

**CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
TUESDAY, FEBRUARY 25, 2014, 7:00 P.M.
UNALASKA CITY HALL COUNCIL CHAMBERS
AGENDA**

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE:

RECOGNITION OF VISITORS

ADDITIONS TO AGENDA

MINUTES: FEBRUARY 11, 2014

FINANCIAL REPORT: JANUARY 2014 FINANCIAL REPORT

BOARD/COMMISSION REPORTS: PLANNING COMMISSION MINUTES – NOVEMBER 21, 2013 & JANUARY 23, 2014

AWARDS/PRESENTATIONS: RECOGNIZING GRACE MAGPANTAY FOR 20 YEARS OF SERVICE TO THE CITY OF UNALASKA

MANAGER'S REPORT

COMMUNITY INPUT/ANNOUNCEMENTS

PUBLIC INPUT ON AGENDA ITEMS

LEGISLATIVE

1. **UNALASKA PCR ADVISORY COMMITTEE:** ANNUAL REPORT TO COUNCIL
2. **UNALASKA LIBRARY ADVISORY COMMITTEE:** ANNUAL REPORT TO COUNCIL
3. **UNALASKA PLANNING COMMISSION:** ANNUAL REPORT TO COUNCIL

PUBLIC HEARING

1. **ORDINANCE 2014-03:** AN ORDINANCE CREATING BUDGET AMENDMENT NO. 7 TO THE FY14 OPERATING BUDGET TO PURCHASE NEW CELL DOOR LOCKS FOR CORRECTION FUNDED BY A STATE GRANT; INCREASE THE BUDGET FOR THE PURCHASE OF A VEHICLE FOR PARKS, CULTURE AND RECREATION; AND INCREASE THE CONSTRUCTION COSTS FOR THE WASTE HEAT RECOVERY PROJECT

WORK SESSION

1. **PRESENTATION:** ELECTRIC RATE STUDY – MIKE HUBBARD
2. **DISCUSSION:** CITY OF UNALASKA FY15 BUDGET GOALS
3. **DISCUSSION:** RESOLUTION 2014-24 SUPPORTING THE STATE OF ALASKA DEPARTMENT OF PUBLIC SAFETY CONTINUING TO HOME-PORT THE ENFORCEMENT PATROL VESSEL *STIMSON* IN THE CITY OF UNALASKA, PORT OF DUTCH HARBOR
4. **DISCUSSION:** RESOLUTION 2014-26 REQUESTING THAT THE ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES REMOVE THE TORPEDO BOMBSIGHT AND UTILITY SHOP (TORPEDO BUILDING) ON PROPERTY LOCATED AT TOM MADSEN AIRPORT IN UNALASKA

RECONVENE TO REGULAR SESSION

CONSENT AGENDA

1. **RESOLUTION 2014-14:** APPROVING THE UNALASKA CITY COUNCIL'S GOALS FOR THE FY15 BUDGET
2. **RESOLUTION 2014-27:** APPROVING THE MAYOR'S REAPPOINTMENT OF STEVEN GREGORY TO THE PLANNING COMMISSION / PLATTING BOARD

UNFINISHED BUSINESS

1. **ORDINANCE 2014-03 – SECOND READING:** AN ORDINANCE CREATING BUDGET AMENDMENT NO. 7 TO THE FY14 OPERATING BUDGET TO PURCHASE NEW CELL DOOR LOCKS FOR CORRECTION FUNDED BY A STATE GRANT; INCREASE THE BUDGET FOR THE PURCHASE OF A VEHICLE FOR PARKS, CULTURE AND RECREATION; AND INCREASE THE CONSTRUCTION COSTS FOR THE WASTE HEAT RECOVERY PROJECT

NEW BUSINESS

1. **RESOLUTION 2014-23:** A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING A TIDELAND LEASE AGREEMENT FOR A TERM OF 30-YEARS BETWEEN THE CITY OF UNALASKA AND OFFSHORE SYSTEMS, INC FOR UTS 103 TRACT A-1
2. **RESOLUTION 2014-24:** A RESOLUTION OF THE UNALASKA CITY COUNCIL SUPPORTING THE STATE OF ALASKA DEPARTMENT OF PUBLIC SAFETY CONTINUING TO HOME-PORT THE ENFORCEMENT PATROL VESSEL *STIMSON* IN THE CITY OF UNALASKA, PORT OF DUTCH HARBOR
3. **RESOLUTION 2014-26:** A RESOLUTION OF THE UNALASKA CITY COUNCIL REQUESTING THAT THE ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES REMOVE THE TORPEDO BOMBSIGHT AND UTILITY SHOP (TORPEDO BUILDING) ON PROPERTY LOCATED AT TOM MADSEN AIRPORT IN UNALASKA
4. **ORDINANCE 2014-05 – FIRST READING:** AN ORDINANCE CREATING BUDGET AMENDMENT NO. 8 TO THE FY14 OPERATING BUDGET TO ADD A \$3,000,000 ADEC GRANT TO THE CONSTRUCTION LINE ITEM BUDGET FOR THE WATER TREATMENT IMPROVEMENT PROJECT (WA905)

COUNCIL DIRECTIVES TO MANAGER

COMMUNITY INPUT

ANNOUNCEMENTS

ADJOURNMENT

CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
February 11, 2014

The regular meeting of the Unalaska City Council was called to order by Mayor Marquardt at 6:00 p.m. on February 11, 2014, in the Unalaska City Hall Council Chambers. Roll was taken:

PRESENT

Shirley Marquardt, Mayor
Alejandro Tungul
Dennis Robinson
David Gregory
Roger Rowland
Zoya Johnson

ABSENT

Tom Enlow

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

RECOGNITION OF VISITORS: No visitors were introduced.

APPROVAL OF AGENDA: City of Unalaska FY15 Budget Goals was removed from the Work Session, and Resolution 2014-14 was removed from the Consent Agenda. The agenda was adopted as revised.

MINUTES: The minutes of the January 28, 2014 regular meeting were approved as submitted.

FINANCIAL REPORT: None

BOARD/COMMISSION REPORTS: None

AWARDS/PRESENTATIONS: None

MANAGER'S REPORT: In addition to his manager's report, City Manager Chris Hladick provided an update on the possibility of the *Stimson* being moved to Kodiak. The City Manager, Mayor Marquardt, and Council Member Robinson reported on their recent trip to attend the Arctic Encounters Symposium.

COMMUNITY INPUT/ANNOUNCEMENTS

1. Jim Touza, a member of the public, asked that something be done about the situation at the airport with the parachute building, also known as the torpedo building, which is so run down that pieces of timber blew off the structure and caused damage to a number of vehicles.
2. The Chocolate Extravaganza will be held February 14th at the Museum of the Aleutians.
3. The Pre-school Ice Cream Social was a success again this year.

PUBLIC INPUT: None

LEGISLATIVE: The Oath of Office was administered to Finance Director Patricia Soule.

PUBLIC HEARING

Mayor Marquardt opened the hearing on Ordinance 2014-02.

1. **ORDINANCE 2014-02:** CREATING BUDGET AMENDMENT NO. 6 TO THE FY14 OPERATING BUDGET BY TRANSFERRING FUNDS FROM VARIOUS PAVING PROJECTS TO CREATE THE 2014 PAVING CAPITAL PROJECT PW402; INCREASE THE LIBRARY REVENUES AND EXPENDITURES FOR THE OWL GRANT; INCREASE THE FACILITY MAINTENANCE DIVISION BUDGET; AND BUDGET FOR TWO COMMUNITY COASTAL IMPACT ASSISTANT GRANTS

Hearing no comments, Mayor Marquardt closed the hearing on Ordinance 2014-02.

WORK SESSION Johnson made a motion to move into a Work Session; Tungul seconded. Motion passed by consensus.

1. **DISCUSSION:** RESOLUTION 2014-20 APPROVING THE ACQUISITION REQUEST FOR A 2.94-ACRE PORTION, MORE OR LESS, OF STATE TIDELANDS IN CAPTAINS BAY LOCATED WITHIN THE MUNICIPAL BOUNDARY OF THE CITY OF UNALASKA

City Manager Chris Hladick reviewed the recent history of the request and the need for acquisition of the tideland.

2. **DISCUSSION:** RESOLUTION 2014-10 AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH PND ENGINEERS, INC. TO PROVIDE CONSTRUCTION ADMINISTRATION SERVICES FOR THE 2014 PAVING PROJECTS IN AN AMOUNT NOT TO EXCEED \$388,094

City Manager Chris Hladick reviewed the need for administrative services for the paving projects.

3. **DISCUSSION:** RESOLUTION 2014-11 AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH R&M CONSULTANTS, INC. TO PROVIDE INSPECTION, AND TESTING SERVICES FOR THE 2014 PAVING PROJECTS IN AN AMOUNT NOT TO EXCEED \$344,727

City Manager Chris Hladick explained the inspection and testing services needed for the paving projects.

4. **DISCUSSION:** RESOLUTION 2014-13 AUTHORIZING THE CITY MANAGER TO AMEND THE BALLYHOO ROAD PAVING AND 2013 MISCELLANEOUS PAVING PROJECTS AGREEMENT WITH KNIK CONSTRUCTION COMPANY, INC., TO INCLUDE CONSTRUCTION OF ADDITIVE ALTERNATE NUMBERS 4, 5, 6 AND 7 FROM THE MAY 22, "2013 BALLYHOO ROAD PAVING AND 2013 MISCELLANEOUS PAVING PROJECTS" BID IN THE AMOUNT OF \$1,548,785

City Manager Chris Hladick briefly reviewed the additional paving to be done through the amendment to the agreement.

5. **DISCUSSION:** ORDINANCE 2014-03 CREATING BUDGET AMENDMENT NO. 7 TO THE FY14 OPERATING BUDGET TO PURCHASE NEW CELL DOOR LOCKS FOR CORRECTION FUNDED BY A STATE GRANT, INCREASE THE BUDGET FOR THE PURCHASE OF A VEHICLE FOR PUBLIC WORKS, AND INCREASE THE CONSTRUCTION COSTS FOR THE WASTE HEAT RECOVERY PROJECT

City Manager Hladick reviewed each item in the budget amendment.

RECONVENE TO REGULAR SESSION

CONSENT AGENDA

Hearing no objections, Mayor Marquardt declared the revised Consent Agenda adopted.

1. **RESOLUTION 2014-17**: CONFIRMING THE MAYOR'S RE-APPOINTMENT OF MATTHEW LIGHTNER TO THE PARKS, CULTURE, AND RECREATION ADVISORY COMMITTEE
2. **RESOLUTION 2014-18**: CONFIRMING THE MAYOR'S RE-APPOINTMENT OF KARIE WILSON TO THE PARKS, CULTURE, AND RECREATION ADVISORY COMMITTEE
3. **RESOLUTION 2014-22**: CONFIRMING THE MAYOR'S APPOINTMENT OF JESSICA EARNSHAW TO THE PLANNING COMMISSION / PLATTING BOARD

UNFINISHED BUSINESS

1. **ORDINANCE 2014-02 – SECOND READING**: CREATING BUDGET AMENDMENT NO. 6 TO THE FY14 OPERATING BUDGET BY TRANSFERRING FUNDS FROM VARIOUS PAVING PROJECTS TO CREATE THE 2014 PAVING CAPITAL PROJECT PW402; INCREASE THE LIBRARY REVENUES AND EXPENDITURES FOR THE OWL GRANT; INCREASE THE FACILITY MAINTENANCE DIVISION BUDGET; AND BUDGET FOR TWO COMMUNITY COASTAL IMPACT ASSISTANT GRANTS

Johnson made a motion to approved Ordinance 2014-02; Robinson seconded.

VOTE: Motion passed unanimously.

NEW BUSINESS

1. **RESOLUTION 2014-10**: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH PND ENGINEERS, INC. TO PROVIDE CONSTRUCTION ADMINISTRATION SERVICES FOR THE 2014 PAVING PROJECTS IN AN AMOUNT NOT TO EXCEED \$388,094

Robinson made a motion to approve Resolution 2014-10; Rowland seconded.

VOTE: Motion passed unanimously.

2. **RESOLUTION 2014-11**: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH R&M CONSULTANTS, INC. TO PROVIDE INSPECTION, AND TESTING SERVICES FOR THE 2014 PAVING PROJECTS IN AN AMOUNT NOT TO EXCEED \$344,727

Tungul made a motion to approve Resolution 2014-11; Robinson seconded.

VOTE: Motion passed unanimously.

3. **RESOLUTION 2014-13**: AUTHORIZING THE CITY MANAGER TO AMEND THE BALLYHOO ROAD PAVING AND 2013 MISCELLANEOUS PAVING PROJECTS AGREEMENT WITH KNIK CONSTRUCTION COMPANY, INC., TO INCLUDE CONSTRUCTION OF ADDITIVE ALTERNATE NUMBERS 4, 5, 6 AND 7 FROM THE MAY 22, "2013 BALLYHOO ROAD PAVING AND 2013 MISCELLANEOUS PAVING PROJECTS" BID IN THE AMOUNT OF \$1,548,785

Rowland made a motion to approve Resolution 2014-13; Johnson seconded.

VOTE: Motion passed unanimously.

4. **RESOLUTION 2014-20**: APPROVING THE ACQUISITION REQUEST FOR A 2.94-ACRE PORTION, MORE OR LESS, OF STATE TIDELANDS IN CAPTAINS BAY LOCATED WITHIN THE MUNICIPAL BOUNDARY OF THE CITY OF UNALASKA

Rowland made a motion to approve Resolution 2014-20; Johnson seconded.

VOTE: Motion passed unanimously.

5. **ORDINANCE 2014-03**: CREATING BUDGET AMENDMENT NO. 7 TO THE FY14 OPERATING BUDGET TO PURCHASE NEW CELL DOOR LOCKS FOR CORRECTION FUNDED BY A STATE GRANT, INCREASE THE BUDGET FOR THE PURCHASE OF A VEHICLE FOR PUBLIC WORKS, AND INCREASE THE CONSTRUCTION COSTS FOR THE WASTE HEAT RECOVERY PROJECT

Robinson made a motion to move Ordinance 2014-03 to Public Hearing and Second Reading on February 25th; Gregory seconded.

VOTE: Motion passed unanimously.

COMMUNITY INPUT/ANNOUNCEMENTS

COUNCIL DIRECTIVES

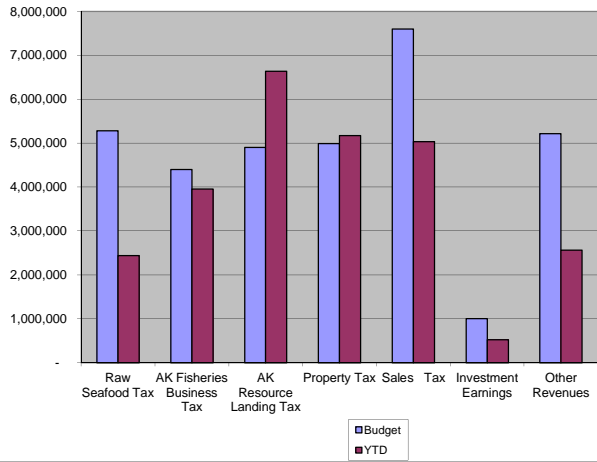
ADJOURNMENT The meeting adjourned at 6:42 p.m.

