropriate subgrade, concrete curbing as needed and tie-in to adjacent facilities. The intent of this task is to clearly identify the complete scope of the project and develop accurate schedule and budget estimates for Port project planning efforts and possible grant opportunities.

Deliverable – Conceptual drawing site plan, written 1-2 page scope document including purpose/need, project schedule and ROM cost estimate.

Schedule – 4 weeks after completion of Basemap

Cost – (Optional Task D1) **\$11,675 Fixed Fee**

The sum of Tasks S1 and D1 above is \$26,035.



We look forward to assisting with continued improvements to the Unalaska Marine Center and appreciate the opportunity to work with the City of Unalaska. Please call if you have any questions regarding this proposal.

Sincerely,

PND Engineers, Inc.

A handwritten signature in blue ink that reads "Dempsey S. Thieman". The signature is written in a cursive style.

Dempsey S. Thieman, P.E.
Senior Vice President

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Roger Blakeley, Director of Parks, Culture, and Recreation
Through: Chris Hladick, Interim City Manager
Date: December 27, 2022
Re: Ordinance **2022-22**- A Budget Amendment for the Public Library Improvements Project to Accept a \$400,000 Grant from the Rasmuson Foundation

SUMMARY: Ordinance 2022-22 is a request to accept \$400,000 from the Rasmuson Foundation and place it in the Public Library Improvements Project budget. The City has received a grant from the Rasmuson Foundation for furniture, fixtures, equipment, and artwork, and this Budget Amendment will allow the City to receive these funds. The total project budget was \$9,329,201, and receipt of these funds will increase the total overall budget to \$9,729,201. Any excess funds will be returned to the general fund when the project is completed.

PREVIOUS COUNCIL ACTION:

- ❖ Council provided \$12,500 from the General Fund for a Preliminary Study for this Project via the FY16 CMMP and Budget Ordinance 20158-10.
- ❖ For FY18, \$30,000 from the General Fund was provided for Pre-Development via the CMMP and Capital Budget Ordinance 2017-07. Although the City budgeted for Pre-Development, it was ultimately funded by a grant from the Rasmuson Foundation and Foraker Group. During the Pre-Development process, ECI architects presented design options to City Council on November 28, 2017 and February 27, 2018, and Council directed the project towards the larger expansion option, leading to the current design.
- ❖ Through Ordinance 2018-04, the FY19 CMMP and Capital Budget Ordinance, \$357,500 from the General Fund was placed into the Project's Budget to fund Design Services.
- ❖ Resolution 2018-56, approved September 25, 2018, awarded the Project's design work to ECI Hyer, Inc.
- ❖ The FY20 CMMP and Capital Budget Ordinance 2019-07 transferred \$5M from the General Fund, and Ordinance 2019-17 provided another \$3,273,481 from the Special Revenue Fund to cover construction costs.
- ❖ Ordinance 2019-09 approved the receipt of an \$8,500 donation from the Friends of the Library to cover costs of an art installation as part of the project. Resolution 2020-05, adopted January 14, 2020 awarded the construction contract to F & W Construction for \$6,903,481.
- ❖ Resolution 2020-18, adopted April 2, 2020, canceled the contract under the Termination for Convenience clause due to the impacts of the Covid-19 Pandemic.
- ❖ The Project was re-bid and Resolution 2021-78 awarded the work to F & W Construction for \$6,514,196.
- ❖ Ordinance 2022-14 appropriated an additional \$647,220 from the General Fund to the Project to repair a structural failure in the roof that contractors discovered during demolition.

BACKGROUND: The Rasmuson Foundation has been aware of this capital project since they funded Pre-Development in FY18. City Staff have communicated with the Rasmuson Foundation about the project's development in the intervening years. In January 2020, City Staff submitted a Letter of Inquiry for a Rasmuson Foundation Tier 2 Grant, but this letter was withdrawn when the 2020 construction contract was cancelled due to the Covid-19 pandemic. City Staff submitted a second Letter of Inquiry in July 2022 and were invited to submit a full grant application in September 2022, which they did. On November 17, the Rasmuson Foundation Board of Directors awarded a Tier 2 Grant of \$400,000 to the City of Unalaska for the Library Building Improvement Project. Funds are to be used for end-of-project items, including furniture, fixtures, equipment, and artwork installation.

DISCUSSION: City Staff have planned on applying for this grant since the inception of the project. If this budget amendment request is approved, eligible purchases already expensed and encumbered from line items funded by the General Fund will be transferred to the new grant funded line item. These purchases include high quality and long-lasting furniture and equipment for the community to use in the Library for years to come. Accepting the grant funds means less General Fund monies will be spent on the Project and, hopefully, more returned to the General Fund upon Project completion. Accepting the grant funds will allow the City to recoup some of the unanticipated expenses incurred by the necessary roof repairs.

The Rasmuson Foundation has designated these grant funds for furniture, fixtures, equipment, and art installation. In our grant application, the Library committed to a supplemental local fundraising effort, which the Library Advisory Committee will oversee. City Staff and the Library Advisory Committee anticipate that this effort will raise \$10,000.

ALTERNATIVES: Accept this grant award for the Library Building Improvement Project or choose not to accept the award.

FINANCIAL IMPLICATIONS: There is no matching requirement for this award. The Proposed Revised Budget is set out below:

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	REVISED BUDGET	EXPENSED & ENCUMBERED	AVAILABLE BUDGET	THIS REQUEST	PROPOSED REVISED BUDGET
31022053-53240 PR601	Engineering and Architectural	\$ 1,176,150	\$ 1,170,955	\$ 5,195		\$ 1,176,150
31022053-53300 PR601	Other Professional	\$ 83,934	\$ 82,696	\$ 1,238		\$ 83,934
31022053-53430 PR601	Survey Services	\$ -	\$ -	\$ -		\$ -
31022053-54500 PR601	Construction Services	\$ 7,308,281	\$ 7,266,731	\$ 41,550		\$ 7,308,281
31022053-55310 PR601	Telephone / Fax / TV	\$ 2,050	\$ 2,050	\$ -		\$ 2,050
31022053-55901 PR601	Advertising	\$ 2,163	\$ 2,163	\$ -		\$ 2,163
31022053-55912 PR601	Contingency	\$ 373,420	\$ -	\$ 373,420		\$ 373,420
31022053-55999 PR601	Other	\$ 379,366	\$ 341,483	\$ 37,883		\$ 379,366
31022053-56100 PR601	General Supplies	\$ 3,000	\$ 1,925	\$ 1,075		\$ 3,000
31022053-56320 PR601	Business Meals	\$ 837	\$ 837	\$ -		\$ 837
310A2253-55999 PR601	Other - Grant	\$ -		\$ -	\$ 400,000	\$ 400,000
		\$ 9,329,201	\$ 8,868,840	\$ 460,361	\$ 400,000	\$ 9,729,201

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends approving receipt of these funds.

PROPOSED MOTION: I move to approve Ordinance 2022-22.

CITY MANAGER COMMENTS:

ATTACHMENTS:

Award Letter

Grant Agreement



301 W. Northern Lights Blvd.
Suite 601
Anchorage, AK 99503
Tel 907-297-2700
info@rasmuson.org

rasmuson.org

BOARD of DIRECTORS

Adam Gibbons, *Chair*
Jay Gibbons
Lile R. Gibbons
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Cathryn Rasmuson
Judy Rasmuson
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Angela Salazar
Natasha von Imhof

PRESIDENT

Diane Kaplan

**We work to promote a
better life for Alaskans.**

December 7, 2022

Mr. Chris Hladick
Interim City Manager
City of Unalaska
P.O. Box 610
Unalaska, AK 99685-0610

Dear Mr. Hladick:

I am pleased to inform you that the City of Unalaska has been awarded a \$400,000 grant for the Public Library for furniture, fixtures, equipment, and art installation.

You will receive a payment of \$400,000 via Bill.com. Please have an official from your organization acknowledge receipt of this grant and agreement with its terms by signing the attached grant agreement and returning it by January 31, 2023.

The grant agreement contains instructions for reporting. The required forms may be found on our website, www.rasmuson.org/forms. Please refer to grant number 17113 in all correspondence regarding this award.

Our directors are interested in keeping in touch with your activities during the year. If you have a special event, receive recognition for your services, or have a significant accomplishment, we would like to hear about it. You may wish to include us on your regular mailing list. Also, if any key people are involved in the project change, please notify us in writing.

We are honored to partner with organizations like yours to promote a better life for all Alaskans. If you have questions, please contact Chris Perez at (907) 297-2700, toll-free in Alaska at (877) 366-2700, or email at cperez@rasmuson.org.

Congratulations on your award.

Best regards,

Diane Kaplan
President & CEO

Enclosures

cc: Karen Kresh, City Librarian

RF grant number 17113



GRANT AGREEMENT

Grantee: City of Unalaska
Total Award Amount: \$400,000.00
Project Title: Library expansion and renovation
Date Awarded: November 16, 2022
Grant Number: 17113
Grant Type: Tier 2
Award Detail and Conditions: \$400,000 outright grant for the Public Library for furniture, fixtures, equipment, and art installation.
Program Staff: Chris Perez

By signing this document, the grantee agrees to accept all conditions of this grant award and comply with the Rasmuson Foundation's requirements. Please provide a signature from an official who is authorized to sign contracts on behalf of the organization, e.g., the Executive Director, Chair of the Board of Directors, Mayor, City Manager, IRA Council President, Tribal Administrator, Chancellor, or Dean.

By:

CITY OF UNALASKA
Typed or printed Legal Name of Organization

[Signature]
Signature

WALTER TOMER Date 12-12-22

The printed name of the signer

Please sign this Agreement and return it to the Foundation by email to grants@rasmuson.org. Retain a copy for your records.

Rasmuson Foundation Grant Award and Conditions

Grant Number

The Grant Number for this award is 17113. Please refer to this number in all correspondence related to this award.

Grant Payments

Grant payments require a receipt of a Payment Request Form from the grantee a minimum of 60 days before payment.

Grant payments are to coincide with the actual need for project funds. Any challenge or contingencies must be met before submitting the Payment Request Form.

Most grants, especially large ones, are paid out in several installments based upon a payment schedule submitted by the grantee. If needed, disbursement of the grant may be in a single payment.

Payment Description	Estimated Payment Date
\$400,000 outright payment will be sent within two weeks via Bill.com	2022

Timely reporting is required for payment. Payments will not be made if reports for any grant from the Rasmuson Foundation to the grantee are overdue and have not been received and approved.

Challenge or Contingencies

If a grant has a challenge component of contingency(ies), these must be met before that portion of the grant is requested for payment. The Certification of Meeting Grant Conditions form will be used to explain how the conditions were met. Contingencies and challenges must be met by the grant end date.

Expenditure of Funds

This grant is based on a specific proposal containing a project budget. It is expected that the entire amount of this grant will be applied to the budget and not used for any other purposes. Should it become advantageous to the grantee to modify the project or make any changes to the project budget or timeframe, permission to do so must be requested per this Grant Agreement (see Budget Reallocation or Project Revision). Approval by the Foundation in writing must be received before making any revisions or incurring any expenses. If at the end of the grant period, a reallocation of unspent funds or an extension has not been requested, the balance of the grant funds must be returned to the Foundation.

Grant Duration

As agreed during the grant proposal review process, the project has the following beginning and end dates:

Grant start date: November 16, 2022
Grant end date: December 31, 2023

Reporting Requirements

The Foundation expects to be kept fully informed of progress on this project. To this end, each grantee must submit progress reports annually and a final report at the end of the project.

Your **reports are due** on the following schedule:

Report Type	Reporting Period	Due Date
Final Report	11/16/2022 – 12/31/2023	1/31/2024

The Foundation forms titled **Tier 2 Grant Progress Report** and **Tier 2 Financial Report** are to be submitted every year with or without a grant Payment Request until the end of the project. The Foundation form titled **Tier 2 Grant Final Report** should be submitted 30 days after the project's end. If all Rasmuson funds are expended, but the project is not complete, the organization will continue to send progress reports until the project is complete. Download report forms and worksheets at www.rasmuson.org/forms. The reports may be submitted online through the Rasmuson Foundation grantee portal at grants.rasmuson.org. You may also submit a final report via email (forms are available on the Foundation's website at www.rasmuson.org/forms).

Extension

The Foundation may grant extensions upon request of the grantee at the sole discretion of the Foundation. An extension assumes that the grant award will be fully expended for the purpose described in the Grant Agreement, but more time is needed to complete the project. To extend the end date of the grant award, send a letter clearly stating the following:

- Describe why the project will not be completed during the grant period.
- Identify the proposed new end date for the project.
- Outline plans to complete the project and a timeline of activities undertaken during the extension period.

Budget Reallocation or Project Revision

Grant awards are based on the project budget and description as presented in the application. Grant funds may only be used for the specific purpose as stated in the Grant Agreement. Grant award reallocation or revision may be requested if the revision is within the scope of the award. Requests to substantially revise the scope of an award for activities not originally proposed or inconsistent with the award's intent are not permitted. If a reallocation is necessary to complete the project intent, it must be approved before funds are spent. The Foundation will not retroactively "back-fund," so these expenses must not yet have been incurred.

Budget revisions and grant extensions are not granted automatically. They are reviewed for both financial and programmatic propriety.

To request a budget reallocation or project revision, submit a Reallocation Request Form with an attached narrative detailing how reallocated funds will enhance the project.

Unspent Funds

It is the policy of the Foundation that unspent funds are returned with the final report. A request to use unspent grant funds may be submitted if there is a balance of funds after all components of the project plan have been accomplished. Requests to use unspent grant funds for project expenses not initially proposed yet consistent with the award intent may be permitted, but only if approval is received in advance. Budget revisions may not include pre-award expenses or expenses incurred before approval.

To request the use of unspent funds, submit a Reallocation Request Form with an attached narrative detailing how reallocated funds will enhance the project.

Certification of IRS Status

By signing this document, the grantee certifies that it is a tax-exempt agency under Section 501 (c) (3) of the Internal Revenue Code and is classified as not a private foundation under Section 509 (a) (1) or 509 (a) (2) of the Code or, in selected cases, a unit of government, or an officially recognized tribal organization if the project has a broad community impact.

If the organization is required to file form 990 or any version thereof, the grantee certifies that these have been filed for the last three years (the most recent tax year may be on an unexpired extension).

Any change in IRS tax-exempt status must be promptly reported to the Foundation.

Change in Key Personnel

Please notify your Program Officer in writing if the officials who sign this document leave office or position and provide the contact information for the replacements.

Any change in key personnel must be reported to the Foundation.

Termination of Award

Failure to fulfill this Agreement's terms may result in the grant's termination. If the grant is terminated, the Foundation may ask for the return of grant funds. Also, the organization may be ineligible to apply for future funding from the Rasmuson Foundation.

If you have questions, please call or email:

Program Officer: Chris Perez
Phone: (907) 334-0522, or toll-free in Alaska (877) 366-2700
Email: cperez@rasmuson.org

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Tom Cohenour, Director of Public Works
Lori Gregory, DPW Administrative Operations Manager
Through: Bil Homka, Acting City Manager
Date: December 27, 2022
Re: Ordinance 2022-22 – A budget amendment request to create and fund MUNIS Project PS23A – Department of Public Safety Records Management System – for \$450,000

SUMMARY: This Budget Amendment is requested to create and fund MUNIS Project PS23A Department of Public Safety Records Management System (RMS) with \$450,000 from the General Fund. The funding will be used to procure the system from Motorola Solutions through a cooperative purchasing agreement facilitated by Sourcewell.

PREVIOUS COUNCIL ACTION: Council has taken no action on this Project. A previous DPS Records Management System Project, MUNIS Project PS18B, was initiated with Superior, LLC but that contract was terminated, as discussed below, and MUNIS Project PS18B was closed.

BACKGROUND: On April 25, 2017, Council approved a capital project for the Computer Aided Dispatch / Records Management System (CAD/RMS) in the amount of \$500,000 via the adoption of the FY18 budget and the associated FY18-22 CMMP. On March 13, 2018, Council approved Resolution 2018-23 authorizing the City Manager to enter into an agreement with Superior LLC to provide the Department of Public Safety an integrated CAD/RMS in the amount of \$408,911.79 to include installation and implementation plus one year of support services. In 2018, \$244,154 was expended to procure hardware and software from Superior LLC. Final installation stalled when Superior LLC was purchased by Central Square Technologies who said they would not update the software nor provide support for the product the City purchased. Central Square Technologies attempted to sell the City another product with a minimal discount for the original purchase. The system the City purchased from Superior LLC, which was supposed to be up and running in late 2018, remains completely useless. The City has received no value from its purchase and our City Attorney is pursuing this matter. On July 26, 2022 via Resolution 2022-35, MUNIS Project PS18B was closed and remaining funds were returned to the General Fund with the understanding that a new project would be brought forward after research into current CAD/RMS solutions.

Being very satisfied with Motorola Solutions, whose products are being used for the Repeater Site and Radio Upgrade Project, DPS personnel inquired with Motorola about the capabilities of their CAD/RMS and found they will interface seamlessly. DPW Administrative Operations Manager, Lori Gregory, researched available Sole-Source Procurement agreements with Motorola Solutions and found Sourcewell, a cooperative purchasing division of the State of Minnesota in which the City of Unalaska is eligible to participate. The Acting City Manager and the Interim Finance Director evaluated and approved a Sole-Source Procurement request of the CAD/RMS from Motorola Solutions pending approval of this budget amendment.

DISCUSSION: SOLE-SOURCE PROCUREMENT: This sole-source procurement meets the criteria established in the City's Purchasing Policy as set out below.

PURCHASING POLICY City of Unalaska Policy #14-0803, Section 1.h. Sole-Source Procurement i: A contract may be awarded without competition when the following circumstances are evident: ... A provider of supplies or services is providing another Alaska municipality, the State of Alaska, or the United States, with supplies or services following a competitive pricing procedure and the city contract is on substantially the same terms as those obtained by the other governmental entity's competitive pricing procedure. The City may also contract with or through such governmental entity so that the benefit of the competitive pricing procedure accrues to the City.

Motorola Solutions is an approved vendor with Sourcewell under their contract #051321-MOT. Sourcewell is a service cooperative established by Minnesota Statute as a local unit of government, and is authorized to provide a Cooperative Purchasing Program to participating entities, including the City of Unalaska. <https://www.sourcewell-mn.gov/cooperative-purchasing/051321-mot#tab-products-and-services>. Cooperative purchasing is "Procurement conducted by, or on behalf of, one or more Public Procurement Units" as defined by the American Bar Association Model Procurement Code for State and Local Governments. Staff believes this fits the Sole-Source criteria of the Purchasing Policy.

Sourcewell publicly issued an RFP for Public Safety Software to issue a 4 year contract. Included in the RFP were sections delineating specific equipment, products, services, warranty, pricing, RFP evaluation and contract award. The RFP requested each proposer submit pricing by either line-item or percentage discount from catalog pricing (list price) or a combination of both. The submitted RFP's were fully evaluated and scored by Sourcewell. Motorola was then issued a contract specifying equipment, products, services, warranty, pricing, customer service, liability, performance, default, remedies, insurance, and other contract provisions.

Motorola has been in business since 1947, is used by more than 2,400 public safety agencies across the United States including Alaska.

NEED FOR CAD/RMS: DPS is presently using Sleuth 5, a software program purchased and implemented in 2004, that is rapidly nearing the end of its useful life; installing a replacement system is imperative. The CAD/RMS, which houses virtually all calls for service for Police, Fire, EMS, and Animal Control, is legacy software running on legacy server software, and is no longer being update by the parent company. It is also out of compliance with federal requirements for storing, classifying, and reporting of criminal justice information. Limitations in the CAD/RMS and server software reduce hardware upgrade options and affect the ease and speed with which data is retrieved, stored and backed up. It has limited interoperability with federal, regional and state information-sharing databases. Modern CAD/RMS software packages are considerably more efficient than our current system, and have integrated access to state and/or regional criminal information networks, thus reducing the man-hours required for data input. User restrictions in many current CAD/RMS's can be personalized to ensure that users of the system-and the system itself-are in compliance with Federal requirements. Modern CAD/RMS software packages are also designed to work with Enhanced 9-1-1 call systems, which would allow a seamless transition to an E-9-1-1 system in Unalaska.

A digital CAD/RMS saves money by reducing hours spent on preparing, storing, and retrieving information. It maximizes facility space by reducing the amount of paper file storage needed in the Department. It cuts down on the carbon footprint of the Department by greatly reducing or eliminating the use of paper, ink, toner, staples, and folders. It limits and accounts for any changes made to documents, avoids the potential for disorganization and the loss of crucial information, and makes access and sharing among all levels of the law enforcement community easy. It facilitates policing and investigations, creating an environment where more cases are solved and prosecuted due to a better system of capturing evidence. Chain of custody is secure with a digital RMS and brings the Department into current regulatory compliance.

The Repeater Site and Radio Upgrades Project, together with this CAD/RMS Project, will bring DPS into the 21st century with regard to communications and records management, providing a completely secure digital signal and cloud based records management. The efficiencies created when both of these projects are online will pay for them both within a few short years.

IMPLEMENTATION: Training in the system’s use will be conducted on-site by Motorola and is included in their fee proposal, which includes not only a Records Management Suite but also a Jail Management Suite, a mobile Data Computing Suite, a Resource Management Suite, and a Computer-Aided Dispatch Suite. It includes the Integrated System Core and Master Tables setup (Hub) and all necessary interfaces and hardware, plus Professional Services (Installation, Implementation, Administrative Training, End User Training, 1st Year maintenance, and support), and available years 2-5 maintenance & support. The RMS will integrate with ESRI’s Geographic Information System already in use by the City.

ALTERNATIVES: Council could choose another vendor, issue a Request for Proposals, or choose not to proceed with this project, Council could also elect to not fund this Project, however, Staff believes it will pay for itself in increased efficiencies as well as better policing within the community and better reporting and evidence handling which will directly lead to more prosecutions and a reduction in crime.

FINANCIAL IMPLICATIONS: The total cost proposal from Motorola Solutions is \$406,012, including 1 year of maintenance and support. There will be annual expenses for years 2-5 related to software maintenance and upgrades (detailed in Motorola proposal) which will need to be captured in the annual DPS Operating Budget.

The proposed budget for the project is set out below:

MUNIS PROJECT PS23A - DPS RECORDS MANAGEMENT SYSTEM		
31019848-49100 PS23A	Transfer from General Fund	\$ 450,000
G/L CODE	DESCRIPTION	PROPOSED BUDGET
31021053-53300 PS23A	Other Professional Services	\$ 406,012
31022053-55310 PS23A	Telephone / Fax / TV	\$ 988
31022053-55912 PS23A	Contingency	\$ 43,000
		<u>\$ 450,000</u>

LEGAL: Unknown

STAFF RECOMMENDATION: Staff recommends full funding of the budget amendment request.

PROPOSED MOTION: “I move to approve Ordinance 2022-22 and move it forward to second reading.”

CITY MANAGER COMMENTS:

ATTACHMENTS:

- Motorola Solutions’ proposal
- Sole-Source Approval



UNALASKA DEPARTMENT OF PUBLIC SAFETY, AK

MOTOROLA SOLUTIONS FLEX SOFTWARE

DECEMBER 15, 2022

The design, technical, pricing, and other information ("Information") furnished with this submission is proprietary and/or trade secret information of Motorola Solutions, Inc. ("Motorola Solutions") and is submitted with the restriction that it is to be used for evaluation purposes only. To the fullest extent allowed by applicable law, the Information is not to be disclosed publicly or in any manner to anyone other than those required to evaluate the Information without the express written permission of Motorola Solutions.

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TABLE OF CONTENTS

Section 1
System Description7

Section 2
Statement of Work23

Section 3
Proposal Pricing.....42

Section 4
Contract Documents47

December 15, 2022

Unalaska Department of Public Safety
29 Safety Way
Alaska, AK 99685
Attn.: Chief Jay King
Phone: (907) 581-1233

Re: Proposal for Motorola Solutions Flex Software ("Proposal")

Chief Jay King:

Motorola Solutions, Inc. ("Motorola") is pleased to provide the attached Proposal to the Unalaska Department of Public Safety. This Proposal is valid until February 28th, 2023.

Motorola's Proposal is subject to the terms and conditions of the attached Master Customer Agreement. This proposal is priced off the Motorola Software Sourcewell Contract (#051321-MOT). You may accept this Proposal by signing the attached agreement. Alternatively, Motorola would be pleased to address any concerns you might have regarding this Proposal.

Please send your order to your Motorola Public Safety Solutions Consultant listed below.

Motorola appreciates your consideration of this Proposal and hopes you will find it acceptable. Motorola would be pleased to address any concerns you might have and we look forward to receiving your response. Please feel free to contact your Motorola Public Safety Solutions Consultant with any questions:

Larsen Grabenkort
larsen@motorolasolutions.com
971 227 2856

Sincerely,

Motorola Solutions, Inc.



Larsen Grabenkort
Area Sales Manager

SYSTEM DESCRIPTION

Integrated Hub

Flex's Hub design allows all information to be entered, stored, and extracted in real-time. Additionally, all applications in the system reference the same repository of information, preventing duplicate data entry and saving time. Lastly, it provides agencies with instant access to information as soon as they enter it into the system. The Flex system provides these time-saving benefits with the following technology:

- Centralized database
- Central tables that cross-reference information system-wide

The system's master tables share information among all modules in real-time. Because our Integrated Hub automatically transfers data between all Flex applications, our customer agencies have immediate access to all data from the moment it is entered. To facilitate this integration, the system features several central tables that cross-reference information system-wide, including names, vehicles, wanted persons, and property.

Imaging

The Flex Imaging module allows agencies to create a library of full-color digital images that are fully searchable from anywhere in the system. Mug shots, accident photos, and other images can be stored in multiple locations throughout the system and viewed by other users. The program is an all-in-one application for importing, organizing, editing, and sharing photos. Because it connects seamlessly with other modules in the Flex software, agencies are able to do more with their information.

Unlimited Capture Workstations

Flex customers can choose to make every user workstation an image capture station at no extra cost. No extra licenses are needed to operate our Imaging module, and users benefit from the convenience of unlimited capture workstations, while agencies take advantage of the long-term savings.

Quick View of Images

Images appear as thumbnails on all Flex records. Click the thumbnail to view the image, or any archived image. Users can see differences between new and old images, allowing personnel to determine if a subject has changed his or her appearance.

File Description

Users can quickly access information about each file attached to a particular record. Flex's File Capture feature allows users to enter the complete name of each file and create an accompanying description. Icons displayed on the record enable users to see what types of files are attached without opening them.

File Capture Technology

Flex's File Capture feature allows users to quickly organize images and other files. Users can easily add files to a record by dragging and dropping them onto the correct field. They can do this with single or multiple files. Users can also create an accompanying description for each file to promote easy content identification by other users.

Intuitive Editing Features

The Imaging module gives users access to several tools for enhancing and editing the quality of digital images. For example, if photos taken at an accident scene are less vivid than expected, users can easily adjust brightness, sharpness, and contrast with the click of a button. Users can also rotate and resize images as needed.

Geographic Information Systems (GIS)

GIS technology is at the core of Flex's mapping technology. GIS helps users make proper decisions based on accurate location information. We partner with Esri®, the nation's most trusted mapping provider to leverage the latest technology. Flex GIS interfaces directly with the Esri® ArcGIS server, eliminating an agency's need to load mapping information into the local database.

Dispatch-Friendly Features

Flex's GIS solution maximizes dispatchers' use of the system. It automatically routes every call to the correct dispatcher, and reduces the likelihood of responding to the same incident twice. Additionally, our solution gives dispatchers the tools to make sure the closest unit responds to a given call. Flex provides these solutions with:

- Zone assignments
- Alerts for duplicate calls
- Directions to call locations
- CAD Mapping and Mobile AVL

Common Place Names

Agencies can customize the Flex GIS solution to reflect specific jurisdictions. Agency-defined common place names save users time by allowing them to input place names instead of street addresses. For example, users can enter "State Capitol" instead of the capitol's street address. The system also accommodates landmarks, mile markers, highway exits, street intersections, and overpasses based on how the agency builds the database.

Accurate Address Verification

Flex's GIS solution optimizes agency responses, eliminates confusion, improves accuracy, and gives users the ability to quickly identify correct addresses when the system cannot find an exact match. The system's address verification does this by displaying:

- Accurate and verified geographic information
- Specific addresses and intersections, including x- and y-coordinates
- Color-coded address candidates
- Flex's Address Selection screen

Reverse Geocoding

Flex GIS simplifies operations by translating geographic coordinates into estimated addresses plotted on a map. By reverse geocoding data, users can quickly select the appropriate location for any situation. When users enter coordinate data, the software displays a list of all matching addresses.

Safe Incident Response

Our GIS solution improves officer safety by notifying users of warrants, alerts, and past criminal incidents associated with an address. Visual alerts allow users to make informed decisions and prepare for any possible scenario. For example, address alerts appear in red, and indicate details about any previous incidents. If an address has multiple alerts, a plus sign (+) appears at the end of the alert.

Flex CAD

Flex CAD enables dispatch personnel to access mission-critical information, and effectively manage calls for individual and multi-jurisdictional agencies. The following highlights a few of the system's advanced features that help to ensure the immediate dispatch of the most appropriate units, including:

- Real-time call updates
- Unit responses
- Automatic alerts for wanted persons and dangerous locations
- Customizable special instructions in question/answer format

All system modules are fully integrated, enabling dispatchers to easily access data from any table, virtually eliminating duplication and redundancy. This integration allows users to generate incident reports with the most current system data, improving dispatch accuracy, maximizing time, and increasing officer safety. For example, users can instantly query name, vehicle, property, and law incident records directly from Flex's Records Management System without leaving the CAD status screen.

Visible Name and Address Alerts

The system's Alerts feature prepares officers for call response and enables them to anticipate hazards. Users can easily share information regarding unsafe historical incidents, and alerts appear in red so dispatchers can quickly identify impending dangers and communicate any safety concerns. The alerts module accomplishes this by:

- Providing information about individuals and locations
- Allowing users to view address or name-related hazards
- Allowing dispatchers to tag a record with one or several alerts

Flexible User Functions

Flex CAD accommodates both new and advanced users. Experienced dispatchers can simplify steps with keyboard shortcuts, or use the command line to operate the system. This flexibility allows users to train at their own pace. New users can easily adapt to the system by performing the following actions:

- Selecting icons

- Dragging and dropping
- Right-clicking

Real-Time Status Alerts and Timers

The system's alerts and timers help ensure officer safety by keeping dispatchers aware of all call and unit activity. Additionally, they inform users of any actions needed or time lapses exceeding agency thresholds with audible and visual alerts that provide real-time status updates.

Multiple Sessions

The system's flexible architecture maximizes operational efficiency by enabling users to open multiple CAD sessions at a time. The screen shot below shows how any authorized personnel can open and manage multiple command lines representing multiple sessions.

Quick CAD Commands

Flex's CAD command line can maximize dispatcher efficiency. Every action the system supports can be executed using quick CAD commands, saving users valuable time as they dispatch units, add calls, and search data.

Automatic Radio Log Entries

The system's automatic radio log functionality saves users time while increasing unit safety. The CAD solution automatically tracks radio transmissions, and creates a log entry for every status change. This ensures all communications are recorded with complete accuracy, and allows dispatchers to focus on other time-sensitive tasks. Consequently, units have immediate access to timely information, and administrators can review all unit activities at their own discretion.

Radio Integration

With Flex CAD, agencies can leverage their use of radios for enhanced situational awareness. Specifically, the software provides the following capabilities to streamlined communications and maximize user safety:

- Assign portable radios to first responders, and vehicle-mounted radios to units
- Enable dispatchers to change a radio's alias directly from CAD
- Display radio alias and fleet vehicle information for each unit within CAD
- Monitor radios from CAD with push-to-talk indicators that identify speakers in real time
- View radio talk groups directly within CAD

Customizable Screen Options

Flex allows dispatchers to customize system settings to their full advantage, allowing them to streamline their task execution through individual customization. For example, agencies can choose to display only calls from specific geographic areas, or lock the settings system-wide for uniformity. Some of the features that users can customize include:

- Display windows
- Column settings
- Toolbar buttons
- Right-click commands

- Color display options

CAD Mapping

The Flex CAD Mapping module provides users with powerful access to location and call information. Dispatchers can quickly view jurisdictional data, including street names, major buildings, landmarks, police districts, and fire/EMS zones. The system automatically plots call locations, and allows dispatchers to view detailed data. This instant access to refined data gives dispatchers the ability to rapidly dispatch the most appropriate units to each call, saving valuable time and enhancing responder safety in critical situations.

Dispatchers can also click on the map to view information about a specific location. Flex CAD Mapping uses the Esri® ArcGIS server to communicate directly with the GIS. This eliminates the need to load map data into a separate database, streamlining accurate address verification. Our mapping solutions are compliant with Phase I and Phase II wireless requirements, displaying longitude and latitude points at the approximate location of the call. The following highlights some key features of Flex CAD Mapping:

Flexible Dispatching

The flexibility of our system accommodates a variety of user preferences. Users can quickly and easily dispatch units using the mouse, or retain full use of the keyboard by:

- Dragging and dropping a unit symbol to a call, or vice versa
- Entering any function directly into the CAD command line

Customizable Features

Flex facilitates efficient operation in accordance with user preferences by enabling agencies to configure CAD Mapping software to meet both agency and individual user needs. Agencies can do this in a number of ways:

- Customize map icons by selecting from a list and upload agency-defined symbols
- Center new calls on the map
- Add map layers such as street, landmarks, and districts
- Change map element colors to reflect roads, city boundaries, and more

Mapping Toolbar

Flex's CAD Mapping toolbar streamlines the dispatching process with intuitive navigation tools. The system provides reminders of each button's function by displaying tool tips that enhance usability. Users also have the option to control the map directly from the CAD command line. Additionally, users can quickly navigate the maps with the following functionality:

- Zoom in
- Zoom out
- Pan
- View the entire map
- Change layer properties as needed

Call and Unit Information

Our CAD Mapping solution gives users direct access to call and unit information, ensuring improved response times and appropriate officer actions. The system automatically suggests intersections and addresses that require geo-validation as the user is typing. Timely access to data increases officer safety, improves response results, and helps defuse potentially dangerous situations. Users achieve this timely access by right-clicking on a unit or call symbol and selecting the specific information they want to view. For example, users can choose to view information regarding:

- Call number or nature
- Address
- Complainant
- Assigned officer

System Integration

CAD Mapping fully integrates with the CAD and AVL modules, and our GIS system. With Flex's GIS, CAD calls automatically appear on the agency's jurisdictional map. Flex's AVL Mapping module, when used in conjunction with Global Positioning System (GPS), displays real-time location information for all units on the CAD map. With the system's radio integration, users can also view radio locations on the map, as well as activated radio emergency buttons for real-time situational awareness and response.

Automatic Vehicle Locator (AVL)

Our AVL Mapping module employs the highest technological standards for this type of software. Advanced AVL technology is leveraged to track the location of all fleet units using GPS receivers, providing dispatchers with optimal, critical situational awareness. The following is an overview of key features:

Real-Time Unit Tracking

Knowing unit location in relation to an active CAD call enables users to quickly dispatch backup or provide further instruction. The AVL Mapping module allows CAD to display the real-time location of all AVL-equipped units. The software displays:

- Status
- Active call
- Assigned zone and agency
- Current location
- Most recent radio log entry

Direct AVL

Direct AVL shows users the location of a unit the instant the vehicle is started, and its transmitter begins sending pulses. This information is sent directly to the agency using a combined GPS transmitter and wireless modem. Dispatchers can view the unit's real-time movements on the CAD map.

Indirect AVL

Indirect AVL enables users to view the unit's movements on the CAD map. It uses a wireless modem to receive real-time location information from a GPS transmitter connected to a mobile laptop computer. The GPS data, with other information from the laptop, is then transmitted to the agency's dispatch center.

Improved Response Times

Dispatchers can use Flex's Quickest Route feature to determine the active unit with the fastest route to an incident, greatly reducing response time. Based on a unit's current location, the Quickest Route module calculates the total drive time to reach a call, and allows users to view the ideal route and driving directions. This feature takes into account the agency's local street network, while recognizing barriers such as rivers, canyons, and limited-access highways, enabling dispatchers to minimize time-consuming obstacles for responding units. In addition to proximity calculations, it computes actual drive time to determine which unit can respond first.