Elizabeth Masoni
City Clerk

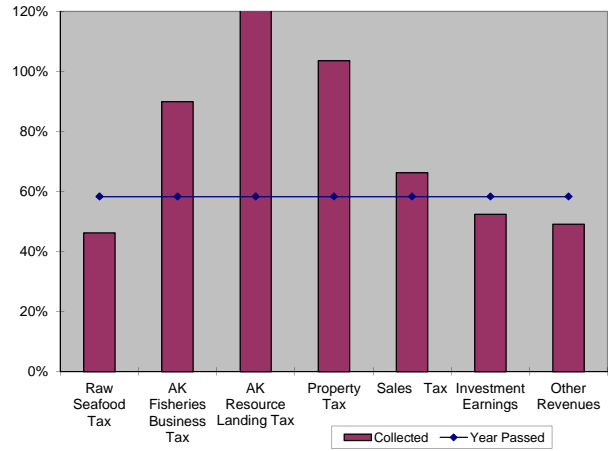
City of Unalaska

January 2014

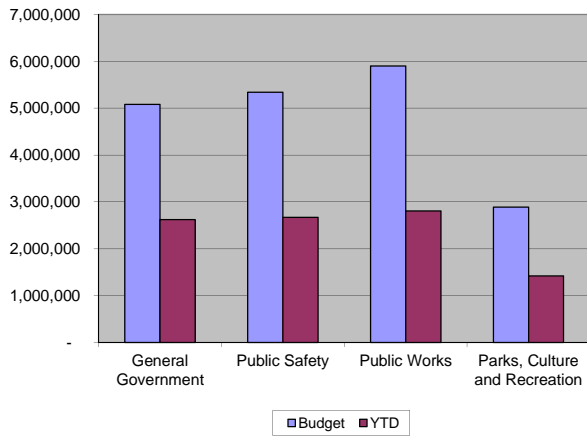
**General Government Revenues
Annual Budget vs. YTD Collected**



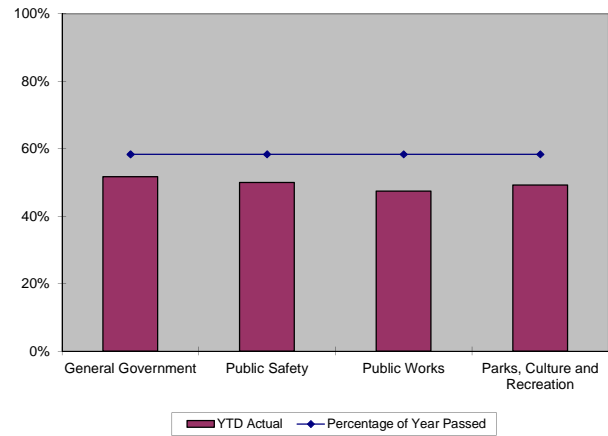
Percentage of General Government Revenue Collected



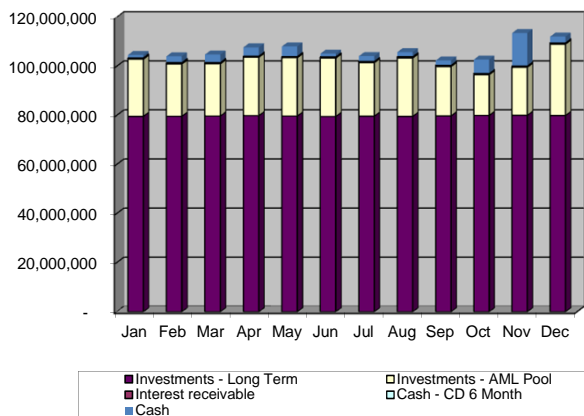
**General Government Expenditures
Annual Budget vs. YTD Actual**



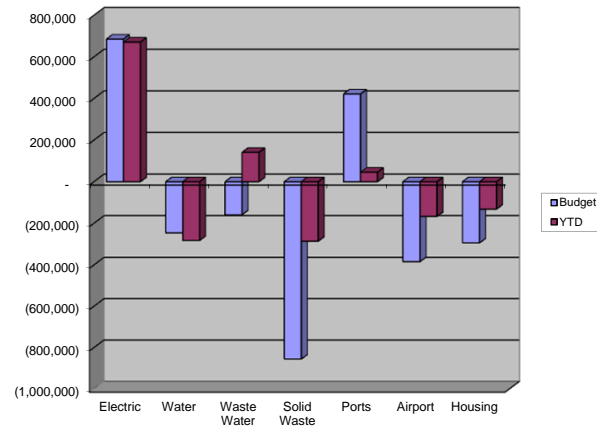
Percentage of General Government Budget Spent



**Investments and Cash
Last 12 Months**



**Proprietary Funds
Budgeted Net Increase/Decrease
Before Capital and Transfers**



General Fund Operating Monthly Summary - Month Ending January 2014

	FY2014 Budget	January	FY2014 YTD	% OF BUD	FY2013 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	5,278,000	220,169	2,438,587	46%	2,753,380	(314,793)
AK Fisheries Business	4,400,000	0	3,957,391	90%	3,968,378	(10,987)
AK Fisheries Resource Landing	4,900,000	0	6,636,364	135%	4,558,307	2,078,057
Property Taxes	4,990,000	(21,937)	5,171,253	104%	4,987,814	183,439
Sales Tax	7,600,000	714,557	5,035,313	66%	5,776,517	(741,204)
Investment Earnings	1,000,000	161,775	524,096	52%	525,819	(1,723)
Other Revenues	5,218,262	43,606	2,564,904	49%	1,632,441	932,463
Appropriated Fund Balance	0	0	0	0%	0	0
Total General Fund Revenues	33,386,262	1,118,172	26,327,908	79%	24,202,657	2,125,251
EXPENDITURES						
Mayor & Council	533,796	40,110	256,831	48%	225,188	31,644
City Administration						
City Manager's Office	420,161	41,020	244,174	58%	207,882	36,292
Administration	1,058,163	55,449	524,178	50%	493,219	30,959
Natural Resources	210,049	17,256	104,437	50%	101,522	2,914
Total City Administration	1,688,373	113,725	872,788	52%	802,623	70,165
City Clerk	585,855	37,207	306,978	52%	249,264	57,714
Finance						
Finance	869,677	60,655	490,786	56%	459,004	31,782
Information Systems	706,865	33,771	456,255	65%	396,638	59,617
Total Finance	1,576,542	94,427	947,041	60%	855,642	91,399
Planning	693,335	33,207	241,307	35%	241,622	(315)
Public Safety						
Police, Dispatch and DMV	3,539,342	259,465	1,801,729	51%	1,734,445	67,284
Corrections	873,474	69,526	481,725	55%	420,864	60,861
Fire and EMS	930,548	50,245	388,717	42%	394,890	(6,173)
Total Public Safety	5,343,365	379,236	2,672,171	50%	2,550,199	121,972
Public Works						
DPW Admin & Engineering	706,554	56,047	350,201	50%	409,706	(59,505)
Streets and Roads	2,427,603	163,280	1,037,404	43%	983,519	53,885
Receiving and Supply	256,389	21,231	133,020	52%	124,733	8,287
Veh & Equip Maintenance	1,079,911	66,763	476,218	44%	445,560	30,659
Facilities Maintenance	1,433,932	82,783	806,390	56%	490,253	316,136
Total Public Works	5,904,389	390,104	2,803,232	47%	2,453,770	349,462
Parks, Culture & Recreation						
PCR Administration	337,188	27,110	171,306	51%	166,976	4,329
Recreation Programs	732,242	54,226	380,654	52%	325,798	54,856
Community Center Operations	670,135	55,067	358,584	54%	299,050	59,534
Library	758,358	53,746	365,947	48%	335,410	30,537
Aquatics Center	364,112	19,080	133,185	37%	141,834	(8,649)
Parks	26,806	247	13,321	50%	11,995	1,326
Total Parks, Culture & Recreation	2,888,840	209,476	1,422,997	49%	1,281,062	141,935
Other Expenses	5,906,979	905,185	3,487,314	59%	3,626,400	(139,086)
Total Operating Expenditures	25,121,474	2,202,676	13,010,660	52%	12,285,770	724,890
Transfers To General Fund	0	0	0	0%	0	0
Transfers To Special Revenue	0	0	0	0%	0	0
Transfers To Capital Projects	0	0	0	0%	3,480,000	(3,480,000)
Transfers To Enterprise Funds	34,400	0	0	0%	0	0
Transfers To Enterprise Capital	0	0	0	0%	4,853,719	(4,853,719)
	34,400	0	0	0%	8,333,719	(8,333,719)
	25,155,874	2,202,676	13,010,660	52%	20,619,489	(7,608,829)
Surplus/(Deficit)	8,230,388	(1,084,504)	13,317,248	67%	3,583,168	9,734,080

	FY2014 Budget	January	FY2014 YTD	% OF BUD	FY2013 YTD	INC/(DEC) Last Year
Electric Proprietary Fund						
REVENUES	18,121,600	1,127,616	10,812,965	60%	9,997,741	815,223
Electric Line Repair & Maint	1,225,761	53,353	433,073	35%	437,054	(3,980)
Electric Production	11,414,816	858,559	6,972,192	61%	6,198,755	773,437
Facilities Maintenance	81,977	3,094	28,958	35%	36,942	(7,984)
Utility Administration	4,656,988	252,497	2,691,080	58%	2,545,143	145,937
Veh & Equip Maintenance	56,518	1,887	16,467	29%	19,853	(3,386)
EXPENSES	17,436,061	1,169,389	10,141,770	58%	9,237,746	904,024
NET EARNINGS/(LOSS)	685,539	(41,773)	671,195		759,996	(88,801)
Water Proprietary Fund						
REVENUES	2,369,327	125,773	1,119,419	47%	1,206,251	(86,832)
Facilities Maintenance	20,088	600	6,708	33%	15,288	(8,580)
Utility Administration	1,428,090	111,655	807,898	57%	781,219	26,679
Veh & Equip Maintenance	32,759	6,091	19,422	59%	19,603	(180)
Water Operations	1,134,182	91,411	567,614	50%	476,850	90,764
EXPENSES	2,615,119	209,757	1,401,642	54%	1,292,960	108,682
NET EARNINGS/(LOSS)	(245,792)	(83,984)	(282,222)		(86,709)	(195,514)
Wastewater Proprietary Fund						
REVENUES	1,904,228	170,820	1,169,316	61%	1,026,258	143,059
Facilities Maintenance	29,501	993	9,536	32%	13,720	(4,184)
Utility Administration	969,961	72,271	522,122	54%	510,645	11,477
Veh & Equip Maintenance	23,675	1,410	19,869	84%	13,016	6,853
Wastewater Operations	1,040,046	74,682	476,904	46%	479,397	(2,493)
EXPENSES	2,063,183	149,356	1,028,431	50%	1,016,778	11,653
NET EARNINGS/(LOSS)	(158,955)	21,464	140,885		9,479	131,406
Solid Waste Proprietary Fund						
REVENUES	1,594,518	161,295	1,024,897	64%	909,458	115,439
Facilities Maintenance	68,500	4,340	29,115	43%	26,902	2,213
Solid Waste Operations	1,309,339	116,065	740,851	57%	614,829	126,021
Utility Administration	942,746	70,302	497,801	53%	515,649	(17,848)
Veh & Equip Maintenance	129,327	3,001	43,051	33%	38,630	4,421
EXPENSES	2,449,912	193,709	1,310,818	54%	1,196,010	114,808
NET EARNINGS/(LOSS)	(855,394)	(32,414)	(285,921)		(286,552)	631
Ports & Harbors Proprietary Fund						
REVENUES	6,460,256	602,676	3,670,789	57%	3,228,084	442,705
Bobby Storrs Small Boat Harbor	166,588	13,233	76,307	46%	0	76,307
CEM Small Boat Harbor	662,191	99,944	391,953	59%	343,953	48,000
Facilities Maintenance	39,433	938	15,109	38%	21,707	(6,598)
Harbor Office	3,553,076	295,728	2,403,440	68%	1,918,004	485,436
Ports Security	122,617	0	23,845	19%	40,599	(16,754)
Spit & Light Cargo Docks	572,847	61,190	225,099	39%	40,920	184,179
Unalaska Marine Center	865,564	80,790	471,655	54%	719,609	(247,954)
Veh & Equip Maintenance	56,139	2,331	17,767	32%	29,606	(11,839)
EXPENSES	6,038,455	554,154	3,625,175	60%	3,114,397	510,777
NET EARNINGS/(LOSS)	421,801	48,522	45,614		113,687	(68,073)
Transfers In	34,400	0	0	0%	0	0

	FY2014 Budget	January	FY2014 YTD	% OF BUD	FY2013 YTD	INC/(DEC) Last Year
Airport Proprietary Fund						
REVENUES	462,811	38,658	282,078	61%	269,951	12,127
Airport Admin/Operations	701,739	58,825	379,739	54%	377,826	1,913
Facilities Maintenance	145,065	6,752	69,121	48%	95,602	(26,481)
EXPENSES	846,804	65,577	448,860	53%	473,428	(24,568)
NET EARNINGS/(LOSS)	(383,993)	(26,919)	(166,782)		(203,477)	36,696
Housing Proprietary Fund						
REVENUES	251,349	12,295	130,046	52%	131,876	(1,830)
Facilities Maintenance	174,782	11,520	86,505	49%	134,958	(48,453)
Housing Admin & Operating	370,659	27,043	175,290	47%	190,215	(14,925)
EXPENSES	545,441	38,563	261,795	48%	325,173	(63,378)
NET EARNINGS/(LOSS)	(294,092)	(26,268)	(131,749)		(193,297)	61,548

Comparative Balance Sheets
City of Unalaska
General Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and Cash Equivalents	\$ 1,400	\$ 1,400
Receivables		
Taxes	1,936,153	1,968,172
Accounts	7,588	1,071
Special Assessments	-	3,791
Intergovernmental	-	292,725
Equity in Central Treasury	41,834,621	35,550,921
Inventory	600,631	481,140
Prepaid Items	68,730	128,047
Advances to Other Funds	1,540,000	1,723,533
Other Assets	14,288	-
Total Assets	\$ 46,003,411	\$ 40,150,801

Liabilities & Fund Balances

Liabilities		
Accounts Payable	\$ 9,822	\$ -
Accrued Payroll & Related Liabilities	1,099,361	781,452
Intergovernmental	1,683	1,920
Retainage Payable	30,391	3,880
Accrued Interest Payable	-	98,317
Deferred Revenue	57,182	398,003
Other Current Liabilities	1,795	1,898
Customer Deposits	1,508	835
Total Liabilities	\$ 1,201,742	\$ 1,286,306

Fund Balances		
Fund Balance - Non-Spendable	2,223,649	2,190,224
Fund Balance - Committed	14,300,000	20,300,000
Fund Balance - Assigned	3,009,971	2,958,025
Undesignated (deficit)	25,268,049	13,416,246
Total Fund Balance	44,801,670	38,864,495
Total Liabilities & Fund Balances	\$ 46,003,411	\$ 40,150,801