Rapid Notification (Paging)

Flex's fully integrated Rapid Notification module allows users to send automatic report-of-call details to responding units. This module gathers information from the CAD screen and sends it to a printer at the responding agency. Individual units can also be notified of an event by email, text message, and/or phone call. Information gathered from the screen includes details such as:

- Address
- Nature of call
- Contact name and priority

ProQA Interface

Flex CAD works seamlessly with ProQA. Our ProQA Interface allows agency personnel to transfer important law, fire, and medical call data between Flex CAD solutions and ProQA for streamlined operation and faster response through bi-directional data flow. The interface meets ProQA's Certified tier of integration, which is the highest level of integration. The following summarizes a few of the features available:

Bi-Directional Data Flow

This interface allows agencies to automatically store law, fire, and medical call data in both ProQA and CAD. The ProQA Interface populates ProQA data into the appropriate CAD records. Likewise, it integrates CAD data, such as the location of the incident, into the correct ProQA fields. It also creates a responder script or case summary of the ProQA call in the comment field of CAD.

Fast Response

The ProQA determinant in CAD lets users quickly define the agency's response plan and unit recommendations. The ProQA determinant is automatically populated into CAD after data is entered in ProQA, allowing the agency to respond efficiently to calls.

Streamlined Operation

Users can open a ProQA screen automatically while working in CAD, and set system parameters so ProQA opens when they receive a law, fire, or medical call. The interface will automatically populate the appropriate ProQA fields with information in ProQA. As determinant codes are updated or reconfigured, this information is immediately passed on to dispatchers through the Flex CAD system.

The interface also allows the call taker and dispatcher to place ProQA sessions in a pending status during high-volume call times; this allows the user to complete the ProQA session when time allows. A dispatcher can also quickly re-open any ProQA session that has been closed. The ProQA determinant code is displayed in the far right column of the following image.

Records Management System (RMS)

Flex's Law Records Management System consolidates all law incident records into one database, providing easy-to-generate incident and case management reports. Each record has information associated with the name, incident number, property, item, and vehicle involved. Agencies can track complaints, victims, offenders, suspects, witnesses, evidence, vandalism, arson, vehicles, or stolen and recovered property for criminal and non-criminal incidents.

Accurate Reports

Users can easily clarify department initiatives and document progress by developing preformatted reports or configuring ad hoc reports for:

- Crime analysis
- Presentation
- Archiving

Agencies can also compile detailed summaries and activity information for submitting UCR reports as necessary.

Detailed Case Management

Agencies have the ability to track cases from beginning to end by following detailed status information. Flex's case management feature uses Involvements[®] to link information on all persons, property, and vehicles associated with a case.

Dispatch Integration

Flex's integrated solutions ensure rapid and consistent data entry. The RMS module is linked directly with Flex CAD, which allows the software to automatically transfer appropriate information from calls to related incidents.

Advanced Security and Intelligence

Administrators can protect data integrity with flexible security features that allow users to secure privileged information. The Flex system allows agencies to store an unlimited amount of data regarding the following characteristics of individuals or groups:

- Hangouts
- Associates
- Vehicles

- Employment
- Activities

Organized Dissemination

The system provides information accountability by tracking all information disseminated through the RMS module. Users can record the full text of the disseminated information, and create a link to the name record of the party receiving the information.

Automatic Visual Alerts

Agencies improve investigator and officer safety with alerts that indicate dangerous, wanted, or missing persons. Once an alert is attached to a record, Flex's integration populates the alert wherever the record exists.

Incident-Based Reporting (IBR)

The Flex system enables the agency to easily compile detailed crime summary and activity information such as offenses, arrests, and law incidents for submitting IBR reports that meet state and federal standards. The software automatically retrieves information from the system upon data entry, eliminating manual efforts to create these reports. This retrieval enables the system to produce audit reports that verify the accuracy of reported data. Additionally, Flex holds state reporting certification and offers an integrated National Crime Information Center (NCIC) interface that aids in required report submissions.

Evidence Management

Flex's Evidence Management module simplifies evidence tracking, allowing each agency to maintain a complete and accurate chain of custody for every piece of evidence. The Evidence Management module records changes in the location, status, and custodian of evidence, providing a detailed history from reception to release, or disposal of the item.

Complete Evidence History

Users can automatically track modifications to evidence records from processing, through lab analysis and court appearances, to the release or disposal of the item.

Evidence Reporting

The system enables users to maintain optimal awareness and accountability of evidence and its status. Users can generate reports that show evidence custody, create barcodes for any code table, and show the location of evidence. Some of the reporting tools include:

- The Case Closed Evidence List Report
- The Generate Barcode List Report
- Evidence Location Summary Report

Detailed Evidence Data

The Flex solution facilitates efficient entry, adding, modifying, and searching for records within the screen. Using the Evidence Management screen, users can manage:

- Property item
- Storage location
- Identification number
- Activities associated with the item
- Comments

Interface Features

Flex's optional Evidence Barcode & Audit Interface module enables users to manage the evidence room in minutes and saves hours of personnel time. The interface's barcoding functionality allows for simplified data entry, precise labeling, and hand-held auditing of storage locations. Participating agencies can easily inventory and audit evidence using a handheld barcode reader to check data against the Evidence Management table for discrepancies in the item location.

Evidence Barcode and Audit Interface

The Evidence Barcode and Audit Interface module provides agencies with barcoding capabilities for evidence management. It also includes a portable handheld barcode reader to inventory and audit evidence rooms for tracking location and movement.

Automatic Data Transfer

Flex's Automatic Data Transfer saves time and ensures accuracy for agencies as information is tracked throughout the evidence life cycle. Users have the ability to attach barcode labels to evidence items, and use a scanner to automatically transfer the data into an evidence record. Additionally, the status of multiple evidence items can be changed simultaneously by using the "Scan" option of the interface.

Barcode Printing

Our solution facilitates efficient entry, adding, modifying, and searching for records within the screen. Using the Evidence Management screen, users can manage:

- Property item
- Storage location
- Identification number
- Activities associated with the item
- Comments

Inventory and Evidence Tracking

Users can easily collect and store scanned inventory details with a handheld barcode reader, including the item number, storage location, and custodian's name. Information on moved evidence items can be tracked as well, including item number, storage location, custodian's name, transaction code, time and date of transaction, quantity moved, and reason for the move.

Detailed Reporting

The Import Inventory Barcode Report and the Import Move Inventory Report ensure data integrity. Users can check for discrepancies between the data downloaded from the portable barcode reader and the information contained in the Evidence Management table.

Licenses and Permits

The Flex Licenses and Permits module enables users to effectively manage a variety of certifications. These range from animal and bicycle licenses to weapon and fire permits. The agency can track information such as expiration dates, fees, payments, and adjustments. Users can also print permits, receipts, mailing labels, and reports.

Detailed Information

Our comprehensive module will allow the agency to track detailed data, ensuring users have access to the information they need. For example, users can quickly view a permit's status, effective date, permit holder, permit type, and any relevant contact persons. From an additional detail screen, users can also track information relevant to the type of permit, such as model, size, breed, item value, etc.

Integration with Law Records

The Licenses and Permits module helps investigators solve crimes through integration with the Flex RMS module. For example, users can easily view the permit record and owner name of any weapon used in a law incident—directly from the law incident record. Ready access to this information keeps officers informed, increasing safety and reducing potential agency liabilities.

Alaska StateLink Interface

Summary

The Alaska PI allows you to send transactions from the Flex software, Mobile and Message Center.

The software allows highlighted and voice returns for the following query transactions: Boat Registration, Driver's License, Gun, Stolen Article, Stolen Boat, Stolen Vehicle, Vehicle Registration, and Warrants.

Feature List

- State and National Database Queries
- Transaction Recall
- CAD Integration
- Multiple Response Destinations
- Mobile Integration

Alaska Transactions Available from Mobile

Query type	Message key(s) sent
------------	---------------------

Boat Registration	QVI
Criminal History	QPC
Driver's License queries	QPD
Gun queries	QG
Stolen Article queries	QA
Stolen Boat queries	QV
Stolen Vehicle queries	QV
Vehicle Registration queries	QVI
Wanted Person queries	QPB

Alaska Transactions Available from the Flex Software

Transaction type	Screen command line access	Screen name	Message key(s) sent
Administrative	AM	Messages	AM
	FREE	Free Form	FREE
	YQ	NLETS Out of State Hit Confirmation Request	YQ
	YR	NLETS Out of State Hit Confirmation Response	YR
Articles	CA	Clear Article	CA
	EA	Enter Article	EA
	LA	Locate Article	LA
	MA	Modify Article	MA
	QA	Query Article	QA
	XA	Cancel Article	XA
Boat	CB	Clear Boat	CV
	EB	Enter Boat	EV
	LB	Locate Boat	LV
	MB	Modify Boat	MV
	QB	Stolen and Recovered Boats Query	QV
	XB	Cancel Boat	XV
Criminal History	QR	Rap Sheet Query	QPC

	QH	Criminal History Query	QPC
	FQ	NLETS Criminal History Query	FQ
Driver's License	DQ	Driver's License Query	QPD
Gun	CG	Clear Gun	CG
	EG	Enter Gun	EG
	LG	Locate Gun	LG
	MG	Modify Gun	MG
	QG	Query Gun	QG
	XG	Cancel Gun	XG
Missing Persons	CM	Clear Missing Person	COR
	EM	Enter Missing Person	EOR
	MM	Modify Missing Person	MOR
	QM	Query Persons	QPB
	XM	Delete Missing Person	XOR
	IQ	NLETS Identity Information Inquiry	IQ
Securities	CS	Clear Securities	CS
	ES	Enter Securities	ES
	LS	Locate Securities	LS
	MS	Modify Securities	MS
	QS	Query Securities	QS
	XS	Cancel Securities	XS
Vehicle	CV	Clear Vehicle	CV
	EV	Enter Vehicle	EV
	LV	Locate Vehicle	LV
	MV	Modify Vehicle	MV
	QV	Query Vehicle	QV
	RQ	Query Vehicle Registration	QVI
	XV	Cancel Vehicle	XV
Warrants	CW	Enter Warrant	COR

	EW	Clear Warrant	EOR
	MW	Modify Warrant	MOR
	QW	Query Warrants	QPB
	XW	Delete Warrant	XOR

Requirements

General

The customer is responsible for providing a working connection from the Flex Server to the state's message switch. In Alaska, the state has an agreement with Pacific Applied Technology Inc., for a solution that allows local criminal justice computers to connect to their systems on a peer-to-peer basis with the State (TCP/IP PAT Regional Access Feature). The customer will need to pay an initial license and annual license and warrant renewal charges to Pacific Applied Technology Inc.

Software

Software	Version	Vendor/Company	Notes
Flex	Version 4.5 or higher	Motorola Solutions, Inc.	
O/S	Windows	Microsoft	<ul style="list-style-type: none"> • AIX • Linux
Other Requirements			<ul style="list-style-type: none"> • Interface Standard: APSIN (AK State) • Delivery Package: Installation package available • Voiced Response: No • Highlighting: No • Import to Flex: No • Requesting Unit Auto Forward: No • Hit Alerts: No • Executable: alaskapi.jar (Java) • Protocol: TCP/IP

InSight

Agencies can enhance their data sharing initiatives by performing secure, real-time queries of local agency records. The Flex InSight module enables agencies to collaborate effectively, regardless of whether they are using Flex or a non-Flex information database. Through a multi-system, multi-jurisdictional data sharing broker, users are able to run real-time queries on the databases of participating agencies for:

- Names

- Associated images
- Vehicles
- Property information
- Other records

Strong Security

Agencies receive all the benefits of advanced information sharing, while maintaining the highest level of data security. InSight supports simultaneous, multi-agency returns with one search, and incorporates the Global Justice XML Data Model (GJXDM) and advanced data encryption and user-defined privileges.

The InSight model allows each agency to search for information outside its jurisdiction and receive critical returns. Data is protected through user-defined security privileges and 192-bit encryption – the established standard for the public safety industry. When several counties or regions want to share information, multiple InSight brokers can be connected.

XML Framework

InSight incorporates the Global Justice XML Data Model. The XML-based framework of appropriate federal specifications allows justice and public safety agencies to share information at all levels. Using XML, Flex provides the power needed to share mission-critical data among other law enforcement agencies, regardless of vendor and without costly interfaces.

Powerful Searching

Information such as arrest warrants, history of driving under the influence, or assaulting officers can be critical to a field officer’s safety. Without leaving the patrol car, picking up the radio, or going back to the office, personnel can utilize InSight to search their own agency data and that of other jurisdictions. Users can even create subscriptions for searches, alerting them when other users are searching for the same record.

For example, an investigator can receive notification if another user is searching the system for the same name record, thereby assisting in the investigation of a suspect. Sample return information includes the following:

Sample Return Information			
Name Search	Vehicle Search	Property Search	Jail Search
First Name	License Plate Number	Item Name	Name
Last Name	State	Recovered Date	Physical Descriptions
Street Address	Registration Exp. Date	Item Value	Arrest Date
Telephone	Year	Year	Arresting Agency/Officer
SSN	Make	Brand	Location of Arrest
Height	Model	Model	Disposition
Gender	Color	Serial Number	Age of Arrest
Hair Color	Owner	Color	Arrest Type
Eye Color	Agency Code	Owner	Location Code
Ethnic Group	Responding Officer	Responsible Officer	Circumstances

Sample Return Information

Photograph	Photograph	Photograph	Arrest Comments
Alerts & Involvements	Alerts & Involvements	Alerts & Involvements	Offense Details

When InSight sends data back, the program labels the name of the agencies from which the return came, along with a link giving access to additional information on a person, vehicle, or property item. InSight is a browser-based application and has been designed to work over slower connections. It can also be fully utilized in Mobile environments as needed. With InSight, users can also see related involvements on the record.

STATEMENT OF WORK

Introduction and Purpose

Motorola provides comprehensive public safety software for police departments, sheriff's offices, fire departments, communication centers and correctional facilities. Under the guidance and participation of Customer, Motorola will facilitate the delivery and implementation of its integrated software solutions, which includes all purchased products and services in the Purchase and License Agreement. Together, the integrated software solutions are referred to as the "System."

Motorola is committed to building a lifelong partnership with Customer by providing professional project management assistance through implementation, account management, technical services, and both initial and ongoing training. Motorola will provide Customer with software tools and services to implement a system that provides for the storage, retrieval, retention, manipulation, and viewing of documents, or files pertaining to Customer operations.

This SOW guides the primary activities and responsibilities for the System's implementation. It documents project implementation requirements, identifies each major task within the implementation process, sets expectations for each party, and identifies the criteria by which Motorola and Customer will consider a task complete.

Project Objectives

Ongoing objectives of the Public Safety Software Implementation project:

- Provide a comprehensive public safety software solution to facilitate data management
- Provide the software and services necessary to enable interoperability and real-time data sharing
- Provide initial and ongoing system and application administration training to ensure proper setup and the efficient use of software modules
- Facilitate the implementation of data entry standards

Specific SOW objectives:

- Complete the project implementation plan
- Configure, set up, and install the server
- Install and configure core Motorola software modules
- Install and configure the external interfaces
- Provide onsite system setup consultation and system and application administration training
- Provide comprehensive end user training and assistance with code table set up
- Provide Go-live assistance

Change Management Procedures

In the event it is necessary to change this SOW or, if applicable, a Scope of Work document, the following procedure will be used:

- The party requesting the change will issue a Change Request document (“Change Request”). The Change Request will describe the nature of the change, the reason for the change, and the effect of the change, which may include changes to the work product. The Change Request will also include any changes in pricing.
- Either party may initiate a Change Request for any material changes to this SOW and any applicable Scope of Work. The requesting party will review the proposed change with the other party and the parties will negotiate reasonably and in good faith to agree upon the requested change and any changes to the fees or schedule that may result therefrom. Upon the parties’ agreement, the appropriate authorized representatives of the parties will sign the Change Request, indicating acceptance of the changes by the parties.
- Upon execution of the Change Request, the Motorola and Customer Project Managers will incorporate the change into the SOW or Scope of Work.

Project Assumptions and General Responsibilities

Project Assumptions

- The Flex System will be implemented in a Linux or Windows environment.
- Customer network is available and appropriately configured.
- Hardware is available that meets or exceeds Motorola’s current hardware recommendations, is patched per Motorola’s recommendations, and is appropriately configured.
- A TCP/IP-capable network is available for Flex Mobile; specifically, a broadband wireless data network (3G or greater) or a similar high speed private network. At a minimum, wireless networks should accommodate average bi-directional data rates of 256 kbit/s (kilobits per second) between the mobile client and the Flex server.
- Customer obtains State user and terminal ORIs in a timely fashion.
 - State/NCIC (StateLink) interface may not be ready for end user training; a live connection is not necessary for training exercises.
- Third party vendors provide required information for interface configuration.
- This engagement will begin on a mutually acceptable date after Motorola is in receipt of a signed contract from Customer that covers the fees and expenses described therein.
- Customer will provide appropriate technical and management resources to participate in the implementation as identified in the project tasks and responsibilities.

Customer Responsibilities

- Maintain effective communications with the Motorola Project Manager
- Participate in onsite project status meetings
- Respond to issues and concerns as communicated by the Motorola Project Manager
- Provide Motorola with Customer-approved project change requests
- Coordinate required Customer tasks and responsibilities with the Motorola Project Manager
- Manage all third party vendors for which Customer contracts facilitate project activities
- Sign Supplier End User License Agreement, as required

- Ensure Customer project team members have the knowledge and expertise to meet required project responsibilities
- Provide onsite and dedicated VPN remote access as required to facilitate installation and Motorola's continued system support
- Install Flex application client on all computers
- Install Mobile application client on mobile computers
- Provide physical training facilities and supplies (e.g., projector, screen, whiteboard or equivalent) as well as personal computers required for training end users
- Ensure management and end user personnel are scheduled and available for training

Motorola Project Team Responsibilities

- Function as the liaisons with Customer's designated project manager
- Provide Customer with a project management plan, including a cut-over plan for Go-live
- Supply system test plans, setup, administration and configuration documentation, student manuals (training plans), and end user Documentation
- Manage all aspects of the implementation, including project communications
- Participate in the project planning and system setup
- Coordinate and schedule the delivery of all products and services provided by Motorola
- Conduct onsite project status meetings at Customer facility and attend all major project events including project kickoff meeting, project team training, and Go-live activities
- Facilitate the submission and approval of Customer change requests
- Provide responses and recommend resolutions to Customer issues
- Facilitate the server configuration and core system installation, and coordinate external interface installation
- Manage all third party vendors contracted by Motorola

Project Tasks and Responsibilities

This section outlines all project phases, individual tasks, and responsible parties required to meet the goals and objectives of this SOW. Motorola and Customer will perform their respective tasks through a combination of onsite collaboration, coordination via telephone, email communications, and other remote means, as appropriate.

Tasks may or may not be completed in the order in which they appear. Some tasks may be sequential while other tasks may be concurrent with other tasks.

Some tasks will involve third party entities (government agencies, vendors, etc.) to successfully complete this project. Motorola will cooperate and use good faith efforts to work effectively with all third party representatives from other vendors or government agencies as may be necessary to ensure successful Project completion.

Project Planning and Pre-Installation

Task Description

Project Planning will consist of a series of tasks and activities to help prepare the Customer and Motorola for the implementation process:

- **Pre-Implementation Meeting**

Motorola will conduct a Pre-Implementation Meeting (PIM), which includes a project review session and product demonstration. The Project review session will include a detailed discussion of the contract documents, project timelines, goals and objectives, and roles and responsibilities of both parties. The Project review session will be designed to ensure the project managers and key personnel on both sides are familiar with the contract documents and have the same understanding of the overall scope of the project and project approach.

- **Workflow and Forms Review Sessions/Project Team Planning Session**

Motorola will schedule and conduct Workflow and Forms Review Sessions with each agency/department to identify paper forms and manual reports that can/will be eliminated by installing the new System, and the changes that will be required in forms that will remain in use after system go-live. This task will also include a detailed discussion/presentation and recommendations on how each agency will/should streamline work processes and adjust current staffing resources to match Software utilization.

Deliverables

Upon completion of Project Planning, Motorola and Customer will:

- Document results of the workflow and forms review for each agency. Motorola will provide recommendations on forms that can potentially be eliminated and/or consolidated for each agency. Motorola will provide recommendations for forms that should remain in use after go-live occurs.
- Identify and document estimated Customer resources and estimated time requirements for Customer-related tasks so the Customer is better prepared to assign the type of resources when necessary to do so and for what duration. This information will be based on Motorola's previous experience in installing similar systems. The goal is to help ensure the Customer is well aware in advance of tasks and resource requirements so as to avoid potential project delays during the implementation process.

Prerequisites

- Signed Agreement

Completion Criteria

This task will be considered complete following the Pre-Implementation Meeting and completion of the Workflow and Forms Review Sessions.



Motorola	Customer
Responsibilities <ul style="list-style-type: none"> • Conduct pre-implementation meeting • Conduct product demonstrations • Conduct workflow and forms review 	Responsibilities <ul style="list-style-type: none"> • Assist with workflow and forms analysis • Assist with project team planning sessions
Required Staff <ul style="list-style-type: none"> • Project manager • Trainer • Systems Engineer 	Required Staff <ul style="list-style-type: none"> • Project manager • Project team members (staff from agencies or departments)

Order Hardware

Task Description

The purpose of this task is to order the hardware required for the Flex system. Customer or Motorola (as specified in the Agreement) will be responsible for procuring the server needed to meet Motorola's hardware specifications, as well as dedicating/procuring servers for the solution's GIS component, HipLink paging module and Compstat Dashboard module. Together, Motorola and Customer will review the purchase order to verify the purchased hardware meets system specifications. Hardware will then be shipped to Customer's location.

If Customer desires a disaster recovery solution, Customer (or a mutually agreed upon third party, as specified in the Agreement) will be responsible for procuring a second server and facilitating the setup of that solution. All costs associated with the setup and testing of the disaster recovery solution will be borne by Customer.

Deliverables

- Hardware recommendations

Prerequisites

- Pre-implementation conference call

Completion Criteria

This task will be complete once the hardware has been ordered.

Motorola	Customer
Responsibilities <ul style="list-style-type: none"> • Verify hardware order • Order hardware (per Contract) • Provide minimum and recommended hardware requirements for all workstations 	Responsibilities <ul style="list-style-type: none"> • Order hardware (per Contract) • Ensure hardware (workstation) upgrades, as needed



<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● Installation manager ● Systems engineer 	<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● IT personnel (as needed) ● System administrator
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Order Third Party Products	
<p>Task Description Motorola will order third party products as specified in the Agreement. Customer will be responsible for any third party requirements not listed in the Agreement.</p>	
<p>Deliverables</p> <ul style="list-style-type: none"> ● Not applicable 	
<p>Prerequisites</p> <ul style="list-style-type: none"> ● Signed agreement 	
<p>Completion Criteria This task will be complete once Motorola and Customer have placed all orders for third party products.</p>	
Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Order third party products as specified in the Agreement 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Order third party products for which Customer is responsible
<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● Systems engineer 	<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● System administrator ● IT personnel (as needed)

Finalize Project Schedule

Task Description

Prior to signing the Agreement, Motorola and Customer may have developed a preliminary project schedule. During this task, the project managers from both Motorola and Customer, as well as Customer personnel who make decisions regarding resource allocations or scheduling, will meet and review the project schedule. These individuals will make any necessary adjustments based on known changes in resource availability. Motorola's project manager will then update the schedule.

The project schedule will be further updated as necessary over the course of the project. All changes to the schedule will be mutually agreed upon and, if required, documented via the mutually agreed upon change order process. Any schedule changes that occur will be a part of the project status reports provided by Motorola's project manager.

Deliverables

- Final project schedule

Prerequisites

- Not applicable

Completion Criteria

This task will be complete when the parties agree upon the final project schedule; approval shall not be unreasonably withheld or delayed.

Motorola	Customer
Responsibilities <ul style="list-style-type: none"> ● Lead Customer through a review of the project schedule ● Update the project schedule 	Responsibilities <ul style="list-style-type: none"> ● Ensure personnel who can make resource allocation and scheduling decisions attend Project Schedule review
Required Staff <ul style="list-style-type: none"> ● Project manager ● Training coordinator 	Required Staff <ul style="list-style-type: none"> ● Project manager ● System administrator ● Department supervisors (as needed, for approving the schedule)



Develop Data Entry Standards

Task Description

Customer is responsible for developing data entry standards and policies to ensure users enter data correctly and in conformity with quality assurance expectations. At the kickoff meeting, Motorola will provide and explain sample data entry standards as a starting point for Customer. Customer will need to revise the sample standards to meet its specific needs. Once standards have been established, Customer will be expected to formalize the policy as standard operating procedure for data entry tasks. Motorola will incorporate the data entry standards into end user training. Therefore, Customer must complete this task prior to end user training. Motorola is not responsible for project delays due to Customer not completing this task in a timely manner.

Deliverables

- Motorola-supplied sample data entry standard
- Final, Customer-defined data entry standards

Completion Criteria

This task will be complete after Customer develops formal data entry standards that Motorola can incorporate into end user training.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Provide sample data entry standards ● Explain data entry standards 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Revise sample standards form to meet Customer's needs ● Create formal policies and standard operating procedures to guide data entry tasks
<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● Lead trainer 	<p>Required Staff</p> <ul style="list-style-type: none"> ● Project team

Conduct First Web Based Map Training

Task Description

Customer must prepare its GIS data for the Flex geofile and then build the Flex geofile database. Prior to training, Customer will collect current map data for assessment. Motorola will send Customer a document to guide Customer in the collection of this data. A Motorola GIS trainer will assess the current map data and provide feedback on ways to improve the quality of the data for use in the Flex geofile.

During this time, Motorola's GIS trainer will also instruct Customer's personnel responsible for building the geofile on how to build and update the maps for use in the Flex applications. After training, Customer is responsible for building the geofile. Motorola will remotely provide additional assistance, as needed.

Deliverables

- Map data collection guide
- GIS modification recommendations
- Remote assistance as needed

Prerequisites

- Existing customer map files

Completion Criteria

This task will be complete after Motorola concludes the onsite map build training.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Provide map data collection guide ● Assess current map data ● Provide feedback on ways to improve quality of map data ● Provide map build training ● Provide remote assistance during Customer's map build activities 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Collect current available map data ● Attend map training ● Build geofile per Motorola's specifications
<p>Required Staff</p> <ul style="list-style-type: none"> ● Trainer (GIS) 	<p>Required Staff</p> <ul style="list-style-type: none"> ● System Administrator ● GIS Department



Install and Configure Hardware and Operating System

Task Description

After Customer receives the server hardware, Motorola's systems engineer will install the server at Customer site, and install and configure the operating system. The systems engineer will also help Customer configure the GIS server to accommodate Esri® Network Analyst, which is necessary if Customer wants routing and closest unit dispatching capabilities.

Deliverables

- Servers installed and configured

Prerequisites

- Addresses for servers and VPN identified
- Server location, equipment, and supply of power provided

Completion Criteria

This task will be complete when Motorola has installed and configured the Linux or Windows server and operating system, conducted initial tests of the equipment, corrected any material problems or deficiencies, and established connectivity to Motorola's Flex headquarters.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Install Linux or Windows server and operating system at Customer site ● Configure database storage space allocation ● Guide Customer through network configuration ● Conduct initial tests of the equipment and correct any problems or deficiencies ● Establish connectivity to Motorola's Flex headquarters 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Facilitate installation of Linux or Windows server ● Set up disaster recovery solution ● Configure network ● Assist with establishing connectivity to Motorola's Flex headquarters
<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● Systems engineer 	<p>Required Staff</p> <ul style="list-style-type: none"> ● System administrator ● IT department

Install Core Flex Application

Task Description

After installing the servers and configuring the operating system and database storage, Motorola's systems engineer will install the core Flex application and the Flex side of interfaces. The systems engineer will configure the database environments and create the initial administrative user accounts.

Motorola will provide Customer with Mobile and Flex client applications. Customer is responsible for installing the client application on the mobile and desktop computers.

Deliverables

- Installation of Flex applications, as specified in the Agreement
- Installation of Flex components of external interfaces
- Installation of Flex Mobile client application

Prerequisites

- Hardware installed

Completion Criteria

This task will be complete when Motorola has installed the core Flex applications, created the training user accounts and administrative accounts, initiated the installation of external interfaces, and performed the tests required for end user training and Go-live.

Motorola	Customer
Responsibilities <ul style="list-style-type: none"> ● Install core Flex applications ● Configure databases (live and training) ● Create administrative user accounts ● Create training user accounts ● Initiate installation of external interfaces 	Responsibilities <ul style="list-style-type: none"> ● Install Flex client application on PCs ● Install Flex Mobile client application on mobile computers
Required Staff <ul style="list-style-type: none"> ● Systems engineer 	Required Staff <ul style="list-style-type: none"> ● IT personnel ● System administrator

Configure StateLink/NCIC, E9-1-1, LiveScan and Other External Interfaces

Task Description

Motorola installs the NCIC and E9-1-1 interfaces with configuration parameters set to default values. While most external interfaces require only configuration prior to execution, these interfaces require additional technical and administrative steps for operability.

Motorola will install the State Link and Mobile StateLink NCIC interface. Customer, however, is responsible for obtaining a state connection and obtaining state user and terminal ORIs. Should Customer require assistance, Motorola can help with the process. Together, Motorola and Customer will enter the ORI and terminal information and test the connection.

Motorola will install the E9-1-1 interface. To configure this interface, Motorola will require a sample ANI/ALI data stream from Customer, as well as dispatch terminal IP addresses and a port for connectivity to the ANI/ALI box. After receiving this information and the required connectivity, Motorola will configure the E9-1-1 interface and, together with Customer, will test the connection to verify the correct data stream and format transfers to the CAD screens.

Motorola will also install and test all other external interfaces specified in the Agreement. The development process for other interfaces will include programming, testing, and demonstrating to Customer the successful completion of all included interfaces and software modifications, as set forth in the Agreement.

Deliverables

- Installation, configuration, and testing of StateLink and Mobile State Link StateLink/NCIC, E9-1-1, and LiveScan interfaces

Prerequisites

- Methods of connectivity defined
- Contact information for all third party vendors

Completion Criteria

This task will be complete when Motorola and Customer have tested the StateLink and Mobile StateLink/NCIC, E9-1-1 interface, LiveScan interface, and other external interfaces included in the Agreement and they are installed and working correctly in all material respects.



Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● StateLink Interface <ul style="list-style-type: none"> – Install StateLink/NCIC interface – Work with Customer to enter ORI and terminal information – Test StateLink/NCIC interface ● E9-1-1 Interface <ul style="list-style-type: none"> – Install interface – Configure ANI/ALI connection to Flex – Verify data stream/format to CAD screens ● Other External Interfaces <ul style="list-style-type: none"> – Serve as prime contractor to develop interfaces – Test and successfully demonstrate completion to Customer – Update interface and system Documentation, as necessary 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● StateLink Interface <ul style="list-style-type: none"> – Obtain state connection – Obtain state user and terminal ORIs – Work with Motorola to enter ORI and terminal information – Test StateLink and Mobile StateLink State/NCIC interface ● E9-1-1 Interface <ul style="list-style-type: none"> – Provide ANI/ALI port for connection – Provide dispatch computer IP addresses – Verify data stream/format to CAD screens
<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● Systems engineer ● Development (programmers) 	<p>Required Staff</p> <ul style="list-style-type: none"> ● IT department ● Any applicable third party vendors ● System administrator

Conduct Project Team Training

Task Description

Motorola will conduct a three-day training course for Customer's project team. Part of this training includes an overview of the purchased application. During the overview, Motorola will demonstrate the functionality of the various modules.

Deliverables

- Project team training

Prerequisites

- Server installation complete
- Training room set up with server connectivity

Completion Criteria

This task will be complete when the parties have concluded project team training.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Project team training (system overview) ● Demonstrate Flex application 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Provide appropriately equipped training location ● Ensure appropriate personnel attend project team training
<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manger ● Trainer 	<p>Required Staff</p> <ul style="list-style-type: none"> ● Project team ● Trainer

Conduct System Administration Training

Task Description

Motorola will conduct the following system administration training courses:

- Specialist Flex application administration (3 days)
- Module-specific administration training, as appropriate

System administration training includes training to set up, enter, and administer the operational and administrative code tables. Following training, Customer will be responsible for entering code tables. Customer must enter data before user training begins. Motorola will provide training on user/group setup, including granting system privileges.

Additionally, Customer should have a good draft of its data entry standards. During this training, Motorola will work with Customer to review and finalize the data entry standards. Following training, Customer will be responsible for formalizing data entry standards. This task must be complete before user training begins.

Deliverables

- System administration training per the training plan

Prerequisites

- Flex application installation
- Project team training
- Customer completion of data entry standards

Completion Criteria

This task will be complete when Motorola has provided the system administration training per the training plan.

Motorola	Customer
Responsibilities <ul style="list-style-type: none"> ● System administrator training ● Module administration training ● Code table setup training 	Responsibilities <ul style="list-style-type: none"> ● Provide properly equipped location ● Ensure personnel attend training ● Finalize data entry standards ● Enter code tables
Required Staff <ul style="list-style-type: none"> ● Trainer 	Required Staff <ul style="list-style-type: none"> ● Project manager (as needed) ● Project team ● System administrator ● IT personnel ● Department managers (as needed for code tables decisions)



Conduct Follow Up Map Training and Final Map Setup Training

Task Description

Motorola GIS trainers will conduct multiple (as needed) training sessions to review the geofile map build and direct the necessary GIS modifications. These trainers will identify areas where the maps could be improved and assist Customer with any issues or problems it is experiencing.

Prior to Go-live, Motorola will conduct a final review session to assess the condition of Customer map data and ensure it is ready for go live.

Deliverables

- GIS professional services (consulting)
- Final map review

Prerequisites

- Flex application installation
- System administration training
- Significant progress on Customer map build

Completion Criteria

This task will be complete when the final map is prepared and ready for Go-live.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Provide map build assistance to Customer ● Assist with final map review and go live preparation 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Map build and GIS modifications ● Perform final map review
<p>Required Staff</p> <ul style="list-style-type: none"> ● Trainer (GIS) 	<p>Required Staff</p> <ul style="list-style-type: none"> ● GIS department ● System administrator

Conduct End User Training

Task Description

Motorola will conduct end user training per the mutually agreed upon training plan.

Deliverables

- End user training

Prerequisites

- Functional testing completed
- Interfaces installed and configured

Completion Criteria

This task will be complete when Motorola has provided all end user training per the training plan.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Provide end user training per the training plan 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Provide training facilities and equipment ● Ensure appropriate personnel attend each training class
<p>Required Staff</p> <ul style="list-style-type: none"> ● Trainers 	<ul style="list-style-type: none"> ● Required Staff ● All employees (end users)

Cutover to Live Operation

Task Description

Motorola trainers will be onsite to assist Customer with cutover to live operation (Go-live).

On the day of cutover to live operation, Motorola will facilitate a Go-live kickoff ensuring all tasks are completed and Customer personnel are prepared for pre and post-cutover roles.

After cutover, Motorola's trainers will assist Customer personnel with initial live database entry, providing guidance and training as needed. The trainers will troubleshoot live database problems that may arise and make minor configuration modifications as Customer makes initial database entries and enacts entire work processes in the live environment.

Motorola's project manager and trainers will hold meetings with Customer project team, as needed, to discuss concerns and issues that arise.

Customer's system administrators, project team, and other "supervisory users" shall be present to provide guidance to Customer personnel needing additional assistance. Customer personnel are free to ask questions. The system administrators, project team, and other supervisory users should report issues and concerns they encounter to Motorola's trainers and project manager, who will incorporate the issues and concerns into daily meetings and one-on-one training.

Deliverables

- Trainers onsite for Go-live

Prerequisites

- Completion of all previous tasks

Completion Criteria

This task will be complete once live operation of the entire System has commenced and the other tasks described above been completed.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Facilitate Go-live kickoff meeting (first day of Go-live) ● Assist with initial live database entry ● Observe operations and troubleshoot live database problems ● Make minor modifications as needed ● Work one-on-one with individuals 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Ensure appropriate personnel attend Go-live kickoff meeting ● Provide guidance to individuals who need extra assistance ● Relay issues and concerns to Motorola
<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● Systems engineer ● Trainers 	<p>Required Staff</p> <ul style="list-style-type: none"> ● Project manager ● All employees (end users)



Perform Site Audit and Analysis

Task Description

Approximately a few weeks following cutover to live operation, a Motorola trainer will be onsite to observe how Customer personnel are using the System. The trainer will be available to answer any follow up questions and provide additional training to enhance user capabilities, showing the users alternative ways to use the System.

Deliverables

- Onsite analysis and training for up to three days

Prerequisites

- Go-live operations

Completion Criteria

This task will be complete after the Motorola trainer has conducted the site audit and analysis.

Motorola	Customer
<p>Responsibilities</p> <ul style="list-style-type: none"> ● Answer follow up questions ● Show users alternative ways to use the system 	<p>Responsibilities</p> <ul style="list-style-type: none"> ● Communicate questions or concerns
<p>Required Staff</p> <ul style="list-style-type: none"> ● Trainer 	<p>Required Staff</p> <ul style="list-style-type: none"> ● Applicable staff

Major Milestones

- Agreement signing
- Hardware delivery/Core installation
- Project team training/Administration training complete
- Interfaces
- End user training complete
- Go-live complete

SECTION 3

PROPOSAL PRICING

Unalaska Department of Public Safety Purchased Products and Services

Quote Date: 12/15/2022
Expiration Date: 2/28/2023
Prepared By: Larsen Grabenkort

Solution	Price
Integrated System Core and Master Tables (Hub)	\$55,363
Computer-Aided Dispatch Suite	\$123,936
Records Management Suite	\$133,230
Jail Management Suite	\$54,111
Mobile Data Computing Suite	\$78,249
Software & Implementation Subtotal	\$444,889
Hardware	\$49,015
Software, Implementation and Hardware Subtotal	\$493,904
Sourcewell Discount (#051321-MOT)-10%	(49,390.40)
Additional Discount (Executed contract by February 28th, 2023)	(38,501.60)
Grand Total:	\$406,012
2nd Year Maintenance*:	\$31,750

*Annual Maintenance begins one year after software go-live (1st year included)

Maintenance Costs Over Five Years	
Year 1 Post Go-Live	Included
Year 2 Post Go-Live	\$31,750
Year 3 Post Go-Live	\$33,020
Year 4 Post Go-Live	\$34,340
Year 5 Post Go-Live	35,714
5 Year Total Cost	\$134,823

Not Included
<p>*Note: While the items below are not included in this preliminary quote (unless otherwise specified), Motorola Solutions can work with our partners to provide them, based on further discussions of your agency's exact needs.</p> <ul style="list-style-type: none"> • Esri desktop licensing • Networking hardware and any required workstations unless listed in the price table above • Third party software requirements • Any applicable taxes

Exhibit B Notes
<p>This quote includes the following:</p> <ul style="list-style-type: none"> • First-year (12 months) maintenance and comprehensive warranty coverage, which begin at Go-live • Upgrades and enhancements included • All costs associated with travel and per diem for onsite implementation, installation, project management, and training

Services	
Implementation Analyst	Included
<ul style="list-style-type: none"> • Conduct initial business process review (BPR) • Conduct administration training on all purchased products • Serve in a lead trainer capacity as required 	
End User Trainer	Included
<ul style="list-style-type: none"> • Provide classroom instruction, written exams, and supervised repetition of system use in a training environment 	
Admin Trainer	Included
<ul style="list-style-type: none"> • Conduct administration training and setup on all purchased products (this role may be filled by the Implementation Analyst, depending on customer needs) • Serve in a lead trainer capacity as required 	
Go-live Assistance	Included
<ul style="list-style-type: none"> • Project Manager and training personnel provide hands-on assistance before and after Go-live to ensure a successful transition to Flex 	

Installation Technician	Included
<ul style="list-style-type: none"> ● Install, test, adjust, and perform preliminary configuration of operating system for Flex ● Manage server configuration, oversee core system installation, and coordinate installation of external interfaces 	
	Services Price: Included

Warranty / Maintenance / Support	
Updates, Enhancements, and Bug Fixes	Included
<ul style="list-style-type: none"> ● As a standard business practice, Spillman offers updates and enhancements with the annual maintenance cost ● Customers can take advantage of continually improving technology for the lifetime of the partnership ● Agencies are not required to update their solution when an enhancement is released, and Spillman supports Flex up to two versions back 	
Warranty	Included
<ul style="list-style-type: none"> ● Provides ongoing software maintenance that includes updates, enhancements, bug fixes, and support services 	
Support Services	Included
<ul style="list-style-type: none"> ● Includes toll-free hotline support, software support, bug fixes, first-year support, and software release updates ● Software is modified to fix identified bugs at no additional cost to the customer ● Conduct training in the Knowledge Center ● Submit support requests 24/7 and track their status from your MySpillman account 	
	Suite Price: Included

Customer Contact

INVOICING AND SHIPPING ADDRESSES. Invoices will be sent to the Customer at the following address:

Name: Chief Jay King

Address: 29 Safety Way, Unalaska, AK 99685

Phone: (907) 581-1233

Email: jking@ci.unalaska.ak.us

The address which is the ultimate destination where the Equipment will be delivered to Customer is:

Name: Chief Jay King

Address: 29 Safety Way, Unalaska, AK 99685

The Equipment will be shipped to the Customer at the following address (insert if this information is known):

Name: Chief Jay King

Address: 29 Safety Way, Unalaska, AK 99685

Phone: (907) 581-1233

Payment Milestones

Except for a payment that is due on the Effective Date, Customer will make payments to Motorola within thirty (30) days after the date of each invoice. Customer will make payments when due in the form of a check, cashier's check, or wire transfer drawn on a U.S. financial institution. If Customer has purchased additional Professional or Subscription services, payment will be in accordance with the applicable addenda. Payment for the System purchase will be in accordance with the following milestones.

Milestone	Milestone Detail	Percentage
1	Execution of Contract	50%
2	Final Acceptance	50%

Motorola shall make partial shipments of equipment and will request payment upon shipment of such equipment. In addition, Motorola shall invoice for installations completed on a site-by-site basis or when professional services are completed, when applicable. The value of the equipment shipped/services performed will be determined by the value shipped/services performed as a percentage of the total milestone value. Unless otherwise specified, contract discounts are based upon all items proposed and overall system package. Overdue invoices will bear simple interest at the maximum allowable rate by state law.

For Maintenance and Support Plan and Subscription Based Services: Motorola will invoice Customer annually in advance of each year of the plan.

SECTION 4

CONTRACT DOCUMENTS

Contract documents are in the following pages.

Master Customer Agreement

This Master Customer Agreement (the “**MCA**”) is entered into between Motorola Solutions, Inc., with offices at 500 W. Monroe Street, Suite 4400, Chicago, IL 60661 (“**Motorola**”) and the entity set forth in the signature block below (“**Customer**”). Motorola and Customer will each be referred to herein as a “**Party**” and collectively as the “**Parties**”. This Agreement (as defined below) is effective as of the date of the last signature (the “**Effective Date**”).

WHEREAS, Customer desires to purchase from Motorola and Motorola desires to sell to Customer certain Motorola radio communications equipment and services (Public Safety Software); and

WHEREAS, Sourcewell (“Sourcewell”), a State of Minnesota local government agency and service cooperative offering cooperative procurement solutions to government entities that access Sourcewell’s cooperative purchasing contracts (“Participating Entities”); and

WHEREAS, on July 23, 2021, Sourcewell and Motorola entered into a contract identified as 051321-MOT, (the “Contract”), which provides that Participating Entities may purchase radio communications equipment (Public Safety Software) from Motorola pursuant to certain terms contained therein; and

WHEREAS, pursuant to Article 6.B of the Contract, Motorola and Customer now wish to enter into this Agreement to delineate the specific terms of the purchase of radio communications equipment and services (Public Safety Software) from Motorola by Customer.

For good and valuable consideration, the Parties agree as follows:

1. Agreement.

1.1. Scope; Agreement Documents. This MCA governs Customer’s purchase of Products (as defined below) and Services (as defined below) from Motorola. Additional terms and conditions applicable to specific Products and Services are set forth in one or more addenda attached to this MCA (each an “**Addendum**”, and collectively the “**Addenda**”). In addition, the Parties may agree upon solution descriptions, equipment lists, statements of work, schedules, technical specifications, and other ordering documents setting forth the Products and Services to be purchased by Customer and provided by Motorola and additional rights and obligations of the Parties (the “**Ordering Documents**”). To the extent required by applicable procurement law, a proposal submitted by Motorola in response to a competitive procurement process will be included within the meaning of the term Ordering Documents. This MCA, the Addenda, and any Ordering Documents collectively form the Parties’ “**Agreement**”.

1.2. Order of Precedence. Each Addendum will control with respect to conflicting terms in the MCA, but only as applicable to the Products and Services described in such Addendum. Each Ordering Document will control with respect to conflicting terms in the MCA or any Addenda, but only as applicable to the Products and Services described on such Ordering Document.

2. Products and Services.

2.1. Products. Motorola will (a) sell hardware provided by Motorola (“**Equipment**”), (b) license software which is either preinstalled on Equipment or installed on Customer-Provided Equipment (as defined below) and licensed to Customer by Motorola for a perpetual or other defined license term (“**Licensed Software**”), and (c) license cloud-based software as a service products and other software which is either preinstalled on Equipment or installed on Customer-Provided Equipment, but licensed to Customer by Motorola on a subscription basis

("Subscription Software") to Customer, to the extent each is set forth in an Ordering Document, for Customer's own use in accordance with this Agreement. The Equipment, Licensed Software, and Subscription Software shall collectively be referred to herein as "Products", or individually as a "Product". At any time during the Term (as defined below), Motorola may substitute any Products at no cost to Customer, if the substitute is substantially similar to the Products set forth in the applicable Ordering Documents.

2.2. Services.

2.2.1. Motorola will provide services related to purchased Products ("**Services**"), to the extent set forth in an Ordering Document.

2.2.2. Integration Services; Maintenance and Support Services. If specified in an Ordering Document, Motorola will provide, for the term of such Ordering Document, (a) design, deployment, and integration Services in order to design, install, set up, configure, and/or integrate the applicable Products at the applicable locations ("**Sites**"), agreed upon by the Parties ("**Integration Services**"), or (b) break/fix maintenance, technical support, or other Services (such as software integration Services) ("**Maintenance and Support Services**"), each as further described in the applicable statement of work. Maintenance and Support Services and Integration Services will each be considered "Services", as defined above.

2.2.3. Service Ordering Documents. The Fees for Services will be set forth in an Ordering Document and any applicable project schedules. A Customer point of contact will be set forth in the applicable statement of work for the Services. For purposes of clarity, each statement of work will be incorporated into, and form an integral part of, the Agreement.

2.2.4. Service Completion. Unless otherwise specified in the applicable Ordering Document, Services described in an Ordering Document will be deemed complete upon Motorola's performance of all Services listed in such Ordering Document ("**Service Completion Date**"); provided, however, that Maintenance and Support Services may be offered on an ongoing basis during a given Ordering Document term, in which case such Maintenance and Support Services will conclude upon the expiration or termination of such Ordering Document.

2.3. Non-Preclusion. If, in connection with the Products and Services provided under this Agreement, Motorola makes recommendations, including a recommendation to purchase other products or services, nothing in this Agreement precludes Motorola from participating in a future competitive bidding process or otherwise offering or selling the recommended products or other services to Customer. Customer represents that this paragraph does not violate its procurement standards or other laws, regulations, or policies.

2.4. Customer Obligations. Customer will ensure that information Customer provides to Motorola in connection with receipt of Products and Services are accurate and complete in all material respects. Customer will make timely decisions and obtain any required management approvals that are reasonably necessary for Motorola to provide the Products and Services and perform its other duties under this Agreement. Unless the applicable Ordering Document states otherwise, Motorola may rely upon and is not required to evaluate, confirm, reject, modify, or provide advice concerning any assumptions or Customer information, decisions, or approvals described in this Section. If any assumptions in the Ordering Documents or information provided by Customer prove to be incorrect, or if Customer fails to perform any of its obligations under

this Agreement, Motorola's ability to perform its obligations may be impacted and changes to the Agreement, including the scope, Fees, and performance schedule may be required.

2.5. Documentation. Products and Services may be delivered with documentation for the Equipment, software Products, or data that specifies technical and performance features, capabilities, users, or operation, including training manuals, and other deliverables, such as reports, specifications, designs, plans, drawings, analytics, or other information (collectively, "**Documentation**"). Documentation is and will be owned by Motorola, unless otherwise expressly agreed in an Addendum or Ordering Document that certain Documentation will be owned by Customer. Motorola hereby grants Customer a limited, royalty-free, worldwide, non-exclusive license to use the Documentation solely for its internal business purposes in connection with the Products and Services.

2.6. Motorola Tools and Equipment. As part of delivering the Products and Services, Motorola may provide certain tools, equipment, models, and other materials of its own. Such tools and equipment will remain the sole property of Motorola unless they are to be purchased by Customer as Products and are explicitly listed on an Ordering Document. The tools and equipment may be held by Customer for Motorola's use without charge and may be removed from Customer's premises by Motorola at any time without restriction. Customer will safeguard all tools and equipment while in Customer's custody or control, and be liable for any loss or damage. Upon the expiration or earlier termination of this Agreement, Customer, at its expense, will return to Motorola all tools and equipment in its possession or control.

2.7. Authorized Users. Customer will ensure its employees and Authorized Users comply with the terms of this Agreement and will be liable for all acts and omissions of its employees and Authorized Users. Customer is responsible for the secure management of Authorized Users' names, passwords and login credentials for access to Products and Services. "**Authorized Users**" are Customer's employees, full-time contractors engaged for the purpose of supporting the Products and Services that are not competitors of Motorola, and the entities (if any) specified in an Ordering Document or otherwise approved by Motorola in writing (email from an authorized Motorola signatory accepted), which may include affiliates or other Customer agencies.

2.8. Export Control. Customer, its employees, and any other Authorized Users will not access or use the Products and Services in any jurisdiction in which the provision of such Products and Services is prohibited under applicable laws or regulations (a "**Prohibited Jurisdiction**"), and Customer will not provide access to the Products and Services to any government, entity, or individual located in a Prohibited Jurisdiction. Customer represents and warrants that (a) it and its Authorized Users are not named on any U.S. government list of persons prohibited from receiving U.S. exports, or transacting with any U.S. person; (b) it and its Authorized Users are not a national of, or a company registered in, any Prohibited Jurisdiction; (c) Customer will not permit its Authorized Users to access or use the Products or Services in violation of any U.S. or other applicable export embargoes, prohibitions or restrictions; and (d) Customer and its Authorized Users will comply with all applicable laws regarding the transmission of technical data exported from the U.S. and the country in which Customer, its employees, and the Authorized Users are located.

2.9. Change Orders. Unless a different change control process is agreed upon in writing by the Parties, a Party may request changes to an Addendum or an Ordering Document by submitting a change order to the other Party (each, a "**Change Order**"). If a requested change in a Change Order causes an increase or decrease in the Products or Services, the Parties by means of the Change Order will make appropriate adjustments to the Fees, project schedule, or other matters. Change Orders are effective and binding on the Parties only upon execution of the Change Order by an authorized representative of both Parties.

3. Term and Termination.

3.1. Term. The term of this MCA (“**Term**”) will commence on the Effective Date and continue until six (6) months after the later of (a) the termination, expiration, or discontinuance of services under the last Ordering Document in effect, or (b) the expiration of all applicable warranty periods, unless the MCA is earlier terminated as set forth herein. The applicable Addendum or Ordering Document will set forth the term for the Products and Services governed thereby.

3.2. Termination. Either Party may terminate the Agreement or the applicable Addendum or Ordering Document if the other Party breaches a material obligation under the Agreement and does not cure such breach within thirty (30) days after receipt of notice of the breach or fails to produce a cure plan within such period of time. Each Addendum and Ordering Document may be separately terminable as set forth therein.

3.3. Suspension of Services. Motorola may terminate or suspend any Products or Services under an Ordering Document if Motorola determines: (a) the related Product license has expired or has terminated for any reason; (b) the applicable Product is being used on a hardware platform, operating system, or version not approved by Motorola; (c) Customer fails to make any payments when due; or (d) Customer fails to comply with any of its other obligations or otherwise delays Motorola’s ability to perform.

3.4. Effect of Termination or Expiration. Upon termination for any reason or expiration of this Agreement, an Addendum, or an Ordering Document, Customer and the Authorized Users will return or destroy (at Motorola’s option) all Motorola Materials and Motorola’s Confidential Information in their possession or control and, as applicable, provide proof of such destruction, except that Equipment purchased by Customer should not be returned. If Customer has any outstanding payment obligations under this Agreement, Motorola may accelerate and declare all such obligations of Customer immediately due and payable by Customer. Notwithstanding the reason for termination or expiration, Customer must pay Motorola for Products and Services already delivered. Customer has a duty to mitigate any damages under this Agreement, including in the event of default by Motorola and Customer’s termination of this Agreement.

4. Payment and Invoicing.

4.1. Fees. Fees and charges applicable to the Products and Services (the “**Fees**”), which includes the Sourcewell administrative fee, will be as set forth in the applicable Addendum or Ordering Document, and such Fees may be changed by Motorola at any time, except that Motorola will not change the Fees for Products and Services purchased by Customer during the term of an active Ordering Document or during a Subscription Term (as defined and further described in the applicable Addendum). Motorola will pay Sourcewell’s administrative fee in accordance with the payment terms of the Motorola/Sourcewell Contract dated July 23, 2021. Changes in the scope of Services described in an Ordering Document may require an adjustment to the Fees due under such Ordering Document. If a specific invoicing or payment schedule is set forth in the applicable Addendum or Ordering Document, such schedule will apply solely with respect to such Addendum or Ordering Document. Unless otherwise specified in the applicable Ordering Document, the Fees for any Services exclude expenses associated with unusual and costly Site access requirements (e.g., if Site access requires a helicopter or other equipment), and Customer will reimburse Motorola for these or other expenses incurred by Motorola in connection with the Services.

4.2. Taxes. The Fees do not include any excise, sales, lease, use, property, or other taxes, assessments, duties, or regulatory charges or contribution requirements (collectively, “**Taxes**”), all of which will be paid by Customer, except as exempt by law, unless otherwise specified in an Ordering Document. If Motorola is required to pay any Taxes, Customer will reimburse Motorola

for such Taxes (including any interest and penalties) within thirty (30) days after Customer's receipt of an invoice therefore. Customer will be solely responsible for reporting the Products for personal property tax purposes, and Motorola will be solely responsible for reporting taxes on its income and net worth.

4.3. Invoicing. Motorola will invoice Customer at the frequency set forth in the applicable Addendum or Ordering Document, and Customer will pay all invoices within thirty (30) days of the invoice date or as otherwise specified in the applicable Addendum or Ordering Document. Late payments will be subject to interest charges at the maximum rate permitted by law, commencing upon the due date. Motorola may invoice electronically via email, and Customer agrees to receive invoices via email at the email address set forth in an Ordering Document. Customer acknowledges and agrees that a purchase order or other notice to proceed is not required for payment for Products or Services.

5. Sites; Customer-Provided Equipment; Non-Motorola Content.

5.1. Access to Sites. Customer will be responsible for providing all necessary permits, licenses, and other approvals necessary for the installation and use of the Products and the performance of the Services at each applicable Site, including for Motorola to perform its obligations hereunder, and for facilitating Motorola's access to the Sites. No waivers of liability will be imposed on Motorola or its subcontractors by Customer or others at Customer facilities or other Sites, but if and to the extent any such waivers are imposed, the Parties agree such waivers are void.

5.2. Site Conditions. Customer will ensure that (a) all Sites are safe and secure, (b) Site conditions meet all applicable industry and legal standards (including standards promulgated by OSHA or other governmental or regulatory bodies), (c) to the extent applicable, Sites have adequate physical space, air conditioning, and other environmental conditions, electrical power outlets, distribution, equipment, connections, and telephone or other communication lines (including modem access and interfacing networking capabilities), and (d) Sites are suitable for the installation, use, and maintenance of the Products and Services. This Agreement is predicated upon normal soil conditions as defined by the version of E.I.A. standard RS-222 in effect on the Effective Date.

5.3. Site Issues. Motorola will have the right at any time to inspect the Sites and advise Customer of any deficiencies or non-conformities with the requirements of this **Section 5 – Sites; Customer-Provided Equipment; Non-Motorola Content**. If Motorola or Customer identifies any deficiencies or non-conformities, Customer will promptly remediate such issues or the Parties will select a replacement Site. If a Party determines that a Site identified in an Ordering Document is not acceptable or desired, the Parties will cooperate to investigate the conditions and select a replacement Site or otherwise adjust the installation plans and specifications as necessary. A change in Site or adjustment to the installation plans and specifications may cause a change in the Fees or performance schedule under the applicable Ordering Document.

5.4. Customer-Provided Equipment. Certain components, including equipment and software, not provided by Motorola may be required for use of the Products and Services ("**Customer-Provided Equipment**"). Customer will be responsible, at its sole cost and expense, for providing and maintaining the Customer-Provided Equipment in good working order. Customer represents and warrants that it has all rights in Customer-Provided Equipment to permit Motorola to access and use the applicable Customer-Provided Equipment to provide the Products and Services under this Agreement, and such access and use will not violate any laws or infringe any third-party rights (including intellectual property rights). Customer (and not Motorola) will be fully liable for Customer-Provided Equipment, and Customer will immediately

notify Motorola of any Customer-Provided Equipment damage, loss, change, or theft that may impact Motorola's ability to provide the Products and Services under this Agreement, and Customer acknowledges that any such events may cause a change in the Fees or performance schedule under the applicable Ordering Document.

5.5. Non-Motorola Content. In certain instances, Customer may be permitted to access, use, or integrate Customer or third-party software, services, content, and data that is not provided by Motorola (collectively, "**Non-Motorola Content**") with or through the Products and Services. If Customer accesses, uses, or integrates any Non-Motorola Content with the Products or Services, Customer will first obtain all necessary rights and licenses to permit Customer's and its Authorized Users' use of the Non-Motorola Content in connection with the Products and Services. Customer will also obtain the necessary rights for Motorola to use such Non-Motorola Content in connection with providing the Products and Services, including the right for Motorola to access, store, and process such Non-Motorola Content (e.g., in connection with Subscription Software), and to otherwise enable interoperation with the Products and Services. Customer represents and warrants that it will obtain the foregoing rights and licenses prior to accessing, using, or integrating the applicable Non-Motorola Content with the Products and Services, and that Customer and its Authorized Users will comply with any terms and conditions applicable to such Non-Motorola Content. If any Non-Motorola Content require access to Customer Data (as defined below), Customer hereby authorizes Motorola to allow the provider of such Non-Motorola Content to access Customer Data, in connection with the interoperation of such Non-Motorola Content with the Products and Services. Customer acknowledges and agrees that Motorola is not responsible for, and makes no representations or warranties with respect to, the Non-Motorola Content (including any disclosure, modification, or deletion of Customer Data resulting from use of Non-Motorola Content or failure to properly interoperate with the Products and Services). If Customer receives notice that any Non-Motorola Content must be removed, modified, or disabled within the Products or Services, Customer will promptly do so. Motorola will have the right to disable or remove Non-Motorola Content if Motorola believes a violation of law, third-party rights, or Motorola's policies is likely to occur, or if such Non-Motorola Content poses or may pose a security or other risk or adverse impact to the Products or Services, Motorola, Motorola's systems, or any third party (including other Motorola customers). Nothing in this Section will limit the exclusions set forth in **Section 7.2 – Intellectual Property Infringement**.

6. Representations and Warranties.

6.1. Mutual Representations and Warranties. Each Party represents and warrants to the other Party that (a) it has the right to enter into the Agreement and perform its obligations hereunder, and (b) the Agreement will be binding on such Party.

6.2. Motorola Warranties. Subject to the disclaimers and exclusions below, Motorola represents and warrants that (a) Services will be provided in a good and workmanlike manner and will conform in all material respects to the descriptions in the applicable Ordering Document; and (b) for a period of ninety (90) days commencing upon the Service Completion Date for one-time Services, the Services will be free of material defects in materials and workmanship. Other than as set forth in subsection (a) above, recurring Services are not warranted but rather will be subject to the requirements of the applicable Addendum or Ordering Document. Motorola provides other express warranties for Motorola-manufactured Equipment, Motorola-owned software Products, and certain Services. Such express warranties are included in the applicable Addendum or Ordering Document. Such representations and warranties will apply only to the applicable Product or Service that is the subject of such Addendum or Ordering Document.

6.3. Warranty Claims; Remedies. To assert a warranty claim, Customer must notify Motorola in writing of the claim prior to the expiration of any warranty period set forth in this MCA or the applicable Addendum or Ordering Document. Unless a different remedy is otherwise expressly set forth for a particular warranty under an Addendum, upon receipt of such claim, Motorola will investigate the claim and use commercially reasonable efforts to repair or replace any confirmed materially non-conforming Product or re-perform any non-conforming Service, at its option. Such remedies are Customer's sole and exclusive remedies for Motorola's breach of a warranty. Motorola's warranties are extended by Motorola to Customer only, and are not assignable or transferrable.

6.4. Pass-Through Warranties. Notwithstanding any provision of this Agreement to the contrary, Motorola will have no liability for third-party software or hardware provided by Motorola; provided, however, that to the extent offered by third-party providers of software or hardware and to the extent permitted by law, Motorola will pass through express warranties provided by such third parties.

6.5. WARRANTY DISCLAIMER. EXCEPT FOR THE EXPRESS AND PASS THROUGH WARRANTIES IN THIS AGREEMENT, PRODUCTS AND SERVICES PURCHASED HEREUNDER ARE PROVIDED "AS IS" AND WITH ALL FAULTS. WARRANTIES SET FORTH IN THE AGREEMENT ARE THE COMPLETE WARRANTIES FOR THE PRODUCTS AND SERVICES AND MOTOROLA DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND QUALITY. MOTOROLA DOES NOT REPRESENT OR WARRANT THAT USE OF THE PRODUCTS AND SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR FREE OF SECURITY VULNERABILITIES, OR THAT THEY WILL MEET CUSTOMER'S PARTICULAR REQUIREMENTS.

7. Indemnification.

7.1. General Indemnity. Motorola will defend, indemnify, and hold Customer harmless from and against any and all damages, losses, liabilities, and expenses (including reasonable fees and expenses of attorneys) arising from any actual third-party claim, demand, action, or proceeding ("**Claim**") for personal injury, death, or direct damage to tangible property to the extent caused by Motorola's negligence, gross negligence or willful misconduct while performing its duties under an Ordering Document or an Addendum, except to the extent the claim arises from Customer's negligence or willful misconduct. Motorola's duties under this **Section 7.1 – General Indemnity** are conditioned upon: (a) Customer promptly notifying Motorola in writing of the Claim; (b) Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and (c) Customer cooperating with Motorola and, if requested by Motorola, providing reasonable assistance in the defense of the Claim.

7.2. Intellectual Property Infringement. Motorola will defend Customer against any third-party claim alleging that a Motorola-developed or manufactured Product or Service (the "**Infringing Product**") directly infringes a United States patent or copyright ("**Infringement Claim**"), and Motorola will pay all damages finally awarded against Customer by a court of competent jurisdiction for an Infringement Claim, or agreed to in writing by Motorola in settlement of an Infringement Claim. Motorola's duties under this **Section 7.2 – Intellectual Property Infringement** are conditioned upon: (a) Customer promptly notifying Motorola in writing of the Infringement Claim; (b) Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and (c) Customer cooperating with Motorola and, if requested by Motorola, providing reasonable assistance in the defense of the Infringement Claim.

- 7.2.1. If an Infringement Claim occurs, or in Motorola's opinion is likely to occur, Motorola may at its option and expense: (a) procure for Customer the right to continue using the Infringing Product; (b) replace or modify the Infringing Product so that it becomes non-infringing; or (c) grant Customer (i) a pro-rated refund of any amounts pre-paid for the Infringing Product (if the Infringing Product is a software Product, i.e., Licensed Software or Subscription Software) or (ii) a credit for the Infringing Product, less a reasonable charge for depreciation (if the Infringing Product is Equipment, including Equipment with embedded software).
- 7.2.2. In addition to the other damages disclaimed under this Agreement, Motorola will have no duty to defend or indemnify Customer for any Infringement Claim that arises from or is based upon: (a) Customer Data, Customer-Provided Equipment, Non-Motorola Content, or third-party equipment, hardware, software, data, or other third-party materials; (b) the combination of the Product or Service with any products or materials not provided by Motorola; (c) a Product or Service designed, modified, or manufactured in accordance with Customer's designs, specifications, guidelines or instructions; (d) a modification of the Product or Service by a party other than Motorola; (e) use of the Product or Service in a manner for which the Product or Service was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Customer to use or install an update to the Product or Service that is intended to correct the claimed infringement. In no event will Motorola's liability resulting from an Infringement Claim extend in any way to any payments due on a royalty basis, other than a reasonable royalty based upon revenue derived by Motorola from Customer from sales or license of the Infringing Product.
- 7.2.3. This **Section 7.2 – Intellectual Property Infringement** provides Customer's sole and exclusive remedies and Motorola's entire liability in the event of an Infringement Claim. For clarity, the rights and remedies provided in this Section are subject to, and limited by, the restrictions set forth in **Section 8 – Limitation of Liability** below.

7.3. Customer Indemnity. Customer will defend, indemnify, and hold Motorola and its subcontractors, subsidiaries and other affiliates harmless from and against any and all damages, losses, liabilities, and expenses (including reasonable fees and expenses of attorneys) arising from any actual or threatened third-party claim, demand, action, or proceeding arising from or related to (a) Customer-Provided Equipment, Customer Data, or Non-Motorola Content, including any claim, demand, action, or proceeding alleging that any such equipment, data, or materials (or the integration or use thereof with the Products and Services) infringes or misappropriates a third-party intellectual property or other right, violates applicable law, or breaches the Agreement; (b) Customer-Provided Equipment's failure to meet the minimum requirements set forth in the applicable Documentation or match the applicable specifications provided to Motorola by Customer in connection with the Products or Services; (c) Customer's (or its service providers, agents, employees, or Authorized User's) negligence or willful misconduct; and (d) Customer's or its Authorized User's breach of this Agreement. This indemnity will not apply to the extent any such claim is caused by Motorola's use of Customer-Provided Equipment, Customer Data, or Non-Motorola Content in violation of the Agreement. Motorola will give Customer prompt, written notice of any claim subject to the foregoing indemnity. Motorola will, at its own expense, cooperate with Customer in its defense or settlement of the claim.

8. Limitation of Liability.

8.1. DISCLAIMER OF CONSEQUENTIAL DAMAGES. EXCEPT FOR PERSONAL INJURY OR DEATH, MOTOROLA, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SUBCONTRACTORS, AGENTS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE “**MOTOROLA PARTIES**”) WILL NOT BE LIABLE IN CONNECTION WITH THIS AGREEMENT (WHETHER UNDER MOTOROLA’S INDEMNITY OBLIGATIONS, A CAUSE OF ACTION FOR BREACH OF CONTRACT, UNDER TORT THEORY, OR OTHERWISE) FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR DAMAGES FOR LOST PROFITS OR REVENUES, EVEN IF MOTOROLA HAS BEEN ADVISED BY CUSTOMER OR ANY THIRD PARTY OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES AND WHETHER OR NOT SUCH DAMAGES OR LOSSES ARE FORESEEABLE.

8.2. DIRECT DAMAGES. EXCEPT FOR PERSONAL INJURY OR DEATH, THE TOTAL AGGREGATE LIABILITY OF THE MOTOROLA PARTIES, WHETHER BASED ON A CLAIM IN CONTRACT OR IN TORT, LAW OR EQUITY, RELATING TO OR ARISING OUT OF THE AGREEMENT WILL NOT EXCEED THE FEES SET FORTH IN THE ORDERING DOCUMENT UNDER WHICH THE CLAIM AROSE. NOTWITHSTANDING THE FOREGOING, FOR ANY SUBSCRIPTION SOFTWARE OR FOR ANY RECURRING SERVICES, THE MOTOROLA PARTIES’ TOTAL LIABILITY FOR ALL CLAIMS RELATED TO SUCH PRODUCT OR RECURRING SERVICES IN THE AGGREGATE WILL NOT EXCEED THE TOTAL FEES PAID FOR SUCH SUBSCRIPTION SOFTWARE OR RECURRING SERVICE, AS APPLICABLE, DURING THE CONSECUTIVE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT FROM WHICH THE FIRST CLAIM AROSE.

8.3. ADDITIONAL EXCLUSIONS. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, MOTOROLA WILL HAVE NO LIABILITY FOR DAMAGES ARISING OUT OF (A) CUSTOMER DATA, INCLUDING ITS TRANSMISSION TO MOTOROLA, OR ANY OTHER DATA AVAILABLE THROUGH THE PRODUCTS OR SERVICES; (B) CUSTOMER-PROVIDED EQUIPMENT, NON-MOTOROLA CONTENT, THE SITES, OR THIRD-PARTY EQUIPMENT, HARDWARE, SOFTWARE, DATA, OR OTHER THIRD-PARTY MATERIALS, OR THE COMBINATION OF PRODUCTS AND SERVICES WITH ANY OF THE FOREGOING; (C) LOSS OF DATA OR HACKING; (D) MODIFICATION OF PRODUCTS OR SERVICES BY ANY PERSON OTHER THAN MOTOROLA; (E) RECOMMENDATIONS PROVIDED IN CONNECTION WITH OR BY THE PRODUCTS AND SERVICES; (F) DATA RECOVERY SERVICES OR DATABASE MODIFICATIONS; OR (G) CUSTOMER’S OR ANY AUTHORIZED USER’S BREACH OF THIS AGREEMENT OR MISUSE OF THE PRODUCTS AND SERVICES.

8.4. Voluntary Remedies. Motorola is not obligated to remedy, repair, replace, or refund the purchase price for the disclaimed issues in **Section 8.3 – Additional Exclusions** above, but if Motorola agrees to provide Services to help resolve such issues, Customer will reimburse Motorola for its reasonable time and expenses, including by paying Motorola any Fees set forth in an Ordering Document for such Services, if applicable.

8.5. Statute of Limitations. Customer may not bring any claims against a Motorola Party in connection with this Agreement or the Products and Services more than one (1) year after the date of accrual of the cause of action.

9. Confidentiality.

9.1. Confidential Information. “**Confidential Information**” means any and all non-public information provided by one Party (“**Discloser**”) to the other (“**Recipient**”) that is disclosed under this Agreement in oral, written, graphic, machine recognizable, or sample form, being clearly designated, labeled or marked as confidential or its equivalent or that a reasonable businessperson would consider non-public and confidential by its nature. With respect to

Motorola, Confidential Information will also include Products and Services, and Documentation, as well as any other information relating to the Products and Services. The nature and existence of this Agreement are considered Confidential Information of the Parties. In order to be considered Confidential Information, information that is disclosed orally must be identified as confidential at the time of disclosure and confirmed by Discloser by submitting a written document to Recipient within thirty (30) days after such disclosure. The written document must contain a summary of the Confidential Information disclosed with enough specificity for identification purpose and must be labeled or marked as confidential or its equivalent.

9.2. Obligations of Confidentiality. During the Term and for a period of three (3) years from the expiration or termination of this Agreement, Recipient will (a) not disclose Confidential Information to any third party, except as expressly permitted in this **Section 9 - Confidentiality**; (b) restrict disclosure of Confidential Information to only those employees (including, employees of any wholly owned subsidiary, a parent company, any other wholly owned subsidiaries of the same parent company), agents or consultants who must access the Confidential Information for the purpose of, and who are bound by confidentiality terms substantially similar to those in, this Agreement; (c) not copy, reproduce, reverse engineer, de-compile or disassemble any Confidential Information; (d) use the same degree of care as for its own information of like importance, but at least use reasonable care, in safeguarding against disclosure of Confidential Information; (e) promptly notify Discloser upon discovery of any unauthorized use or disclosure of the Confidential Information and take reasonable steps to regain possession of the Confidential Information and prevent further unauthorized actions or other breach of this Agreement; and (f) only use the Confidential Information as needed to fulfill its obligations and secure its rights under this Agreement.