Comparative Balance Sheets
City of Unalaska
1% Sales Tax Special Revenue Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Taxes Receivable	\$ 648,649	\$ 666,835
Sales Tax Receivable - Full Accrual	2,500	-
Equity in Central Treasury	2,895,013	4,036,352
Total Current Assets	<u>3,546,162</u>	<u>4,703,187</u>
Total Assets	<u>\$ 3,546,162</u>	<u>\$ 4,703,187</u>
Liabilities & Fund Equity		
Liabilities		
Accounts Payable	\$ -	\$ -
Deferred Revenue	2,500	2,500
Total Liabilities	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Fund Balances		
Fund Balance - Non-spendable	\$ -	\$ -
Fund Balance - Committed	-	3,000,000
Undesignated Fund Balances	3,543,662	1,700,687
Total Fund Balance	<u>3,543,662</u>	<u>4,700,687</u>
Total Liabilities & Fund Balances	<u>\$ 3,546,162</u>	<u>\$ 4,703,187</u>

Comparative Balance Sheets
City of Unalaska
Bed Tax Special Revenue Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Taxes Receivable	\$ 11,907	\$ 12,234
Equity in Central Treasury	168,992	155,805
Total Current Assets	<u>180,899</u>	<u>168,040</u>
 Total Assets	 <u>\$ 180,899</u>	 <u>\$ 168,040</u>
 Liabilities & Fund Equity		
Liabilities		
Accounts Payable	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
 Fund Balances		
Uncommitted-Undesignated	<u>180,899</u>	<u>168,040</u>
Total Fund Balance	<u>180,899</u>	<u>168,040</u>
Total Liabilities & Fund Balance	<u>\$ 180,899</u>	<u>\$ 168,040</u>

Comparative Balance Sheets
City of Unalaska
Electric Enterprise Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Receivables		
Accounts Receivable	\$ 1,444,006	\$ 1,271,817
Intergovernmental - State	434,728	251,798
Equity in Central Treasury	1,830,987	(11,267)
Inventory	627,167	668,217
Restricted Assets-PH Debt Service Reserve	2,372,217	2,372,217
Deferred Charges	375,211	215,718
Total Current Assets	7,084,316	4,768,500
Property, Plant & Equipment		
Land	212,598	212,598
Buildings, Net	32,648,361	33,563,393
Other Improvements, Net	3,792,403	4,111,974
Equipment, Net	15,999,319	16,820,035
Construction In Progress	3,242,442	2,154,369
Net Property, Plant & Equipment	55,895,122	56,862,369
Total Assets	\$ 62,979,439	\$ 61,630,869
Liabilities		
Current Liabilities		
Accounts Payable	\$ 221,482	\$ 115,233
Accrued Payroll & Related Liabilities	256,513	245,898
Accrued Interest Payable	373,892	384,648
Revenue Bonds - Current	665,000	640,000
Unmortized Premium (Rev Bonds)	9,682	9,682
Customer Deposits	240,031	291,245
Advance from other funds - GF	140,000	140,000
Total Current Liabilities	1,906,599	1,826,706
Long Term Debt (net of current portion)		
Revenue Bonds - Long Term	27,180,000	28,075,000
Unamortized Premium - Long Term	170,665	180,347
Notes Payable - Long Term	1,400,000	1,540,000
Total Liabilities	\$ 30,657,264	\$ 31,622,052
Net Position		
Invested in capital assets, net of related debt	26,329,775	26,417,340
Restricted for debt service	2,372,217	2,372,217
Unrestricted	3,620,181	1,219,259
Total net position	\$ 32,322,174	\$ 30,008,816

Comparative Balance Sheets
City of Unalaska
Water Enterprise Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Receivables		
Accounts	\$ 134,342	\$ 79,269
Assessments	5,902	8,525
Equity in Central Treasury	9,056,424	10,591,640
Inventory	344,722	368,697
Total Current Assets	<u>9,541,390</u>	<u>11,048,131</u>
 Property, Plant & Equipment		
Land	125,074	125,074
Buildings, Net	659,796	709,427
Improvements, Net	10,163,531	11,008,792
Equipment, Net	13,742	23,298
Construction In Progress	2,957,051	717,532
Net Property, Plant & Equipment	<u>13,919,194</u>	<u>12,584,122</u>
Total Assets	<u>\$ 23,460,583</u>	<u>\$ 23,632,253</u>
 Liabilities		
Current Liabilities		
Accounts Payable	\$ 287	\$ -
Accrued Payroll & Related Liabilities	99,682	98,055
Retainage Payable	600	600
Customer Deposits	20,541	26,353
Total Current Liabilities	<u>121,110</u>	<u>125,008</u>
 Total Liabilities	<u>\$ 121,110</u>	<u>\$ 125,008</u>
 Net Position		
Invested in capital assets, net of related debt	13,919,194	12,584,122
Restricted for debt service	-	-
Unrestricted	9,420,280	10,923,123
Total net position	<u>\$ 23,339,474</u>	<u>\$ 23,507,245</u>

Comparative Balance Sheets
City of Unalaska
Wastewater Enterprise Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Receivables		
Accounts	\$ 177,273	\$ 128,387
Assessments	26,819	56,865
Intergovernmental - State	67,549	205,858
Equity in Central Treasury	3,120,504	6,388,319
Inventory	44,404	50,329
Total Current Assets	<u>3,436,549</u>	<u>6,829,757</u>
Property, Plant & Equipment		
Land	12,883	12,883
Buildings, Net	1,945,001	2,054,649
Improvements, Net	4,661,197	5,061,924
Equipment, Net	5,224	11,760
Construction In Progress	13,165,394	4,891,316
Net Property, Plant & Equipment	<u>19,789,698</u>	<u>12,032,531</u>
Total Assets	<u>\$ 23,226,247</u>	<u>\$ 18,862,289</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Accrued Payroll & Related Liabilities	101,736	94,133
Due to State of Alaska	-	70,752
Retainage Withheld	420,173	96,451
Accrued Interest Payable	2,376	2,377
Notes Payable - Current	43,461	43,461
Customer Deposits	28,986	29,345
Total Current Liabilities	<u>596,732</u>	<u>336,519</u>
Long Term Debt (net of current portion)	134,897	178,360
Total Liabilities	<u>\$ 731,629</u>	<u>\$ 514,879</u>
Net Position		
Invested in capital assets, net of related debt	19,188,791	11,808,334
Unrestricted	3,305,827	6,539,076
Total net position	<u>\$ 22,494,618</u>	<u>\$ 18,347,410</u>

Comparative Balance Sheets
City of Unalaska
Solid Waste Enterprise Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Receivables		
Accounts	\$ 158,509	\$ 140,992
Intergovernmental - State	32,451	374,016
Equity in Central Treasury	8,805,744	11,552,568
Inventory	67,769	86,065
Total Current Assets	<u>9,064,472</u>	<u>12,153,640</u>
Property, Plant & Equipment		
Land	651,474	651,474
Buildings, net	1,550,530	1,657,946
Other Improvements, net	4,933,673	5,179,265
Equipment, net	234,240	270,559
Construction In Progress	10,174,690	7,658,934
Net Property, Plant & Equipment	<u>17,544,607</u>	<u>15,418,178</u>
Total Assets	<u>\$ 26,609,079</u>	<u>\$ 27,571,818</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Accrued Payroll & Related Liabilities	92,247	93,329
Due to State of Alaska	-	43,255
Retainage Withheld	-	296,561
Customer Deposits	9,867	9,704
Total Current Liabilities	<u>102,113</u>	<u>442,849</u>
Long Term Liabilities - landfill closure and post closure	5,122,799	4,946,631
Total Liabilities	<u>\$ 5,224,913</u>	<u>\$ 5,389,480</u>
Net Position		
Invested in capital assets, net of related debt	17,544,607	15,418,178
Unrestricted	3,839,560	6,764,160
Total net position	<u>\$ 21,384,166</u>	<u>\$ 22,182,338</u>

Comparative Balance Sheets
City of Unalaska
Ports & Harbors Enterprise Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Cash	\$ 150	\$ 150
Receivables		
Accounts	641,225	427,518
Refundable Deposits Receivable	2,000	2,000
Equity in Central Treasury	16,091,022	14,541,662
Total Current Assets	<u>16,734,396</u>	<u>14,971,331</u>
Restricted Assets - cash and investments	2,500	2,500
Deferred Charges	51,178	54,188
Property, Plant & Equipment		
Land	2,037,870	2,037,870
Buildings, net	1,323,604	1,365,891
Docks & Other Improvements, net	69,240,996	51,665,648
Equipment, net	48,800	86,967
Construction In Progress	7,313,134	5,992,364
Net Property, Plant & Equipment	<u>79,964,404</u>	<u>61,148,740</u>
Total Assets	<u>\$ 96,752,478</u>	<u>\$ 76,176,759</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Accrued Payroll & Related Liabilities	109,131	105,977
Intergovernmental AP	2,097,013	-
Retainage Withheld	93,585	650
Accrued Interest	59,175	61,462
Revenue Bonds - Current	190,000	185,000
Unamortized Premium (Revenue Bonds)	5,502	5,502
Total Current Liabilities	<u>2,554,406</u>	<u>358,592</u>
Long Term Debt (net of current portion)		
Revenue Bonds -Long Term	4,260,000	4,450,000
Unamortized Premium - Long Term	93,541	99,043
Total Liabilities	<u>\$ 6,907,947</u>	<u>\$ 4,907,635</u>
Net Position		
Invested in capital assets, net of related debt	75,262,601	56,347,732
Restricted for debt service	2,500	2,500
Unrestricted	14,579,431	14,918,892
Total net positon	<u>\$ 89,844,531</u>	<u>\$ 71,269,124</u>

Comparative Balance Sheets
City of Unalaska
Airport Enterprise Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Accounts Receivable	\$ 105,160	\$ 73,103
Equity in Central Treasury	1,729,366	1,479,758
Total Current Assets	<u>1,834,526</u>	<u>1,552,861</u>
Property, Plant & Equipment		
Buildings, net	3,320,071	3,556,342
Other Improvements, net	260,028	321,827
Construction In Progress	85,296	59,059
Net Property, Plant & Equipment	<u>3,665,395</u>	<u>3,937,229</u>
Total Assets	<u>\$ 5,499,921</u>	<u>\$ 5,490,090</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Accrued Payroll & Related Liabilities	7,028	5,845
Retainage Payable	-	4,250
Customers Deposits	10,000	10,000
Total Current Liabilities	<u>17,028</u>	<u>20,095</u>
Long Term Liabilities		
Total Liabilities	<u>\$ 17,028</u>	<u>\$ 20,095</u>
Net Position		
Invested in capital assets, net of related debt	3,665,395	3,937,229
Unrestricted	1,817,498	1,532,766
Total net position	<u>\$ 5,482,893</u>	<u>\$ 5,469,995</u>

Comparative Balance Sheets
City of Unalaska
Housing Enterprise Fund
January 31, 2014 and January 31, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
General Receivables	\$ 2,790	\$ 1,580
Refundable Deposits Receivable	3,650	3,650
Intergovernmental - State of Alaska	-	21,198
Equity in Central Treasury	1,361,718	1,520,342
Total Current Assets	<u>1,368,158</u>	<u>1,546,770</u>
Property, Plant & Equipment		
Land	269,577	269,577
Buildings, net	4,572,783	4,751,749
Other Improvements, net	65,196	67,470
Construction In Progress	419,212	230,587
Net Property, Plant & Equipment	<u>5,326,768</u>	<u>5,319,383</u>
Total Assets	<u>\$ 6,694,927</u>	<u>\$ 6,866,154</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Accrued Payroll & Related Liabilities	13,265	6,191
Retainage Withheld	6,800	12,766
Customers Deposits	11,020	15,774
Total Current Liabilities	<u>31,085</u>	<u>34,731</u>
Longterm Liabilities		
Advance From General Fund	-	43,533
Total Liabilities	<u>\$ 31,085</u>	<u>\$ 78,264</u>
Net Position		
Invested in capital assets, net of related debt	5,326,768	5,275,850
Unrestricted	1,337,073	1,512,040
Total net position	<u>\$ 6,663,841</u>	<u>\$ 6,787,890</u>

2/18/2014

City of Unalaska
Utility Revenue Report
Summary

01/31/14

FY 14 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY14 Revenue	FY13YTD Revenue	YTD Inc/(Dec)
Jul-13	1,640,910	314,191	189,106	167,401	2,311,608	2,311,608	2,016,528	295,080
Aug-13	1,671,961	268,745	174,578	185,157	2,300,441	4,612,050	4,052,477	559,572
Sep-13	1,774,675	175,851	179,492	140,795	2,270,813	6,882,862	6,082,166	800,696
Oct-13	1,787,584	98,065	174,434	137,063	2,197,147	9,080,009	8,041,576	1,038,434
Nov-13	1,331,944	79,174	142,708	123,112	1,676,938	10,756,947	10,048,068	708,879
Dec-13	1,478,275	57,620	138,177	110,074	1,784,146	12,541,093	11,700,909	840,183
Jan-14	1,127,616	125,773	170,820	161,295	1,585,504	14,126,597	13,139,708	986,889
Feb-14	0	0	0	0	0	0	15,725,365	0
Mar-14	0	0	0	0	0	0	18,903,385	0
Apr-14	0	0	0	0	0	0	21,392,845	0
May-14	0	0	0	0	0	0	22,982,442	0
Jun-14	0	0	0	0	0	0	23,755,418	0
YTD Totals	10,812,964	1,119,419	1,169,316	1,024,897	14,126,597			
FY 14 Budget	18,120,984	2,959,148	2,024,497	2,389,014	25,493,643			
% to budget	59.7	37.8	57.8	42.9	55.4			

City of Unalaska
Utility Revenue Report
Electric Fund

01/31/14

FY14 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY14YTD Revenue	FY13 YTD Revenue	YTD Inc/(Dec)
Jul-13	106,809	109,140	212,647	1,122,787	84,469	5,058	1,640,910	1,640,910	1,435,790	205,120
Aug-13	105,720	108,494	199,332	1,176,769	77,511	4,134	1,671,961	3,312,871	2,881,182	431,689
Sep-13	110,957	112,037	202,384	1,226,681	83,948	38,667	1,774,675	5,087,546	4,387,342	700,204
Oct-13	136,231	135,686	252,523	1,157,332	93,936	11,877	1,787,584	6,875,130	5,898,398	976,731
Nov-13	119,250	117,535	234,210	763,813	91,854	5,282	1,331,944	8,207,074	7,526,282	680,791
Dec-13	159,064	150,066	282,073	769,161	98,892	19,018	1,478,275	9,685,348	8,920,599	764,750
Jan-14	133,918	120,796	240,688	542,858	91,119	(1,764)	1,127,616	10,812,964	10,005,106	807,858
Feb-14							0	10,812,964	11,896,991	(1,084,027)
Mar-14							0	10,812,964	14,234,435	(3,421,471)
Apr-14							0	10,812,964	16,241,120	(5,428,156)
May-14							0	10,812,964	17,433,874	(6,620,910)
Jun-14							0	10,812,964	17,632,884	(6,819,920)
YTD Totals	871,950	853,754	1,623,856	6,759,401	621,730	82,272	10,812,964			
FY14Budget	1,566,276	1,686,514	2,631,603	11,105,802	994,149	137,256	18,121,600			
% of Budget	55.7	50.6	61.7	60.9	62.5	59.9	59.7			