9.3. Exceptions. Recipient is not obligated to maintain as confidential any information that Recipient can demonstrate by documentation (a) is publicly available at the time of disclosure or becomes available to the public without breach of this Agreement; (b) is lawfully obtained from a third party without a duty of confidentiality to Discloser; (c) is otherwise lawfully known to Recipient prior to such disclosure without a duty of confidentiality to Discloser; or (d) is independently developed by Recipient without the use of, or reference to, any of Discloser's Confidential Information or any breach of this Agreement. Additionally, Recipient may disclose Confidential Information to the extent required by law, including a judicial or legislative order or proceeding.

9.4. Ownership of Confidential Information. All Confidential Information is and will remain the property of Discloser and will not be copied or reproduced without the express written permission of Discloser (including as permitted herein). Within ten (10) days of receipt of Discloser's written request, Recipient will return or destroy all Confidential Information to Discloser along with all copies and portions thereof, or certify in writing that all such Confidential Information has been destroyed. However, Recipient may retain (a) one (1) archival copy of the Confidential Information for use only in case of a dispute concerning this Agreement and (b) Confidential Information that has been automatically stored in accordance with Recipient's standard backup or recordkeeping procedures, provided, however that Recipient will remain subject to the obligations of this Agreement with respect to any Confidential Information retained subject to clauses (a) or (b). No license, express or implied, in the Confidential Information is granted to the Recipient other than to use the Confidential Information in the manner and to the extent authorized by this Agreement. Discloser represents and warrants that it is authorized to disclose any Confidential Information it discloses pursuant to this Agreement.

10. Proprietary Rights; Data; Feedback.

10.1. Data Definitions. The following terms will have the stated meanings: "**Customer Contact Data**" means data Motorola collects from Customer, its Authorized Users, and their end users

for business contact purposes, including marketing, advertising, licensing and sales purposes; “**Service Use Data**” means data generated by Customer’s use of the Products and Services or by Motorola’s support of the Products and Services, including personal information, product performance and error information, activity logs and date and time of use; “**Customer Data**” means data, information, and content, including images, text, videos, documents, audio, telemetry, location and structured data base records, provided by, through, or on behalf of Customer, its Authorized Users, and their end users through the use of the Products and Services. Customer Data does not include Customer Contact Data, Service Use Data, or information from publicly available sources or other Third-Party Data or Motorola Data; “**Third-Party Data**” means information obtained by Motorola from publicly available sources or its third party content providers and made available to Customer through the Products or Services; “**Motorola Data**” means data owned or licensed by Motorola; “**Feedback**” means comments or information, in oral or written form, given to Motorola by Customer or Authorized Users, including their end users, in connection with or relating to the Products or Services; and “**Process**” or “**Processing**” means any operation or set of operations which is performed on personal information or on sets of personal information, whether or not by automated means, such as collection, recording, copying, analyzing, caching, organization, structuring, storage, adaptation, or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

10.2. Motorola Materials. Customer acknowledges that Motorola may use or provide Customer with access to software, tools, data, and other materials, including designs, utilities, models, methodologies, systems, and specifications, which Motorola has developed or licensed from third parties (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, or derivative works of the foregoing, whether made by Motorola or another party) (collectively, “**Motorola Materials**”). The Products and Services, Motorola Data, Third-Party Data, and Documentation, are considered Motorola Materials. Except when Motorola has expressly transferred title or other interest to Customer by way of an Addendum or Ordering Document, the Motorola Materials are the property of Motorola or its licensors, and Motorola or its licensors retain all right, title and interest in and to the Motorola Materials (including, all rights in patents, copyrights, trademarks, trade names, trade secrets, know-how, other intellectual property and proprietary rights, and all associated goodwill and moral rights). For clarity, this Agreement does not grant to Customer any shared development rights in or to any Motorola Materials or other intellectual property, and Customer agrees to execute any documents and take any other actions reasonably requested by Motorola to effectuate the foregoing. Motorola and its licensors reserve all rights not expressly granted to Customer, and no rights, other than those expressly granted herein, are granted to Customer by implication, estoppel or otherwise. Customer will not modify, disassemble, reverse engineer, derive source code or create derivative works from, merge with other software, distribute, sublicense, sell, or export the Products and Services or other Motorola Materials, or permit any third party to do so.

10.3. Ownership of Customer Data. Customer retains all right, title and interest, including intellectual property rights, if any, in and to Customer Data. Motorola acquires no rights to Customer Data except those rights granted under this Agreement including the right to Process and use the Customer Data as set forth in **Section 10.4 – Processing Customer Data** below and in other applicable Addenda. The Parties agree that with regard to the Processing of personal information which may be part of Customer Data, Customer is the controller and Motorola is the processor, and may engage sub-processors pursuant to **Section 10.4.3 – Sub-processors**.

10.4. Processing Customer Data.

10.4.1. Motorola Use of Customer Data. To the extent permitted by law, Customer grants Motorola and its subcontractors a right to use Customer Data and a royalty-free, worldwide, non-exclusive license to use Customer Data (including to process, host, cache, store, reproduce, copy, modify, combine, analyze, create derivative works from such Customer Data and to communicate, transmit, and distribute such Customer Data to third parties engaged by Motorola) to (a) perform Services and provide Products under the Agreement, (b) analyze the Customer Data to operate, maintain, manage, and improve Motorola Products and Services, and (c) create new products and services. Customer agrees that this Agreement, along with the Documentation, are Customer's complete and final documented instructions to Motorola for the processing of Customer Data. Any additional or alternate instructions must be agreed to according to the Change Order process. Customer represents and warrants to Motorola that Customer's instructions, including appointment of Motorola as a processor or sub-processor, have been authorized by the relevant controller.

10.4.2. Collection, Creation, Use of Customer Data. Customer further represents and warrants that the Customer Data, Customer's collection, creation, and use of the Customer Data (including in connection with Motorola's Products and Services), and Motorola's use of such Customer Data in accordance with the Agreement, will not violate any laws or applicable privacy notices or infringe any third-party rights (including intellectual property and privacy rights). Customer also represents and warrants that the Customer Data will be accurate and complete, and that Customer has obtained all required consents, provided all necessary notices, and met any other applicable legal requirements with respect to collection and use (including Motorola's and its subcontractors' use) of the Customer Data as described in the Agreement.

10.4.3. Sub-processors. Customer agrees that Motorola may engage sub-processors who in turn may engage additional sub-processors to Process personal data in accordance with this Agreement. When engaging sub-processors, Motorola will enter into agreements with the sub-processors to bind them to data processing obligations to the extent required by law.

10.5. Data Retention and Deletion. Except for anonymized Customer Data, as described above, or as otherwise provided under the Agreement, Motorola will delete all Customer Data following termination or expiration of this MCA or the applicable Addendum or Ordering Document, with such deletion to occur no later than ninety (90) days following the applicable date of termination or expiration, unless otherwise required to comply with applicable law. Any requests for the exportation or download of Customer Data must be made by Customer to Motorola in writing before expiration or termination, subject to **Section 13.9 – Notices**. Motorola will have no obligation to retain such Customer Data beyond expiration or termination unless the Customer has purchased extended storage from Motorola through a mutually executed Ordering Document.

10.6. Service Use Data. Customer understands and agrees that Motorola may collect and use Service Use Data for its own purposes, including the uses described below. Motorola may use Service Use Data to (a) operate, maintain, manage, and improve existing and create new products and services, (b) test products and services, (c) to aggregate Service Use Data and combine it with that of other users, and (d) to use anonymized or aggregated data for marketing, research or other business purposes. Service Use Data may be disclosed to third parties. It is Customer's responsibility to notify Authorized Users of Motorola's collection and use of Service Use Data and to obtain any required consents, provide all necessary notices, and meet any other applicable legal requirements with respect to such collection and use, and Customer

represents and warrants to Motorola that it has complied and will continue to comply with this Section.

10.7. Third-Party Data and Motorola Data. Motorola Data and Third-Party Data may be available to Customer through the Products and Services. Customer and its Authorized Users may use Motorola Data and Third-Party Data as permitted by Motorola and the applicable Third-Party Data provider, as described in the applicable Addendum. Unless expressly permitted in the applicable Addendum, Customer will not, and will ensure its Authorized Users will not: (a) use the Motorola Data or Third-Party Data for any purpose other than Customer's internal business purposes; (b) disclose the data to third parties; (c) "white label" such data or otherwise misrepresent its source or ownership, or resell, distribute, sublicense, or commercially exploit the data in any manner; (d) use such data in violation of applicable laws; (e) remove, obscure, alter, or falsify any marks or proprietary rights notices indicating the source, origin, or ownership of the data; or (f) modify such data or combine it with Customer Data or other data or use the data to build databases. Additional restrictions may be set forth in the applicable Addendum. Any rights granted to Customer or Authorized Users with respect to Motorola Data or Third-Party Data will immediately terminate upon termination or expiration of the applicable Addendum, Ordering Document, or this MCA. Further, Motorola or the applicable Third-Party Data provider may suspend, change, or terminate Customer's or any Authorized User's access to Motorola Data or Third-Party Data if Motorola or such Third-Party Data provider believes Customer's or the Authorized User's use of the data violates the Agreement, applicable law or Motorola's agreement with the applicable Third-Party Data provider. Upon termination of Customer's rights to use any Motorola Data or Third-Party Data, Customer and all Authorized Users will immediately discontinue use of such data, delete all copies of such data, and certify such deletion to Motorola. Notwithstanding any provision of the Agreement to the contrary, Motorola will have no liability for Third-Party Data or Motorola Data available through the Products and Services. Motorola and its Third-Party Data providers reserve all rights in and to Motorola Data and Third-Party Data not expressly granted in an Addendum or Ordering Document.

10.8. Feedback. Any Feedback provided by Customer is entirely voluntary, and will not create any confidentiality obligation for Motorola, even if designated as confidential by Customer. Motorola may use, reproduce, license, and otherwise distribute and exploit the Feedback without any obligation or payment to Customer or Authorized Users and Customer represents and warrants that it has obtained all necessary rights and consents to grant Motorola the foregoing rights.

10.9. Improvements; Products and Services. The Parties agree that, notwithstanding any provision of this MCA or the Agreement to the contrary, all fixes, modifications and improvements to the Services or Products conceived of or made by or on behalf of Motorola that are based either in whole or in part on the Feedback, Customer Data, or Service Use Data (or otherwise) are the exclusive property of Motorola and all right, title and interest in and to such fixes, modifications or improvements will vest solely in Motorola. Customer agrees to execute any written documents necessary to assign any intellectual property or other rights it may have in such fixes, modifications or improvements to Motorola.

11. Force Majeure; Delays Caused by Customer.

11.1. Force Majeure. Except for Customer's payment obligations hereunder, neither Party will be responsible for nonperformance or delayed performance due to events outside of its reasonable control. If performance will be significantly delayed, the affected Party will provide notice to the other Party, and the Parties will agree (in writing) upon a reasonable extension to any applicable performance schedule.

11.2. Delays Caused by Customer. Motorola's performance of the Products and Services will be excused for delays caused by Customer or its Authorized Users or subcontractors, or by failure of any assumptions set forth in this Agreement (including in any Addendum or Ordering Document). In the event of a delay under this **Section 11.2 – Delays Caused by Customer**, (a) Customer will continue to pay the Fees as required hereunder, (b) the Parties will agree (in writing) upon a reasonable extension to any applicable performance schedule, and (c) Customer will compensate Motorola for its out-of-pocket costs incurred due to the delay (including those incurred by Motorola's affiliates, vendors, and subcontractors).

12. Disputes. The Parties will use the following procedure to resolve any disputes relating to or arising out of this Agreement (each, a "**Dispute**"):

12.1. Governing Law. All matters relating to or arising out of the Agreement are governed by the laws of the State of Illinois, unless Customer is the United States Government (or an agency thereof), in which case all matters relating to or arising out of the Agreement will be governed by the laws of the State in which the Products and Services are provided. The terms of the U.N. Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transactions Act will not apply.

12.2. Negotiation; Mediation. Either Party may initiate dispute resolution procedures by sending a notice of Dispute ("**Notice of Dispute**") to the other Party. The Parties will attempt to resolve the Dispute promptly through good faith negotiations, including timely escalation of the Dispute to executives who have authority to settle the Dispute (and who are at a higher level of management than the persons with direct responsibility for the matter). If a Dispute is not resolved through negotiation, either Party may initiate mediation by sending a notice of mediation ("**Notice of Mediation**") to the other Party. The Parties will choose an independent mediator within thirty (30) days of such Notice of Mediation. Neither Party may unreasonably withhold consent to the selection of a mediator, but if the Parties are unable to agree upon a mediator, either Party may request that the American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will be represented at the mediation by a business executive with authority to settle the Dispute. All in person meetings under this **Section 12.2 – Negotiation; Mediation** will take place in Chicago, Illinois, and all communication relating to the Dispute resolution will be maintained in strict confidence by the Parties. Notwithstanding the foregoing, any Dispute arising from or relating to Motorola's intellectual property rights will not be subject to negotiation or mediation in accordance with this Section, but instead will be decided by a court of competent jurisdiction, in accordance with **Section 12.3 – Litigation, Venue, Jurisdiction** below.

12.3. Litigation, Venue, Jurisdiction. If the Dispute has not been resolved by mediation within sixty (60) days from the Notice of Mediation, either Party may submit the Dispute exclusively to a court in Cook County, Illinois. Each Party expressly consents to the exclusive jurisdiction of such courts for resolution of any Dispute and to enforce the outcome of any mediation.

13. General.

13.1. Compliance with Laws. Each Party will comply with applicable laws in connection with the performance of its obligations under this Agreement, including that Customer will ensure its and its Authorized Users' use of the Products and Services complies with law (including privacy laws), and Customer will obtain any FCC and other licenses or authorizations (including licenses or authorizations required by foreign regulatory bodies) required for its and its Authorized Users' use of the Products and Services. Motorola may, at its discretion, cease providing or otherwise modify Products and Services (or any terms related thereto in an Addendum or Ordering Document), in order to comply with any changes in applicable law.

13.2. Audit; Monitoring. Motorola will have the right to monitor and audit use of the Products, which may also include access by Motorola to Customer Data and Service Use Data. Customer will provide notice of such monitoring to its Authorized Users and obtain any required consents, including individual end users, and will cooperate with Motorola in any monitoring or audit. Customer will maintain during the Term, and for two (2) years thereafter, accurate records relating to any software licenses granted under this Agreement to verify compliance with this Agreement. Motorola or a third party (“**Auditor**”) may inspect Customer’s and, as applicable, Authorized Users’ premises, books, and records. Motorola will pay expenses and costs of the Auditor, unless Customer is found to be in violation of the terms of the Agreement, in which case Customer will be responsible for such expenses and costs.

13.3. Assignment and Subcontracting. Neither Party may assign or otherwise transfer this Agreement without the prior written approval of the other Party. Motorola may assign or otherwise transfer this Agreement or any of its rights or obligations under this Agreement without consent (a) for financing purposes, (b) in connection with a merger, acquisition or sale of all or substantially all of its assets, (c) as part of a corporate reorganization, or (d) to a subsidiary corporation. Subject to the foregoing, this Agreement will be binding upon the Parties and their respective successors and assigns.

13.4. Waiver. A delay or omission by either Party to exercise any right under this Agreement will not be construed to be a waiver of such right. A waiver by either Party of any of the obligations to be performed by the other, or any breach thereof, will not be construed to be a waiver of any succeeding breach or of any other obligation. All waivers must be in writing and signed by the Party waiving its rights.

13.5. Severability. If any provision of the Agreement is found by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, such provision will be deemed to be modified to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law. The remaining provisions of this Agreement will not be affected, and each such provision will be valid and enforceable to the full extent permitted by applicable law.

13.6. Independent Contractors. Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership, or formal business organization of any kind.

13.7. Third-Party Beneficiaries. The Agreement is entered into solely between, and may be enforced only by, the Parties. Each Party intends that the Agreement will not benefit, or create any right or cause of action in or on behalf of, any entity other than the Parties. Notwithstanding the foregoing, a licensor or supplier of third-party software included in the software Products will be a direct and intended third-party beneficiary of this Agreement.

13.8. Interpretation. The section headings in this Agreement are included only for convenience. The words “including” and “include” will be deemed to be followed by the phrase “without limitation”. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

13.9. Notices. Notices required under this Agreement to be given by one Party to the other must be in writing and either personally delivered or sent to the address provided by the other Party by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as FedEx, UPS, or DHL), and will be effective upon receipt.

13.10. Cumulative Remedies. Except as specifically stated in this Agreement, all remedies provided for in this Agreement will be cumulative and in addition to, and not in lieu of, any other remedies available to either Party at law, in equity, by contract, or otherwise. Except as specifically stated in this Agreement, the election by a Party of any remedy provided for in this Agreement or otherwise available to such Party will not preclude such Party from pursuing any other remedies available to such Party at law, in equity, by contract, or otherwise.

13.11. Survival. The following provisions will survive the expiration or termination of this Agreement for any reason: **Section 2.4 – Customer Obligations; Section 3.4 – Effect of Termination or Expiration; Section 4 – Payment and Invoicing; Section 6.5 – Warranty Disclaimer; Section 7.3 – Customer Indemnity; Section 8 – Limitation of Liability; Section 9 – Confidentiality; Section 10 – Proprietary Rights; Data; Feedback; Section 11 – Force Majeure; Delays Caused by Customer; Section 12 – Disputes; and Section 13 – General.**

13.12. Entire Agreement. This Agreement, including all Addenda and Ordering Documents, constitutes the entire agreement of the Parties regarding the subject matter hereto, and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be executed in multiple counterparts, and will have the same legal force and effect as if the Parties had executed it as a single document. The Parties may sign in writing or by electronic signature. An electronic signature, facsimile copy, or computer image of a signature, will be treated, and will have the same effect as an original signature, and will have the same effect, as an original signed copy of this document. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Customer purchase order, acknowledgment, or other form will not be considered an amendment or modification or part of this Agreement, even if a representative of each Party signs such document.

The Parties hereby enter into this MCA as of the Effective Date.

Motorola: Motorola Solutions, Inc.

Customer: [REDACTED]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Equipment Purchase and Software License Addendum

This Equipment Purchase and Software License Addendum (this “**EPSLA**”) is entered into between Motorola Solutions, Inc., with offices at 500 W. Monroe Street, Suite 4400, Chicago, IL 60661 (“**Motorola**”) and the entity set forth in the signature block below or in the MCA (“**Customer**”), and will be subject to, and governed by, the terms of the Master Customer Agreement entered into between the Parties, effective as of [REDACTED] (the “**MCA**”). Capitalized terms used in this EPSLA, but not defined herein, will have the meanings set forth in the MCA.

1. Addendum. This EPSLA governs Customer’s purchase of Equipment and license of Licensed Software (and, if set forth in an Ordering Document, related Services) from Motorola, and will form part of the Parties’ Agreement.

2. Delivery of Equipment and Licensed Software.

2.1. Delivery and Risk of Loss. Motorola will provide to Customer the Products (and, if applicable, related Services) set forth in an Ordering Document, in accordance with the terms of the Agreement. Motorola will, using commercially reasonable practices, pack the ordered Equipment and ship such Equipment to the Customer address set forth in the applicable Ordering Document or otherwise provided by Customer in writing, using a carrier selected by Motorola. Notwithstanding the foregoing, delivery of Equipment (and any incorporated Licensed Software) will occur, and title and risk of loss for the Equipment will pass to Customer, upon shipment by Motorola in accordance with Ex Works, Motorola’s premises (Incoterms 2020). Customer will pay all shipping costs, taxes, and other charges applicable to the shipment and import or export of the Products and Services, as applicable, and Customer will be responsible for reporting the Products for personal property tax purposes. Delivery of Licensed Software for installation on Equipment or Customer-Provided Equipment will occur upon the earlier of (a) electronic delivery of the Licensed Software by Motorola, and (b) the date Motorola otherwise makes the Licensed Software available for download by Customer. If agreed upon in an Ordering Document, Motorola will also provide Services related to such Products.

2.2. Delays. Any shipping dates set forth in an Ordering Document are approximate, and while Motorola will make reasonable efforts to ship Products by any such estimated shipping date, Motorola will not be liable for any delay or related damages to Customer. Time for delivery will not be of the essence, and delays will not constitute grounds for cancellation, penalties, termination, or a refund.

2.3. Beta Services. If Motorola makes any beta version of a software application (“**Beta Service**”) available to Customer, Customer may choose to use such Beta Service at its own discretion, provided, however, that Customer will use the Beta Service solely for purposes of Customer’s evaluation of such Beta Service, and for no other purpose. Customer acknowledges and agrees that all Beta Services are offered “as-is” and without any representations or warranties or other commitments or protections from Motorola. Motorola will determine the duration of the evaluation period for any Beta Service, in its sole discretion, and Motorola may discontinue any Beta Service at any time. Customer acknowledges that Beta Services, by their nature, have not been fully tested and may contain defects or deficiencies.

3. Licensed Software License and Restrictions.

3.1. Licensed Software License. Subject to Customer’s and its Authorized Users’ compliance with the Agreement (including payment terms), Motorola hereby grants Customer and its

Authorized Users a limited, non-transferable, non-sublicenseable, and non-exclusive license to use the Licensed Software identified in an Ordering Document, in object code form only, and the associated Documentation, solely in connection with the Equipment provided by Motorola or authorized Customer-Provided Equipment (as applicable, the “**Designated Products**”) and solely for Customer’s internal business purposes. Unless otherwise stated in an Addendum or the Ordering Document, the foregoing license grant will be limited to the number of licenses set forth in the applicable Ordering Document and will continue for the life of the applicable Designated Product. Except as otherwise permitted in an applicable Addendum or Ordering Document, Customer may install, access, and use Licensed Software only in Customer’s owned or controlled facilities, including any authorized mobile sites; provided, however, that Authorized Users using authorized mobile or handheld devices may also log into and access the Licensed Software remotely from any location.

3.2. Subscription License Model. If the Parties mutually agree that any Licensed Software purchased under this EPSLA will be replaced with or upgraded to Subscription Software, then upon such time which the Parties execute the applicable Ordering Document, the licenses granted under this EPSLA will automatically terminate, and such Subscription Software will be governed by the terms of the applicable Addendum under this Agreement.

3.3. Customer Restrictions. Customers and Authorized Users will comply with the applicable Documentation in connection with their use of the Products. Customer will not and will not allow others, including the Authorized Users, to: (a) make the Licensed Software available for use by unauthorized third parties, including via a commercial rental or sharing arrangement; (b) reverse engineer, disassemble, or reprogram the Licensed Software or any portion thereof to a human-readable form; (c) modify, create derivative works of, or merge the Licensed Software with other software or equipment; (d) copy, reproduce, distribute, lend, lease, or transfer the Licensed Software or Documentation for or to any third party without the prior express written permission of Motorola; (e) take any action that would cause the Licensed Software or Documentation to be placed in the public domain; (f) use the Licensed Software to compete with Motorola; or (g) remove, alter, or obscure, any copyright or other notice.

3.4. Copies. Customer may make one (1) copy of the Licensed Software solely for archival, back-up, or disaster recovery purposes during the term of the applicable Licensed Software license. Customer may make as many copies of the Documentation reasonably required for the internal use of the Licensed Software during such Licensed Software’s license term. Unless otherwise authorized by Motorola in writing, Customer will not, and will not enable or allow any third party to: (a) install a licensed copy of the Licensed Software on more than one (1) unit of a Designated Product; or (b) copy onto or transfer Licensed Software installed in a unit of a Designated Product onto another device. Customer may temporarily transfer Licensed Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Customer provides written notice to Motorola of the temporary transfer and identifies the device on which the Licensed is transferred. Temporary transfer of the Licensed Software to another device must be discontinued when the original Designated Product is returned to operation and the Licensed Software must be removed from the other device. Customer must provide prompt written notice to Motorola at the time temporary transfer is discontinued.

3.5. Resale of Equipment. Equipment contains embedded Licensed Software. If Customer desires to sell its used Equipment to a third party, Customer must first receive prior written authorization from Motorola and obtain written acceptance of the applicable Licensed Software license terms, including the obligation to pay relevant license fees, from such third party.

4. Term.

4.1. Term. The term of this EPSLA (the “**EPSLA Term**”) will commence upon either (a) the Effective Date of the MCA, if this EPSLA is attached to the MCA as of such Effective Date, or (b) the EPSLA Date set forth on the signature page below, if this EPSLA is executed after the MCA Effective Date, and will continue until the later of (i) three (3) years after the first order for Products is placed via an Ordering Document, or (ii) the expiration of all applicable warranty periods (as set forth in **Section 6.1 – Motorola Warranties** below) under this EPSLA, unless this EPSLA or the Agreement is earlier terminated in accordance with the terms of the Agreement.

4.2. Termination. Notwithstanding the termination provisions of the MCA, Motorola may terminate this EPSLA (and any Ordering Documents hereunder) immediately upon notice to Customer if Customer breaches **Section 3 – Licensed Software License and Restrictions** of this EPSLA, or any other provision related to Licensed Software license scope or restrictions set forth in an Ordering Document, EULA, or other applicable Addendum. For clarity, upon termination or expiration of the EPSLA Term, all Motorola obligations under this EPSLA (including with respect to Equipment and Licensed Software delivered hereunder) will terminate. If Customer desires to purchase additional Services in connection with such Equipment or Licensed Software, Customer may enter into a separate Addendum with Motorola, governing such Services. Customer acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Licensed Software and Documentation, and that Customer’s breach of the Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Licensee breaches this Agreement, in addition to termination, Motorola will be entitled to all available remedies at law or in equity, including immediate injunctive relief and repossession of all non-embedded Licensed Software and associated Documentation.

4.3. Equipment as a Service. In the event that Customer purchases any Equipment at a price below the MSRP for such Equipment in connection Customer entering into a fixed- or minimum required-term agreement for Subscription Software, and Customer or Motorola terminates the Agreement, this EPSLA, or other applicable Addendum (such as the Addendum governing the purchase of such Subscription Software) prior to the expiration of such fixed- or minimum required-term, then Motorola will have the right to invoice Customer for, and Customer will pay, the amount of the discount to the MSRP for the Equipment or such other amount set forth in the applicable Addendum or Ordering Document. This Section will not limit any other remedies Motorola may have with respect to an early termination.

5. Payment. Customer will pay invoices for the Products and Services provided under this EPSLA in accordance with the invoice payment terms set forth in the MCA. Generally, invoices are issued after shipment of Equipment or upon Motorola’s delivery of Licensed Software (in accordance with **Section 2.1 – Delivery and Risk of Loss**), as applicable, but if a specific invoicing or payment schedule is set forth in the applicable Ordering Document, EULA or other Addendum, such schedule will control with respect to the applicable Products and Services referenced therein. Motorola will have the right to suspend future deliveries of Products and Services if Customer fails to make any payments when due.

6. Representations and Warranties; Liability.

6.1. Motorola Warranties. Subject to the disclaimers and exclusions set forth in the MCA and this EPSLA, (a) for a period of one (1) year commencing upon the delivery of Motorola-manufactured Equipment under **Section 2.1 – Delivery and Risk of Loss**, Motorola represents and warrants that such Motorola-manufactured Equipment, under normal use, will be free from

material defects in materials and workmanship; (b) to the extent permitted by the providers of third-party software or hardware included in the Products and Services, Motorola will pass through to Customer any warranties provided by such third parties, which warranties will apply for the period defined by the applicable third party; and (c) for a period of ninety (90) days commencing upon the delivery of Motorola-owned Licensed Software under **Section 2.1 – Delivery and Risk of Loss**, Motorola represents and warrants that such Licensed Software, when used in accordance with the Documentation and the Agreement, will be free from reproducible defects that prevent operation of features critical to the primary functionality or successful operation of the Motorola-developed Licensed Software (as determined by Motorola). The warranty set forth in subsection (c) will be referred to as the “**Motorola Licensed Software Warranty**”. As Customer’s sole and exclusive remedy for any breach of the Motorola Licensed Software Warranty, Motorola will use commercially reasonable efforts to remedy the material defect in the applicable Licensed Software; provided, however, that if Motorola does not remedy such material defect within a reasonable time, then at Motorola’s sole option, Motorola will either replace the defective Licensed Software with functionally-equivalent software, provide substitute software to Customer, or terminate the applicable software license and refund any paid license fees to Customer on a pro-rata basis. For clarity, the Motorola Licensed Software Warranty applies only to the most current version of the Licensed Software issued by Motorola, and issuance of updated versions of any Licensed Software does not result in a renewal or extension of the Motorola Licensed Software Warranty beyond the ninety (90) day warranty period.

6.2. ADDITIONAL EXCLUSIONS. IN ADDITION TO THE EXCLUSIONS FROM DAMAGES SET FORTH IN THE MCA, AND NOTWITHSTANDING ANY PROVISION OF THE AGREEMENT TO THE CONTRARY, MOTOROLA WILL HAVE NO LIABILITY FOR (A) DEFECTS IN OR DAMAGE TO PRODUCTS RESULTING FROM USE OTHER THAN IN THE NORMAL AUTHORIZED MANNER, OR FROM ACCIDENT, LIQUIDS, OR NEGLIGENCE; (B) TESTING, MAINTENANCE, REPAIR, INSTALLATION, OR MODIFICATION BY PARTIES OTHER THAN MOTOROLA; (C) CUSTOMER’S OR ANY AUTHORIZED USER’S FAILURE TO COMPLY WITH INDUSTRY AND OSHA OR OTHER LEGAL STANDARDS; (D) DAMAGE TO RADIO ANTENNAS, UNLESS CAUSED BY DEFECTS IN MATERIAL OR WORKMANSHIP; (E) EQUIPMENT WITH NO SERIAL NUMBER; (F) BATTERIES OR CONSUMABLES; (G) FREIGHT COSTS FOR SHIPMENT TO REPAIR DEPOTS; (H) COSMETIC DAMAGE THAT DOES NOT AFFECT OPERATION; (I) NORMAL WEAR AND TEAR; (J) ISSUES OR OBSOLESCENCE OF LICENSED SOFTWARE DUE TO CHANGES IN CUSTOMER OR AUTHORIZED USER REQUIREMENTS, EQUIPMENT, OR SYSTEMS; (K) TRACKING AND LOCATION-BASED SERVICES; OR (L) BETA SERVICES.

6.3. Voluntary Remedies. Motorola is not obligated to remedy, repair, replace, or refund the purchase price for the disclaimed or excluded issues in the MCA or **Section 6.2 – Additional Exclusions** above, but if Motorola agrees to provide Services to help resolve such issues, Customer will reimburse Motorola for its reasonable time and expenses, including by paying Motorola any Fees set forth in an Ordering Document for such Services, if applicable.

7. Copyright Notices. The existence of a copyright notice on any Licensed Software will not be construed as an admission or presumption of publication of the Licensed Software or public disclosure of any trade secrets associated with the Licensed Software.

8. Survival. The following provisions will survive the expiration or termination of this EPSLA for any reason: **Section 3 – Licensed Software License and Restrictions; Section 4 – Term; Section 5 – Payment; Section 6.2 – Additional Exclusions; Section 8 – Survival.**

Subscription Software Addendum

This Subscription Software Addendum (this “**SSA**”) is entered into between Motorola Solutions, Inc., with offices at 500 W. Monroe Street, Suite 4400, Chicago, IL 60661 (“**Motorola**”) and the entity set forth in the signature block below or in the MCA (“**Customer**”), and will be subject to, and governed by, the terms of the Master Customer Agreement entered into between the Parties, effective as of [REDACTED] (the “**MCA**”). Capitalized terms used in this SSA, but not defined herein, will have the meanings set forth in the MCA.

1. Addendum. This SSA governs Customer’s purchase of Subscription Software (and, if set forth in an Ordering Document, related Services) from Motorola, and will form part of the Parties’ Agreement. Additional Subscription Software-specific Addenda or other terms and conditions may apply to certain Subscription Software, where such terms are provided or presented to Customer.

2. Delivery of Subscription Software.

2.1. Delivery. During the applicable Subscription Term (as defined below), Motorola will provide to Customer the Subscription Software set forth in an Ordering Document, in accordance with the terms of the Agreement. Motorola will provide Customer advance notice (which may be provided electronically) of any planned downtime. Delivery will occur upon Customer’s receipt of credentials required for access to the Subscription Software or upon Motorola otherwise providing access to the Subscription Software. If agreed upon in an Ordering Document, Motorola will also provide Services related to such Subscription Software.

2.2. Modifications. In addition to other rights to modify the Products and Services set forth in the MCA, Motorola may modify the Subscription Software, any associated recurring Services and any related systems so long as their functionality (as described in the applicable Ordering Document) is not materially degraded. Documentation for the Subscription Software may be updated to reflect such modifications. For clarity, new features or enhancements that are added to any Subscription Software may be subject to additional Fees.

2.3. User Credentials. If applicable, Motorola will provide Customer with administrative user credentials for the Subscription Software, and Customer will ensure such administrative user credentials are accessed and used only by Customer’s employees with training on their proper use. Customer will protect, and will cause its Authorized Users to protect, the confidentiality and security of all user credentials, including any administrative user credentials, and maintain user credential validity, including by updating passwords. Customer will be liable for any use of the Subscription Software through such user credential (including through any administrative user credentials), including any changes made to the Subscription Software or issues or user impact arising therefrom. To the extent Motorola provides Services to Customer in order to help resolve issues resulting from changes made to the Subscription Software through user credentials, including through any administrative user credentials, or issues otherwise created by Authorized Users, such Services will be billed to Customer on a time and materials basis, and Customer will pay all invoices in accordance with the payment terms of the MCA.

2.4. Beta Services. If Motorola makes any beta version of a software application (“**Beta Service**”) available to Customer, Customer may choose to use such Beta Service at its own discretion, provided, however, that Customer will use the Beta Service solely for purposes of Customer’s evaluation of such Beta Service, and for no other purpose. Customer acknowledges and agrees that all Beta Services are offered “as-is” and without any representations or warranties or other commitments or protections from Motorola. Motorola will determine the

duration of the evaluation period for any Beta Service, in its sole discretion, and Motorola may discontinue any Beta Service at any time. Customer acknowledges that Beta Services, by their nature, have not been fully tested and may contain defects or deficiencies.

3. Subscription Software License and Restrictions.

3.1. Subscription Software License. Subject to Customer's and its Authorized Users' compliance with the Agreement, including payment terms, Motorola hereby grants Customer and its Authorized Users a limited, non-transferable, non-sublicenseable, and non-exclusive license to use the Subscription Software identified in an Ordering Document, and the associated Documentation, solely for Customer's internal business purposes. The foregoing license grant will be limited to use in the territory and to the number of licenses set forth in an Ordering Document (if applicable), and will continue for the applicable Subscription Term. Customer may access, and use the Subscription Software only in Customer's owned or controlled facilities, including any authorized mobile sites; provided, however, that Authorized Users using authorized mobile or handheld devices may also log into and access the Subscription Software remotely from any location. No custom development work will be performed under this Addendum.

3.2. Customer Restrictions. Customers and Authorized Users will comply with the applicable Documentation and the copyright laws of the United States and all other relevant jurisdictions (including the copyright laws where Customer uses the Subscription Software) in connection with their use of the Subscription Software. Customer will not, and will not allow others including the Authorized Users, to make the Subscription Software available for use by unauthorized third parties, including via a commercial rental or sharing arrangement; reverse engineer, disassemble, or reprogram software used to provide the Subscription Software or any portion thereof to a human-readable form; modify, create derivative works of, or merge the Subscription Software or software used to provide the Subscription Software with other software; copy, reproduce, distribute, lend, or lease the Subscription Software or Documentation for or to any third party; take any action that would cause the Subscription Software, software used to provide the Subscription Software, or Documentation to be placed in the public domain; use the Subscription Software to compete with Motorola; remove, alter, or obscure, any copyright or other notice; share user credentials (including among Authorized Users); use the Subscription Software to store or transmit malicious code; or attempt to gain unauthorized access to the Subscription Software or its related systems or networks.

4. Term.

4.1. Subscription Terms. The duration of Customer's subscription to the first Subscription Software and any associated recurring Services ordered under this SSA (or the first Subscription Software or recurring Service, if multiple are ordered at once) will commence upon delivery of such Subscription Software (and recurring Services, if applicable) and will continue for a twelve (12) month period or such longer period identified in an Ordering Document (the "**Initial Subscription Period**"). Following the Initial Subscription Period, Customer's subscription to the Subscription Software and any recurring Services will automatically renew for additional twelve (12) month periods (each, a "**Renewal Subscription Year**"), unless either Party notifies the other Party of its intent not to renew at least thirty (30) days before the conclusion of the then-current Subscription Term. (The Initial Subscription Period and each Renewal Subscription Year will each be referred to herein as a "**Subscription Term**".) Motorola may increase Fees prior to any Renewal Subscription Year. In such case, Motorola will notify Customer of such proposed increase no later than thirty (30) days prior to commencement of such Renewal Subscription Year. Unless otherwise specified in the applicable Ordering Document, if Customer orders any additional Subscription Software or recurring Services under

this SSA during an in-process Subscription Term, the subscription for each new Subscription Software or recurring Service will (a) commence upon delivery of such Subscription Software or recurring Service, and continue until the conclusion of Customer's then-current Subscription Term (a "**Partial Subscription Year**"), and (b) automatically renew for Renewal Subscription Years thereafter, unless either Party notifies the other Party of its intent not to renew at least thirty (30) days before the conclusion of the then-current Subscription Term. Thus, unless otherwise specified in the applicable Ordering Document, the Subscription Terms for all Subscription Software and recurring Services hereunder will be synchronized.

4.2. Term. The term of this SSA (the "**SSA Term**") will commence upon either (a) the Effective Date of the MCA, if this SSA is attached to the MCA as of such Effective Date, or (b) the SSA Date set forth on the signature page below, if this SSA is executed after the MCA Effective Date, and will continue until the expiration or termination of all Subscription Terms under this SSA, unless this SSA or the Agreement is earlier terminated in accordance with the terms of the Agreement.

4.3. Termination. Notwithstanding the termination provisions of the MCA, Motorola may terminate this SSA (or any Addendum or Ordering Documents hereunder), or suspend delivery of Subscription Software or Services, immediately upon notice to Customer if (a) Customer breaches **Section 3 – Subscription Software License and Restrictions** of this SSA, or any other provision related to Subscription Software license scope or restrictions set forth in an Addendum or Ordering Document, or (b) it determines that Customer's use of the Subscription Software poses, or may pose, a security or other risk or adverse impact to any Subscription Software, Motorola, Motorola's systems, or any third party (including other Motorola customers). Customer acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Subscription Software and Documentation, and that Customer's breach of the Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Customer breaches this Agreement, in addition to termination, Motorola will be entitled to all available remedies at law or in equity (including immediate injunctive relief).

4.4. Wind Down of Subscription Software. In addition to the termination rights in the MCA, Motorola may terminate any Ordering Document and Subscription Term, in whole or in part, in the event Motorola plans to cease offering the applicable Subscription Software or Service to customers.

5. Payment.

5.1. Payment. Unless otherwise provided in an Ordering Document (and notwithstanding the provisions of the MCA), Customer will prepay an annual subscription Fee set forth in an Ordering Document for each Subscription Software and associated recurring Service, before the commencement of each Subscription Term. For any Partial Subscription Year, the applicable annual subscription Fee will be prorated based on the number of months in the Partial Subscription Year. The annual subscription Fee for Subscription Software and associated recurring Services may include certain one-time Fees, such as start-up fees, license fees, or other fees set forth in an Ordering Document. Motorola will have the right to suspend the Subscription Software and any recurring Services if Customer fails to make any payments when due.

5.2. License True-Up. Motorola will have the right to conduct an audit of total user licenses credentialed by Customer for any Subscription Software during a Subscription Term, and Customer will cooperate with such audit. If Motorola determines that Customer's usage of the Subscription Software during the applicable Subscription Term exceeded the total number of

licenses purchased by Customer, Motorola may invoice Customer for the additional licenses used by Customer, pro-rated for each additional license from the date such license was activated, and Customer will pay such invoice in accordance with the payment terms in the MCA.

6. Liability.

6.1. ADDITIONAL EXCLUSIONS. IN ADDITION TO THE EXCLUSIONS FROM DAMAGES SET FORTH IN THE MCA, AND NOTWITHSTANDING ANY PROVISION OF THE AGREEMENT TO THE CONTRARY, MOTOROLA WILL HAVE NO LIABILITY FOR (A) INTERRUPTION OR FAILURE OF CONNECTIVITY, VULNERABILITIES, OR SECURITY EVENTS; (B) DISRUPTION OF OR DAMAGE TO CUSTOMER'S OR THIRD PARTIES' SYSTEMS, EQUIPMENT, OR DATA, INCLUDING DENIAL OF ACCESS TO USERS, OR SHUTDOWN OF SYSTEMS CAUSED BY INTRUSION DETECTION SOFTWARE OR HARDWARE; (C) AVAILABILITY OR ACCURACY OF ANY DATA AVAILABLE THROUGH THE SUBSCRIPTION SOFTWARE OR SERVICES, OR INTERPRETATION, USE, OR MISUSE THEREOF; (D) TRACKING AND LOCATION-BASED SERVICES; OR (E) BETA SERVICES.

6.2. Voluntary Remedies. Motorola is not obligated to remedy, repair, replace, or refund the purchase price for the disclaimed or excluded issues in the MCA or **Section 6.1 – Additional Exclusions** above, but if Motorola agrees to provide Services to help resolve such issues, Customer will reimburse Motorola for its reasonable time and expenses, including by paying Motorola any Fees set forth in an Ordering Document for such Services, if applicable.

7. Motorola as a Controller or Joint Controller. In all instances where Motorola acts as a controller of data, it will comply with the applicable provisions of the Motorola Privacy Statement at https://www.motorolasolutions.com/en_us/about/privacy-policy.html#privacystatement, as may be updated from time to time. Motorola holds all Customer Contact Data as a controller and shall Process such Customer Contact Data in accordance with the Motorola Privacy Statement. In instances where Motorola is acting as a joint controller with Customer, the Parties will enter into a separate Addendum to the Agreement to allocate the respective roles as joint controllers.

8. Survival. The following provisions will survive the expiration or termination of this SSA for any reason: **Section 4 – Term; Section 5 – Payment; Section 6.1 – Additional Exclusions; Section 8 – Survival.**

Software Products Addendum

This Software Products Addendum (this “SPA”) is entered into between Motorola Solutions, Inc., with offices at 500 W. Monroe Street, Suite 4400, Chicago, IL 60661 (“**Motorola**”) and the entity set forth in the signature block below or in the MCA (“**Customer**”), and will be subject to, and governed by, the terms of the Master Customer Agreement entered into between the Parties, effective as of [REDACTED] (the “**MCA**”), and the applicable Addenda. Capitalized terms used in this SPA, but not defined herein, will have the meanings set forth in the MCA or the applicable Addenda.

1. Addendum. This SPA governs Customer’s purchase of certain Motorola software Products, including Software Systems, and will form part of the Parties’ Agreement. A “**Software System**” is a solution that includes at least one command center software Product and requires Integration Services to deploy such software Product at a Customer Site or onto any Customer-Provided Equipment or Equipment provided to Customer. In addition to the MCA, other Addenda may be applicable to the Software System or other software Products, including the Subscription Software Addendum (“**SSA**”), with respect to Subscription Software, and the Equipment Purchase and Software License Addendum (“**EPSLA**”), with respect to Licensed Software and Equipment, as further described below. This SPA will control with respect to conflicting or ambiguous terms in the MCA or any other applicable Addendum, but only as applicable to the Software System or other software Products purchased under this SPA and not with respect to other Products and Services.

2. Software Systems; Applicable Terms and Conditions.

2.1. On-Premise Software System. If Customer purchases an “on-premises Software System,” where Equipment and Licensed Software are installed at Customer Sites or on Customer-Provided Equipment, then, unless the Ordering Document(s) specify that any software is being purchased on a subscription basis (i.e., as Subscription Software), such Equipment and Licensed Software installed at Customer Sites or on Customer-Provided Equipment are subject to the EPSLA. On-premises Software Systems described in this Section qualify for the System Warranty as described in **Section 5 – On-Premises Software System Warranty** (the “**System Warranty**”). In connection with the on-premises Software System, Customer may also purchase additional Subscription Software that integrates with its on-premises Software System (e.g., CommandCentral Aware) (each, an “**Add-On Subscription**”). Any Add-On Subscription will be subject to the terms and conditions of the SSA and excluded from the System Warranty.

2.2. On-Premise Software System as a Service. If Customer purchases an “on-premises Software System as a service,” where Equipment and software Products are installed at Customer Sites or on Customer-Provided Equipment, and such software is generally licensed on a subscription basis (i.e., as Subscription Software), then such Subscription Software will be subject to the SSA and not the EPSLA. Any (a) Equipment purchased, (b) firmware preinstalled on such Equipment, and (c) Microsoft operating system Licensed Software are subject to the EPSLA. On-premises Software Systems as a service described in this Section are provided as a service and, accordingly, do not qualify for the System Warranty. System completion, however, is determined in accordance with the provisions of **Section 3 – Software System Completion** below.

2.3. Cloud Hosted Software System. If Customer purchases a “cloud hosted Software System,” where the applicable software is hosted in a data center and provided to Customer as a service (i.e., as hosted Subscription Software), including CommandCentral Products, then

such Subscription Software is subject to the SSA. Any Equipment purchased in connection with a cloud Software System is subject to the EPSLA. Cloud hosted Software Systems described in this Section do not qualify for the System Warranty. System completion, however, is determined in accordance with the provisions of **Section 3 – Software System Completion** below.

2.4. Services. Any Integration Services or Maintenance and Support Services purchased in connection with, or included as a part of, a Software System are subject to the MCA, and as described in the applicable Ordering Document.

3. Software System Completion. Any Software System described in an Ordering Document hereunder (including the Products, Integration Services, and all other components thereof) will be deemed completed upon Customer's (or the applicable Authorized User's) Beneficial Use of each Product that is included in the Software System (unless alternative acceptance procedures are set forth in the applicable Ordering Document) (the "**System Completion Date**"). Customer will not unreasonably delay Beneficial Use of any Product within a Software System, and in any event, the Parties agree that Beneficial Use of a Product will be deemed to have occurred thirty (30) days after functional demonstration. For clarity, if a Software System is comprised of more than one Product, Motorola may notify Customer that all Integration Services for a particular Product within the Software System have been completed, and Customer may have Beneficial Use of such Product prior to having Beneficial Use of other Products in the Software System, or of the Software System as a whole. In such case, the Integration Services applicable to such Product will be deemed complete upon Customer's Beneficial Use of the Product ("**Product Completion Date**"), which may occur before the System Completion Date. As used in this Section, "**Beneficial Use**" means use by Customer or at least one (1) Authorized User of the material features and functionalities of a Product within a Software System, in material conformance with Product descriptions in the applicable Ordering Document. This Section applies to Products purchased as part of a Software System notwithstanding the delivery provisions of the Addendum applicable to such Products, such as the SSA or EPSLA, and this Section will control over such other delivery provisions to the extent of a conflict.

4. Payment. Customer will pay invoices for the Products and Services covered by this SPA in accordance with the invoice payment terms set forth in the MCA. Fees for Software Systems will be invoiced as of the System Completion Date, unless another payment process or schedule or milestones are set forth in an Ordering Document or applicable Addendum. In addition to Equipment, Licensed Software, Subscription Software and Integration Services (as applicable) sold as part of a Software System, the Ordering Documents for a Software System may also include post-deployment Integration Services or other Services which are to be provided following the date of functional demonstration ("**Post-Deployment Services**"). Post-Deployment Services will be invoiced upon their completion and paid by Customer in accordance with the terms of the MCA.

5. On-Premises Software System Warranty. Subject to the disclaimers in the MCA and any other applicable Addenda, Motorola represents and warrants that, on the System Completion Date for an on-premises Software System described in **Section 2.1 – On-Premises Software System**, or on the applicable Product Completion Date for a specific Product within such on-premises Software System, if earlier, (a) such Software System or Product will perform in accordance with the descriptions in the applicable Ordering Documents in all material respects, and (b) if Customer has purchased any Equipment or Motorola Licensed Software (but, for clarity, excluding Subscription Software) as part of such on-premises Software System, the warranty period applicable to such Equipment and Motorola Licensed Software will continue

for a period of one (1) year commencing upon the System Completion Date for the Software System that includes such Products, or on the applicable Product Completion Date, if earlier, instead of commencing upon delivery of the Products in accordance with the terms and conditions set forth in **Section 6 – Representations and Warranties; Liabilities** of the EPSLA. The warranties set forth in the applicable Addenda are not otherwise modified by this SPA.

6. Prohibited Use. Customer will not integrate or use, or permit a third party or an Authorized User to integrate or use, any Non-Motorola Content with or in connection with a Software System or other software Product provided by Motorola under this SPA, without the express written permission of Motorola.

7. API Support. Motorola will use commercially reasonable efforts to maintain its Application Programming Interface (“API”) offered sold in connection with any Software System. APIs will evolve and mature over time, requiring changes and updates. Motorola will use reasonable efforts to continue supporting any version of an API for 6 months after such version is introduced, but if Motorola determines, in its sole discretion, to discontinue support of an API for any reason, Motorola will provide reasonable advance notification to Customer. If an API presents a security risk, Motorola may discontinue an API without prior notice.

8. Support of Downloaded Clients. If Customer purchases any software Product that requires a client installed locally on any Customer-Provided Equipment or Equipment in possession of Customer, Customer will be responsible for downloading and installing the current version of such client, as it may be updated from time to time. Motorola will use reasonable efforts to continue supporting any version of a client for forty-five (45) days following its release, but Motorola may update the current version of its client at any time, including for bug fixes, product improvements, and feature updates, and Motorola makes no representations or warranties that any software Product will support prior versions of a client.

9. Applicable End User Terms. Additional license terms apply to third-party software included in certain software Products which are available online at www.motorolasolutions.com/legal-flow-downs. Customer will comply, and ensure its Authorized Users comply, with all such additional license terms.

10. Additional Terms for On-Premise Software System as a Service. The terms set forth in this **Section 10 – Additional Terms for On-Premise Software System as a Service** apply in the event Customer purchases an on-premises Software System as a service under this SPA.

10.1. Transition to Subscription License Model. If the Parties mutually agree that any on-premises Subscription Software purchased under this SPA as part of an on-premises Software System as a service will be replaced with or upgraded to Subscription Software hosted in a data center, then upon such time which the Parties execute the applicable Ordering Document, (a) the licenses granted to such on-premises Subscription Software under the applicable Ordering Document will automatically terminate, (b) Customer and its Authorized Users will cease use of the applicable on-premises copies of Subscription Software, and (c) the replacement hosted Subscription Software provided hereunder will be governed by the terms of the SSA and this SPA.

10.2. Transition Fee. Motorola will not charge additional Fees for Services related to the transition to hosted Subscription Software, as described in **Section 10.1 – Transition to Subscription License Model**. Notwithstanding the foregoing, subscription Fees for the applicable hosted Subscription Software are subject to the SSA and the applicable Ordering Document, and may be greater than Fees paid by Customer for on-premises Subscription Software.

10.3. Software Decommissioning. Upon (a) transition of the on-premises Software System as a service to Subscription Software hosted in a data center or (b) any termination of the Subscription Software license for the on-premises Software System as a service, Motorola will have the right to enter Customer Sites and decommission the applicable on-premises Subscription Software that is installed at Customer's Site or on Customer-Provided Equipment. For clarity, Customer will retain the right to use Licensed Software that is firmware incorporated into Equipment purchased by Customer from Motorola and any Microsoft operating system Licensed Software.

11. Additional Terms for CAD and Records Products. The terms set forth in this **Section 11 – Additional Terms for CAD and Records Products** apply in the event Customer purchases any Computer Aided Dispatch (“CAD”) or Records Products under this SPA.

11.1. Support Required. Customer acknowledges and agrees that the licenses granted by Motorola under the Agreement to CAD and Records Products for on-premises Software Systems are conditioned upon Customer purchasing Maintenance and Support Services for such Products during the term of the applicable license. If at any time during the term of any such license, Customer fails to purchase associated Maintenance and Support Services (or pay the fees for such Services), Motorola will have the right to terminate or suspend the software licenses for CAD and Record Products, and this SPA or the applicable Ordering Document.

11.2. CJIS Security Policy. Motorola agrees to support Customer's obligation to comply with the Federal Bureau of Investigation Criminal Justice Information Services (“CJIS”) Security Policy and will comply with the terms of the CJIS Security Addendum for the term of the Addendum or Ordering Document for the applicable Product. Customer hereby consents to Motorola screened personnel serving as the “escort” within the meaning of CJIS Security Policy for unscreened Motorola personnel that require access to unencrypted Criminal Justice Information for purposes of Product support and development.

12. Additional Cloud Terms. The terms set forth in this **Section 12 – Additional Cloud Terms** apply in the event Customer purchases any cloud-hosted software Products.

12.1. Data Storage. Motorola will determine, in its sole discretion, the location of the stored content for cloud hosted software Products. All data, replications, and backups will be stored at a location in the United States for Customers in the United States.

12.2. Data Retrieval. Cloud hosted software Products will leverage different types of storage to optimize software, as determined in Motorola's sole discretion. For multimedia data, such as videos, pictures, audio files, Motorola will, in its sole discretion, determine the type of storage medium used to store the content. The type of storage and medium selected by Motorola will determine the data retrieval speed. Access to content in archival storage may take up to twenty-four (24) hours to be viewable.

12.3. Availability. Motorola will make reasonable efforts to provide monthly availability of 99.9% for cloud hosted software Products with the exception of maintenance windows. There are many factors beyond Motorola's control that may impact Motorola's ability to achieve this goal.

12.4. Maintenance. Scheduled maintenance of cloud-hosted software Products will be performed periodically. Motorola will make commercially reasonable efforts to notify customers one (1) week in advance of any such maintenance. Unscheduled and emergency maintenance may be required from time to time. Motorola will make commercially reasonable efforts to notify customers of any unscheduled or emergency maintenance twenty-four (24) hours in advance.

13. Survival. The following provisions will survive the expiration or termination of this SPA for any reason: **Section 1 – Addendum; Section 2 – Software Systems; Applicable Terms and Conditions; Section 6 – Prohibited Use; Section 9 – Applicable End User Terms; Section 13 – Survival.**

Flex Maintenance and Support Addendum

This Flex Maintenance and Support Addendum ("Addendum"), is between Motorola Solutions, Inc., ("Motorola"), and _____ ("Customer").

For good and valuable consideration, the parties agree as follows:

Section 1: Definitions

- 1.1 **"Coverage Hours"** means the hours between 5:00 a.m. and 6:00 p.m., Mountain Time, Monday through Friday, excluding regularly scheduled holidays of Motorola.
- 1.2 **"Documentation"** means all written or electronic user documentation for the Software provided by Motorola to Customer. Documentation does not include Motorola marketing materials.
- 1.3 **"Enhancement"** means any modification or addition that, when made or added to the Software, changes its utility, efficiency, functional capability, or application, but that does not constitute solely an Error Correction. Motorola may designate Enhancements as minor or major, depending on Motorola's assessment of their value and of the function added to the preexisting Software.
- 1.4 **"Error"** means any failure of the Software to conform in all material respects to its functional specifications as published from time to time by Motorola, subject to the exceptions set forth in Section 4.
- 1.5 **"Error Correction"** means either a software modification or addition that, when made or added to the Software, establishes material conformity of the Software to the functional specifications, or a procedure or routine that, when observed in the regular operation of the Software, eliminates the practical adverse effect on Customer of such nonconformity. Error Correction services are subject to the exceptions set forth in Section 4.
- 1.6 **"Primary Agreement"** means the agreement to which this Addendum is attached.
- 1.7 **"Releases"** means new versions of the Software, including all Error Corrections and Enhancements.
- 1.8 **"Response Time"** means six (6) or less Coverage Hours, from the time Customer first notifies Motorola of an Error until Motorola initiates work toward development of an Error Correction.
- 1.9 **"Software"** means the package of Motorola computer program(s), interfaces and/or data, in machine-readable form only, as well as related materials, including Documentation, initially or subsequently licensed by Customer. Software also includes all Utilities, modifications, new Releases and Enhancements. "Software" specifically excludes Third Party Software, except to the extent otherwise expressly stated in this Addendum.
- 1.10 **"System Application Administrator"** means an agent of Customer appointed by Customer, who has been certified on the Software by Motorola, pursuant to the procedures set forth in Section 6 hereof, and is able to communicate effectively with

Motorola support personnel in the description and resolution of problems associated with the Software.

- 1.11 **“Support Term”** means the entire period during which Customer is receiving support services for the Software under the terms of this Support Addendum, beginning on the installation date of the Software. Support services are included during the Software’s Warranty Period, as defined in Section 6.1 of Motorola’s Software License Agreement, which is the “Initial Support Term.” Thereafter, the Support Term shall automatically renew for successive periods of one year each, unless and until terminated pursuant to Section 8 hereof. In no event, however, shall the Support Term extend beyond the term of the Software License.
- 1.12 **“Third Party Software”** means software owned by third parties, whether (i) licensed by the third party to Motorola for distribution to Motorola’s customers with the Software, such as mapping software, database software, paging software or open source software, or (ii) separately acquired by Customer as necessary or appropriate for use in conjunction with the Software, such as word processors, spreadsheets, terminal emulators, etc.
- 1.13 **“Utilities”** means the software utilities and tools provided by Motorola as part of the Software, including Motorola’s XML Query, ODBC interface and implementation code, ctp Perl, dbdump, and dbload, as well as any other software utilities provided by Motorola in connection with the Software.

Section 2: Eligibility For Support

- 2.1 **Support Termination.** Motorola’s obligation to provide the support and maintenance services described in this Support Addendum with respect to the Software may be terminated pursuant to Section 8.2.2 or suspended, at Motorola’s discretion, if at any time during the term of this Support Addendum any of the following requirements are not met:
- 2.1.1 The Software License must remain valid and in effect at all times;
 - 2.1.2 The Software must be operated on a hardware platform, operating system and version approved by Motorola; and
 - 2.1.3 Customer must be current on payment of maintenance and support fees.
- 2.2 **SAA Replacement.** Motorola may require Customer to appoint a new Motorola Application Administrator (“SAA”) in order to continue receiving support services or increase Customer’s support fees, if Motorola reasonably determines that the acting SAA does not have the training or experience necessary to communicate effectively with Motorola support personnel.

Section 3: Scope of Services

During the Support Term, Motorola shall render the following services in support of the Software, during Coverage Hours:

- 3.1 **Support Center.** Motorola shall maintain a Support Services Control Center capable of receiving from the SAA reports of any software irregularities, and requests for assistance in use of the Software.

- 3.2 **Services Staff.** Motorola shall maintain a trained staff capable of rendering support services set forth in this Support Addendum.
- 3.3 **Error Correction.** Motorola shall be responsible for using all reasonable diligence in correcting verifiable and reproducible Errors when reported to Motorola in accordance with Motorola's standard reporting procedures. Motorola shall, after verifying that such an Error is present, initiate work within the Response Time in a diligent manner toward development of an Error Correction. Following completion of the Error Correction, Motorola shall provide the Error Correction through a "temporary fix" consisting of sufficient programming and operating instructions to implement the Error Correction and Motorola shall include the Error Correction in all subsequent Releases of the Software. Motorola supports two (2) versions back from the most recent release version. However, Motorola may, but is not obligated to, provide Error Corrections for any version of the Software other than the most recent Release.
- 3.4 **Software Releases.** Motorola may, from time to time, issue new Releases of the Software to its Customers generally, containing Error Corrections, minor Enhancements, and, in certain instances, if Motorola so elects, major Enhancements. Motorola reserves the right to require additional license fees for major Enhancements. Motorola shall provide Customer with one copy of each new Release, without additional charge. Motorola shall provide reasonable assistance to help Customer install and operate each new Release, provided that such assistance, if required to be provided at Customer's facility, shall be subject to the supplemental charges set forth in Motorola's current Fee Schedule.
- 3.5 **Enhancements.** Motorola shall consider and evaluate the development of Enhancements for the specific use of Customer and shall respond to Customer's requests for additional services pertaining to the Software (including, without limitation, data conversion and report-formatting assistance), provided that such assistance, if agreed to be provided, shall be subject to supplemental charges mutually agreed to in writing by Motorola and Customer.

Section 4: Services Not Covered by this Support Addendum

The services identified in this section are NOT covered by this Support Addendum. Motorola strongly recommends that Customer secure a separate support agreement with third party vendors for all non-Motorola products. Motorola may, in its discretion, provide such services to Customer upon request, for an additional fee as the parties may agree in writing.

- 4.1 **Third Party Products.** Motorola will not provide support for any third party products, including hardware, or support for hardware failure due to the use of any third party products. Motorola may in its discretion provide first-line support for Third Party Software distributed by Motorola; if not, Motorola will refer Customer to the vendor of such software for resolution of support issues.
- 4.2 **Customized Interfaces and Software.** Motorola's standard support does not include support for any custom interfaces or other customized Software developed by Motorola or any third party for Customer. Support and maintenance services for customized Software are subject to an additional support fee, if agreed in writing between the parties. Such support and maintenance services include bug fixes and minor modifications to the custom interface or software. They do NOT include major revisions or rewrites, such as those required to make a custom interface work with a new or upgraded version of the applicable third party software. Custom interfaces and support therefore are specific to the

designated version of the applicable third party software or system. Any major changes to such third party software or system will require a new custom quote for Motorola to modify the custom interface to work with the new version of the third party software or system. Motorola's support fees may also differ for the new version of the custom interface.

- 4.3 **Network Failures.** Motorola will not provide support for any network failures or problems including, but not limited to, cabling, communication lines, routers, connectors, and network software.
- 4.4 **Data Recovery.** Motorola's standard support does not include restoration and/or recovery of data files and/or the operating system. Motorola will, upon request of Customer and subject to its then-current fees for such services, use reasonable efforts to assist Customer in recovering lost data.
- 4.5 **Unauthorized Use.** Motorola will not provide support where the problem arises out of any breach of warranty, damages to the Software or its database, data corruption, or support issues, security issues, or performance issues arising out of Customer's or a third party's use of the Utilities or any software not specifically licensed by Motorola to Customer for use in connection with the Software. Any assistance provided by Motorola in resolving such problems shall be charged to Customer on a time and materials basis. Additionally, any unauthorized use of the Utilities or other software in connection with the Software by Customer (or by a third party with Customer's knowledge) may result, at Motorola's sole option, in voidance of warranties, an increase in the annual maintenance and support fees under this Support Addendum, and/or loss of rights to upgrades under this Support Addendum.
- 4.6 **Database Modifications.** Motorola will not provide support for any damages to or problems with the Software or its database, data corruption, support issues, security issues, or performance issues arising from Customer's utilization of the "write" feature of the ODBC interface to write to or modify the database in any way.
- 4.7 **Misuse or Damage.** Motorola will not provide support for Software problems caused by Customer misuse, alteration or damage to the Software or Customer's combining or merging the Software with any hardware or software not supplied by or identified as compatible by Motorola, customizing of programs, accident, neglect, power surge or failure, lightning, operating environment not in conformance with the manufacturer's specifications (for electric power, air quality, humidity or temperature), or Third Party Software or hardware malfunction.
- 4.8 **Operating System.** Motorola is not responsible for supporting, configuring, maintaining, or upgrading the operating system, including, but not limited to, backups, restores, fixes, and patches, or for providing assistance with problems caused by operating system installation, configuration, errors, maintenance or repair, or using incorrect versions of the operating system.
- 4.9 **Onsite Visits.** Onsite service visits to Customer's facility by Motorola are subject to additional charges, as set forth in Section 7.5.
- 4.10 **Printers.** Motorola is not responsible for supporting printers connected to the back of terminals/personal computers (commonly called pass-through printing) or network printers are not supported by Motorola.

Section 5: Obligations of Customer

- 5.1 **Software Connectivity.** Customer must maintain and provide, at no cost to Motorola, a CJIS-approved broadband internet connection to the server used with the Software, 24 hours per day, 7 days per week, to facilitate remote support utilities enabling Motorola support personnel to connect to and provide assistance with the server used with the Software. Third party connectivity tools, such as client VPN software, which must be installed on Motorola equipment, cannot be required by Customer.
- 5.2 **Customer Representative During Onsite Visits.** Customer's SAA or another authorized representative of Customer must be present when any onsite support is provided. Customer agrees that if such representative is not present when the Motorola representative arrives onsite, the Motorola representative shall notify an appropriate representative of Customer, if feasible, that there is no Customer IT representative present. If Customer's IT representative does not arrive within a reasonable time, no work will be performed and Customer will be charged for Motorola's expenses relating to the visit. If Motorola's on-site support person determines that changes to Customer's system (hardware or software) are required or advisable, it will inform Customer's representative. If such representative is not authorized to make or approve changes to Customer's system, as applicable, Customer will promptly make available such a person.
- 5.3 **English Language.** All communications between Customer and Motorola must be in the English language.
- 5.4 **SAA Assignment.** Customer is responsible for providing one or more qualified Motorola Application Administrators as described in Section 6 hereof. At least one authorized representative, identified to Motorola by Customer in writing with contact information, must be available at all times; however, after-hours availability is required only when and if Customer is requesting after-hours support from Motorola.
- 5.5 **Security.** Customer is responsible for providing all network and server security.
- 5.6 **Error Information.** Customer must provide Motorola with information sufficient for Motorola to duplicate the circumstances under which an Error in the Software became apparent.
- 5.7 **CJIS Compliance.** Customer is responsible for its own adherence to the FBI Criminal Justice Information Services (CJIS) Security Policy, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (to the extent applicable) and any other applicable security and privacy laws and regulations. Motorola will reasonably cooperate with Customer in connection therewith.

Section 6: SAA and Support Contact Requirements

- 6.1 **Certification.** Customer's designated SAA must be certified by Motorola within one year of the date of Customer's cutover to live operation of the Software ("Go-live"). The designated SAA must meet the following requirements in order to certify at the basic level:
 - 6.1.1 Attend and participate in, and successfully pass the final written and practical examinations from the following courses within one hundred twenty (120) days of installation of the Software:

- i. System Introduction – Inquiry,
- ii. System Introduction – Data Entry & Modification,
- iii. Basic System Administration, and
- iv. General training applicable to the Software used by Customer.

6.1.2 Pass the Basic SAA exam within one year after the agency's Go-live date.

- 6.2 **SAA Training Costs.** Customer will be responsible for the costs of such training, including any course fees, travel, and lodging expenses.
- 6.3 **SAA and Support Contact Information.** Contact information for Customer's SAA(s) and other authorized support contacts must be provided by Customer to Motorola's Technical Services department. Any changes to Customer's SAA and support contacts names and contact information must be promptly provided to Motorola's support department.
- 6.4 **Qualifications.** Each designated SAA and Customer support contact must be qualified to address, or have other support resources to address, without the aid of Motorola, all problems relating to hardware, software, or operating system not directly associated with the Software.

Section 7: Fees and Charges

- 7.1 **Support Fees.** During the Initial Support Term, support services are included as part of the initial purchase price paid by Customer. Thereafter, Customer shall pay Motorola the applicable support fees or Motorola support invoice, and any other charges or fees described herein. Motorola reserves the right to change its support fee, effective upon no less than 90 days written notice to Customer prior to the end of the current annual period.
- 7.2 **Support Fee Invoices.** Motorola shall invoice Customer for annual Support Fees at the beginning of each contract year. In the event that additional billable work is performed, all billable charges and expenses will be invoiced to Customer at the beginning of the month following the month in which those charges and expenses accrued or were incurred. Customer shall pay the invoiced amounts immediately upon receipt of such invoices. Any amount not paid within thirty (30) days after the invoice date shall bear interest at the rate of eighteen (18) percent per year or the highest rate allowed by applicable law, whichever is less.
- 7.3 **Equipment Fees.** Customer shall be responsible for and agrees to pay the fees and charges incurred for procuring, installing, and maintaining all equipment, telephone lines, modems, communications interfaces, networks, and other products necessary to operate the Software.
- 7.4 **After-Hours Charges.** Customer agrees to pay additional charges according to the Motorola Fee Schedule for all work required by Customer and performed outside of Coverage Hours. These charges are applicable for any work performed outside of the Coverage Hours, REGARDLESS OF THE CAUSE, even if the requested work was reported and/or initiated during normal Coverage Hours.
- 7.5 **Onsite Support** If Customer requests onsite support services, Customer shall reimburse Motorola for all labor, travel, and related expenses incurred by Motorola in providing such support services.

7.6 **Additional Fees.** Additional support fees may be required by Motorola if there is a significant increase in Customer's size with respect to use of the Software. An increase in size may arise either out of Customer's internal growth or out of a Host Agency/Shared Agency arrangement, if applicable. Relevant factors include number of employees, number of dispatchers and/or number of jail beds. Payment of such additional Support Fees is due within thirty (30) days of the date of the invoice for such fees. Such fees will be prorated, based upon the date during the contract year the increase in Customer's size occurred. Additionally, Motorola may adjust support fees based on changes in (1) additional licenses or modules purchased by Customer, (2) Customer's hardware, (3) the Coverage Hours selected by Customer, or (4) Customer's violation of the restrictions set forth in Section 4.5 hereof.

7.6.1 **Inflation Adjustment.** At the end of the first year of the Addendum and each year thereafter, a CPI percentage change calculation shall be performed using the U.S. Department of Labor, Consumer Price Index, all Items, Unadjusted Urban Areas (CPI-U). Should the annual inflation rate increase greater than 3% during the previous year, Motorola shall have the right to increase all future maintenance prices by the CPI increase amount exceeding 3%. All items, not seasonally adjusted shall be used as the measure of CPI for this price adjustment. Measurement will take place once the annual average for the New Year has been posted by the Bureau of Labor Statistics. For purposes of illustration, if in year 5 the CPI reported an increase of 8%, Motorola may increase the Year 6 price by 5% (8%-3% base).

Section 8: Termination

8.1 **Automatic Termination.** This Support Addendum shall automatically terminate immediately upon termination of the Software License for any reason.

8.2 **Termination by a Party.** Either party may terminate this Support Addendum as follows:

8.2.1 If either Motorola or Customer provides a written notice to the other party, at least 90 days prior to the end of the then-current Support Term, of its intent to terminate this Support Addendum at the end of such Support Term; or

8.2.2 Upon 30 days prior written notice, if the other party has materially breached any provision of this Support Addendum and the offending party has not cured such breach within the 30-day notice period.

8.3 **Final Invoicing upon Termination.** Following termination of this Support Addendum, Motorola shall immediately invoice Customer for all accrued fees, charges, and reimbursable expenses; and Customer shall pay the invoiced amount immediately upon receipt of such invoice.

Section 9: General

9.1 **Incorporation of Additional Terms.** The terms of Section 2.1 (Products); Section 6.5 (Warranty Disclaimer); Section 8 (Limitation of Liability); Sections 9 & 10 (Confidentiality and Proprietary Rights); Section 12 (Disputes); and all of the General provisions in Section 13 are hereby incorporated into this Agreement by reference.

END



MEMORANDUM

TO: Chris Hladick, Interim City Manager
THROUGH: Clay Darnell, Interim Finance Director
FROM: Tom Cohenour, Director of Public Works
DATE: December 14, 2022
SUBJECT: Sole-Source Request – Motorola Solutions

This memorandum supports a sole-source procurement of Department of Public Safety Records Management System (MUNIS PROJECT PS23A) from Motorola Solutions. This sole-source request meets the criteria established in the City's Purchasing Policy as set out below.