Kwh Sold

FY14 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY14 Kwh Sold	Total FY13 Kwh Sold	Increase (Decrease)
July	307,286	288,930	606,412	3,101,257	4,303,885	3,463,137	840,748
August	281,844	265,289	534,949	2,975,235	4,057,317	3,591,241	466,076
September	282,630	262,067	521,133	2,929,417	3,995,247	3,485,593	509,654
October	339,257	320,984	607,408	2,733,740	4,001,389	3,572,881	428,508
November	310,825	287,080	579,977	1,847,489	3,025,371	3,651,848	(626,477)
December	394,659	366,400	697,489	1,876,135	3,334,683	3,293,856	40,827
January	363,411	322,424	635,354	1,384,084	2,705,273	2,621,242	84,031
February					0	4,614,809	0
March					0	6,048,469	0
April					0	5,141,148	0
May					0	3,127,268	0
June					0	(12,496)	0
Total	2,279,912	2,113,174	4,182,722	16,847,357	25,423,165	42,598,996	1,743,367
Percent Sold	9.0%	8.3%	16.5%	66.3%	100.0%		

Generator Fuel

FY14 Average Price Fuel	FY13 Average Price Fuel
3.2868	3.0902
3.4295	3.3861
3.4774	3.4470
3.5005	3.5768
3.3942	3.5499
3.2609	3.4139
3.5964	3.3698
	3.4143
	3.5868
	3.4469
	3.2803
	3.3067
	3.4057

-100.00%

FY14 Cumulative kwh Sold	FY13 Cumulative kwh Sold
4,303,885	3,463,137
8,361,202	7,054,378
12,356,449	10,539,971
16,357,838	14,112,852
19,383,209	17,764,700
22,717,892	21,058,556
25,423,165	23,679,798
25,423,165	28,294,607
25,423,165	34,343,076
25,423,165	39,484,224
25,423,165	42,611,492
25,423,165	42,598,996
	285,005,787

2/18/2014

City of Unalaska
Utility Revenue Report
Water Fund

01/31/14

FY14 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY14 YTD Revenue	FY13 YTD Revenue	YTD Inc/(Dec)
Jul-13	12,554	299,770	1,866	314,191	314,191	296,828	17,363
Aug-13	11,345	252,987	4,413	268,745	582,936	571,120	11,816
Sep-13	11,850	163,075	926	175,851	758,787	782,490	(23,703)
Oct-13	11,820	85,185	1,061	98,065	856,852	924,803	(67,951)
Nov-13	11,886	62,684	4,604	79,174	936,026	1,047,167	(111,141)
Dec-13	11,843	45,184	592	57,620	993,646	1,117,677	(124,031)
Jan-14	11,763	109,397	4,614	125,773	1,119,419	1,206,251	(86,832)
Feb-14				0	0	1,532,280	0
Mar-14				0	0	1,924,743	0
Apr-14				0	0	2,078,340	0
May-14				0	0	2,155,131	0
Jun-14				0	0	2,399,716	0
YTD Totals	83,060	1,018,283	18,076	1,119,419			
FY14 Budget	136,966	2,149,443	(28,293)	2,258,116			
% of Budget	60.6	47.4	(63.9)	49.6			

Million Gallons Produced

FY14 Month	FY14 Water Produced	FY13 Water Produced	Increase (Decrease)
July	164.139	166.635	(2.496)
August	143.052	143.052	0.000
September	91.692	112.977	(21.285)
October	65.420	81.048	(15.628)
November	52.200	71.664	(19.464)
December	42.474	47.583	(5.109)
January	65.284	51.941	13.343
February		172.216	0.000
March		200.811	0.000
April		82.971	0.000
May		41.819	0.000
June		96.399	0.000
Total	624.261	1269.116	(50.639)

FY14 Water Cumulative	FY13 Water Cumulative
164.139	166.635
307.191	143.052
398.883	112.977
464.303	81.048
516.503	71.664
558.977	47.583
624.261	51.941
0.000	172.216
0.000	200.811
0.000	82.971
0.000	41.819
0.000	96.399

2/18/2014

City of Unalaska
Utility Revenue Report
Wastewater Fund

01/31/14

FY14 Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY14 YTD Revenue	FY13 YTD Revenue	YTD Inc/(Dec)
Jul-13	30,017	152,422	2,593	4,075	189,106	189,106	155,863	33,244
Aug-13	27,549	141,535	2,281	3,213	174,578	363,684	315,749	47,935
Sep-13	28,524	140,948	2,896	7124.50	179,492	543,176	484,653	58,523
Oct-13	28,451	135,123	3,756	7,104	174,434	717,610	645,329	72,281
Nov-13	28,625	109,404	1,216	3,463	142,708	860,318	802,252	58,067
Dec-13	28,478	106,117	1,498	2,084	138,177	998,496	903,081	95,415
Jan-14	28,312	124,766	5,281	12,462	170,820	1,169,316	1,026,258	143,059
Feb-14					0	0	1,226,685	0
Mar-14					0	0	1,443,103	0
Apr-14					0	0	1,642,506	0
May-14					0	0	1,849,128	0
Jun-14					0	0	1,959,290	0
YTD Totals	199,956	910,315	19,521	39,525	1,169,316			
FY 14 Budget	305,988	1,421,649	49,003	261,333	2,037,973			
% of Budget	65.3	64.0	39.8	15.1	57.4			

FY14 Month	FY14 Effluent (Gal)	FY13 Effluent (Gal)	Increase (Decrease)
July	11,854,946	12,996,406	(1,141,460)
August	11,861,259	13,962,693	(2,101,434)
September	11,207,861	14,118,392	(2,910,531)
October	12,571,241	14,242,440	(1,671,199)
November	11,448,772	10,455,878	992,894
December	15,393,010	8,666,612	6,726,398
January	15,036,476	15,432,457	(395,981)
February		15,384,369	0
March		16,352,116	0
April		13,501,964	0
May		9,757,607	0
June		11,473,060	0
Total	89,373,565	156,343,994	(501,313)

FY14 Cumulative	FY13 Cumulative
11,854,946	12,996,406
23,716,205	26,959,099
34,924,066	41,077,491
47,495,307	55,319,931
58,944,079	65,775,809
74,337,089	74,442,421
89,373,565	89,874,878
0	105,259,247
0	121,611,363
0	135,113,327
0	144,870,934
0	156,343,994

2/18/2014

City of Unalaska
Utility Revenue Report
Solid Waste Fund

01/31/14

FY14 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY14 YTD Revenue	FY13YTD Revenue	YTD Inc/(Dec)
Jul-13	18,623	107,193	41,585	167,401	167,401	122,347	45,054
Aug-13	18,628	129,951	36,578	185,157	352,559	272,527	80,032
Sep-13	18,768	104,173	17,855	140,795	493,354	410,481	82,872
Oct-13	18,795	101,183	17,085	137,063	630,417	549,545	80,872
Nov-13	18,807	86,925	17,381	123,112	753,529	645,868	107,662
Dec-13	18,834	70,317	20,922	110,074	863,603	728,453	135,150
Jan-14	18,983	112,533	29,779	161,295	1,024,897	872,958	151,939
Feb-14				0	0	1,011,541	0
Mar-14				0	0	1,196,830	0
Apr-14				0	0	1,319,706	0
May-14				0	0	1,427,835	0
Jun-14				0	0	1,647,056	0
YTD Totals	131,439	712,275	181,184	1,024,897			
FY 14 Budget	202,104	1,124,629	1,069,907	2,396,640			
% of Budget	65.0	63.3	16.9	42.8			

FY14 Month	FY14 Tons of Waste	FY13 Tons of Waste	Increase (Decrease)
July	681.02	588.28	92.74
August	710.37	678.84	31.53
September	555.37	595.17	(39.80)
October	585.43	580.49	4.94
November	473.94	439.08	34.86
December	351.91	335.11	16.80
January	614.83	599.03	15.80
February		620.57	0.00
March		808.48	0.00
April		557.72	0.00
May		527.31	0.00
June		652.91	0.00
Total	3972.87	6982.99	156.87

Cummulative	
FY13 Tons of Waste	FY12 Tons of Waste
681.02	588.28
1391.39	1267.12
1946.76	1862.29
2532.19	2442.78
3006.13	2881.86
3358.04	3216.97
3972.87	3816.00
0.00	4436.57
0.00	5245.05
0.00	5802.77
0.00	6330.08
0.00	6982.99

**CITY OF UNALASKA
FY14 PORTS REVENUE**

Month	Year	UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM		Other Rev&Fees	Monthly Revenue	FY14 YTD Revenue	% of Budget	FY13 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						
Jul	2013	125,744	223,268	41,856	30,650	24,722	225	8,153	885	4,533	663	4,249	3,581	5,246	473,775	473,775	8.0%	431,944	41,830
Aug	2013	129,011	246,963	65,315	21,350	27,332	2,311	11,807	1,204	1,243	3,075	5,635	5,422	43,935	564,603	1,038,378	17.5%	947,643	90,735
Sept	2013	140,499	355,737	44,751	20,690	68,198	1,657	2,069	1,669	863	521	25,298	16,302	12,470	690,726	1,729,104	29.2%	1,411,282	317,821
Oct	2013	127,293	217,722	44,775	29,698	21,888	10,767	5,047	1,954	10,348	1,303	38,984	10,829	11,425	532,034	2,261,138	38.2%	1,954,848	306,289
Nov	2013	82,579	97,134	42,491	23,734	22,719	17,817	7,334	1,288	3,993	1,875	33,942	39,170	5,325	379,401	2,640,539	44.6%	2,209,098	431,440
Dec	2013	53,663	58,999	72,399	35,524	49,997	20,996	2,719	2,235	1,069	4,267	38,340	79,652	7,715	427,574	3,068,113	51.8%	2,895,774	172,339
Jan	2014	92,328	77,437	44,829	30,932	37,261	19,694	8,391	2,041	9,389	11,862	232,937	33,614	1,961	602,676	3,670,789	62.0%	3,228,084	442,705
Feb	2014														0	0	0.0%	3,809,178	0
Mar	2014														0	0	0.0%	4,641,107	0
Apr	2014														0	0	0.0%	5,213,801	0
May	2014														0	0	0.0%	5,535,767	0
Jun	2014														0	0	0.0%	5,843,999	0
Totals		751,117	1,277,260	356,415	192,578	252,118	73,466	45,520	11,276	31,437	23,567	379,385	188,570	88,078	3,670,789				
Loc total			2,577,370			325,584		56,796		55,005		567,956							
Loc percent			70.2%			8.9%		1.5%		1.5%		15.5%							
FY14 Budget		1,300,000	2,350,000	525,000	360,000	400,000	180,000	80,000	25,000	50,000	27,000	340,000	220,000	63,000	5,920,000				
% to Budget		57.8%	54.4%	67.9%	53.5%	63.0%	40.8%	56.9%	45.1%	62.9%	87.3%	111.6%	85.7%	139.8%	62.0%				

PORTS RECEIVABLES

Month	Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Jul	2013	441,479	51,097	4,165	35,451	532,191	6.7%	701,983
Aug	2013	483,270	170,016	9,723	26,367	689,377	3.8%	424,007
Sept	2013	663,422	222,248	7,068	21,888	914,626	2.4%	465,477
Oct	2013	471,524	259,022	25,220	28,206	783,973	3.6%	667,100
Nov	2013	539,062	3,728	24,257	39,968	607,015	6.6%	556,138
Dec	2013	356,386	86,445	1,108	66,768	510,707	13.1%	528,133
Jan	2014	558,589	70,563	8,218	13,855	651,225	2.1%	462,193
Feb	2014					0	0.0%	
Mar	2014					0	0.0%	
Apr	2014					0	0.0%	
May	2014					0	0.0%	
Jun	2014					0	0.0%	
YTD Cash Received								3,805,030

**CITY OF UNALASKA
FY14 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY14 YTD REVENUE	% OF BUDGET	FY13 YTD REVENUE	YTD INC/(DEC)
JUL	2013	41,501	0	363	41,864	41,864	9.3%	38,921	2,943
AUG	2013	41,693	0	198	41,891	83,755	18.6%	76,963	6,792
SEP	2013	39,908	0	219	40,127	123,882	27.5%	116,915	6,967
OCT	2013	40,036	0	207	40,243	164,125	36.4%	156,948	7,177
NOV	2013	40,116	0	325	40,440	204,565	45.4%	195,566	8,999
DEC	2013	38,522	0	333	38,854	243,420	54.1%	232,952	10,467
JAN	2014	38,294	0	364	38,658	282,078	62.6%	269,951	12,127
FEB	2014				0	0	0.0%	306,823	0
MAR	2014				0	0	0.0%	343,567	0
APR	2014				0	0	0.0%	393,769	0
MAY	2014				0	0	0.0%	433,302	0
JUN	2014				0	0	0.0%	472,107	0
TOTAL		280,069	0	2,009	282,078		0.0%		
FY14 BUDGET		450,000	150	150	450,300				
% TO BUDGET		62.2%	0.0%	1339.3%	62.6%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2013	37,297	31,873	22,305	19,866	111,342	17.8%	46,723
AUG	2013	34,212	33,214	11,309	14,475	93,210	15.5%	60,598
SEP	2013	37,297	33,089	12,340	16,015	98,742	16.2%	33,624
OCT	2013	37,297	33,947	4,146	20,144	95,534	21.1%	45,984
NOV	2013	65,909	0	20,926	16,970	103,804	16.3%	31,199
DEC	2013	34,212	33,214	21,894	17,294	106,614	16.2%	35,418
JAN	2014	37,297	32,254	21,937	17,671	109,160	16.2%	38,641
FEB	2014					0	0.0%	
MAR	2014					0	0.0%	
APR	2014					0	0.0%	
MAY	2014					0	0.0%	
JUN	2014					0	0.0%	
YTD TOTAL								292,186

FY 14 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY14 YTD REVENUE	% OF BUDGET	FY13 YTD REVENUE	YTD INC/(DEC)
JUL	2013	14,681		14,681	14,681	6.1%	20,186	(5,505)
AUG	2013	20,620		20,620	35,301	14.8%	39,455	(4,154)
SEP	2013	19,088		19,088	54,389	22.8%	53,791	598
OCT	2013	24,215		24,215	78,604	32.9%	73,855	4,748
NOV	2013	14,933		14,933	93,536	39.1%	99,452	(5,916)
DEC	2013	24,215		24,215	117,751	49.3%	119,130	(1,379)
JAN	2014	12,295		12,295	130,046	54.4%	131,875	(1,829)
FEB	2014			0	0	0.0%	150,985	0
MAR	2014			0	0	0.0%	169,580	0
APR	2014			0	0	0.0%	189,361	0
MAY	2014			0	0	0.0%	215,241	0
JUN	2014			0	0	0.0%	228,181	0
TOTAL		130,046	0	130,046				
FY14 Budget		239,040	0	239,040				
% TO BUDGET		54.4%		54.4%				