PURCHASING POLICY City of Unalaska Policy #14-0803, Section 1.h. Sole-Source Procurement i: A contract may be awarded without competition when the following circumstances are evident: ... A provider of supplies or services is providing another Alaska municipality, the State of Alaska, or the United States, with supplies or services following a competitive pricing procedure and the city contract is on substantially the same terms as those obtained by the other governmental entity's competitive pricing procedure. The City may also contract with or through such governmental entity so that the benefit of the competitive pricing procedure accrues to the City.

Motorola Solutions is an approved vendor with Sourcewell under their contract #051321-MOT. Sourcewell is a service cooperative established by Minnesota Statute as a local unit of government, and is authorized to provide a Cooperative Purchasing Program to participating entities, including the City of Unalaska. <https://www.sourcewell-mn.gov/cooperative-purchasing/051321-mot#tab-products-and-services>. Cooperative purchasing is "Procurement conducted by, or on behalf of, one or more Public Procurement Units" as defined by the American Bar Association Model Procurement Code for State and Local Governments. Staff believes this fits the Sole-Source criteria of the Purchasing Policy.

Staff believes the pricing we will receive from Motorola Solutions under their Sourcewell contract will be the most competitive and the timeline for implementing the project will be expeditious. If Sole-Sourcing approval is received, the Department will work with Motorola Solutions to refine the scope of work and the final cost will be determined at that time. A budget amendment request will be made to fund the purchase.

The Department appreciates your consideration of this Sole-Source Request. If our purchase rationale meets the Policy's mandate, please sign and date below, and forward this request on to the City Manager so that they may indicate their decision and return this document to me for our files. Thank you.

Approved Finance Director _____ Date _____

Approved City Manager _____ Date 12-14-2022

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Tom Cohenour, Director of Public Works
Bob Cummings, City Engineer
Lori Gregory, DPW/DPU Administrative Operations Manager
Through: Chris Hladick, Interim City Manager
Date: December 27, 2022
Re: Ordinance 2022-22: A Budget Amendment Request adding \$386,400 in grant fund from the Denali Commission and \$12,246 in Water Proprietary Fund Unrestricted Net Earnings to MUNIS Project WA22D – Captains Bay Road Waterline Extension Project

SUMMARY: This budget amendment request will recognize \$386,400 in Denali Commission grant revenue and increase MUNIS Project WA22D by that amount as well as appropriate \$12,246 in Water Proprietary Fund Unrestricted Net Earnings for the required grant match.

PREVIOUS COUNCIL ACTION: Council funded the Captains Bay Road Waterline Extension Project via Ordinance 2022-06, Budget Amendment #4 to the FY22 Capital & Operating Budget, on May 24, 2022, which recognized \$800,000 in ARPA grant revenue and transferred it into the Project's budget, MUNIS Project WA22D. Proposed Resolution 2022-55 to award the design of the project to Regan Engineering, P.C. is on the December 27, 2022, Council Agenda.

BACKGROUND: Unalaska Water Utility's 2.6 million gallon, 38' tall Pyramid Creek Storage Tank must maintain a minimum level of 29' to provide water to the North Pacific Fuel (NPF) area along Captains Bay Road, currently served by a WWII-era 6" wood stave pipe which tees from the Pyramid Creek mainline, travels over a hill, and then down the Pyramid Creek Valley. The crest of the hill along the pipe's route is near the 29' elevation of the tank, resulting in the need for the tank's level to be maintained at 29' or higher for sufficient pressure to exist to serve the NPF area. The wood stave pipe serving the NPF area leaks at a rate of 216,000 gallons per day or 78.8 million gallons per year, which adds stress and expense to the City's water system. This project will design a new 16' water main from Westward Seafoods, Inc. to the newly proposed Trident facility along Captains Bay Road which will allow NPF to be served by the City's main distribution network. This project will also help the City plan for future utility extension work to the new Trident facility as well as any current and future customers between Westward and Trident. Additionally, the City will be able to fully utilize the capacity of the water tank as well as properly maintain the tank by allowing NPF to be served by the groundwater wells during non-processing seasons.

A grant application was submitted to the Denali Commission in April of 2022. The original grant application requested \$1.6 Million to assist with the design, permitting and construction of a 16" watermain extension to NPF from Westward that had a total cost of \$4.9 Million. The balance of the funds required for this project would be supplied from ARPA and proprietary funds. In August 2022 the Denali Commission notified the City that they were granting a partial award to cover the design and permitting portion of this project in the amount of \$386,400. The budget proposal included in the grant application estimated that \$482,500 would be required for the design and permitting. However, in the period between the grant application submission and partial award two important pieces of information came to light. First, Trident announced that they were

seriously considering a major development beyond OSI that would require water service. Second, we got a cost estimate from Regan Engineering, P.C. for this work and it was around \$250,000 which was substantially less than the grant amount. The City subsequently had discussions and requested Denali Commission to expand the scope of the grant to include the waterline extension design to the new Trident facility as the Denali Commission was not interested in partially funding the construction portion of this project. The Denali Commission accepted this request. The City reviewed a cost proposal from Regan Engineering, P.C. for this expanded scope and obtained sole-sourcing approval from the City Manager.

DISCUSSION: Providing a secure and safe water supply is critical to the community and Unalaska’s current and future seafood processing industry. The decommissioning of the last remaining wood stave pipe system and the full utilization of the Pyramid Valley Water Storage Tank has long been a community priority. Staff sought and received \$386,400 in Denali Commission Grant funds to be used for the design and permitting of the project. The grant award will be used to fund the \$398,646 agreement with Regan Engineering, P.C. to design the Project. Required matching funds from the Water Proprietary Fund Unrestricted Net Earnings in the amount of \$12,246 are also requested for the Project via this Budget Amendment request. The Project’s budget, upon approval, will consist of \$12,246 in City funds, ARPA funding of \$800,000, and Denali Commission Infrastructure Grant Program funds of \$386,400.

ALTERNATIVES: No prudent alternative to this budget amendment request is foreseen.

FINANCIAL IMPLICATIONS: The proposed new budget is set forth below: [this is an embedded pic of this file: [122722%20BA.xlsx](#)]. The entire project is funded by grants with the exception of the matching funds in the amount of \$12,246, which will be funded by the Water Proprietary Fund Unrestricted Net Earnings.

ACCT DESCRIPTION	G/L CODE	ORIGINAL BUDGET	THIS REQUEST	REVISED BUDGET
Engineering and Architectural	511A50253-53240 WA22D	\$ 250,000.00		\$ 250,000.00
Engineering and Architectural			\$ 386,400.00	\$ 386,400.00
Engineering and Architectural	51125053-53240 WA22D		\$ 12,246.00	\$ 12,246.00
Other Professional	511A2053-53300 WA22D	\$ 50,000.00		\$ 50,000.00
Construction Services	511A2053-54500 WA22D	\$ 495,000.00		\$ 495,000.00
General Supplies	511A2053-56100 WA22D	\$ 5,000.00		\$ 5,000.00
Total Expenses:		\$ 800,000.00	\$ 398,646.00	\$ 1,198,646.00

LEGAL: Not applicable

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: “I move to adopt Ordinance 2022-22 and schedule it for second reading and public hearing on January 10, 2023.”

CITY MANAGER COMMENTS:

ATTACHMENTS: Denali Commission Grant Award documents



Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501

907.271.1414 (T)
907.271.1415 (F)
888.480.4321 (TF)
www.denali.gov

August 15, 2022

Tom Cohenour, Director
City of Unalaska, Public Works Department
PO Box 610
Unalaska, Alaska 99685

****Delivered via email to tcohenour@ci.unalaska.ak.us****

RE: Wood Stave Pipe Replacement – Partial Funding for Design Fee

Dear Mr. Cohenour,

We received your recent application in response to Funding Opportunity Announcement DC-WP-22-001. Thank you for submitting. We are pleased to inform you that the Denali Commission has approved your request for **up to \$386,400**.

Please note that this letter does not authorize you to incur costs or otherwise obligate Denali Commission funds. A fully executed Financial Assistance Award is your authorizing document. Denali Commission Program Manager Kristin Reardon will reach out to you shortly to finalize the details of your award. In the meantime, if you have any questions regarding this award, please feel free to contact Kristin at 907-271-1414 or kreardon@denali.gov.

Congratulations on your successful application. We at the Denali Commission look forward to working with you on this project and offer our best wishes for your success.

Sincerely,

Garrett Boyle

Garrett Boyle
Federal Co-Chair

cc: Kristin Reardon, Denali Commission Program Manager

Financial Assistance Award



Denali Commission

510 L Street, Suite 410, Anchorage, AK 99501

P. (907) 271-1414 F. (907) 271-1414 www.denali.gov


Award Number	1722-00	Award Title	Captains Bay Road Waterline Extension	
Period of Performance	January 1, 2023 to December 31, 2023	Recipient Organization & Address		
Authority	112 Stat 1854	CITY OF UNALASKA 43 RAVEN WAY UNALASKA, AK 996850610	Phone # 90735941860 UEI UPLNLMPG5BV9 TIN 92-0036399	
CFDA Number	90.100			

Cost Share Distribution Table

Administrative Code	New Funding		Prior Funding		Total
	Denali Commission	Other Contributors	Denali Commission	Other Contributors	
95670000	\$386,400.00		\$0.00		\$386,400.00
City of Unalaska		\$12,246.00		\$0.00	\$12,246.00
Total	\$386,400.00	\$12,246.00	\$0.00	\$0.00	\$398,646.00

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission constitutes an obligation of federal funding.

This award is not for Research and Development.

Signature of Authorized Official - Denali Commission	Typed Name and Title	Date
 Electronically Signed on Project Database	Garrett Boyle Federal Co-Chair	12/14/2022

AWARD ATTACHMENTS

1722

CITY OF UNALASKA

- 1 - Terms and Conditions
- 2 - Scope of Work
- 3 - Budget and Funding Summary

**Financial Assistance Award Terms and Conditions
Between the Denali Commission and the City of Unalaska
For Captains Bay Road Waterline Extension
Award No. 1722
November 2022**

1. Project Summary

- a. Scope of Work: Design and permit a waterline extension along Captains Bay Road
- b. Deliverables: Final design drawings
Required permits
- c. Budget: The Commission is making \$386,400 available for the project via this Financial Assistance Award (FAA). This amount includes direct, indirect, and pre-award costs (if any) authorized pursuant to [2 CFR 200.458](#). The City of Unalaska is contributing \$12,246 for design. For construction, the City of Unalaska intends to use American Rescue Plan Act and proprietary funds equal to about \$7.5 million. All Commission funding is intended to be used for the scope of work identified in this FAA only. Any funds remaining after the full scope of work has been completed must be returned to the Commission consistent with [2 CFR 200.345](#).
- d. Delivery Method: The City of Unalaska will administer the award and hire a consultant to carry out the engineering and geotechnical studies, develop the final design, and obtain the required permits.
- e. Performance Period: The Period of Performance for this FAA is 1 January 2023 through 31 December 2023. In accordance with [2 CFR 200.309](#) Recipients can only incur obligations or costs against this FAA during the Period of Performance, unless specifically authorized in the Special Provisions (Section 14 of this document). If a project cannot be completed within the approved Period of Performance, an extension request must be made in accordance with the Commission's [Recipient Guidelines and Requirements \(RGR\)](#).
- f. Place of Performance and Beneficiaries: The place of performance is Unalaska, Alaska. Unalaska has a population of 4,254, nearly eight percent of whom identify as American Indian and Alaska Native in some way (Source: [2020 Decennial Census](#)). The community of Unalaska will benefit from the project. The City of Unalaska is:
 - not identified as a distressed community in the Commission's [2021 Distressed Communities Report](#)
 - identified as an Environmentally Threatened Community in the Commission's [2019 Statewide Threat Assessment](#)
 - not identified as disadvantaged per the Council on Environmental Quality's [Climate and Economic Justice Screening Tool](#)

See attached Scope of Work and Budget and Funding Summary for more detailed information.

2. Project Reporting and Commission Site Visits

Progress reports and a Closeout Report are required under this FAA. Progress reports must be submitted at the frequency stipulated in the Special Provisions. The Closeout Report must be completed within 90 days of the end of the Period of Performance. All reports must be submitted via the [Denali Commission Project Database System](#).

Commission staff or agents of the Commission may make visits to the project site and/or home office to monitor progress during and/or after the Period of Performance. The Recipient must coordinate and make information available as necessary to facilitate any such site visits.

Refer to the [Recipient Guidelines and Requirements](#) document for further information related to reports and site visits.

3. Payments

Payments under this FAA will be made in accordance with [2 CFR 200.305](#) by electronic transfer in response to a [Standard Form 270 \(SF-270\)](#) "Request for Advance or Reimbursement", submitted by the Recipient. At a minimum, all SF-270s must include summary cost information on all applicable cost categories. Detailed documentation is required for any single expenditure greater than \$50,000. If Pre-Award Costs and/or Advance Payments are authorized under this FAA, the Special Provisions will indicate so. Requests for reimbursements may be made as needed.

Refer to the [Recipient Guidelines and Requirements](#) document for further information about submitting SF-270s.

4. Modifications

In accordance with [2 CFR 200.308](#), the Recipient must report deviations in project scope, budget, delivery method, schedule, or site conditions and request prior approvals from the Commission's Program Manager. The Recipient must also submit written requests to the Program Manager for the replacement of Key Staff identified in the Special Provisions.

Refer to the [Recipient Guidelines and Requirements](#) document for further information about modifying a Financial Assistance Award.

5. Financial Management, Record Keeping, Internal Controls, and Audits

The Recipient must have financial management and record keeping systems that are consistent with [2 CFR 200.302](#). If the Recipient is a State organization, it must expend and account for FAA funds in accordance with applicable State laws and procedures for expending and accounting for the State's own funds.

The Recipient must establish and maintain effective internal controls with respect to this FAA that are consistent with [2 CFR 200.303](#).

In accordance with [2 CFR 200.501](#), Recipients that expend \$750,000 or more of federal funds in a year must have a single or program-specific audit conducted for that year.

Refer to the [Recipient Guidelines and Requirements](#) document for further information about financial management, record keeping, internal controls and audits.

6. Direct and Indirect Costs

All direct costs must be allowable, allocable, and reasonable. Indirect costs must be allocable based on accepted accounting policies and practices and in accordance with the Recipient's Negotiated Cost Rate Agreement (NCRA), as applicable. Recipients without a NCRA may apply the 10 percent de minimis rate to their [Modified Total Direct Costs \(MTDC\)](#). Indirect costs must be specifically included as a line item or identified with appropriate notes in the approved budget.

Refer to [2 CFR 200 Subpart E \(Cost Principles\)](#) and the [Recipient Guidelines and Requirements](#) document for further information on direct and indirect costs.

7. Sub-Awards

All sub-awards and contracts issued by the Recipient under this FAA must comply with [2 CFR 200.331](#) and [332](#).

8. Procurements

- a. States: In accordance with [2 CFR 200.317](#), when procuring property and services under this FAA, a State Recipient must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State Recipient must also comply with [2 CFR 200.322](#), and ensure that every purchase order or contract includes any clauses and provisions required by [2 CFR 200.326](#).
- b. Other Non-Federal Entities: All other non-Federal Recipients, including subrecipients of a State, must follow their own documented procurement procedures, provided that the procedures conform to applicable Federal law and the standards in [2 CFR 200.318](#) through [200.326](#).

Refer to the [Recipient Guidelines and Requirements](#) document for further information about procurement.

9. Acknowledgement of Support

The Recipient must name the Denali Commission as a financial contributor and project/program partner in all media correspondence related to the work supported by this FAA. If Commission funds are used for construction, the

Recipient must also display a sign at the construction site that acknowledges the Commission's support.

Refer to the [Recipient Guidelines and Requirements](#) document for further information on this subject.

10. Real Property and Equipment

The Disposition requirements and restrictions set forth in [2 CFR 200.310](#) through [200.316](#) apply, unless specifically altered in the Special Provisions to this FAA.

Any real property reporting requirements apply in accordance with [2 CFR 200.329](#) will be stipulated in the Special Provisions to this FAA.

11. Conflict of Interest

In accordance with [2 CFR 200.112](#), the Recipient must disclose in writing any potential conflicts of interest to the Commission. In addition, [2 CFR 200.318](#) requires that Recipients maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of contracts.

Refer to the [Recipient Guidelines and Requirements](#) document for further information on this subject.

12. Denali Commission Policies

Recipients may be required to comply with certain published Denali Commission policies, which can be found in the [Recipient Guidelines and Requirements](#) document. Any specific requirements or deliverables related to these policies will be stipulated in the Special Provisions to this FAA.

13. Laws and Regulations

Recipients are required to comply with all applicable Federal laws and regulations. General categories of potentially applicable laws and regulations are summarized below. Refer to the [Recipient Guidelines and Requirements](#) document for further information on specific laws and regulations that may apply.

- a. Debarment and Suspension
- b. Whistle-blower Protection
- c. Non-Discrimination
- d. Lobbying and Propaganda
- e. Environmental
- f. Drug-Free Workplace
- g. Travel
- h. Human Rights
- i. Animal Welfare
- j. Executive Compensation
- k. Build America, Buy America Act

14. Other Provisions

- a. The United States expressly disclaims any and all responsibility or liability to the Recipient or sub-recipients for the actions of the Recipient or sub-recipients resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this FAA, including sub-awards, contracts, or sub-contracts issued in connection with this FAA.
- b. To the maximum extent practicable, considering applicable laws, the Recipient shall accomplish the project contemplated by this FAA using local Alaska firms and labor.
- c. All terms and conditions contained in this FAA apply to any sub-recipient under this FAA.
- d. Failure to comply with the provisions of this FAA or maintain satisfactory performance may result in additional FAA conditions pursuant to [2 CFR 200.207](#). This includes but is not limited to: temporarily withholding of payments pending the correction of the deficiency; disallowance of project costs; wholly or partially suspending or terminating the FAA. In addition, failure to comply with the provisions of this FAA may also have a negative impact on the Recipient's eligibility for future Federal awards.

15. Special Provisions

Progress Reports: Progress reports must be submitted on a quarterly basis via the [Denali Commission Project Database System](#). The first reporting period is 1 January 2023 to 31 March 2023, and quarterly thereafter.

Pre-Award Costs: Authorized

Match Requirement: As noted on the Budget and Funding Summary

Advance Payments: Not applicable (NA)

Key Staff: Bob Cummings, City Engineer

Denali Commission Policies:

Investment Guidance Policy: Initiatives and projects developed pursuant to this FAA shall maximize match funding and long-term benefits to Alaska

Sustainability Policy: Initiatives and projects developed pursuant to this FAA shall include analysis that shows the initiative/project will be sustainable

Community Planning Policy: Initiatives and projects developed pursuant to this FAA shall be consistent with local and regional planning documents

Open Door Policy: Any facilities developed pursuant to this FAA shall be available to all potential users

Private Enterprise Policy: Initiatives and projects developed pursuant to this FAA shall not compete with private interests

Competitive Bid Policy: Where multiple Alaska-based vendors can complete the required work, Recipients are encouraged to pursue a competitive bid; price competition is required for all contracts over \$3 million

National Environmental Policy Act (NEPA): Type A5 Categorical Exclusion per Denali Commission NEPA Implementing Procedures published in [45 CFR Part 900](#) on 1 October 2016. Therefore, no further NEPA documentation is required.

Cooperative Agreement: NA

Equipment Disposition: NA

Insurance: The Denali Commission must be named additional insured on the General Liability Insurance Policy of the **City of Unalaska**, the General Liability Insurance Policy of the prime architectural/engineering firm(s) retained to design the project, the Liability Insurance Policy of the first tier construction firm(s) who will construct the project, and the Liability Insurance Policy of all other independent professional service firms (e.g., land surveyors, geotechnical engineers, etc.) with a primary role on the project.

Bonds: Bonding in accordance with [2 CFR 200.326](#), as applicable.

Ownership and Site Control: The **City of Unalaska** must develop and execute all necessary agreements required to establish site control and/or right of access to property affected by execution of the project, as applicable.

Davis Bacon Wages: NA

Climate Change: The Recipient is encouraged to consult the American Society of Civil Engineers [Manual of Practice 140 Climate-Resilient Infrastructure: Adaptive Design and Risk Management](#).

Infrastructure Resilience: Simple use of historical environmental data to inform design work may not be appropriate. The Recipient and their design professionals shall judiciously account for the potential for increased rates of permafrost thaw, coastal/riverine erosion, and flooding during the design life of the project, as applicable.

Real Property Disposition: When the original ownership or lease arrangements for the real property improvements change, or when the real property improvements are no longer needed for the originally authorized purpose, the Recipient must contact the Commission for approvals and/or disposition instructions in accordance with [2 CFR 200.311](#).

Real Property Reporting: The Recipient must report on the status of real property every two years, to begin at the end of the performance period for the life of the project in accordance with [2 CFR 200.330](#).

16. Program Manager, Financial Manager & Other Contact Information

Denali Commission	City of Unalaska
Kristin Reardon Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-5239 Fax: 907-271-1415 E-mail: kreardon@denali.gov	Bob Cummings City Engineer PO Box 610 Unalaska, AK 99865 Phone: 907-359-1860 Email: bcummings@ci.unalaska.ak.us
Janet Davis Grants Management Officer 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3036 Fax: 907-271-1415 E-mail: jdavis@denali.gov	Kelly Tompkins PMFA Accountant PO Box 610 Unalaska, AK 99865 Phone: 907-581-1251 Email: ktompkins@ci.unalaska.ak.us

**Financial Assistance Award 1722
Between the Denali Commission and the City of Unalaska
For Captains Bay Road Waterline Extension
Scope of Work dated 14 November 2022**

a. Scope of Work:

This project covers engineering design and permitting of a waterline extension from Westward Seafood, Inc. to Trident Seafoods Development along Captains Bay Road to allow North Pacific Fuels and others to be served by the City of Unalaska's main distribution network. This will allow the City to utilize the full capacity of the existing Pyramid Creek Water Storage Tank as well as allow proper tank maintenance. In addition, this improvement will ensure continuous water service to all industrial and residential customers. The existing 6-inch World War II era wood stave pipe will be abandoned in lieu of a new 16-inch water main along Captains Bay Road. The World War II era wood stave pipe leaks at a rate of 150 gallons per minute, adding considerable stress and expense to the City's water system.

b. Deliverable:

Complete permitted and bid-ready stamped contract documents sufficient to define the work and payment methods necessary for construction. Conformed drawings will be prepared to incorporate changes made during the bid process.

c. Budget:

See attached Budget and Funding Summary dated 14 November 2022.

d. Delivery Method:

The City will administer the award and hire a consultant to carry out the engineering and geotechnical studies, develop the final design, and obtain the required permits. All work will be accomplished in accordance with the terms and conditions of the City's standard agreement for engineering services on a lump sum basis for a Not-to-Exceed amount.

e. Schedule:

<u>Task</u>	<u>Description</u>	<u>Completion Date</u>
Engineering Design	Consultant to develop final design documents	September 2023
Stakeholder Outreach and Permitting	City/Consultant to carry out stakeholder outreach and work with state and federal agencies to secure all necessary permits	December 2023

BUDGET				
Line	Item	Provided By	Amount	Basis/Notes
1	Engineering Design (waterline from Westward Seafood, Inc. to Trident Seafoods Development)	Consultant	\$357,865	Based on proposal from Regan Engineering to the City of Unalaska dated 14 October 2022
2	Survey (waterline from Offshore Systems, Inc. to Trident Seafoods Development)	Consultant	\$40,781	Based on proposal from Regan Engineering to the City of Unalaska dated 14 October 2022
3	Total Direct Costs		\$398,646	
4	Indirect Costs		\$0	City of Unalaska not taking indirect on this project; direct costs cover consultant fees
5	Total		\$398,646	

FUNDING				
Line	Source	Award or Reference	Amount	Notes
6	Denali Commission	This Action	\$386,400	Funded via Denali Commission Infrastructure Fund
7	City of Unalaska Funds	City	\$12,246	
8	Total Funding Available as of this Action		\$398,646	

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Steve Tompkins, Director of Public Utilities
Bob Cummings, City Engineer
Through: Clay Darnell, Interim Finance Director
Bil Homka, Acting City Manager
Date: December 27, 2022
Re: Ordinance 2022-22: Creating budget amendment #4 to the fiscal year 2023 budget, providing \$105,000 in additional monies to procure, install and configure Pyramid Water Treatment Plant Inline Micro Turbine Improvements.

SUMMARY: This budget amendment request seeks Council's approval to transfer \$105,000 in Water Proprietary Fund Revenue into MUNIS Project WA17C, the Pyramid Water Treatment Plant Inline Micro Turbines Project, in order to fund installation of improvements that increase the performance of the plant in certain failure scenarios.

PREVIOUS COUNCIL ACTION: Council funded the Pyramid Water Treatment Plant design and construction in 2010 – 2014, which included additional space in the process bay for eventual installation of the Pyramid Water Treatment Plant Inline Micro Turbine Project. Council provided \$50,000 from Water Proprietary Revenue to create the current project in the FY2017 CMMP through Ordinance 2016-12, adopted on May 24, 2016. On March 12, 2019, by Resolution 2019-12, Council approved the award of Phase II (scoping, 15% design, and equipment manufacturer selection) to Rentricity, Inc. Council further approved \$2,052,284 in funding for Phase III (complete bid package preparation, permitting, and construction) and Phase IV (hydro turbine generator installation and commissioning) via Ordinance 2019-09 on September 10, 2019. When the five bids were opened on May 28, 2020, the low bid was \$151,413 more than the construction cost estimate, so an additional \$159,735 was requested on Ordinance 2020-13, passed and adopted on July 28, 2020.

BACKGROUND: Staff have identified a potential bottleneck in the original plant design as installed that would limit flow to 1200 gallons per minute (1.7 million gallons per day) in the very unlikely event of a double failure in the equipment. Preferring to take a very conservative approach regarding water supply risk management, staff asked for an engineered solution that would continue to provide adequate flow to meet industrial water needs under a broader range of failure scenarios. Additionally, an improved method to measure the flow discharged to Icy Creek was discovered that involves small modifications to the existing valves. The ability to accurately measure the flow to Icy Creek is required by the Alaska Department of Conservation in the event that water is discharged not as a result of water treatment but rather electrical production.

DISCUSSION: The proposed modifications will allow uninterrupted water supply to all customers even during seasons of high-water demand in the unlikely double failure scenario and allow for additional electrical production during periods when water treatment is not needed. After installation of this equipment, staff will request the Alaska Department of Environmental Conservation to permit discharge of excess raw water back to the creek, allowing maximum electrical production even in times of low water demand where there is adequate supply. Even with these additional monies, this project still has an estimated payback period of 11 years, with a four-fold investment return over the expected life of the hydro turbine generators.

The proposed budget amendment also includes a small 5% contingency. The window to install this equipment is limited to approximately 45 days between April 15, 2023 and June 1, 2023. Water demand during this window is low enough to allow shutting down the Pyramid Water Treatment Plant, servicing the water demand from the drinking water wells in the valley. Having a small contingency in place will allow the work to proceed if any unforeseen expenses occur.

ALTERNATIVES: Council could decide not to approve the requested budget amendment in its entirety which would preclude adding the engineered plant improvements.

FINANCIAL IMPLICATIONS: The revised project budget was \$2,212,019. Staff requests an additional \$105,000 for purchase and installation of engineered improvements to better perform over a wider range of failure scenarios. The proposed revised budget and request for the project is set forth below:

MUNIS PROJECT WA17C - PYRAMID WTP MICRO TURBINES PROJECT							
DESCRIPTION	REVISED BUDGET	EXPENSED	ENCUMBERED	PENDING ENCUMBRANCES	AVAILABLE BUDGET	THIS REQUEST	PROPOSED REVISED BUDGET
Engineering & Architectural	\$ 478,120	\$ 466,062	\$ 11,980	\$ -	\$ 79	\$ -	\$ 478,120
Other Professional	\$ 39,000	\$ 38,731	\$ 269	\$ -	\$ -	\$ 36,000	\$ 75,000
Construction Services	\$ 1,430,943	\$ 1,420,494	\$ 10,449	\$ -	\$ -	\$ 14,000	\$ 1,444,943
Telephone / Fax / TV	\$ 622	\$ 622	\$ -	\$ -	\$ -	\$ -	\$ 622
Advertising	\$ 1,439	\$ 1,439	\$ -	\$ -	\$ -	\$ -	\$ 1,439
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Machinery & Equipment	\$ 261,895	\$ 261,895	\$ -	\$ -	\$ -	\$ 50,000	\$ 311,895
	\$ 2,212,019	\$ 2,189,242	\$ 22,699	\$ -	\$ 79	\$ 105,000	\$ 2,317,019

LEGAL: Not applicable

STAFF RECOMMENDATION: Staff recommends Council adopt Ordinance 2022-22 to allow engineered improvements to be purchased and installed, adding to the City’s renewable energy portfolio and providing a return on investment. Improved flow calculation model will be submitted to ADEC to permit maximum electrical production, regardless of water demand.

PROPOSED MOTION: I move to schedule Ordinance 2022-22 for a second reading and public hearing on January 10, 2023.

CITY MANAGER COMMENTS:

ATTACHMENTS: Equipment Quote Analysis & Comparison (1 page)

WA17C WTP Micro Turbines Project - Engineered Improvements Cost Study (3 Vendors)

V-234 A - 16" Cla-Val		
Quantity	Description	Part Number
1	Pilot kit for 16" 6399G-05BCSVYKX Electronic interface pressure reducing and solenoid shutoff valve with manual bypass and manual hydraulic bypass (Integral controller type), stainless steel pilot system, 120 VAC CS2 stainless steel solenoid control, 2-30 psi sprig In CRD and Crd34, X101 Position Indicator, KK = 2-way solenoid w/ manual bypass.	
Included	CRD-34 w/2-30 Psi Range,	Included
Included	CRD w/2-30 psi range	Included
Included	X101C Valve Position Indicator	Included
Included	110 Vac NC Solenoid	Included
Notes	This is a complete new pilot system to replace everything on the valve with a new pilot system attached to the right.	

V-234 B-8" (existing condition=6" reduced port) Cla-Val		
Quantity	Description	Part Number
1	1/2" CRU, Bronze trim, SS trim w/20-200 spring	20840402K
1	X101C Valve Position Indicator	8097906F
1	110 VAC N/C Solenoid w/manual bypass valve	N/A
Notes	These are the parts to be added to the current pilot system to add relief override and visual position indication. The solenoid is already on the valve.	

1	8" 100G-01KCO Hytrol Valve (all internal parts + KO Trim)	
1	8" 100G-01KO Hytrol Valve (all internal parts - Standard Trim) Epoxy Coated	
1	price difference for Stainless Steel Diaphragm Washer	

V-238 16" Cla-Val		
Quantity	Description	Part Number
1	110 VAC N/O Solenoid w/ manual bypass valve	N/A
1	110 VAC N/C Solenoid w/manual bypass valve	N/A
1	X-117D Valve position indicator	N/A
2	X141-PT Electronic Pressure Transmitters	21433804G
1	X35 Flow Calculation Module	21446908D-OTC
1	CRA, Bronze body, SS trim, w/2-30 psi range	7974406G
	Process Tubing/Fittings	N/A
Notes	These are the parts needed to add sustaining override and flow measurement. These parts should be added to the back side of the valve in place or in addition to the manual system. The current electrical system should be kept as is. The X117D currently on the valve should be rewired to the X35.	

- option #1 Use existing reduced port V234B but with added topworks
- option #2 New 8" full port PRV for V234B with KO trim and epoxy coated diaphragm
- option #3 New 8" full port PRV for V234B without KO trim and epoxy coated diaphragm
- option #4 New 8" full port PRV for V234B with KO trim and stainless diaphragm washer
- option #5 New 8" full port PRV for V234B without KO trim and stainless diaphragm washer
- All options All options include modifications for V234A & V238 (approx. \$15,000)

Core&Main	Paramount	Ferguson
\$ 10,890.00	\$ 10,327.50	\$ 12,039.34
\$ 10,890.00	\$ 10,327.50	\$ 12,039.34
\$ 10,890.00	\$ 10,327.50	\$ 12,039.34

Core&Main	Paramount	Ferguson
\$ 765.00	\$ 707.50	\$ 797.18
\$ 565.00	\$ 462.50	\$ 536.74
\$ 1,330.00	\$ 1,170.00	\$ 1,333.92
\$ 20,150.00	\$ 19,470.00	\$ 19,903.50
\$ 15,100.00	\$ 14,419.60	\$ 14,740.65
\$ 4,280.00	\$ 3,237.50	\$ 4,939.89

Core&Main	Paramount	Ferguson
\$ 10,890.00	\$ 10,327.50	\$ 12,039.34
\$ 1,330.00	\$ 1,170.00	\$ 1,333.92
\$ 21,480.00	\$ 20,640.00	\$ 21,237.42
\$ 16,430.00	\$ 15,589.60	\$ 16,074.57
\$ 25,760.00	\$ 24,877.50	\$ 26,177.31
\$ 20,710.00	\$ 19,827.10	\$ 21,014.46
\$ 5,575.00	\$ 5,132.00	\$ 6,128.36

Core&Main	Paramount	Ferguson
\$ 17,795.00	\$ 16,629.50	\$ 19,501.62
\$ 37,945.00	\$ 36,099.50	\$ 39,405.12
\$ 32,895.00	\$ 31,049.10	\$ 34,242.27
\$ 42,225.00	\$ 40,337.00	\$ 44,345.01
\$ 37,175.00	\$ 35,286.60	\$ 39,182.16

Totals

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-02

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING A 20-YEAR TIDELAND LEASE AGREEMENT BETWEEN THE CITY OF UNALASKA AND OFFSHORE SYSTEMS, INC., FOR A 2.288 ACRE PORTION OF ALASKA TIDELANDS SURVEY NO. 1432

WHEREAS, the City of Unalaska is the owner of Unalaska tideland 1432 Alaska Tideland Survey (ATS) No.1432, containing 4.99 acres, more or less, according to the survey plat recorded in the Aleutian Islands Recording District as Plat 92-34; and

WHEREAS, Offshore Systems Inc., desires to extend their lease of a portion of ATS 1432, containing about 2.288 acres for a period of 20 years to operate its existing marine facility; and

WHEREAS, Unalaska Code of Ordinances § 7.12.020 UCO requires City Council approval of any lease of City property having a term greater than 5 years; and

WHEREAS, the City Council has determined that a new 20-year lease is of benefit to the City as it promotes long-term, substantial, durable, and desirable investment in the City of Unalaska's tidelands and allows for an existing business to expand here.

NOW THEREFORE BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL approves the tideland lease between the City of Unalaska and Offshore Systems, Inc. for a portion of ATS 1432, containing 2.288 acres, more or less, with the lease rate amount starting at 10% of the appraised value and reviewed every 5 years in accordance with the City Manager Regulations for Tideland Leasing.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 10, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: William Homka, Assistant City Manager
Through: Chris Hladick, City Manager
Date: January 10, 2023
Re: Ordinance 2023-02: Approving a 20-year Tideland Lease Agreement between the City of Unalaska and Offshore Systems, Inc., for a 2.288 acre portion of Alaska Tidelands Survey no. 1432

SUMMARY: A tideland lease between the City of Unalaska and Offshore Systems, Inc. (OSI) has been drafted and is being processed in accordance with City code and policies. City Council approval is required for the lease because the term is greater than five (5) years. Staff recommends approval of Resolution 2023-02.

PREVIOUS COUNCIL ACTION: OSI's initial lease began with the State of Alaska. The City acquired the tidelands and the lease which expired in 2005. City Council approved Resolution 2005-04 and renewed the lease for a 17-year period that expired in 2022.

BACKGROUND: OSI submitted two applications to renew tideland leases that expired in 2022. This lease application is for the 2.288-acre portion of City-owned tideland known as Alaska Tideland Survey 1432. City code requires the City to notify owners of adjacent uplands about applications; they have first preference and refusal right to lease the tidelands if they file development plans per Title 8 of City Code. A notice was mailed to the adjacent upland owner on September 1, 2022. The 90 day waiting period expired on December 5, 2022. No development interest was submitted during the notification's waiting period.

Pursuant to UCO 7.12.020, no lease shall exceed thirty (30) years unless the City Council determines the purpose of the lease, or the nature of improvements placed thereon, provide benefits to the city that warrant a longer lease term. City Council shall approve leases with terms greater than five years. Any renewal period or option to renew the lease period shall be included in the term of the lease in computing the five-year period of time.

DISCUSSION: OSI submitted an application to lease approximately 2.288 acres of ATS 1432 (Plat 92-34). These parcels contain the "Pot Dock" in Captains Bay.

Prior to the City signing the agreement, OSI will provide proof of insurance. All insurance requirements are identified in the lease agreement. Additionally, as described in the Regulations, a performance bond based on 5% of the estimated value of the existing improvements will need to be provided to the city prior to the signing the agreement.

Army Corps of Engineers, and other required permits will need to be obtained by OSI prior to any new development. Additionally, required building permits will need to be obtained from the Department of Public Works. No construction will be permitted by the City until documentation is provided to verify that these permits have been issued, as noted in the lease agreement.

The City Manager Regulations for Tidelands recommend lease terms of 30-years. This application seeks a 20 year term, however the lessee has the option of extensions up to a total of 30 years. Either party may, however, opt-out of the extension with a 60-day notice.

City regulations and policies establish the annual lease rate to be 10% of the property's value. MacSwain Associates, LLC appraised the property value at \$59,799.16 so the annual rent will be \$5,979.92. Tideland policies require reappraisal every five (5) years to determine if any rent adjustments are required. The 20 year value of this lease is \$119,598.40 plus any five year rate adjustments. The first payment will include the cost of the appraisal and any taxes resulting from the property rental.

ALTERNATIVES: If the City Council finds that it is not in the best interest of the City to approve Resolution 2023-02 as is, it may alternatively grant the lease agreement for less than 20 years, or reject the application for lease altogether.

FINANCIAL IMPLICATIONS: With approval the City will gain a total of \$119,598.40 over 20 years, plus additional rent with reappraisals, tax revenue and reimbursement for the cost of the initial appraisal.

LEGAL: The lease was developed in consultation with the City Attorney.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2023-02.

PROPOSED MOTION: I move to adopt Resolution 2023-02.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS: Proposed lease

CITY OF UNALASKA
TIDELAND LEASE AGREEMENT
ATS 1432
FOR CITY OWNED TIDELANDS

This Lease Agreement is made and entered into this ___ day of _____, 2023, between the City of Unalaska, a first-class Alaska municipal corporation (“Lessor”), whose address is P.O. Box 610, Unalaska, Alaska 99685, and Offshore Systems, Inc. (“Lessee”), whose address is 12019 76th Place NE, Kirkland, Washington 98034.

NOW THEREFORE, the Lessor and the Lessee, in consideration of the mutual covenants and conditions stated in this Lease, agree as follows:

Leased Premises. The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following parcel of land (collectively “Parcel”), which are situated in the State of Alaska, identified as follows:

The cross-hatched portion of Alaska Tidelands Survey 1432, according to the official survey thereof, filed under Plat No. 92-34, in the Aleutian Islands Recording District, Third Judicial District, State of Alaska, shown in the attached Exhibit A to this agreement, comprised of 2.288 Acres, more or less.

EXCEPTING AND RESERVING THEREFROM, to the Lessor and its assigns during the term of this Lease, the following specific interests, which shall be in addition to and not in derogation of any general reservations to the Lessor which may be stated elsewhere in this Lease:

- A. Easements, rights of way and reservations of record.
 - B. The rights of the public to access tidelands under the Alaska Constitution.
 - C. The rights of the public to access tidelands under the Public Trust Doctrine
1. Term. (a) The term of this Lease shall be for a period of 20 years, commencing on the 1st day of January, 2023 and ending on the 31st day of December, 2042, unless sooner terminated as herein provided.
- (b) Lessee may terminate this Lease prior to the end of the Term by providing written

notice of termination 30 days prior to the termination together with payment of an early termination fee equal to 20% of the annual Rent for the year in which such notice is given multiplied by the number of full years then remaining in the Term.

2. Rent. The Lessee shall pay to the Lessor the following rent (“Rent”) for the Parcel: equal annual payments, in advance, on or before the 10th day of the first month of the period of said rental term at the rate of five thousand nine hundred sixty dollars and seventy two cents (\$5,960.72) for the 2.288 Acre Parcel per annum, such annual rental payments to be subject to adjustment in accordance with Paragraph 3 of this Agreement.

The cost of the reappraisal used to calculate this lease rate was \$5,600, originally paid for by the City. The Lessee shall pay the Lessor the following reimbursement for the Initial Appraisal of the Parcel: on or before the 10th day of the first month of the period of said rental term at the rate of two thousand eight hundred dollars (\$2,800.00).

3. Adjustments to Rent. Rent due under this Agreement shall be adjusted upward or downward as follows:

The annual rent will typically be 10% of the appraised value of the tideland, including all previously existing improvements, as determined by an appraiser or based on the Fair Market Rent as established by an appraiser. Commencing at the end of the fifth (5th) year of the term, and continuing at the end of every five (5) years thereafter the Parcel, including any previously existing improvements included in this Lease Agreement, but excluding improvements made by Lessee, shall be reappraised by the City of Unalaska and the annual rent shall be adjusted accordingly. In some instances, a letter of opinion from an appraiser may be all that is warranted and may be considered every five years with a reappraisal every 10 years. Rent shall at no point be less than \$2,250 per acre with a \$2,250 minimum annual rent. The cost of subsequent reappraisals will be split equally between the City and the Lessee.

4. Payment of Rent. Rent payments shall be made payable to the City of Unalaska and delivered to the City of Unalaska Finance Department, P.O. Box 610, Unalaska, Alaska 99685, or to any other address which Lessor may designate in writing.
5. Interest on Delinquent Payments. All unpaid rents and fees shall accrue interest at the rate of ten and one-half per cent (10.5%) per annum beginning thirty (30) days after payment is due.
6. Use of Parcel. The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution and sanitation control and those relating to City of Unalaska sales taxation . The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate itself and its improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent or suppress pollution of the ground, surface water, air, or land, and to

prevent erosion or destruction of the land.

7. Improvements. The Lessee may make permanent improvements to the Parcel permitted by applicable law. Improvements shall be made to the leased tideland within 2 years of the signing of the lease, or lease may be revoked. The Lessee must within 90 days of completion of any such improvements including, but not limited to, structural improvements, clearing, leveling, excavation, and backfill, file with the Lessor adequate and reasonable documentation of such improvements, setting forth all applicable costs and quantities. Failure to provide such documentation may result in a loss of credit to the Lessee for such improvements when the original condition of the Parcel is determined for reappraisal purposes under Paragraph 3 hereof.
8. Encumbrance of Parcel. The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's reversionary interest in the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld; and any such act or omission, without the prior written consent of the Lessor, shall be voidable by the Lessor.
9. Notices of Non-responsibility and Completion. Prior to commencing any improvements on the Premises costing more than twenty thousand dollars (\$20,000.00), individually or in the aggregate, Lessee shall obtain from Lessor and duly post and record an appropriate notice of Lessor's non-responsibility for such Improvements, pursuant to the requirements of AS 34.35.065 or its successor. Lessee shall, upon the completion of any improvements to the Property, promptly give and record an appropriate notice of completion respecting all such Improvements, pursuant to the requirements of AS 34.35.071 or its successor.
10. Assignment of Lease and Sublease of Parcel. The Lessee may not assign this Lease or sublet the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld. No assignment of this Lease shall be approved until the assignee agrees to be subject to and governed by the provisions of this Lease in the same manner as the original Lessee to the extent that they may be applicable to the sublease except for the payment of Rent and other monetary obligations. No such assignment or sublease will be effective until approved by the Lessor in writing or shall annul the Lessee's obligation to pay the rent herein required for the full term of this Lease. Except as permitted by the Lessor, no subdivision of the Lessee's leasehold interest, including any exposed airspace thereon, shall occur.
11. Denial of Warranty Regarding Conditions. The Lessor neither makes any warranty, express or implied, nor assumes any liability whatsoever, regarding the natural, social, economic, or environmental conditions of the Parcel, including, without limitation, the soil, water and drainage conditions, natural or artificial hazards, and the profitability or fitness of the Parcel for any use.

Lessee represents and warrants that it has independently inspected the Parcel and made all tests, investigations and observations necessary to satisfy itself of the condition of the Parcel. Lessee shall and is relying solely on such independent inspection, tests, investigations and observations in making this Agreement. Lessee accepts and shall be responsible for any risk of harm to any person and property, including but not limited to, employees of Lessee, from any latent defects in the Property.

12. Agreement to Terms of Lease. The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors, successors in interest and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants and conditions contained herein.
13. Payment of Taxes and Assessments. The Lessee shall pay as additional rent all real property taxes and assessments lawfully levied upon the Parcel during the term of the Lease.
14. Utilities and Services. Lessee shall, at its expense, procure and timely pay for all services and utilities and hook-ups therefore which are necessary or appropriate for its operation or use of the Parcel.
15. Easements. Lessor reserves the right to make grants to third parties or reserve to the Lessor easements through, on or above the Parcel for the purpose of providing water, sewer or electric services to the Parcel or to adjacent properties, or for the purpose of providing reasonable public access to public waters, provided that no such easement or may be granted or reserved which unreasonably interferes with the Lessee's use of the Parcel.
16. Condemnation of Leasehold Improvements. If the whole or any part of the Parcel is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:
 - (a) If all of the Parcel is taken by condemnation, this Lease and all rights and obligations of the Lessee will immediately terminate, and the rent will be adjusted so that it is due only until the date the Lessee is required to surrender possession of the Parcel. The Lessor is entitled to all the condemnation proceeds, except that the Lessee will be paid the portion of the proceeds attributable to relocation costs or to improvements located on the Parcel.
 - (b) If the taking is of a substantial part of the Parcel, the following rules apply:
 - (1) If the taking reduces the ground area of the Parcel by at least 30 percent or materially affects the use being made by the Lessee of the Parcel, the Lessee has the right to elect to terminate or not to terminate this Lease by written notice to the Lessor not later than 180 days after the date of taking.
 - (2) If the Lessee elects to terminate this Lease, the provisions in (a) of this subsection govern the condemned portion of the Parcel and the terms of the Lease govern disposal of the remainder if any
 - (3) If the Lessee elects not to terminate, the Lease continues and the Lessor is entitled to the full condemnation proceeds, except the Lessee will be paid the portion attributable to relocation costs or to improvements located on Parcel. Except as it may be adjusted from time to time under the terms of this Lease, rent for the balance of the term will be equitably adjusted by the Lessor to reflect the taking.

- (c) If the taking by condemnation reduces the ground area of the Parcel by less than 30 percent and the Lessee's use of the Parcel is not materially affected, the provisions of (b)(3) of this subsection will govern.

17. Access. The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.
18. Valid Existing Rights. This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land of record on the date of execution of this Lease.
19. Inspection. The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance by the Lessee of the covenants and conditions of this Lease and for the performance of other lawful requirements.
20. Mineral Reservations. The Lessor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils. The Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, power lines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, that no rights reserved hereunder shall be exercised by the Lessor or its subsurface lessees, until provision has been made by the Lessor or its subsurface lessees to pay to the Lessee of the land upon which the rights are herein reserved, full payment for all damages and losses sustained by said Lessee by reason of entering upon said land; and provided further that, if the Lessee for any cause whatever refuses or neglects to accept such damage or loss payment, the Lessor or its subsurface lessees, or any applicant for a subsurface lease, contract or option from the Lessor or its subsurface lessee for the purpose of exploring for or extracting valuable minerals (other than sand, gravel and rock), coal, petroleum, natural gas, or geothermal resources shall

have the right, after posting an adequate surety bond for the Lessee, as the obligee, issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or after posting for the Lessee, as the obligee, an adequate bond executed by one or more individual sureties approved by the Lessee and after due notice and an opportunity to be heard, to exercise rights granted to it for reasonable use of the surface required for the full enjoyment of the reserved subsurface rights which it holds. Each surety bond shall be sufficient in amount and security to secure the affected rights of the Lessee, and the Lessee and the Lessor or its subsurface lessee shall have the standing which may be necessary to seek a determination of the damages and losses which the Lessee may suffer, and the security appropriate to hold the Lessee harmless in relation thereto.

21. Appropriation or Disturbance of Waters. During the term of this Lease, the Lessee shall have the right to apply for an appropriation of ground or surface water on the Parcel in accordance with the Alaska Water Use Act. All water applied for and appropriated during the term of this Lease shall remain appurtenant to the Parcel during said term, and such water and water rights shall not be severed or transferred from the Parcel or any part thereof during said term without the prior consent of the Lessor. The Lessee's rights under any permit or certificate of appropriation shall revert to the Lessor upon termination of the Lease or forfeiture of the Lease for cause.
22. Acquisition of Rights or Interests. Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.
23. Land Alterations Due to Natural or Artificial Causes. The Parcel described herein shall constitute the entire Parcel of property to be leased by the Lessor to the Lessee pursuant to this agreement. If, through natural or artificial causes, accretion or reliction of land occurs on property contiguous to the Parcel that is owned by the Lessor, the Lessee shall have no right to occupy or use such contiguous property unless a separate lease is entered with the Lessor with respect to such property. The parties agree and stipulate that the rules of law usually applicable to accretion or reliction of land shall not apply to this Lease, nor to the Parcel leased hereunder, in order that the parties may give effect to the provision agreed upon herein.
24. Environmental Indemnification. If any hazardous substances are released or discharged on or from the Parcel to, on or about the Parcel or other properties, including, but not limited to, the surface or subsurface waters adjacent to the Parcel during the term of this Agreement, Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, but not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restorative work required by any federal or state agency due to the presence of hazardous substances in the soil or groundwater on or under the Parcel or other affected properties, whether such losses arise during or after the term of this Agreement, but only to the extent that such release or discharge is not caused by the fault of Lessor or its agents, representatives, contractors or employees.

25. Lease Subject to Public Trust. This Agreement is subject to the principles of the Public Trust Doctrine.
26. Hazardous Substances. Lessor represents and warrants to Lessee that, to the best of its information, knowledge and belief, no hazardous substances have been released, discharged or spilled on the Parcel; however, Lessor does not represent, warrant or guarantee that this is necessarily the case. Otherwise, Lessor has made no express or implied representations or warranties to Lessee with respect to the release, discharge or spillage of any hazardous substances in, on or about the Parcel. Lessee hereby releases and discharges Lessor, its affiliates and all of their respective past, present and future officials, employees, agents, attorneys, insurers and representatives, with prejudice, from any and all claims, obligations or liabilities which have arisen, resulted from or are based upon, or may in the future arise out of, result from or be based upon, in whole or in part, the past release, discharge or spill of any hazardous substances or other environmental pollution in, on or about the Parcel, regardless of whether such claim, obligation or liability, or the type or extent thereof, is now known or foreseeable; provided, however, that such release and discharge shall be inapplicable to claims, obligations and liabilities that are based upon a material breach of the representations and warranties made by Lessor in this Agreement.
27. Definition of Hazardous Substance. Hazardous substance, as such term is used in this Agreement, includes: (a) (1) crude oil, (2) petroleum, (3) diesel fuel, (4) marine fuel, (5) heating oil, (6) gasoline, (7) motor oil, (8) kerosene, (9) aviation fuel, (10) other petroleum products, additions and derivatives, (11) urea formaldehyde foam insulation, (12) asbestos, and (13) polychlorinated biphenyls; and (b) any other (1) pollutant, (2) contaminant or (3) toxic, flammable, explosive, radioactive, noxious, hazardous, extremely hazardous, dangerous or potentially dangerous waste, material or substance, the response to which or the remediation or removal of which is required, or the manufacture, preparation, production, use, maintenance, treatment, storage, transfer, disposal, handling, processing or ownership of which is restricted, prohibited, regulated or penalized by any federal or state law or regulation as now or hereafter in effect.
28. Spill Prevention. Any fuel or oil stored on the Parcel shall be stored so as to prevent the discharge thereof from entering any ground or surface waters. Lessee shall promptly clean or mop up any fuel or oil spilled on or about the Parcel. If Lessee's use of the Parcel results in hazardous substances being on or about the Parcel, Lessee shall:
- (a) Have materials and equipment available on the Parcel at all times sufficient to contain and clean up any hazardous substance that may reasonably be expected to be spilled on or about the Parcel. A list of said material and equipment shall be provided to Lessor for approval at the request of Lessor which approval shall not be unreasonably withheld. Lessee shall comply with all reasonable requests of Lessor regarding the amount and type of equipment and material to be kept available on the Property to contain and clean up any hazardous substance that may reasonably be expected to be spilled on or about the Property.
 - (b) Prior to commencing operations from any improvement on the Parcel for which a DEC-approved Spill Contingency Plan is required, Lessee shall provide evidence of the existence of such an approved plan in a form acceptable to Lessor.

- (c) Lessor's inspection rights identified in paragraph 24 specifically include the right to inspect the materials indicated as present and stored for purposes of responding to spills of hazardous substances on the Parcel.
29. Erosion Prevention. Lessee shall prevent unwarranted erosion of the Parcel that is caused by Lessee's use or occupancy of the Parcel. Any such erosion shall be repaired in a manner satisfactory to Lessor at Lessee's sole expense.
30. Waiver or Forbearance. The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, or the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease, nor destroy or in any manner or impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.
31. Bankruptcy. In the event Lessee becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Lessee's interest under this Lease, Lessor shall have the right to declare this lease in default.
32. Breach and Remedies.
- (a) Time is of the essence of this Lease. If the Lessee shall materially breach any of the terms, covenants, conditions or stipulations contained in this Lease or attached hereto which are applicable to it, and said breach shall not be completely cured within 60 days after written notice of such breach has been served by the Lessor upon the Lessee and each holder of a security interest in the Lessee's interest under this Lease that has notified the Lessor of such security interest, the Lessee shall be subject to such legal rights and remedies as the Lessor shall have available to it under applicable law, including, but not limited to, the termination of this Lease; provided, however, that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lessee may be in material breach of this Lease. In the event that this Lease is terminated by the Lessor for a material breach by the Lessee of this Lease, all rents paid by the Lessee shall be forfeited to and retained by the Lessor, not as a penalty, but as liquidated damages for such breach. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to such termination.

- (b) If the Lessee fails to completely cure a material breach of this Lease by it within the time allowed in (a) of this paragraph, any holder of a security interest in the Lessee's interest under this Lease who has notified the Lessor of such security interest may cure or remedy such breach if the breach can be cured by the payment of money or, if this cannot be done, by performing, or undertaking in writing to perform, the Lessee's obligations which are the subject of such breach that are capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this paragraph, or within any additional period which the Lessor may allow for good cause.
- (c) In the event that this Lease is terminated, or in the event that the Parcel is abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or reenter and take possession of such Parcel and without liability for any damage therefore, remove all persons and personal properties therefrom, either by summary proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

33. Disposition of Improvements and Personality After Termination:

- (a) Improvements, fixtures, machinery and equipment owned by lessee shall be removed by lessee from the Property within sixty (60) days after the expiration or termination of this Lease; provided that such removal will not cause injury or damage to the Property, or if it does, Lessee shall indemnify Lessor for the full amount of such damage; and further provided that any improvements, fixtures, machinery or equipment left on the Property by Lessee shall be in good, safe and tenantable or operable condition; and further provided that Lessee shall not commit, create, leave or allow to exist on the Property any nuisance or public nuisance. The Lessor may extend the time for such removal in case hardship is shown to Lessor's satisfaction, provided application for extension has been made in writing and received by Lessor within said sixty (60) day period.
- (b) Any buildings, improvements, fixtures, machinery, equipment or other items of real or personal property, which are not removed from the Property within the time allowed in paragraph 33 (a) of this Lease, shall immediately become the property of Lessor and title thereto shall vest in Lessor without further action on the part of Lessee or Lessor. Lessor may use, sell, destroy, or otherwise dispose of any such property in any matter that it sees fit, without further obligation to Lessee.

34. Indemnification. To the fullest extent allowed by law, Lessee shall defend, indemnify and hold harmless Lessor from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims arising out of or in connection with the use or occupancy of the Parcel by Lessee or by any other person holding under Lessee from any accident or fire on the Parcel and from any nuisances made or suffered thereon; and from any failure by Lessee to keep the Property in a safe and lawful condition except to the extent that such claims or demands are caused by the fault of Lessor or its agents, representatives, employees or contractors.

35. Surrender of Leasehold. Upon the expiration or sooner termination of this Lease, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel. In the event that Lessee remains in possession of the Parcel after the expiration of this Agreement with Lessor's permission, Lessee shall be deemed to be occupying the Property as a month-to-month tenant, subject to all of the terms and conditions of this Agreement and the law, to the extent that they may be applicable to a month-to-month tenant.
36. Required Insurance. The following insurance coverage is required to be furnished by the Lessee and is subject to annual review and adjustment by the Lessor, who may require reasonable increases in such coverage based on increased risks. Proof of the following coverage must be shown prior to execution of this Lease. A current certificate of insurance shall be submitted to the City each year.

The insurance policies must be written by a company or companies that are on the Alaska Division of Insurance's "admitted list" or "surplus lines insurance list". The broker/agent must be licensed to do business in the State and, if surplus lines insurance is provided, the broker must have a surplus broker license.

- (a) Comprehensive (Commercial) General Liability Insurance. Such insurance must have coverage limits of not less than \$1,000,000 combined single limits per occurrence and not less than two million dollars (\$2,000,000) aggregate limits and shall include premises operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

The policies evidencing such coverage shall contain, or be endorsed to:

- (1) The Lessor, its officers, its agents and its employees are to be covered as additional insureds with respect to liability arising out of use of the Parcel or operations of the Lessee with respect to the Parcel.
- (2) The Lessee's insurance coverage shall be primary insurance with respect to the Lessor, its officers, agents, and employees. Any insurance or self-insurance maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute to it.
- (3) Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit brought except with the respect to the limits of insurer's liability.
- (4) That, as respects the interests of Lessor, such insurance shall (A) not be invalidated by any action or neglect of any person other than Lessor and (B) insure Lessor regardless of any misrepresentation, breach or non-observance of any warranty, declaration or condition contained in any applications by Lessee for, or policy evidencing, such insurance; and
- (5) That no such insurance shall be canceled or materially changed as respects the interests of Lessor on less than thirty days prior written notice to Lessor;

(b) Workers' Compensation and the Employer's Liability Coverage. The Lessee shall be covered with workers compensation insurance and employer's liability insurance in the required statutory amounts.

37. Notices. All notices required or permitted under this Lease shall be personally delivered or sent by certified mail, postage prepaid, to the parties at the following addresses:

To Lessor: City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685

To Lessee: Offshore Systems, Incorporated
PO Box 3479
Kirkland, Washington 98083

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if personally delivered or sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Lessee's interest in the Lease has properly given notice of its security interest in the Lease to the Lessor.

38. Integration and Modification. This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.

39. Amendments. This Lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

40. Severability of Clauses of Lease Agreement. If any clause, or provision, herein contained, shall be adjudged to be invalid or unenforceable, it shall not affect the validity or enforceability of any other clause or provision of this Lease or give any cause of action in favor of either party as against the other.

41. Applicable Law. This Lease shall be governed by the laws of the State of Alaska. The venue for any dispute between the parties shall lie exclusively with the courts for the Third Judicial District for the State of Alaska at Anchorage, or, alternatively, with the United States District Court for the District of Alaska at Anchorage, unless a nonwaivable federal or Alaska law should require to the contrary.

IN WITNESS WHEREOF the Lessor and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the terms, conditions and provisions herein contained or attached, which on the Lessor's or the Lessee's respective parts are to be kept, observed and performed.

Offshore Systems, Incorporated

THIS IS TO CERTIFY that on this _____ day of _____, 20__ before me appeared _____ to me known and known to me to be the person named in and who executed the Lease Agreement and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC in and for _____
My Commission Expires: _____

City Manager,
City of Unalaska

THIS IS TO CERTIFY that on this ____ day of _____, 20__, before me appeared _____ to me known and known to me to be the person named in and who executed the Lease Agreement and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC in and for _____
My Commission Expires: _____

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-03

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING A 20-YEAR TIDELAND LEASE AGREEMENT BETWEEN THE CITY OF UNALASKA AND OFFSHORE SYSTEMS, INC., FOR TRACTS A AND B OF ALASKA TIDELANDS SURVEY NO.1431

WHEREAS, the City of Unalaska is the owner of Unalaska tideland Tracts A and B of Alaska Tidelands Survey No.1431, containing 7.57 acres, more or less, according to the Survey Plat recorded in the Aleutian Islands Recording District as Plat 92-33; and

WHEREAS, Offshore Systems Inc., desires to lease ATS 1431, Tracts A and B, for a 20-year period to operate its existing marine facility; and

WHEREAS, Unalaska Code of Ordinances § 7.12.020 UCO requires City Council approval of any lease of City property having a term greater than 5 years; and

WHEREAS, the City Council has determined that a new 20-year lease is of benefit to the City as it promotes long-term, substantial, durable, and desirable investment in the City of Unalaska's tidelands and allows for an existing business to expand its practices in our community.

NOW THEREFORE BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL approves the tideland lease between the City of Unalaska and Offshore Systems, Inc. for Tracts A and B of Alaska Tidelands Survey No. 1431, with the lease rate amount starting at 10% of the appraised value and reviewed every 5 years in accordance with the City Manager Regulations for Tideland Leasing.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 10, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Bil Homka, Planning Director
Through: Chris Hladick, City Manager
Date: December 27, 2022
Re: Resolution 2023-03: Approving a 20-year Tideland Lease Agreement between the City of Unalaska and Offshore Systems, Inc., for Tracts and B of Alaska Tidelands Survey no. 1431

SUMMARY: A tidelands lease between the City of Unalaska (City) and Offshore Systems Inc. (OSI), has been drafted and processed in accordance with City Code Title 7, and Regulations for Tidelands Leasing, License, Exchange or Sale. OSI is presently leasing Tracts A and B of Alaska Tidelands Survey (ATS) No. 1431, containing 7.57 acres according to the survey plat recorded on September 15, 1992 as Plat 92-33 in the Aleutian Islands Recording District. OSI seeks to renew its lease for another 20-year term, which requires City Council approval. Staff recommends approval.

PREVIOUS COUNCIL ACTION: None

BACKGROUND: In August of 1993, OSI entered into a lease with the State of Alaska for Tracts A and B of ATS 1431. The City was granted Patent 375 which included both tracts of ATS 1431 in September 1995. At this time the City assumed OSI's existing lease with the State. That lease expired July 2022.

OSI submitted two applications to renew tideland leases that expired in 2022. UCO 7.12.020 requires the City Council to approve any lease of city property having a term of greater than 5 years, and allows for lease terms of greater than 30 years if the Council determines that a longer lease is of benefit to the city.

DISCUSSION: OSI has submitted an application to lease ATS 1431 Tracts A and B (Plat 92-33), for a total of approximately 7.57 acres. These parcels are the current site of a cold storage warehouse and dock facility on Captains Bay Road.

Prior to the City signing the agreement, OSI will provide proof of insurance. All insurance requirements are identified in the lease agreement. Additionally, as described in the Regulations, a performance bond based on 5% of the estimated value of the existing improvements will need to be provided to the city prior to the signing the agreement.

Army Corps of Engineers, and other require permits will need to be obtained by OSI prior to any new development. Additionally, required building permits will need to be obtained from the Department of Public Works. No construction will be permitted by the City until documentation is provided to verify that these permits have been issued, as noted in the lease agreement.

City regulations and policies establish the annual lease rate to be 10% of the property's value. MacSwain Associates, LLC appraised the property value at \$230,000 so the annual rent will be \$23,000. Tideland policies require reappraisal every five (5) years to determine if any rent

adjustments are required. The 20 year value of this lease is \$460,000 plus any five year rate adjustments. The first payment will include the cost of the appraisal and any taxes resulting from the property rental.

ALTERNATIVES: The City can approve, amend or reject Resolution 2023-03.

FINANCIAL IMPLICATIONS: With approval the City will gain a total of \$460,000 over 20 years, plus additional rent with reappraisals, tax revenue and reimbursement for the cost of the initial appraisal.

LEGAL: The lease was developed in consultation with the City Attorney.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2023-03.

PROPOSED MOTION: I move to adopt Resolution 2023-03.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS: Proposed lease

CITY OF UNALASKA
TIDELAND LEASE AGREEMENT
ATS 1431
FOR CITY OWNED TIDELANDS

This Lease Agreement is made and entered into this ___ day of _____, 2023, between the City of Unalaska, a first-class Alaska municipal corporation (“Lessor”), whose address is P.O. Box 610, Unalaska, Alaska 99685, and Offshore Systems, Incorporated (“Lessee”), whose address is 12019 76th Place NE, Kirkland, Washington 98034.

NOW THEREFORE, the Lessor and the Lessee, in consideration of the mutual covenants and conditions stated in this Lease, agree as follows:

Leased Premises. The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following parcel of land (collectively “Parcel”), which are situated in the State of Alaska, identified as follows:

Tracts A and B of Alaska Tidelands Survey No. 1431, containing 7.57 acres, more or less, according to the survey plat recorded in the Aleutian Islands Recording District on September 16, 1992 as plat 92-33.

EXCEPTING AND RESERVING THEREFROM, to the Lessor and its assigns during the term of this Lease, the following specific interests, which shall be in addition to and not in derogation of any general reservations to the Lessor which may be stated elsewhere in this Lease:

- A. Easements, rights of way and reservations of record.
- B. The rights of the public to access tidelands under the Alaska Constitution.
- C. The rights of the public to access tidelands under the Public Trust Doctrine

1. Term. (a) The term of this Lease shall be for a period of 20 years, commencing on the 1st day of August, 2022 and ending on the 31st day of July, 2042, unless sooner terminated as herein provided.

(b) Lessee may terminate this Lease prior to the end of the Term by providing written notice of termination 30 days prior to the termination together with payment of an early

termination fee equal to 20% of the annual Rent for the year in which such notice is given multiplied by the number of full years then remaining in the Term.

2. Rent. The Lessee shall pay to the Lessor the following rent (“Rent”) for the Parcel: equal annual payments, in advance, on or before the 10th day of the first month of the period of said rental term at the rate of twenty three thousand dollars (\$23,000) for the 7.57 Acre Parcel per annum, such annual rental payments to be subject to adjustment in accordance with Paragraph 3 of this Agreement.

The cost of the initial appraisal used to calculate this lease rate was \$5,600, originally paid for by the City. The Lessee shall pay the Lessor the following reimbursement for the Initial Appraisal of the Parcel: on or before the 10th day of the first month of the period of said rental term at the rate of five thousand six hundred dollars (\$5,600.00).

3. Adjustments to Rent. Rent due under this Agreement shall be adjusted upward or downward as follows:

The annual rent will typically be 10% of the appraised value of the tideland, including all previously existing improvements, as determined by an appraiser or based on the Fair Market Rent as established by an appraiser. Commencing at the end of the fifth (5th) year of the term, and continuing at the end of every five (5) years thereafter the Parcel, including any previously existing improvements included in this Lease Agreement, but excluding improvements made by Lessee, shall be reappraised by the City of Unalaska and the annual rent shall be adjusted accordingly. In some instances, a letter of opinion from an appraiser may be all that is warranted and may be considered every five years with a reappraisal every 10 years. Rent shall at no point be less than \$2,250 per acre with a \$2,250 minimum annual rent. The cost of subsequent reappraisals will be split equally between the City and the Lessee.

4. Payment of Rent. Rent payments shall be made payable to the City of Unalaska and delivered to the City of Unalaska Finance Department, P.O. Box 610, Unalaska, Alaska 99685, or to any other address which Lessor may designate in writing.
5. Interest on Delinquent Payments. All unpaid rents and fees shall accrue interest at the rate of ten and one-half per cent (10.5%) per annum beginning thirty (30) days after payment is due.
6. Use of Parcel. The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution and sanitation control and those relating to City of Unalaska sales taxation . The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate itself and its improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent or suppress pollution of the ground, surface water, air, or land, and to prevent erosion or destruction of the land.

7. Improvements. The Lessee may make permanent improvements to the Parcel permitted by applicable law. Improvements shall be made to the leased tideland within 2 years of the signing of the lease, or lease may be revoked. The Lessee must within 90 days of completion of any such improvements including, but not limited to, structural improvements, clearing, leveling, excavation, and backfill, file with the Lessor adequate and reasonable documentation of such improvements, setting forth all applicable costs and quantities. Failure to provide such documentation may result in a loss of credit to the Lessee for such improvements when the original condition of the Parcel is determined for reappraisal purposes under Paragraph 3 hereof.
8. Encumbrance of Parcel. The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's reversionary interest in the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld; and any such act or omission, without the prior written consent of the Lessor, shall be voidable by the Lessor.
9. Notices of Non-responsibility and Completion. Prior to commencing any improvements on the Premises costing more than twenty thousand dollars (\$20,000.00), individually or in the aggregate, Lessee shall obtain from Lessor and duly post and record an appropriate notice of Lessor's non-responsibility for such Improvements, pursuant to the requirements of AS 34.35.065 or its successor. Lessee shall, upon the completion of any improvements to the Property, promptly give and record an appropriate notice of completion respecting all such Improvements, pursuant to the requirements of AS 34.35.071 or its successor.
10. Assignment of Lease and Sublease of Parcel. The Lessee may not assign this Lease or sublet the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld. No assignment of this Lease shall be approved until the assignee agrees to be subject to and governed by the provisions of this Lease in the same manner as the original Lessee to the extent that they may be applicable to the sublease except for the payment of Rent and other monetary obligations. No such assignment or sublease will be effective until approved by the Lessor in writing or shall annul the Lessee's obligation to pay the rent herein required for the full term of this Lease. Except as permitted by the Lessor, no subdivision of the Lessee's leasehold interest, including any exposed airspace thereon, shall occur.
11. Denial of Warranty Regarding Conditions. The Lessor neither makes any warranty, express or implied, nor assumes any liability whatsoever, regarding the natural, social, economic, or environmental conditions of the Parcel, including, without limitation, the soil, water and drainage conditions, natural or artificial hazards, and the profitability or fitness of the Parcel for any use.

Lessee represents and warrants that it has independently inspected the Parcel and made all tests, investigations and observations necessary to satisfy itself of the condition of the Parcel. Lessee shall and is relying solely on such independent inspection, tests, investigations and observations in making this Agreement. Lessee accepts and shall be responsible for any risk of harm to any person and property, including but not limited to, employees of Lessee, from any latent defects in the Property.

12. Agreement to Terms of Lease. The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors, successors in interest and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants and conditions contained herein.
13. Payment of Taxes and Assessments. The Lessee shall pay as additional rent all real property taxes and assessments lawfully levied upon the Parcel during the term of the Lease.
14. Utilities and Services. Lessee shall, at its expense, procure and timely pay for all services and utilities and hook-ups therefore which are necessary or appropriate for its operation or use of the Parcel.
15. Easements. Lessor reserves the right to make grants to third parties or reserve to the Lessor easements through, on or above the Parcel for the purpose of providing water, sewer or electric services to the Parcel or to adjacent properties, or for the purpose of providing reasonable public access to public waters, provided that no such easement or may be granted or reserved which unreasonably interferes with the Lessee's use of the Parcel.
16. Condemnation of Leasehold Improvements. If the whole or any part of the Parcel is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:
 - (a) If all of the Parcel is taken by condemnation, this Lease and all rights and obligations of the Lessee will immediately terminate, and the rent will be adjusted so that it is due only until the date the Lessee is required to surrender possession of the Parcel. The Lessor is entitled to all the condemnation proceeds, except that the Lessee will be paid the portion of the proceeds attributable to relocation costs or to improvements located on the Parcel.
 - (b) If the taking is of a substantial part of the Parcel, the following rules apply:
 - (1) If the taking reduces the ground area of the Parcel by at least 30 percent or materially affects the use being made by the Lessee of the Parcel, the Lessee has the right to elect to terminate or not to terminate this Lease by written notice to the Lessor not later than 180 days after the date of taking.
 - (2) If the Lessee elects to terminate this Lease, the provisions in (a) of this subsection govern the condemned portion of the Parcel and the terms of the Lease govern disposal of the remainder if any.
 - (3) If the Lessee elects not to terminate, the Lease continues and the Lessor is entitled to the full condemnation proceeds, except the Lessee will be paid the portion attributable to relocation costs or to improvements located on Parcel. Except as it may be adjusted from time to time under the terms of this Lease, rent for the balance of the term will be equitably adjusted by the Lessor to reflect the taking.