**CITY OF UNALASKA
OPEN CAPITAL PROJECTS AS OF JANUARY 31, 2014**

PROJECT #	DESCRIPTION	TOTAL BUDGET	PRIOR YEARS EXP	CURRENT YTD EXP	PROJECT TO DATE EXP	ENCUMB.	AVAILABLE BUDGET	FUND
General Government								
A0601	MAKUSHIN GEOTHERMAL	4,161,500	265,912	-	265,912	10,676	3,884,912	3100
AP302	AIRPORT HANDICAP RAMP	50,000	43,495	-	43,495	-	6,505	5510
General Government Total		4,211,500	309,407	-	309,407	10,676	3,891,416	
Public Safety								
D0810	S-CURVE PATHWAYS	66,000	15,000	-	15,000	-	51,000	3100
EH301	4-PLEX BOILER ROOM ADDITION	150,000	81,007	-	81,007	-	68,993	5510
Public Safety Total		216,000	96,007	-	96,007	-	119,993	
Public Works								
AP301	AIRPORT PARKING LOT IMPROVEMENT	370,000	27,035	2,518	29,552	262,168	78,280	5510
EL004	PRIMARY LINE RELOCATE E2-E3	305,775	120,719	-	120,719	-	185,056	5010
EL005	GIS	130,700	119,109	3,071	122,180	-	8,520	5010
EL101	BERING SEA FISHERIES ELECT. UPGRADE	21,885	6,850	-	6,850	-	15,035	5010
EL201	BALLYHOO ROAD DRAINAGE & ELECTRICAL	990,000	990,000	-	990,000	-	-	5010
EL202	TRANSFORMER REPLACEMENT--ELECT DIST	63,000	36,089	-	36,089	-	26,911	5010
EL203	COMPLIANCE MANAGEMENT SOFTWARE	43,000	10,490	-	10,490	28,452	4,058	5010
EL204	WESTWARD SEAFOOD UTILITY TIE-IN	187,500	62,625	61,005	123,630	-	63,870	5010
EL301	TRANSFORMER UPGRADE	30,250	-	-	-	-	30,250	5010
EL302	POWERHOUSE ENGINE #4	3,000,000	382,889	529,207	912,096	1,663,345	424,559	5040
EL303	150 KVA TRANSFORMER	12,329	-	-	-	-	12,329	5010
EL304	500 KVA TRANSFORMER	19,950	-	-	-	-	19,950	5010
EL401	UNISEA METERING CABINET INSTALL	72,310	-	-	-	-	72,310	5010
EL402	TRANSFORMER REPLACEMENTS	132,000	-	-	-	-	132,000	5010
Public Works Total		5,378,699	1,755,805	595,801	2,351,606	1,953,966	1,073,127	
Parks, Culture and Recreation								
AP401	TOM MADSEN AIRPORT CONTROL UPGRADES	65,000	-	12,248	12,248	10,220	42,532	5510
D0520	C.E.M ROAD & UTILITIES CONSTRUCTION	8,829,047	7,187,889	3	7,187,892	1,461,613	179,541	3600
Parks, Culture and Recreation Total		8,894,047	7,187,889	12,251	7,200,140	1,471,833	222,073	
Education								
EL205	AIRPORT EXPANSION UTILITY	230,000	43,113	470	43,583	9,550	176,867	5010
Education Total		230,000	43,113	470	43,583	9,550	176,867	

CITY OF UNALASKA
OPEN CAPITAL PROJECTS AS OF JANUARY 31, 2014

PROJECT #	DESCRIPTION	TOTAL BUDGET	PRIOR YEARS EXP	CURRENT YTD EXP	PROJECT TO DATE EXP	ENCUMB.	AVAILABLE BUDGET	FUND
<i>Electric</i>								
EL403	POWERHOUSE CONTROL SYSTEM UPGRADE	561,072	-	-	-	-	561,072	5040
EL802	POWERHOUSE WASTE HEAT RECOVERY	1,795,500	304,609	352,987	657,596	514,988	622,916	5010
GG902	GIS	334,900	302,888	6,142	309,030	10,440	15,430	3100
H0801	APL ELECTRICAL UPGRADES	306,400	219,209	-	219,209	-	87,191	5010
H0802	PAC STEVE ELECTRICAL UPGRADE	8,400	-	-	-	-	8,400	5010
I0803	WELL BACK-UP POWER	600,000	-	-	-	-	600,000	5110
J0519	WWTP IMPROVEMENTS	28,224,119	8,025,831	4,402,851	12,428,682	14,767,665	1,027,772	5220
L0601	C.E.M.--OUTER HARBOR CONSTRUCTION	4,500,000	4,331,580	-	4,331,580	-	168,420	5420
L9802	C.E.M.--INNER HARBOR/UPLANDS CONSTR	32,335,513	32,014,004	-	32,014,004	307,543	13,966	5420
N0701	DIRECTOR HOUSING	992,296	17,379	-	17,379	-	974,917	5620
PH002	POSITION 4-7 FENDER SYSTEM REPAIR	1,195,000	1,163,542	-	1,163,542	-	31,458	5410
PH003	UMC BACKREACH GRADING/DRAINAGE/PAV	1,740,000	478,160	720,505	1,198,665	152,980	388,356	5410
PH201	DREDGE ENTRANCE CHANNEL--(COE RECON)	100,000	-	-	-	-	100,000	5410
PH202	MOORING BOUY	432,804	392,660	-	392,660	-	40,144	5410
PH301	UMC DOCK REPLACEMENT AND EXPANSION	980,000	-	-	-	-	980,000	5410
PH302	USCG PHONE/UTILITY BUILD SIDING REPLMENT	55,000	53,750	-	53,750	-	1,250	5410
PH303	ROBERT STORRS SM BOAT IMPROVEMENT	3,662,107	20,597	16,948	37,545	516,107	3,108,455	5410
PH401	HIGHMAST LIGHTS AND LED	1,411,000	-	6,373	6,373	125,492	1,279,135	5410
Electric Total		79,234,111	47,324,210	5,505,805	52,830,015	16,395,214	10,008,882	
<i>Water</i>								
PH905	SBH FLOAT REPAIR/REPLACEMENT	100,000	-	-	-	-	100,000	5410
PR001	EXPEDITION PARK ACCES & UPGRADE	26,500	7,341	-	7,341	-	19,159	3100
PR401	AQUATIC CENTER IMPROVEMENTS	35,000	-	14,823	14,823	18,116	2,061	3100
PS301	PORTABLE GENERATOR	60,000	-	-	-	-	60,000	3100
PS401	DPS PARKING LOT	400,000	-	1,389	1,389	-	398,611	3100
PW001	STEWART RD/GILMAN/BIORKA PAVING	150,000	-	-	-	-	150,000	3100
PW003	BALLYHOO RROAD PAVING CONSTRUCTION	8,920,000	533,399	5,978,198	6,511,597	370,187	2,038,216	3100
PW004	ILULAQ LAKE DRAINAGE	1,078,312	72,431	-	72,431	-	1,005,881	3100
PW005	DELTA WAY DRAINAGE	1,696,000	55,014	500	55,514	31,666	1,608,820	3100
PW202	BALLYHOO ROAD DRAINAGE & ELECTRICAL	1,610,000	1,575,751	-	1,575,751	-	34,249	3400
PW203	CITYWIDE MULTIPLE LOCATION DRAINAGE PRJ	3,450,000	86,007	12,366	98,374	1,299,813	2,051,813	3400
PW204	PAVEMENT RESURFACING--EXISTING PVMNT DE	11,230,000	3,615,559	(527,267)	3,088,293	60,658	8,081,050	3400
PW205	AIRPORT EXPANSION ROAD	185,000	60,886	-	60,886	252	123,862	3400
Water Total		28,940,812	6,006,390	5,480,010	11,486,399	1,780,692	15,673,721	

CITY OF UNALASKA
OPEN CAPITAL PROJECTS AS OF JANUARY 31, 2014

PROJECT #	DESCRIPTION	TOTAL BUDGET	PRIOR YEARS EXP	CURRENT YTD EXP	PROJECT TO DATE EXP	ENCUMB.	AVAILABLE BUDGET	FUND
Wastewater								
PW301	SHORE PROTECTION & EROSION CONTRL	265,000	-	-	-	-	265,000	3100
PW302	VEHICLE REPLACEMENT	55,000	-	57,677	57,677	-	(2,677)	3100
PW303	MISC PAVING	900,000	16,279	19,176	35,455	68,824	795,721	3400
PW401	SUMMERS BAY BRIDGE	1,770,000	-	-	-	344	1,769,656	3100
SS801	JR/SR HIGH SCHOOL IMPROVEMENT	4,950,000	4,696,026	11,506	4,707,533	-	242,467	3100
SW101	CELL 2-1 DESIGN	9,290,096	387,200	14,522	401,723	207,797	8,680,576	5310
SW201	TEMPORARY COVER--CELLS 1-3 & OLD LNDFL	500,000	532	-	532	-	499,468	5310
SW203	BAILER REHABILITATION	100,000	62,143	-	62,143	-	37,857	5310
SW801	LANDFILL DEVELOPMENT PLAN PHASE II	600,000	414,782	-	414,782	-	185,219	5320
Wastewater Total		18,430,096	5,576,963	102,882	5,679,845	276,965	12,473,286	
Solid Waste								
SW901	SUMMER BAY ROAD RE-ALIGNMENT--ENG	1,660,000	1,401,155	-	1,401,155	7,625	251,220	5310
SW902	LEACHATE FLOW LEVELING	8,131,015	7,278,013	616,341	7,894,355	93,805	142,856	5310
WA001	GIS	130,785	119,683	3,071	122,754	1,570	6,462	5110
WA201	ICY LAKE POWER	90,400	84,929	206	85,134	4,000	1,266	5110
WA202	WATER SUPPLY DEVELOPMENT--PHASE 1	39,980	36,090	3,852	39,942	-	38	5110
WA203	CT TANK LADDER REPLACEMENT	30,000	29,938	-	29,938	-	62	5110
Solid Waste Total		10,082,180	8,949,808	623,470	9,573,278	106,999	401,903	
Ports and Harbors								
WA301	CT TANK INTERIOR PAINT & MAINTENANCE	155,000	101,749	4,418	106,167	-	48,833	5110
WA302	AGNES BEACH 12" PANEL	13,530	8,500	-	8,500	-	5,030	5110
WA303	WATER LID FOR HAYSTACK/RAVEN WAY	85,400	-	-	-	-	85,400	5110
WA304	WATER SUPPLY DEVELOPMENT--PHASE II	560,020	-	332,392	332,392	24,696	202,932	5110
WA401	NIRVANA PUMP STATION SCADA	74,477	-	-	-	57,290	17,187	5110
WA402	WATER FLOW OPTIMIZATION	99,500	-	14,340	14,340	-	85,160	5110
WA901	GENERAL'S HILL BOOSTER PUMP	389,798	14,256	-	14,256	-	375,542	5110
WA905	WATER TREATMENT FACILITY/RD IMPROVEM	-	-	-	-	1,572,701	(1,572,701)	5110
WW001	GIS	130,700	119,109	3,071	122,180	1,570	6,951	5210
WW004	SCADA COMPUTER-RADIO SURVEY	116,580	37,690	-	37,690	-	78,890	5210
WW101	SEWER LIFT STATION PANEL REPLACE 2&3	199,550	188,248	-	188,248	-	11,302	5210
Ports and Harbors Total		1,824,555	469,552	354,222	823,774	1,656,256	(655,475)	

**CITY OF UNALASKA
OPEN CAPITAL PROJECTS AS OF JANUARY 31, 2014**

PROJECT #	DESCRIPTION	TOTAL BUDGET	PRIOR YEARS EXP	CURRENT YTD EXP	PROJECT TO DATE EXP	ENCUMB.	AVAILABLE BUDGET	FUND
<i>Airport</i>								
WW201	SEWAGE PUMP STATION #3 FORCE MAIN UPGR	411,000	27,062	720	27,782	44,899	338,319	5210
WW202	SEW LIFT STATION PANEL REPLACE 5&8	209,530	200,235	-	200,235	-	9,295	5210
WW301	CONNECT LIFT #4 TO SCADA	88,260	147	67,666	67,813	209	20,238	5210
Airport Total		708,790	227,444	68,386	295,830	45,108	367,852	
<i>Housing</i>								
WW302	SEWER LID HAYSTACK/RAVEN WAY	487,400	-	-	-	-	487,400	5210
WW303	LIFT STATION PANEL REPLACEMENT	121,000	268	92,491	92,760	509	27,731	5210
Housing Total		608,400	268	92,491	92,760	509	515,131	
		158,759,190	77,946,856	12,835,787	90,782,644	23,707,768	44,268,778	
		-	-	-	-	-	-	

**CITY OF UNALASKA
UNALASKA, ALASKA
PLANNING COMMISSION MINUTES
Thursday, November 21, 2013
CITY COUNCIL CHAMBERS, CITY HALL
7:00 P.M.**

- 1. CALL TO ORDER:** Chair Chris Bobbitt called the meeting to order at 7:03 P.M.

Staff Present:

Erin Reinders, AICP, Planning Director
Anthony Grande, Planning Administrator

Roll Call:

Commissioners present:

Chris Bobbitt
Doanh Tran
Vicki Williams

Commissioner absent:

Steven Gregory

- 2. REVISIONS TO THE AGENDA:** *None*

- 3. APPEARANCE REQUESTS:** *None*

- 4. ANNOUNCEMENTS:** Erin Reinders informed everyone that she and Anthony Grande attended the American Planning Association – Alaska Chapter where they shared a presentation on collaborative land use planning and the department’s involvement with the Community Planning Assistance. Their talk was well received and hopefully next year the department can fund one Planning Commissioner to go and gain some contacts and training. Mr. Grande added that they attended Planning Commissioner training which would be especially helpful to the Commissioners.

- 5. MINUTES:** Vicki Williams moved to approve the minutes from the October 17, 2013 meeting. There was a second. Chair Bobbitt called for a discussion or comments on the minutes. There being no comments, Chair Bobbitt called for a vote and the motion to approve the minutes was unanimous (3-0). The minutes for the October 17, 2013 meeting were adopted.

PUBLIC HEARING ACTION ITEMS:

- 6. Conditional Use Permit to allow for a Mixed Use Structure with three (3) residential units in a General Commercial Zoning District on Lot 4 of Block 10, USS 1992, located at 88 Broadway.**

Chair Bobbitt opened the Public Hearing and asked the Commissioners to disclose any ex parte communication or conflicts of interest. Hearing none, the Chair called for staff presentation.

Mr. Grande explained that the proposed development would be a new mixed-use structure adjacent to the existing building shown in the map. The new construction will contain a first floor commercial area and three residential units total on the second and third floors of the building. The Conditional Use Permit is to allow the three residential units as the property is zoned General Commercial. The Fire Marshall will be reviewing this application and the State Fire Marshall will have the opportunity to address the small space separating the buildings. Staff pointed out that the current building is a Non-Conforming Use of Record with three (3) residential units at the time the Zoning Code passed, however this Conditional Use Permit would replace these units and the Non-Conforming Use of Record. The Conditional Use Permit will be maintaining the same number of units in separate, newer, and better quality structures.

Staff finds that the application meets the tests of code and recommended approval of this application with conditions as contained in Resolution 2013-21.

Chair Bobbitt asked if the Commissioners have any questions for Staff. Ms. Williams asked where the parking is located. Chris Bobbitt and Staff showed her where the parking plan is in the packet. Staff also explained that the parking spaces are twenty feet by nine feet each as required by code and there are sixteen (16) spaces including a handicap parking. Additionally, the spaces are laid out so that they are all useable parking.