(c) If the taking by condemnation reduces the ground area of the Parcel by less than 30 percent and the Lessee's use of the Parcel is not materially affected, the provisions of (b)(3) of this subsection will govern.

17. Access. The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.
18. Valid Existing Rights. This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land of record on the date of execution of this Lease.
19. Inspection. The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance by the Lessee of the covenants and conditions of this Lease and for the performance of other lawful requirements.
20. Mineral Reservations. The Lessor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils. The Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, power lines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, that no rights reserved hereunder shall be exercised by the Lessor or its subsurface lessees, until provision has been made by the Lessor or its subsurface lessees to pay to the Lessee of the land upon which the rights are herein reserved, full payment for all damages and losses sustained by said Lessee by reason of entering upon said land; and provided further that, if the Lessee for any cause whatever refuses or neglects to accept such damage or loss payment, the Lessor or its subsurface lessees, or any applicant for a subsurface lease, contract or option from the Lessor or its subsurface lessee for the purpose of exploring for or extracting valuable minerals (other than sand, gravel and rock), coal, petroleum, natural gas, or geothermal resources shall

have the right, after posting an adequate surety bond for the Lessee, as the obligee, issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or after posting for the Lessee, as the obligee, an adequate bond executed by one or more individual sureties approved by the Lessee and after due notice and an opportunity to be heard, to exercise rights granted to it for reasonable use of the surface required for the full enjoyment of the reserved subsurface rights which it holds. Each surety bond shall be sufficient in amount and security to secure the affected rights of the Lessee, and the Lessee and the Lessor or its subsurface lessee shall have the standing which may be necessary to seek a determination of the damages and losses which the Lessee may suffer, and the security appropriate to hold the Lessee harmless in relation thereto.

21. Appropriation or Disturbance of Waters. During the term of this Lease, the Lessee shall have the right to apply for an appropriation of ground or surface water on the Parcel in accordance with the Alaska Water Use Act. All water applied for and appropriated during the term of this Lease shall remain appurtenant to the Parcel during said term, and such water and water rights shall not be severed or transferred from the Parcel or any part thereof during said term without the prior consent of the Lessor. The Lessee's rights under any permit or certificate of appropriation shall revert to the Lessor upon termination of the Lease or forfeiture of the Lease for cause.
22. Acquisition of Rights or Interests. Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.
23. Land Alterations Due to Natural or Artificial Causes. The Parcel described herein shall constitute the entire Parcel of property to be leased by the Lessor to the Lessee pursuant to this agreement. If, through natural or artificial causes, accretion or reliction of land occurs on property contiguous to the Parcel that is owned by the Lessor, the Lessee shall have no right to occupy or use such contiguous property unless a separate lease is entered with the Lessor with respect to such property. The parties agree and stipulate that the rules of law usually applicable to accretion or reliction of land shall not apply to this Lease, nor to the Parcel leased hereunder, in order that the parties may give effect to the provision agreed upon herein.
24. Environmental Indemnification. If any hazardous substances are released or discharged on or from the Parcel to, on or about the Parcel or other properties, including, but not limited to, the surface or subsurface waters adjacent to the Parcel during the term of this Agreement, Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, but not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restorative work required by any federal or state agency due to the presence of hazardous substances in the soil or groundwater on or under the Parcel or other affected properties, whether such losses arise during or after the term of this Agreement, but only to the extent that such release or discharge is not caused by the fault of Lessor or its agents, representatives, contractors or employees.

25. Lease Subject to Public Trust. This Agreement is subject to the principles of the Public Trust Doctrine.
26. Hazardous Substances. Lessor represents and warrants to Lessee that, to the best of its information, knowledge and belief, no hazardous substances have been released, discharged or spilled on the Parcel; however, Lessor does not represent, warrant or guarantee that this is necessarily the case. Otherwise, Lessor has made no express or implied representations or warranties to Lessee with respect to the release, discharge or spillage of any hazardous substances in, on or about the Parcel. Lessee hereby releases and discharges Lessor, its affiliates and all of their respective past, present and future officials, employees, agents, attorneys, insurers and representatives, with prejudice, from any and all claims, obligations or liabilities which have arisen, resulted from or are based upon, or may in the future arise out of, result from or be based upon, in whole or in part, the past release, discharge or spill of any hazardous substances or other environmental pollution in, on or about the Parcel, regardless of whether such claim, obligation or liability, or the type or extent thereof, is now known or foreseeable; provided, however, that such release and discharge shall be inapplicable to claims, obligations and liabilities that are based upon a material breach of the representations and warranties made by Lessor in this Agreement.
27. Definition of Hazardous Substance. Hazardous substance, as such term is used in this Agreement, includes: (a) (1) crude oil, (2) petroleum, (3) diesel fuel, (4) marine fuel, (5) heating oil, (6) gasoline, (7) motor oil, (8) kerosene, (9) aviation fuel, (10) other petroleum products, additions and derivatives, (11) urea formaldehyde foam insulation, (12) asbestos, and (13) polychlorinated biphenyls; and (b) any other (1) pollutant, (2) contaminant or (3) toxic, flammable, explosive, radioactive, noxious, hazardous, extremely hazardous, dangerous or potentially dangerous waste, material or substance, the response to which or the remediation or removal of which is required, or the manufacture, preparation, production, use, maintenance, treatment, storage, transfer, disposal, handling, processing or ownership of which is restricted, prohibited, regulated or penalized by any federal or state law or regulation as now or hereafter in effect.
28. Spill Prevention. Any fuel or oil stored on the Parcel shall be stored so as to prevent the discharge thereof from entering any ground or surface waters. Lessee shall promptly clean or mop up any fuel or oil spilled on or about the Parcel. If Lessee's use of the Parcel results in hazardous substances being on or about the Parcel, Lessee shall:
- (a) Have materials and equipment available on the Parcel at all times sufficient to contain and clean up any hazardous substance that may reasonably be expected to be spilled on or about the Parcel. A list of said material and equipment shall be provided to Lessor for approval at the request of Lessor which approval shall not be unreasonably withheld. Lessee shall comply with all reasonable requests of Lessor regarding the amount and type of equipment and material to be kept available on the Property to contain and clean up any hazardous substance that may reasonably be expected to be spilled on or about the Property.
 - (b) Prior to commencing operations from any improvement on the Parcel for which a DEC-approved Spill Contingency Plan is required, Lessee shall provide evidence of the existence of such an approved plan in a form acceptable to Lessor.

(c) Lessor's inspection rights identified in paragraph 24 specifically include the right to inspect the materials indicated as present and stored for purposes of responding to spills of hazardous substances on the Parcel.

29. Erosion Prevention. Lessee shall prevent unwarranted erosion of the Parcel that is caused by Lessee's use or occupancy of the Parcel. Any such erosion shall be repaired in a manner satisfactory to Lessor at Lessee's sole expense.
30. Waiver or Forbearance. The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, or the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease, nor destroy or in any manner or impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.
31. Bankruptcy. In the event Lessee becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Lessee's interest under this Lease, Lessor shall have the right to declare this lease in default.
32. Breach and Remedies.
- (a) Time is of the essence of this Lease. If the Lessee shall materially breach any of the terms, covenants, conditions or stipulations contained in this Lease or attached hereto which are applicable to it, and said breach shall not be completely cured within 60 days after written notice of such breach has been served by the Lessor upon the Lessee and each holder of a security interest in the Lessee's interest under this Lease that has notified the Lessor of such security interest, the Lessee shall be subject to such legal rights and remedies as the Lessor shall have available to it under applicable law, including, but not limited to, the termination of this Lease; provided, however, that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lessee may be in material breach of this Lease. In the event that this Lease is terminated by the Lessor for a material breach by the Lessee of this Lease, all rents paid by the Lessee shall be forfeited to and retained by the Lessor, not as a penalty, but as liquidated damages for such breach. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to such termination.

- (b) If the Lessee fails to completely cure a material breach of this Lease by it within the time allowed in (a) of this paragraph, any holder of a security interest in the Lessee's interest under this Lease who has notified the Lessor of such security interest may cure or remedy such breach if the breach can be cured by the payment of money or, if this cannot be done, by performing, or undertaking in writing to perform, the Lessee's obligations which are the subject of such breach that are capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this paragraph, or within any additional period which the Lessor may allow for good cause.
- (c) In the event that this Lease is terminated, or in the event that the Parcel is abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or reenter and take possession of such Parcel and without liability for any damage therefore, remove all persons and personal properties therefrom, either by summary proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

33. Disposition of Improvements and Personality After Termination:

- (a) Improvements, fixtures, machinery and equipment owned by lessee shall be removed by lessee from the Property within sixty (60) days after the expiration or termination of this Lease; provided that such removal will not cause injury or damage to the Property, or if it does, Lessee shall indemnify Lessor for the full amount of such damage; and further provided that any improvements, fixtures, machinery or equipment left on the Property by Lessee shall be in good, safe and tenantable or operable condition; and further provided that Lessee shall not commit, create, leave or allow to exist on the Property any nuisance or public nuisance. The Lessor may extend the time for such removal in case hardship is shown to Lessor's satisfaction, provided application for extension has been made in writing and received by Lessor within said sixty (60) day period.
 - (b) Any buildings, improvements, fixtures, machinery, equipment or other items of real or personal property, which are not removed from the Property within the time allowed in paragraph 33 (a) of this Lease, shall immediately become the property of Lessor and title thereto shall vest in Lessor without further action on the part of Lessee or Lessor. Lessor may use, sell, destroy, or otherwise dispose of any such property in any matter that it sees fit, without further obligation to Lessee.
34. Indemnification. To the fullest extent allowed by law, Lessee shall defend, indemnify and hold harmless Lessor from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims arising out of or in connection with the use or occupancy of the Parcel by Lessee or by any other person holding under Lessee from any accident or fire on the Parcel and from any nuisances made or suffered thereon; and from any failure by Lessee to keep the Property in a safe and lawful condition except to the extent that such claims or demands are caused by the fault of Lessor or its agents, representatives, employees or contractors.

35. Surrender of Leasehold. Upon the expiration or sooner termination of this Lease, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel. In the event that Lessee remains in possession of the Parcel after the expiration of this Agreement with Lessor's permission, Lessee shall be deemed to be occupying the Property as a month-to-month tenant, subject to all of the terms and conditions of this Agreement and the law, to the extent that they may be applicable to a month-to-month tenant.
36. Required Insurance. The following insurance coverage is required to be furnished by the Lessee and is subject to annual review and adjustment by the Lessor, who may require reasonable increases in such coverage based on increased risks. Proof of the following coverage must be shown prior to execution of this Lease. A current certificate of insurance shall be submitted to the City each year.

The insurance policies must be written by a company or companies that are on the Alaska Division of Insurance's "admitted list" or "surplus lines insurance list". The broker/agent must be licensed to do business in the State and, if surplus lines insurance is provided, the broker must have a surplus broker license.

- (a) Comprehensive (Commercial) General Liability Insurance. Such insurance must have coverage limits of not less than \$1,000,000 combined single limits per occurrence and not less than two million dollars (\$2,000,000) aggregate limits and shall include premises operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

The policies evidencing such coverage shall contain, or be endorsed to:

- (1) The Lessor, its officers, its agents and its employees are to be covered as additional insureds with respect to liability arising out of use of the Parcel or operations of the Lessee with respect to the Parcel.
- (2) The Lessee's insurance coverage shall be primary insurance with respect to the Lessor, its officers, agents, and employees. Any insurance or self-insurance maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute to it.
- (3) Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit brought except with the respect to the limits of insurer's liability.
- (4) That, as respects the interests of Lessor, such insurance shall (A) not be invalidated by any action or neglect of any person other than Lessor and (B) insure Lessor regardless of any misrepresentation, breach or non-observance of any warranty, declaration or condition contained in any applications by Lessee for, or policy evidencing, such insurance; and

- (5) That no such insurance shall be canceled or materially changed as respects the interests of Lessor on less than thirty days prior written notice to Lessor;
- (b) Workers' Compensation and the Employer's Liability Coverage. The Lessee shall be covered with workers compensation insurance and employer's liability insurance in the required statutory amounts.
37. Notices. All notices required or permitted under this Lease shall be personally delivered or sent by certified mail, postage prepaid, to the parties at the following addresses:

To Lessor: City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685

To Lessee: Offshore Systems, Incorporated
PO Box 3479
Kirkland, Washington 98083

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if personally delivered or sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Lessee's interest in the Lease has properly given notice of its security interest in the Lease to the Lessor.

38. Integration and Modification. This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.
39. Amendments. This Lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.
40. Severability of Clauses of Lease Agreement. If any clause, or provision, herein contained, shall be adjudged to be invalid or unenforceable, it shall not affect the validity or enforceability of any other clause or provision of this Lease or give any cause of action in favor of either party as against the other.
41. Applicable Law. This Lease shall be governed by the laws of the State of Alaska. The venue for any dispute between the parties shall lie exclusively with the courts for the Third Judicial District for the State of Alaska at Anchorage, or, alternatively, with the United States District Court for the District of Alaska at Anchorage, unless a nonwaivable federal or Alaska law should require to the contrary.

IN WITNESS WHEREOF the Lessor and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the terms, conditions and provisions herein contained or attached, which on the Lessor's or the Lessee's respective parts are to be kept, observed and performed.

Offshore Systems, Incorporated

THIS IS TO CERTIFY that on this _____ day of _____, 20__ before me appeared _____ to me known and known to me to be the person named in and who executed the Lease Agreement and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC in and for _____

My Commission Expires: _____

City Manager, City of Unalaska

THIS IS TO CERTIFY that on this _____ day of _____, 20__, before me appeared _____ to me known and known to me to be the person named in and who executed the Lease Agreement and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC in and for _____

My Commission Expires: _____

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-04

A RESOLUTION OF THE UNALASKA CITY COUNCIL IDENTIFYING THE CITY OF UNALASKA'S STATE PRIORITIES

WHEREAS, the City of Unalaska identifies its critical infrastructure needs by maintaining a yearly planning process called the Capital and Major Maintenance Plan with a planning horizon of ten (10) years; and

WHEREAS, these projects are vetted and approved by the City Council and then are shared with the Alaska State Legislature through the CAPSIS process for consideration of funding by the State Legislature during the Fiscal Year 2023 Legislative session; and

WHEREAS, Unalaska and the Port of Dutch Harbor have been the number one commercial fishing port in the Nation for poundage for over twenty years and positively impacts the State of Alaska economy in many sectors; and

WHEREAS, the City of Unalaska and the community supports the commercial fishing industry and wants to maintain a thriving sustainable infrastructure now and twenty years into the future.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska hereby identifies its State Legislative Priorities as:

Captains Bay Road, Phase 1	\$7,000,000
Airport Terminal Building for Planning and Engineering	\$500,000
Electrical Interconnection Project (Federal Allocation \$2.5M)	\$3,200,000
Unalaska Marine Center & Light Cargo Dock Dredging	\$2,700,000
Robert Storrs Small Boat Harbor Improvements	\$3,500,000

BE IT FURTHER RESOLVED that the City of Unalaska hereby identifies its top capital project funding priority as the _____.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 10, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Chris Hladick, Interim City Manager
Date: January 10, 2023
Re: Resolution 2023-04: Identifying the City of Unalaska's State Priorities

SUMMARY: Every year the City Council identifies, via resolution, the capital project priorities to place in the State Legislative queue which is called CAPSIS (Capital Project Submission and Information System). My approach is to keep it simple and very straight forward. Legislators don't have the time to read a long resolution with information that they don't much care about. So I like to get to the point and provide the explanation of projects in CAPSIS and of course in the briefing memo which will be distributed to our delegation in Juneau prior to our visits there, which will come this year in March. You will recognize many of the projects that are contained in the resolution. You may wish to add or subtract projects as this is within your authority.

PREVIOUS COUNCIL ACTION: Council last adopted a State Priorities resolution on December 14, 2021, identifying priorities at the time (Resolution 2021-77).

BACKGROUND: The outside influences on this resolution include what happens in Washington because if you receive funding from the Federal Government it can be leveraged to obtain funding from the State Legislature. And the legislature likes to see community participation as well. The City of Unalaska is fortunate in that it has money to participate. There are many communities in the state who cannot meet the match requirements of many grant programs. Also, just because we ask for money from State and Federal legislative and congressional processes does not mean we are not also looking for grants.

DISCUSSION: The following capital projects were included in last year's priorities; I am assuming you have seen these projects before. I can't stress enough how important it is to simplify the resolution to be more to the point. The more succinct the better. Here is last year's list of projects:

1. **Captains Bay Road and Utility Improvements Project - \$54 million:** There will be an update on this project during the workshop just prior to taking up the federal priorities. Costs are significantly higher than what was stated.
2. **Robert Storrs Boat Harbor Improvements - \$9.5 million.** Likely we will be putting in for a state grant for this project which would cover 50% of the costs. We don't have updated numbers as of yet. We may want to put in for a MARAD PIDP grant.
3. **Unalaska Marine Center Cruise Ship Terminal - \$18.59 million:** We have not identified a funding source for this project.
4. **Light Cargo Dock and Unalaska Marine Center Dredging - \$6.65 million.** This is a project that has been on the books for years. I think a new part of the project is dredging in front of UMC. We had always talked about Light Cargo needing dredging in the past.
5. **Makushin Geothermal - \$5.7 million** in support of work that needs to be accomplished for interconnection of the grid prior to geothermal coming on line.

6. **Solid Waste Gasifier - \$8.3 million.** The utilities director will be giving an update on this project during this workshop. I know he has been working on this project with representatives of the Department of Energy for some time now.

Here is this year's recommended list:

Captains Bay Road, Phase 1	\$7,000,000
Airport Terminal Building Planning and Engineering	\$500,000
Electrical Interconnection Project (Fed allocation \$2.5M)	\$3,200,000
Unalaska Marine Center & Light Cargo Dock Dredging	\$2,700,000
Robert Storrs Small Boat Harbor Improvements	\$3,500,000

Captains Bay Road, Phase 1, \$7,000,000: This is taken from the report recently completed by staff which takes the 50 million dollar project and breaks it down into components. This project has been in planning for many years. The utility part of this project will become increasingly important when Trident moves forward.

New Project, Airport Terminal Building Planning and Engineering, \$500,000: I would like the council to consider adding this project. This project will take a few years to develop. Design funds get the project started which would include a public process to review designs and estimates before lobbying for the full amount for construction. I envision remodeling the current facility and adding on to it. Total costs are unknown until you have a completed design. The process could take 5 to 10 years.

Electrical Interconnection Project, \$3,200,000: The City recently received funding from the Federal Government in the amount of \$2,500,000; and it seems plausible to request that the State participate in the project. This project would interconnect all the processing plants into one grid and is a requirement of the geothermal project. Though it makes sense to do it regardless of whether the geothermal project ever gets completed. Sooner or later the generators of electricity will be at the limits of permitting for the air sheds. Cooperation would be advantageous to all.

UMC and LCD Dredging, \$2,700,000: This project needs to be done in conjunction with the Harbor Entrance Dredging which just received \$25.6 million from the Federal Government. We hope to take advantage of the dredging equipment being in town for the larger project to save on mob and de-mob costs inherent in all of our projects.

Robert Storrs Small Boat Harbor Improvements, \$3,500,000: The project includes replacing A and B floats as well as some upland work. We are well on the way to obtaining title to the needed tidelands for the project and we have the basic design completed. As you know C float was completed some years ago with great success. I would recommend placing this project out for bid as a design build project.

Landfill Gasifier: This project was taken off the list because it is only going to be completed if we get a grant, and this is better suited to requests from the Federal Government. In addition, if we are serious about this, an economic study needs to be completed to see how much the plant will cost to operate because the utility needs to cover its costs. Up until 2015 we never moved projects forward without understanding the impacts to the rate payer. Yes, we are running out of space at the landfill, but a plan needs to be developed to better understand when the landfill will be full and the options.

Cruise Ship Dock: I removed this request from the list because intuitively I don't believe the Port department can afford this luxury project. If the council wants to move forward, I suggest an economic review prior to making a decision on an \$18 million dollar facility.

I've left a blank for the top capital project funding priority. This is a council decision and staff requests direction on identification of the top funding priority.

ALTERNATIVES: Council may choose to add or subtract projects. Direction is also requested as to the identification of Council's top funding priority.

FINANCIAL IMPLICATIONS: There are critical issues happening in the commercial fishing industry that will ultimately impact revenue streams for the City of Unalaska. There are also projects that the city needs help with funding.

LEGAL: No legal review required.

STAFF RECOMMENDATION: Staff recommends approval of this resolution, along with direction on Council's top funding priority.

PROPOSED MOTION: I move to adopt Resolution 2023-04. An amendment may be in order to identify Council's top capital project funding priority.

CITY MANAGER COMMENTS: This year's legislative session is going to be a challenge. Last year's budget and dividend were based on \$110 per barrel of oil. We all know how that played out. So I believe there will be little discretionary spending. Diane Blummer will be available on Tuesday and may wish to give some commentary to these predictions.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-05

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SIGN A SETTLEMENT AGREEMENT WITH JACOBS ENGINEERING GROUP, INC. TO RESOLVE CITY OF UNALASKA vs. JACOBS ENGINEERING GROUP, INC.

WHEREAS, on or about April 21, 1987 the City of Unalaska and Sverdrup Corporation entered into a Lease of Lot 1, Block 6 USS 4988 Aleutian Islands Recording District, Third Judicial District, State of Alaska (“the Property”); and

WHEREAS, the City exercised an option to purchase the Property contained in the Lease, however, no deed was issued to the City and;

WHEREAS, in order to establish City ownership of the Property the City sued Jacobs Engineering Group, Inc., (“Jacobs”) the successor in interest to Sverdrup, in the Superior Court of the State of Alaska, Third Judicial District at Unalaska, Case No. 3UN-22-00017 CI (the “Suit”); and

WHEREAS, the City and Jacobs negotiated in good faith resulting in a proposed Settlement Agreement whereby Jacobs will sign a deed conveying its interest in the Property to the City and both Jacobs and the City release each other from other claims; and

WHEREAS, the City Attorney and City Manager recommend the City Council approve the Settlement Agreement.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Unalaska City Council authorizes the City Manager to sign the Settlement Agreement between the City of Unalaska and Jacobs Engineering Group, Inc.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 10, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Chris Hladick, City Manager
Date: January 10, 2023
Re: Resolution 2023-05: Authorizing the City Manager to sign a Settlement Agreement with Jacobs Engineering Group, Inc. to resolve City of Unalaska vs. Jacobs Engineering Group, Inc.

SUMMARY: In an effort to gain clear title to the Public Safety property located at 29 Safety Way, the City filed a quiet title action against Jacobs Engineering. This was necessary due to an oversight in 1992 when the City paid off the underlying debt and exercised an option to purchase the property. A deed should have been recorded conveying the property to the City at that time, but was not. The City Attorney filed a quiet title action, and negotiated with Jacobs Engineering to resolve the matter. The City Attorney recommends executing the attached Settlement Agreement and Resolution 2023-05 authorizes the City Manager to do so.

PREVIOUS COUNCIL ACTION: In 1987 council passed several resolutions related to the property in question -- negotiations with the construction company, approving the agreement and the terms of the lease. In 1992 council authorized pay-off of the debt related to the property. In 2021 Council authorized a quiet title action against Jacobs Engineering.

BACKGROUND AND DISCUSSION: In 1987 the City entered into an agreement with Sverdrup Corporation for the construction of the Unalaska Public Safety Building, with financing through a lease purchase agreement. Sverdrup purchased the property, constructed the building and leased it back to the City. The agreement with Sverdrup gave the City the option to purchase the property. The City exercised this option and in 1992 paid off the debt. The final step in the process was not completed – a deed transferring ownership of record to the City. Sverdrup Corporation has changed hands several times and the successor in interest is Jacobs Engineering Group. The City Attorney attempted to resolve this matter informally with Jacobs, but a quiet title action was necessary to get their attention and resolve the matter. The proposed Settlement Agreement indicates Jacobs will sign a deed conveying its interest in the property to the City; the City will dismiss the lawsuit; both Jacobs and the City will release each other from any other related claims; and the parties will cover their own costs and attorney fees.

ALTERNATIVES: Council may choose not to adopt Resolution 2023-05, but this is not recommended. No action means the cloud on the City's title to the property will continue.

FINANCIAL IMPLICATIONS: The city has incurred attorney fees and costs related to this matter. The proposed settlement agreement states both parties agree to pay their own costs, fees and expenses, including attorney fees. The City is giving up a right to collect the court filing fee, the cost of certified mailing of the complaint and a portion of attorney fees for writing the quiet title complaint. The City Attorney estimated recoverable fees at \$250 and state it is fairly standard when a case is resolved this early on for each side to pay its own costs and legal fees.

LEGAL: Staff has been working with the City Attorney on this issue since 2018. The City Attorney prepared Resolution 2023-05 and recommends Council adopt the resolution authorizing the city manager to sign the Settlement Agreement.

STAFF RECOMMENDATION: Staff recommends adoption of adoption of Resolution 2023-05 to settle the quiet title suit and gain clear title to the Public Safety property.

PROPOSED MOTION: I move to adopt Resolution 2023-05.

CITY MANAGER COMMENTS: I support adoption of Resolution 2023-05 in order to finally resolve this matter.

ATTACHMENT: Proposed Settlement Agreement

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT (“Agreement”) is entered as of the date on which it has been fully executed, by and between the City of Unalaska, Alaska (“City”) and Jacobs Engineering Group Inc., successor in interest to Sverdrup Corporation (“Jacobs”), and collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, the City filed a Complaint to Quiet Title against Jacobs, captioned as *City of Unalaska v. Jacobs Engineering Group, Inc. as successor in interest to Sverdrup Corporation*, in the Superior Court for the State of Alaska, Third Judicial District at Unalaska, Case No. 3UN-22-17 CI, asserting causes of action for quiet title and specific performance (the “Litigation”), related to property located at Lot One (1), Block Six (6) U.S. Survey No. 4988, UNALASKA TOWNSITE, records of the Aleutian Islands Recording District, Third Judicial District, State of Alaska (the “Property”) and requesting that the Court: enter judgment quieting title to the Property in the City; enter judgment ordering Jacobs to execute and record a quitclaim deed conveying the Property to the City; award the City attorney’s fees, costs, and prejudgment interest; and award the City such other relief as the Court deems equitable, just, or proper under the circumstances (the “Requested Relief”);

WHEREAS, the Parties wish to resolve all of their claims, causes of action, and disputes in connection with the Property, the Litigation, and the Requested Relief identified above.

NOW THEREFORE, in consideration of the mutual covenants, promises, conditions and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals Part of Agreement. The Recitals above are a material part of this Agreement, and are incorporated as if set forth in full herein.
2. Quitclaim Deed. Within 10 business days of the full and complete execution of this Agreement, Jacobs shall execute and record a quitclaim deed conveying the Property to the City in the form of quitclaim deed (the “Quitclaim Deed”) attached hereto as Exhibit 1.
3. Dismissal of the Litigation. Within 10 business days of Jacobs recording the Quitclaim Deed, counsel for the City shall cause to be filed promptly with the Court all documents necessary to dismiss with prejudice the Litigation. Each party shall bear its own attorney’s fees and costs in connection with the Litigation.
4. Release by the City. Upon execution of this Agreement and conditioned upon Jacobs’ execution and recording of the Quitclaim Deed as required in Section 2 above, the City and its officers, directors, employees, associates, consultants, elected officials, appointed officials, councilors and council members, political subdivisions, agents, representatives, insurers, sureties, attorneys, governing bodies, and affiliated or parent entities and their shareholders, officers, directors, employees, agents, representatives, and their respective successors, heirs and assigns, do hereby release, acquit and forever discharge Jacobs and all of its past, present, and future shareholders, officers, directors, managers, members, associates, employees, agents, representatives, consultants, attorneys, insurers, sureties, and all heirs and assigns; and all of

Jacobs's past, present, and future companies, affiliate companies, subsidiaries, divisions, and partners and their shareholders, officers, directors, employees, agents, representatives, consultants, attorneys, insurers, and sureties, and their respective successors, heirs and assigns from any and all actions, suits, litigations, debts, demands, accounts, claims, reckonings, bonds, bills, liabilities, controversies, damages, judgments, and causes of action, whether known or unknown, in law or in equity, which the City now has or ever has had by reason of any matter, cause or thing, which in any way relate directly or indirectly to the Litigation, the Property, and/or the Requested Relief (the "Released Claims").

5. No Assignment. The City represents and agrees that it has not transferred or assigned to any other person or entity any of the Released Claims discharged by this Agreement.

6. Due Diligence Investigation/Unknown Claims. The City has had an opportunity to investigate the claims and allegations. The City nevertheless understands and accepts that the facts may hereafter turn out to be other than, or different from, the facts now known or believed by the City to be true. The City therefore accepts and assumes all risk of facts turning out to be different, and all risks that the claims in the Litigation could be great, different, or more extensive than now known, anticipated, or expected. In spite of that risk, the City agrees that this Agreement shall be and remains in all respects effective and not subject to termination or rescission by virtue of any such mistake, change, or difference in facts. The City further agrees to waive and relinquish all rights it has or may have under any statute or legal decision providing that a general release does not extend to claims not known or suspected to exist at the time of executing the Agreement, which if known by the City might have materially affected this Agreement. The City further waives any claim for fraud in the inducement of this Agreement.

7. Covenant Not to Sue. The Parties covenant not to sue the other, and agree that they will not bring, commence, institute, maintain, prosecute, or voluntarily aid any action at law or in equity, or otherwise prosecute or sue each other or their past, present, and future shareholders, officers, directors, managers, elected officials, appointed officials, councilors and council members, political subdivisions, members, associates, employees, agents, representatives, consultants, attorneys, insurers, sureties, and all heirs and assigns; and all of their past, present, and future companies, affiliate companies, subsidiaries, divisions, and partners and their shareholders, officers, directors, employees, agents, representatives, consultants, attorneys, insurers, and sureties, and their respective successors, heirs and assigns, either affirmatively or by way of cross-complaint, defense, or counterclaim, or in any other manner with respect to the Released Claims.

8. No Admission of Liability. The Parties understand and agree that this Agreement is made solely in settlement of disputed claims and is not as an admission of liability for any claim or potential claim asserted by the Parties against each other, which liability the Parties expressly deny.

9. Full Compromise and Settlement of Claims with Advice of Counsel. The Parties represent and agree that they have each: (a) had the opportunity to review this Agreement with legal counsel; (b) carefully read and fully understand all of the provisions of this Agreement; and (c) voluntarily signed this Agreement for the purpose of agreeing to the terms described in it.

10. Attorneys' Fees. The Parties agree that each Party shall pay its own costs, fees, and expenses, including attorneys' fees, in connection with the Litigation, the Property, the Requested

Relief, the Released Claims and in connection with the negotiation, drafting, and execution of this Agreement.

11. Severability. If any provision of this Agreement is found to be illegal or unenforceable, all other provisions will remain in full force and effect.

12. Entire Agreement. This Agreement is a complete integration and represents the entire settlement agreement among the Parties relating to the subject matter hereof. This Agreement supersedes all other existing agreements, written or oral, between the Parties concerning the subject matter of the Litigation, the Property, and the Requested Relief. There are no promises, statements, covenants, representations, or warranties, expressed or implied, oral or written, about the subject matter of this Agreement that are not contained herein. This Agreement may not be modified in any manner except by an instrument in writing signed by the Parties.

13. No Default in Litigation. The City agrees that Jacobs is not and shall not be found in default in the Litigation, regardless of whether this Agreement is fully executed prior to December 1, 2022.

14. Authority to Execute. The signatories represent that they have the power to execute this Agreement on behalf of their respective parties.

15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the respective successors, heirs and assigns of the Parties hereto.

16. Execution in Counterparts. This Agreement may be executed in counterparts by each signatory, which counterparts may be delivered via facsimile or electronic mail, and when each party has done so, such will have the same force and legal effect as if each had signed the same document.

17. Interpretation. This Parties agree that they have collaborated on the contents of this Agreement and further agree that no rule of construction to the effect that an agreement can or should be construed against a drafting party may be applied in interpreting this Agreement.

18. Governing Law. The laws of Alaska shall govern the provisions of this Agreement without giving effect to any conflicts of law principles requiring application of the laws of another jurisdiction.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have duly executed this Agreement.

THE CITY OF UNALASKA, ALASKA

By: _____

Title: _____

Date: _____

JACOBS ENGINEERING GROUP INC.

By:  _____

Title: SVP, General Counsel & Corporate Secretary

Date: 12/12/2022 _____

Exhibit 1

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Michelle Price, Administrative Coordinator
Through: Chris Hladick, Interim City Manager
Date: January 10, 2023
Re: AML Winter Legislative Conference

The Alaska Municipal League organizes its annual winter meeting in Juneau, which focuses on the legislative agenda. The 2023 Winter Legislative Conference will take place at Baranof Hotel Juneau, on February 22-24, 2023. Draft agenda attached.

The goals of the meeting are to:

- Advance AML’s legislative priorities
- Learn more about specific topics relevant to municipal government
- Connect AML members with legislators and administration officials

As of January 10, 2023, the available funds in the Council travel budget are \$60,094.74.

Estimated travel costs for one traveler are:

Air Fare	\$ 1,681.70
Lodging in Juneau	\$ 600.00
Lodging in Anchorage	\$ 169.00
Registration	\$ 200.00
Vehicle Rental	\$ 500.00
Per Diem	\$ 617.00
TOTAL	\$ 3,767.70
Available Budget Balance	\$ 60,094.74

The Travel Policy for the Mayor and Council indicates that no more than three Council Members are to travel to the same meeting or conference; that travel is conducted in the most direct and economic manner possible to accomplish City business; and that at least twenty-one days prior to an upcoming trip, the council will discuss the travel, identify the Council Members to travel, and approve the travel by motion.



AML Winter Meeting - Legislative Conference
February 22-24, 2023 * Baranof Hotel
(Draft)

Wednesday, February 22, 2023

9:30 AM	Registration open
10:00 AM	Welcome and Introductions
10:30 AM	Proposed Budget and Legislation Overview
Noon	Lunch - Gov. Mike Dunleavy (<i>to be invited</i>)
1:30 PM	State Agency Updates
3:00 PM	Capitol Visits
5:00 – 7:00 pm	AML Legislative Reception

Thursday, February 23, 2023

8:30 AM	Breakfast
9:00 AM	Concurrent Sessions <ul style="list-style-type: none">• CLIA – Green Corridor Conversation• Transportation
Noon	Lunch - AK Congressional Delegation (<i>to be invited</i>)
1:00 PM	Federal Agency Updates
4PM	Capitol Visits

Friday, February 24, 2023

8:00 AM	Breakfast
8:30 AM	AML Priorities and Advocacy - Nils Andreassen, AML Executive Director
10:00 AM	Legislative Speed Dating
11:30 AM	Adjourn

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Michelle Price, Administrative Coordinator
Through: Chris Hladick, Interim City Manager
Date: January 10, 2023
Re: SWAMC Economic Summit & Membership Meeting

The SWAMC Economic Summit and Membership meeting will be on March 2 and 3, 2023, at the Hotel Captain Cook in Anchorage.

As of January 10, 2023, the available funds in the Council travel budget are \$60,094.74.

Estimated travel costs for one traveler are:

Air Fare	\$	1,348.00
Lodging in Anchorage	\$	507.00
Registration Fees	\$	330.00
Vehicle Rental	\$	-
Per Diem	\$	580.00
TOTAL	\$	2,765.00

The Travel Policy for the Mayor and Council indicates that no more than three Council Members are to travel to the same meeting or conference; that travel is conducted in the most direct and economic manner possible to accomplish City business; and that at least twenty-one days prior to an upcoming trip, the council will discuss the travel, identify the Council Members to travel, and approve the travel by motion.