Chair Bobbitt asked Staff if the applicant had indicated his plans for the existing structure. Staff said that with the parking calculation shown in the site plan, the implication is that it will continue to be used as a commercial space. It is the second floor residential space that is not accounted for in the parking plan. Staff said that it was made clear to the applicant that the second floor residential units should not be used until required parking was provided and conditional use permit was granted. This was also addressed in the conditions of approval.

There being no applicant presentation, Chair Bobbitt asked if there were any public present wishing to comment on this issue. Hearing none, Chair Bobbitt closed the Public Hearing and called for a motion to approve Resolutions 2013-21. Ms. Tran moved to approve Resolution 2013-21. There was a second.

Chair Bobbitt asked if there were any questions or comments from the Commissioners. Ms. Tran commented that the application appeared to be straightforward.

Chair Bobbitt asked if there were any further discussions. Hearing none, Chair Bobbitt called for a vote and the motion passed unanimously (3-0). The motion carried and Resolutions 2013-21 was adopted.

7. A Conditional Use Permit to allow for a Mixed Use Structure with a total of one (1) residential unit in a General Commercial Zoning District on Lots 8, 9, and 11 of Block 1, USS 1992, located at 28 N. 2nd Street.

Chair Bobbitt opened the Public Hearing and called for any ex parte communication or conflict of interest to be disclosed. Ms. Williams stated that she has property in the downtown area near the location of this property but that it will not affect her decision.

Mr. Grande explained that the application is similar to the previous Conditional Use Permit heard earlier. Both are mixed-use structures with a residential component in a General Commercial District. The difference is there will be no new construction on this property as the residential unit is proposed to be located in the existing building. The owner will be required to get a building permit for the renovations inside. Being a mixed-use structure a Fire Marshall review will be required. Staff finds that parking is adequate for all three properties. Staff also finds that the application meets the tests of code. The intensity of use is within reason and mixed-use properties are common in the area. Staff finds that the impact is no greater than you would expect from other uses in the General Commercial District.

Staff finds that the application meets the tests of code and recommended approval of this application with conditions as contained in Resolution 2013-22.

Staff informed the Commissioners that they have received three (3) comments. One is in favor of the application, another member of the public expressed hesitation without specifically saying yes or no and another opposed the application. Staff also said that minutes from past meetings that were relevant to this property were included in the meeting packet to provide an historical context.

Chair Bobbitt asked if there were any questions or comments from the Commissioners. Ms. Williams asked what the proposed use of the building was going to be. Staff answered that the first floor will be a general commercial area although nothing was indicated on the application as to what the particular business would be, and that the second floor was proposed for one residential unit.

Applicant Presentation: Chris Honan, Alexandria House's representative, stated that the Staff's report is accurate in the proposed use that the bottom floor will be a commercial area and the second floor will be a single dwelling that will be rented out. He said he knows that there are many concerns in the community that it will be a bar again and he made assurances that it will not be like that. Mr. Honan explained the downstairs would be leased out to a proprietor of a café or clothing store. Alexandria House's mission is to help people who are stranded here or have been released from jail to get a flight out or find a place to stay temporarily until they can get a flight out of town. They do not provide for people who are under the influence of alcohol or drugs. The rent proceeds from the property will fund their mission so they can rent a room elsewhere. Normally a room would be found in a hotel or at Chili Peppers. If there is a vacancy in this building, they may look at having free rent for a night or two for individuals in need, however, this is just being considered and would not be typical.

Mr. Honan, in response to Ms. Williams question regarding people wandering around the neighborhood, explained that they typically meet up with an individual around 8PM and make sure they are sober before they are allowed to stay in for the night. By 6:30AM, the next day the person has to be out of the house. These policies, however, are related to activities taking place on another site in an individual's private home. Currently, there is no renter in the building being considered tonight, as it is undergoing renovation. It will take a year or so before someone can move in.

Public Testimony: Suzi Golodoff, who lives about thirty-feet from the property, said that she and her neighbors object to the proposal and object to having a homeless shelter in the neighborhood. She outlined three options to the use of the property; one was to leave it commercial; second, grant the conditional use permit; and third, make it residential altogether. As the request stands now she has to object to the granting of the conditional use permit and leave it as a general commercial zone so no one camps in the property.

Chair Bobbitt briefly interrupted the testimony to point out that there is an existing conditional use of the property for the previous owner that is worded exactly as this conditional use application – one residential dwelling unit upstairs and a commercial use downstairs - and standard Planning practices state that if you grant something for one owner of the same property you should grant it to the other owner. Chair Bobbitt pointed out that if the conditional use permit is granted, enforcement issues would come up if the property were to be used in other ways, such as a temporary emergency shelter.

Ms. Golodoff said that she thought that when Jack Sternhagen applied for the conditional use permit the condition was he had to have it up to code at the end of December and that did not happen. Ms. Golodoff thought that the conditional use permit was invalid at that point because the renovation was not complete and did not realize that there is an existing conditional use permit.

Ms. Reinders explained that a conditional use permit more than likely involves construction activity and an applicant has a year to make his plans come to fruition before the permit expires. With regard to this application, the property owner came to the Planning Commission before it expired and requested another permit, virtually an extension, which was granted. Another year has gone by and the renovations are still not done. During this past year, however, the property changed ownership so now we are exactly where we were a year ago but with a different property owner. All the meeting minutes related to these requests are included in the packet.

Chair Bobbitt asked any other from the public who would like to testify. Hearing none, Chair Bobbitt asked the Commissioners if they had any questions for the public. It was clarified that the residential unit is a dwelling or an apartment and not a “flop house”, the term used during the public testimony. Mr. Honan and Chair Bobbitt both agreed that the residential unit was for an apartment.

Chair Bobbitt asked if there were any comments or questions from the Commissioners. Hearing none, Chair Bobbitt closed the Public Hearing and called for a motion to approve Resolutions 2013-22. Ms. Williams moved to approve Resolution 2013-22. There was a second.

Commission Discussion: Chair Bobbitt asked if there were any discussions from the Commissioners.

Ms. Tran said that Chair Bobbitt brought up a good procedural point when he explained that when you grant something for one owner of the same property you should grant it to the other owner. She also appreciated the public for coming to the meeting to voice their opinion on the matter.

Chair Bobbitt said that the way this request is worded, the intent is for somebody to live there long-term and it is not the intent or use as a temporary lodging for people who are stuck here in town with problems. He also said that as this has been granted twice now to two previous owners and he finds it difficult to say no to the request because it was granted before.

Chair Bobbitt said that the Commission would do a roll call vote given the sensitive nature of the application. Williams – Aye; Tran – Aye; Bobbitt – Aye. The vote was unanimous (3-0). The motion carried and Resolution 2013-22 was adopted.

REGULAR MEETING:

8. Receipt of Planning Determination date October 14, 2013 regarding the Preliminary Plat of Hillside Subdivision Utility Improvement Guarantee Refund.

Staff explained that this is for informational purposes only. Ms. Reinders explained that for final plat of Hillside Estates to be recorded prior to the installation of water utilities improvement, the property owners were required to provide a guarantee that the improvements would be installed. Since then the water utilities have been installed and so this Planning Determination was made to authorize the refund of the guarantee that had been provided.

9. OTHER BUSINESS: *None*

10. ADJOURNMENT: Chair Bobbitt adjourned the meeting at 7:45 P.M.

PASSED AND APPROVED THIS 23rd DAY OF January 2013 BY THE CITY OF UNALASKA, ALASKA PLANNING COMMISSION.



Chris Bobbitt
Chair

1/23/14
Date



Erin Reinders, AICP
Recording Secretary

1/23/14
Date

Prepared by Veronica De Castro and Erin Reinders, Planning Department

**CITY OF UNALASKA
UNALASKA, ALASKA
PLANNING COMMISSION MINUTES
Thursday, January 23, 2014
CITY COUNCIL CHAMBERS, CITY HALL
7:00 P.M.**

- 1. CALL TO ORDER:** Chair Chris Bobbitt called the meeting to order at 7:12PM

Staff Present:

Erin Reinders, AICP, Planning Director
Anthony Grande, Planning Administrator

Roll Call:

Commissioners present:

Chris Bobbitt

Doanh Tran

Steven Gregory

Commissioner absent:

Vicki Williams

- 2. REVISIONS TO THE AGENDA:** *None*

- 3. APPEARANCE REQUESTS:** *None*

- 4. ANNOUNCEMENTS:** Erin Reinders reminded the Commissioners to turn in their Financial Disclosure forms to the Clerk's Office. Mrs. Reinders also referenced the Annual Report that would be discussed in this meeting would be presented with other Commission Reports at the City Council Meeting scheduled for February 25, 2014.

- 5. MINUTES:** Steven Gregory moved to approve the minutes from the November 21, 2013 meeting. Doanh Tran seconded the motion. Chair Bobbitt called for a discussion or comments on the minutes. There being no comments, Chair Bobbitt called for a vote and the motion to approve the minutes was unanimous (3-0). The minutes for the November 21, 2013 meeting were adopted.

PUBLIC HEARING ACTION ITEMS: *None*

REGULAR MEETING:

- 6. Adoption and submittal of Planning Commission/Platting Board Annual Report for 2013 to the City Council.**

Chair Bobbitt called for a motion to approved Resolution 2014-02, a Planning Commission and Platting Board Resolution in accordance with 2.60.090 of the Unalaska Code of Ordinances, the City of Unalaska's Planning Commission officially adopts the following annual report, filing the same with the Unalaska City Council. Steven Gregory moved to approve Resolution 2014-02. Doanh Tran seconded the motion. Discussion ensued and Chair Bobbitt suggested that the terms served by the Planning Commissioner listed be included in the

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future. The Chair called for a vote and the motion to approve was unanimous (3-0). The motion carried and Resolution 2014-02 was adopted.

7. Review and recommendation of City's Application to acquire 2.94 acres, more or less, of State tidelands within Captains Bay to accommodate existing and planned development by Offshore Systems, Inc.

Chair Bobbitt called for a motion to approve Resolution 2014-04, a resolution recommending to the Unalaska City Council approval of the acquisition from the State of Alaska of a 2.94-acre portion, more or less, of tidelands in Captains Bay, located within the municipal boundary of the City of Unalaska. Anthony Grande presented the staff report and recommended that the Planning Commission recommend this to the City Council. Steven Gregory moved to approve Resolution 2014-04. Doanh Tran seconded the motion. Discussion ensued regarding the limits of the request, the upland owners, and the request's relationship to other actions such as zoning and permitting. The Chair called for a vote and the motion was approved unanimously (3-0). The motion was carried and Resolutions 2014-04 was adopted.

WORK SESSION:

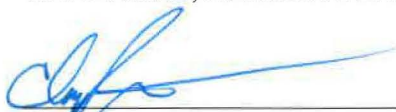
8. Presentation and discussion of potential changes to Title 8.

Erin Reinders and Anthony Grande presented suggested revisions to Title 8 as well as a proposed timeline for adoption. Revisions included addressing construction camps, planned unit developments, lease lots, building separation and the application deadline. Commissioners offered feedback and direction on further refinements to construction camp regulations. Staff stated it would develop alternatives and present them for formal action at the Planning Commission February Meeting.


9. OTHER BUSINESS: *None*

10. ADJOURNMENT: Chair Bobbitt adjourned the meeting at 8:37PM.

PASSED AND APPROVED THIS 20 DAY OF February 2014 BY THE CITY OF UNALASKA, ALASKA PLANNING COMMISSION.


Chris Bobbitt
Chair

2/20/2014
Date


~~Erin Reinders, AICP~~ Anthony Grande
Recording Secretary

2/20/2014
Date

Prepared by Veronica De Castro and Erin Reinders, Planning Department



**City of Unalaska Department of Parks, Culture and Recreation
Advisory Committee Annual Report to Council
February 26, 2013 – February 25, 2014
*Last Updated: February 23, 2014***

The City of Unalaska Department of Parks, Culture and Recreation (PCR) Advisory Committee Annual Report to Council highlights the Committee and PCR department's accomplishments over the last 12-months, February 26, 2013 through February 25, 2014.

ADVISORY COMMITTEE

PCR Advisory Committee

- Matt Lightner, Chair
- Kelly Stiles, Vice Chair
- Eric Andersen
- Heather Ley
- Lynette Pham, Student Representative
- Joanne Villamor
- Karie Wilson

Over the last 12 months the seven-member Advisory Committee has played an active role providing feedback and suggestions for the Department of PCR. The Committee has addressed department staffing, budgets, programs, Capital Major Maintenance Plan (CMMP) projects, HVAC project, transportation, website and social media pages, and lease agreements. The Committee lost two members due to graduation and relocation but welcomed two new members, Heather Ley, community member, and Lynette Pham, Student Representative. The Committee held 11 meetings.

PCR STAFF

Recently, there have been a few changes at the leadership level within the department. Following the retirement of longtime department Director, Jeff Hawley, former Recreation Manager, D. Tyrell McGirt, was promoted and assumed the position in January 2014. Facilities and Operations Manager, Ben Bolock, transitioned to the Recreation Manager position. And Recreation Coordinator, Albert Burnham, was promoted to the Facilities and Operations Manager position. The Director and all management positions with the department are filled.

The Aquatics Center has struggled with the challenge of maintaining a full staff. Seven lifeguards resigned due to graduation, relocation, fulltime job conflict, and busy life schedules. There are currently five lifeguards with the department and 11 vacant lifeguard positions.

The Community Center has cycled through three Recreation Assistants and two Recreation Coordinators. Employees resigned to go back to college, relocate, and accept employment opportunities with higher pay. There is currently one vacant Recreation Coordinator position at the Community Center.

The Library had two resignations due to relocation. All positions at the Library are currently filled.

BUDGET

The Committee reviewed and provided feedback for the department's Fiscal Year 2014 budget and approved Resolution 2013 - 01. The budget for the department is a little over \$2.7 million and divided into the following areas.

- 031 Administration \$303,504.00
- 032 Recreation \$711,757.00
- 033 Facilities and Operations \$659,952.00
- 034 Library \$728,796.00
- 035 Aquatics Center \$316,830.00
- 036 Parks \$ 25,150.00

PROGRAMS

The Committee reviewed and provided feedback to PCR's 140 activities, events, and programs. PCR community offerings are divided up into seven program areas.

- Aquatics
- Arts and Culture
- Fitness / Sports / Wellness
- Kids Programming
- Leisure Activities and Teen Programming
- Library
- Special Events

The department produces three seasonal Activity Guides with a complete listing of all PCR happenings. There is an Activity Guide for the Winter / Spring season (January – May), Summer season (June – August), and Fall season (September – December).

CAPITAL MAJOR MAINTENANCE PLAN (CMMP) PROJECTS

The Committee discussed and provided direction for CMMP projects at both the Aquatics Center and Library.

The Aquatics Center is exploring options for improving areas of the facility that were not done during the last renovation project of the Natatorium. Architects Alaska was hired to complete the feasibility study which will provide three facility improvement options based on the necessary updates, community needs, and desires for the facility.

The expansion project for the Library continues. The expansion is now on the listing maintained by the Alaska State Library and Alaska library Association for the eventual expansion using the Public Library Matching Grant Program which reimburses up to 50% of public library expansion cost.

HVAC PROJECT

A new HVAC system was installed at the Aquatics Center last summer. The new system replaced the original system that had started to fail. The Committee provided direction on the joint project with the Department of Public Works.

TRANSPORTATION

The Committee discussed and provided feedback on the purchase of a new bus for the department. The 15 passenger van was retired and replaced with a new 14 passenger bus. The bus arrived in September and is primary used for the PCR afterschool related programs.

WEBSITE AND SOCIAL MEDIA PAGES

PCR continued marketing itself and programs through its social media Facebook page. The City also launched a new website in which the department has done well with keeping the PCR pages up-to-date. The Committee has provided feedback and direction with both efforts.

LEASE AGREEMENT

The Committee approved of the annual lease agreement with the Unalaska United Methodist Church for use of the Tutiakoff field.

FUTURE PLANS

The Committee plans to continue to work with the new PCR Director and play a more active role with the department.

City of Unalaska Department of Parks, Culture and Recreation

2013 Programs

Aquatics

Adult Swim Lessons for Beginners
Aleutian Island Masters (AIM)
Beginner Swimming for Preschoolers
Discover Scuba
Friday Splash
Healthy Heart Month Promotion
Ladies Night
Lifeguarding
March Miller
Mother Son Swim
Off Season JH / HS Stroke Clinic
One Hour Postal Meet
Preschool Aquatics
Pumpkin Plunge
Tot Time Swim
UCSD Swim Lessons
Water Fitness
Youth Swim League
Youth Swim Lessons for Homeschoolers

Fitness / Sports / Wellness

Adult Basketball League
Adult Soccer League
Adult Volleyball League
Ballyhoo Run
Baseball Camp
Blood Pressure Checks
Bobby Johnson Summer Bay Classic
Cardio Sculpting
Dodgeball
Exercise Ball Class
Fitness Center Orientations
Flag Football
Grappling and Takedowns
Hershey Track and Field
HOA 5K
HOA Kids Tot Trot
Homeschool Fitness
Indoor Triathlon
Polar Bear Run
Shoot for a Turkey
Skateboarding Club
Soccer Camp
Summercise
Taekwon-Do
Taylor Young Softball Tournament
Team Handball
Teen Weightlifting
Tennis
Triathlon
Turkey Trot
Unalaska Raiders
Ultimate Frisbee
Women Weightlifting
Yoga
Youth Basketball
Youth Soccer League
Youth Volleyball
Youth Wrestling
Zumba

City of Unalaska Department of Parks, Culture and Recreation

2013 Programs

Leisure Activities and Teen Programming

After School Drop-In Program (5th – 12th Grades)
Basket Weaving
Chess Club
Competitive Youth Archery
Drive-In Movie
Family Movie Night
Introduction to Traditional Art for Youth
Island Photography
Magic: The Gathering Tournament
Master Catan
Midnight Madness
Outdoor Skills
Photography Club
Psych First Aid
Sheltering Fundamentals
Sheltering Table Top Exercise
Story Writing and Illustration
Teen Council

Kids Programming

4th of July Bike Decorating
After School Drop-In Program (1st – 4th Grades)
After School Program
Bounce House
Camp Adgayux
Camp Little Wonders: Under the Big Top!
Day Camps

Special Events

4th of July Parade: A Very Ferry 50th 4th
Annual Unalaska Martin Luther King, Jr. Celebration
Appreciation Banquet
Christmas Event
Community Clean-Up Week
Easter Event
Father Daughter Valentine Dance
Garage Sale
Gingerbread House Contest
Holiday Bazaar
Halloween Event
Heart of the Aleutians Festival
Skate Jam

City of Unalaska Department of Parks, Culture and Recreation

2013 Programs

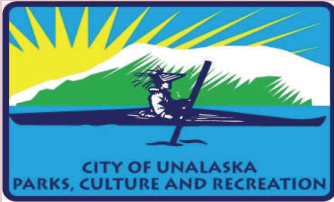
Arts and Culture

Adult Pottery
After School Art
Art in the Park
Beginning Guitar Lessons
Community Choir
Community Drum Circle
Introduction to Traditional Art for Kids
Kids Art
Kids Music
Lab Theater
Latin Dance Class for Couples
Learn to Draw
Leather Craft
Leather Craft for Kids and Youth
Metal Clay Jewelry
Missoula Children's Theatre
Music in the Park Series
Nature Art
Origami Class
Paper Sculpture
Parent and Child Gooney Art
Pop n' Lock

Sculpture 1
Spring Art Experience
Summer Series: Open-Mic Night
Teen Art Crash Course
Teen Room Mural Painting
The Art of Batik
Toddler Pottery

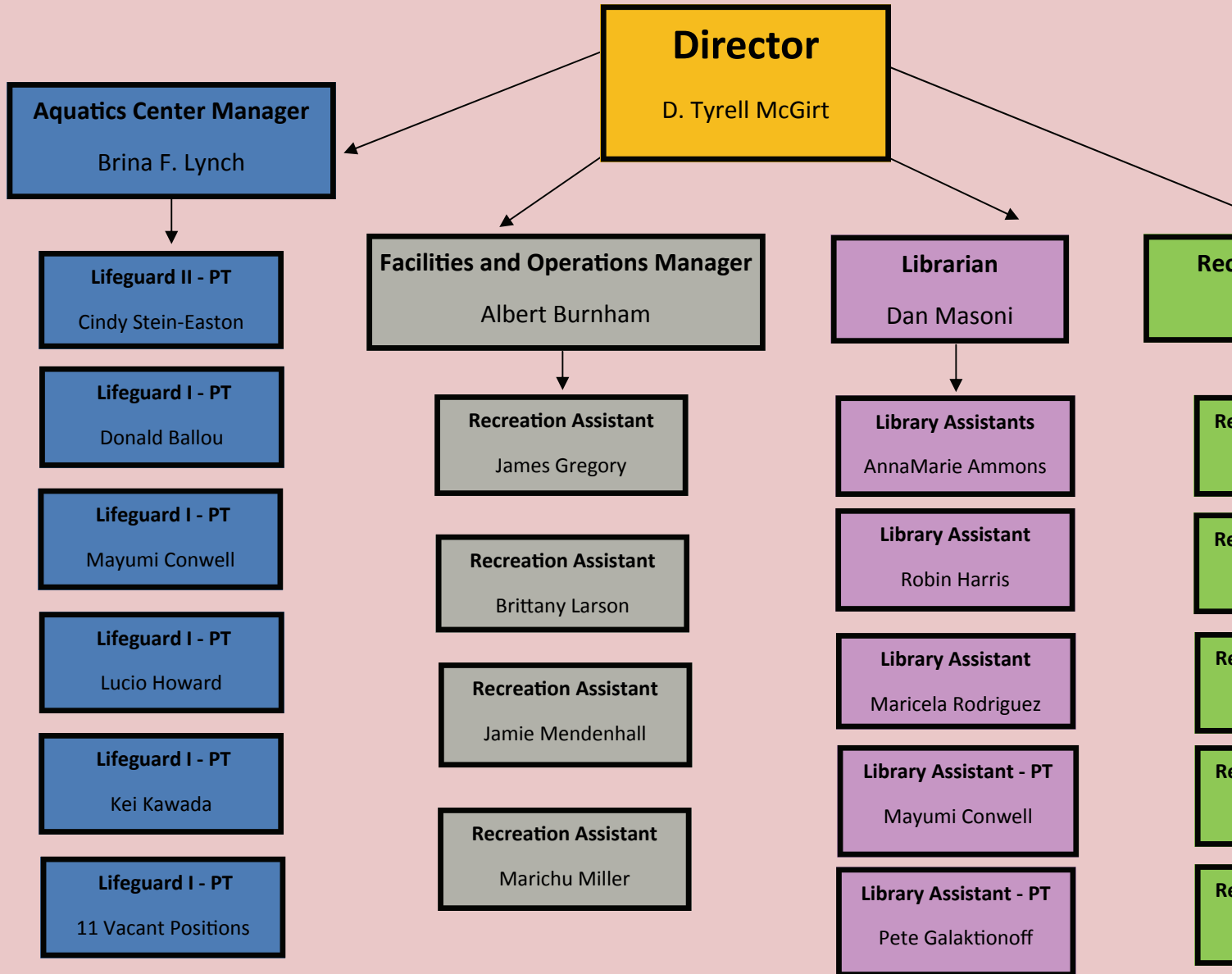
Libraries

Dr. Seuss Birthday Party
Haunted Halloween Story Time
Head Start Story Time
OWL (Online With Libraries)
Scrabble Tournament
Story Time
Summer Reading Program
Summer Reading Program
Valentine Heart Contest



City of Unalaska Department of Parks, Culture and Recreation

STAFF






OUR SIXTH YEAR !

MEMORANDUM

TO: Mayor Shirley Marquardt
Unalaska City Council

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

DATE: 02/03/2014

SUBJECT: Calendar Year 2013 Public Library Advisory Committee Report to the Mayor and Council.

I am pleased to submit this Calendar Year report to the Mayor and Council. The Unalaska Public Library was used heavily in 2013 by both full-time and seasonal residents of Unalaska. The Online With Libraries (OWL) Broadband Grant allowed the Library to expand services and also brought two new statistical measures forward during 2013; those measures are noted below along with traditional output measures the Council has seen in past years.

CY2013 Library Circulation:	263,620	+ 7.45%
Users through the Door:	131,235	+ 5.60%
Interlibrary Loan Orders:	1,535	+11.89%
Program Attendance:	10,231	+ 3.88%

Active Registered Users*, 12/31/2013: 7,529 +11.51%

*Patrons who have used their library cards in the last 60 months

Library Meeting Room Use: 363 Reservations 6,322 Participants -7.52%
4 UAF Class Meetings
207 Test Proctoring Sessions for various Colleges and Universities

Passport Services: 419 Passport Applications Accepted

Volunteer Services: Volunteers provided 172 unique contacts
402 hours of public program delivery in 2013.

TWIC Demonstration Project:

Project Totals (03/2011 – 07/2013)* 981 Enrollments/ Activations

Estimated savings to Transportation Workers: \$1,177,200 @ \$1,200 per round trip to Anchorage

***The TWIC Program transitioned to private industry in July, 2013. This will be the last TWIC Activity Report.**

OWL Statistics:

Patron initiated computer use using OWL supplied equipment (CY2013): 58,992 uses
Patrons who exclusively used the library for Internet Access (CY2013): 62,358
Patrons exclusively utilizing Internet Access vs. other library uses: 47.52%

The Alaska OWL Grant added two AWE Early Learning Stations to the Children's Library. Parents and children use the computers together to explore early education activities, numbers, educational games, and reading skills. The machines do not connect to the Internet.

E-Book Services added in 2013:

Access to E-books through the Alaska Library Network/Overdrive was initiated in June, 2013. Approximately 20% of registered borrowers in Unalaska have acquired credentials to use the new service. Since services are offered through a national portal, usage statistics are hard to parse for the new program.

National Ranking of the Unalaska Public Library:

The Library Committee is proud to announce that the Unalaska Public Library has been awarded a 6 Star rating by the American Library Association, Library Journal, and the Institute for Museum and Library Services for the sixth time. The ranking places Unalaska in the top 2% of libraries in the nation, one of 258 recognized libraries with superior service delivery from among 123,000 US libraries. Only five other libraries in Alaska achieved Star Ranking for 2013-14. The Unalaska Public Library is now ranked #1 among similarly sized public libraries in Alaska.

Libraries cannot apply for this recognition. Star Ranking is based on statistical information provided by State Libraries which triggers professional and customer surveys by the ALA. Not only are local customers surveyed, but regional library professionals are surveyed in areas of professional conduct and accuracy of information.

The Committee commends the Unalaska Public Library staff for its outstanding service delivery to our community. Without a dedicated and committed staff our library would not function at such a high level.

Future Expansion of the Library Facility:

The Committee thanks the Mayor and Council for beginning the CMMP process in 2012 to eventually expand the library facility. There will be a follow-up presentation to Council concerning the Library CMMP Nomination in April, 2014. Expansion of the Unalaska Public Library is now on the listing maintained by the Alaska State Library and Alaska Library Association for eventual expansion using the Public Library Matching Grant Program (AS 14.56.355-14.56.356) which reimburses up to 50% of public library expansion costs.

As the DCEED Application moves forward, a parallel application will be made to the Rasmuson Foundation which may grant up to 50% of the City match for the DCEED Grant.

Committee Meetings: In 2013, the Committee met eight times in regular session.

Committee Resolutions: The Committee passed one resolution in 2013:
Support of the Parks, Culture and Recreation Divisional Budget Proposal.

Direction Sought by the Librarian:

The Committee gave advice to the Librarian and Director of Parks, Culture and Recreation on the following discussion topics in 2013:

- Annual review of the long-term library Telecommunications Plan.
- Reviewed internal library space designations and storage capacity.
- Accepted on-going reports concerning Friends of the Unalaska Public Library expenditure of memorial funds dedicated to public library collections.
- Consulted with the Librarian concerning application for the Native American Library Grant from the Ounalashka Corporation, Alaska Public Library Grant, and USAC Telecommunications/Internet Access Grant.
- Committee members aided the library staff in creating displays for Women's History Month Banned Books Week, and the Martin Luther King Day Celebration.
- Consulted with the Librarian concerning extension of services to the Unalaska Senior Center and Coast Guard Exchange Collection.
- Advised the Librarian concerning the Alaska State Library/UAF OWL Broadband Grant.
- Advised the Librarian and Staff concerning Children's Programming and the Library's Third Scrabble Tournament.

Library Committee Members:

	Term Expires:		
M. Lynn Crane	02/2015	Amanda Andersen	02/2015
Irena Adams	02/2015	Jim Dickson	02/2014
Cyri Thompson	02/2016 (appointed, 06/2013)	Rhonda Anderson	02/2016
Anthony Grande	02/2016 (appointed, 11/2013)		
Rosie Glorso	02/2017 (resigned, 05/2013)		
Mayumi Conwell	02/2014 (resigned, 11/2013)		

In summary, members of the Public Library Advisory Committee feel that the library has had an exceptional year and that library services are being well utilized by the Unalaska community. We look forward to discussing this report and answering any questions that may be raised by Council members or City Administration on February 25th.

**CITY OF UNALASKA
PLANNING COMMISSION & PLATTING BOARD
2013 ANNUAL REPORT**



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

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

The following residents of Unalaska served on the City of Unalaska's Planning Commission and Platting Board throughout 2013:

Chair Chris Bobbitt
Vice Chair Steven Gregory
Vicki Williams
Doanh Thi Tran
Peter Sturdivant

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

Erin Reinders, AICP, CPM, Planning Director
Anthony Grande, Planning Administrator
Veron De Castro, Administrative Assistant

PLANNING COMMISSION AND PLATTING BOARD
RESOLUTION 2014-02

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

CITY OF UNALASKA
PLANNING COMMISSION

BY: 

Chris Bobbitt, Chair



Erin Reinders, Secretary

DATE OF ADOPTION: 1/23/2014

INTRODUCTION

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

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

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

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

SUMMARY OF PLANNING ACTIONS FOR 2013

I. General Statistics (January 1, 2013 – December 31, 2013)

2013 was a busy year for both the Planning Commission/Platting Board and the staff of the Planning Department. The PC/PB actions for 2013 and previous years are summarized below:

Application Type	Considered or Reviewed/ Granted, Approved or Formally Recommended		
	2011	2012	2013
Variance	2/1	-	5/5
Conditional Use	3/1	4/4	8/8
Zone Amendment	2/1	1/1	1/1
Property Acquisitions	-	4/3	-
Code Revisions	-	1/1	-
Plats	2/2	4/4	7/7
Planning Documents	-	-	3/1
TOTAL MEETINGS	8	9	11

II. Planning Commission Recommendations to Council

The Planning Commission recommended one zone amendment in 2013.

On May 16, 2013, the Planning Commission unanimously approved Resolution **2013-08** recommending to the City Council the approval of Ounalashka Corporation's application to rezone approximately 10 acres of a portion of USS 58 from General Commercial to High-Density Residential District.

The Unalaska City Council approved the rezoning through **Ordinance 2013-08** during the July 9, 2013, City Council Meeting.



III. Planning Commission Actions and Activities

The Planning Commission discussed three Planning Documents, five Variances and eight Conditional Use Permits in 2013.

*January 17, 2013:
Approval of Planning Document*

The Planning Commission approved **Resolution 2013-02**, recommending to the City Council, the adoption of the 2012 Annual Report. This report was presented to City Council in February of 2013.

*January 17, 2013:
Review of Planning Document*

Scott Simmons of URS Corporation and Scott Nelsen of the State of Alaska Department of Homeland Security and Emergency Management presented the Draft of the Unalaska's Local Hazard Mitigation Plan that was being developed in

	concert with the Aleutian Pribilof Local Emergency Planning Committee and Unalaska's Departments of Public Safety and Planning. The Planning Commission took no formal action on this item. This Plan was adopted by City Council at their November 26, 2013 meeting.
<i>February 21, 2013: Granted a Conditional Use Permit</i>	The Planning Commission approved a Conditional Use Permit Application to allow for the placement of a mobile home to serve as one employee dwelling unit in a General Commercial zoning district at 372 Bayview Avenue, Lot 1, Block 3, USS 1992 through Resolution 2013-03 .
<i>February 21, 2013: Review of Planning Document</i>	Erin Reinders presented the draft FY 2014-FY 2018 Capital Improvements and Major Maintenance Plan. The Planning Commission took no formal action on this item. The CMMP was adopted by City Council at their May 14, 2013 meeting.
<i>May 16, 2013: Granted a Variance</i>	The Planning Commission through Resolution 2013-06 approved a Variance for a parking requirement reduction from forty parking spaces to twenty (20) parking spaces for the proposed Delta Western Warehouse located at 1617 East Point, Tract B, Ptarmigan Flats Subdivision, Plat No. 90-5. This building is now fully constructed.
<i>June 27, 2013: Granted a Variance</i>	The Planning Commission approved Resolution 2013-08 for a Variance for a lot width reduction from sixty feet to fifty feet to allow for the subdivision of Lot 6, Willow Estates Subdivision, Plat No. 98-27, located in a Single Family/Duplex zoning district. No plat has been submitted as a result of this granted variance.
<i>July 25, 2013: Granted a Conditional Use Permit</i>	The Planning Commission approved Resolution 2013-11 , allowing for the continued use of a temporary construction camp on Tract B, Marineways Subdivision, Addition 1, Plat 90-12 on the corner of Gilman Road and Airport Beach Road.
<i>July 25, 2013: Granted a Conditional Use Permit</i>	The Planning Commission approved Resolution 2013-12 for a temporary batch plant and laydown area on portions of Lot 1, Block 2, Margaret Bay Subdivision, Plat No. 92-3, and Lot B1 and Lot 8B, Block 2, Margaret Bay Subdivision, Addition Number 2, Plat 2010-16 on Sea Lion Circle. This site is now fully operational.
<i>August 8, 2013: Granted a Conditional Use Permit</i>	Resolution 2013-13 was approved by the Planning Commission to allow for a Non-Permanent Containerized Bunkhouse on Tract A, Base of Spit Subdivision, Plat No. 82-4 located on Ballyhoo Road. The applicant later contacted the Planning Department and noted that they would not be proceeding with this project at this time.
<i>September 19, 2013: Granted a Conditional Use Permit and a Variance</i>	<p>The Planning Commission approved a Conditional Use Permit through Resolution 2013-15 allowing for a Single-Family Home on a General Commercial District on Lot 3, Block 4, USS 1992 located at 17 N 4th Street.</p> <p>A Variance was granted by the Planning Commission through Resolution 2013-16 for the same property. The Variance Permit allowed for a rear and side yard reduction from twenty</p>

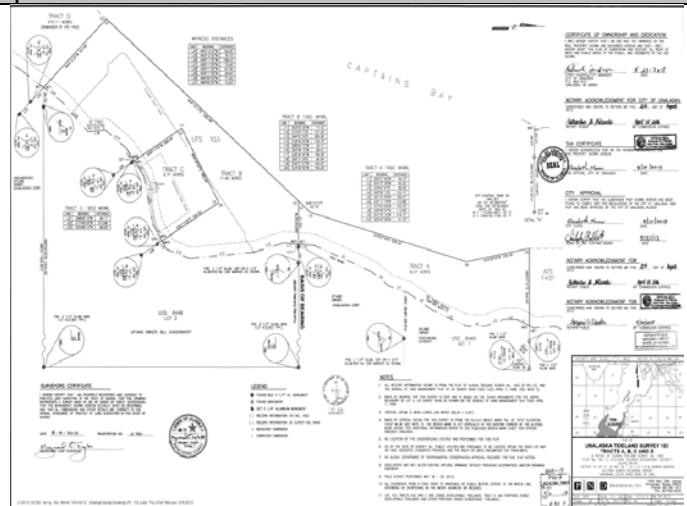
	(20) feet to ten (10) feet for the construction of the Single-Family home.
<i>September 19, 2013: Granted a Variance</i>	The Planning Commission approved Resolution 2013-17 , for a front yard setback variance from ten feet to two and a half feet. This allowed for construction of Sea Aleutian Seafoods on Tract B1, Little South America Subdivision No. 2, Plat No. 2010-10.
<i>October 17, 2013: Granted a Conditional Use Permit and a Variance</i>	<p>The Planning Commission approved Resolution 2013-19 a Conditional Use Permit to allow five residential units on a General Commercial District at Lot 7, Shaishnikoff Subdivision C, Plat No. 97-01 located on Steward Road.</p> <p>A Variance Permit for the same property was also approved by the Planning Commission through Resolution 2013-20. Resolution 2013-20 allowed a Variance for a side-yard reduction from fifteen (15) feet to 9 and 5/8 inches from the lot line.</p>
<i>November 21, 2013: Granted a Conditional Use Permit</i>	The Planning Commission approved Resolution 2013-21 , for a Conditional Use Permit to allow for a mixed-use structure with a total of one (3) residential units in a General Commercial Zoning District on Lot 4, Block 10, USS 1992, located at 88 Broadway Avenue.
<i>November 21, 2013: Granted a Conditional Use Permit</i>	The Planning Commission also approved Resolution 2013-22 for a Conditional Use Permit to allow for a mixed-use structure with one (1) residential unit in a General Commercial District on Lots 8, 9, and 11, Block 1, USS 1992, located at 28 N. 2 nd Street.

IV. Platting Board Actions

The Platting Board took action on five subdivision plats in 2013.

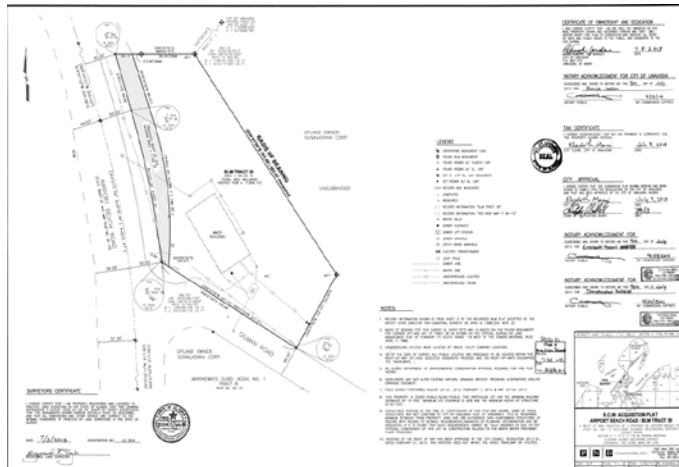
On January 17, 2013, the Platting Board approved the Preliminary Plat of UTS 103, a Replat of ATS 1452, Plat No. 95-12, located in Captains Bay through **Resolution 2013-01**.

The final plat was recorded with the Aleutian Islands Recording District and is now identified as Plat No. 2013-13.



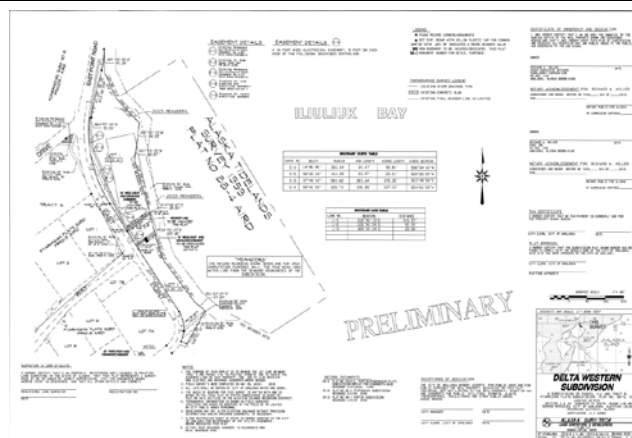
The Platting Board reviewed a Preliminary Plat of Right-of-Way Acquisition Plat, Airport Beach Road/BLM Tract 38, A Right-of-Way Vacation of a portion of Airport Beach Road, Plat No. 96-15 on February 21, 2013. In **Resolution 2013-04**, the Platting Board approved the Preliminary Plat with conditions.

The final plat was recorded with the Aleutian Islands Recording District and is now identified as Plat No. 2013-10.



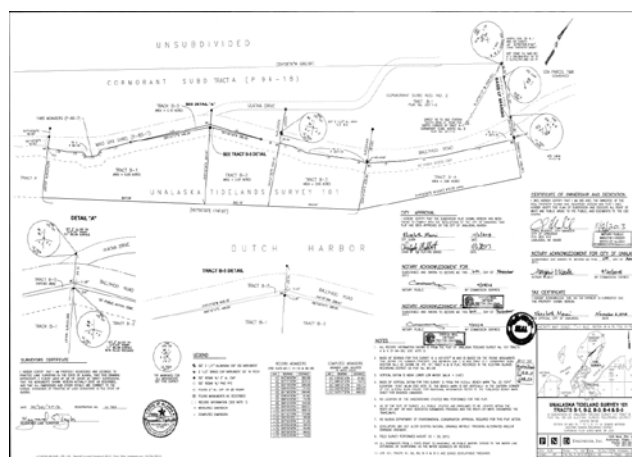
On May 16, 2013, the Platting Board, through **Resolution 2013-05**, approved the Preliminary Plat of Delta Western Subdivision, a 15.24 acre subdivision of Parcel 1-A and Tract B, Ptarmigan Flats Subdivision, Plat No. 90-5 and Alaska Tideland Survey No. 1353, Plat No. 88-4.

The Final Plat has not yet been submitted for signatures and recordation.

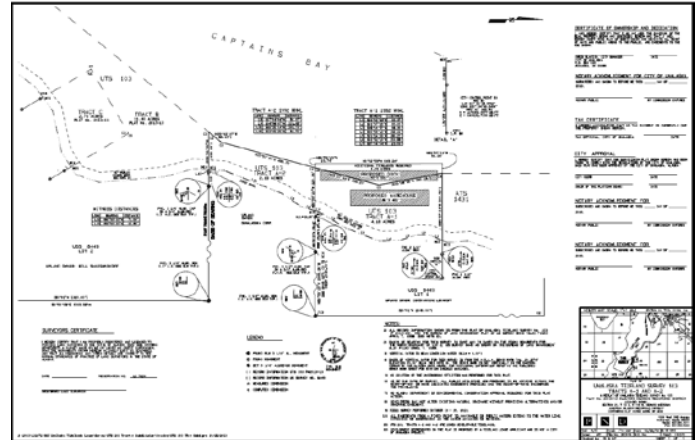


The Platting Board approved the Preliminary Plat of a 16-acre subdivision of UTS 101, Tract B, Plat No. 98-28 through **Resolution 2013-09** on June 27, 2013.

The plat was recorded with the Aleutian Islands Recording District as Plat No. 2013-38.



On September 19, 2013, The Planning Commission approved **Resolution 2013-14** for a Preliminary Plat of Unalaska Tidelands Survey 103, Tracts A-1 and A-2, a Replat of UTS 103, Plat No. 2013-13, located in Captains Bay.

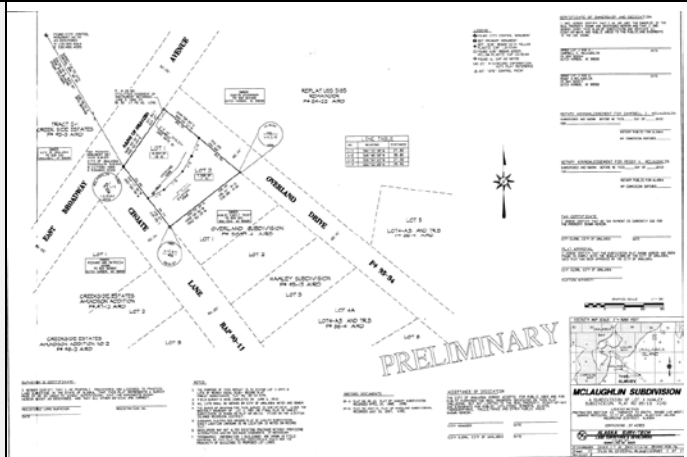


V. Platting Authority Actions

The Platting Authority took action on two subdivision plats in 2013.

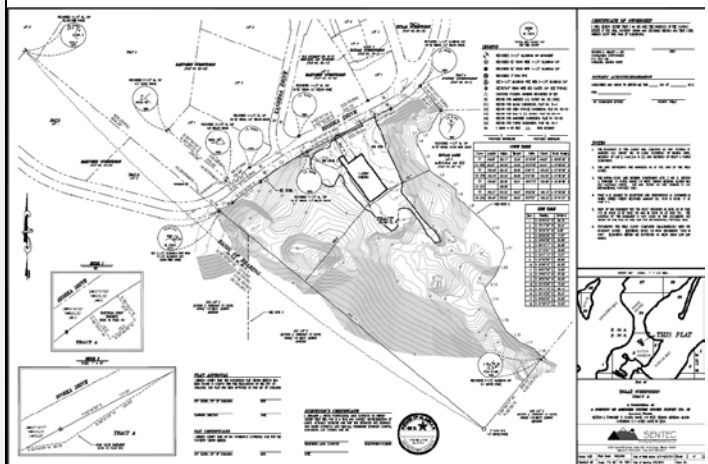
On July 18, 2013, the Platting Authority approved **Resolution 2013-10** to allow a twelve (12) month extension of the approval of the Preliminary Plat of McLaughlin Subdivision, a subdivision of Lot 1, Hawley Subd., Plat 95-13, located at 10 & 18 Overland Drive.

The Final Plat has not yet been submitted for signatures and recordation.



The Platting Authority approved **Resolution 2013-18** in the September 19, 2013 Public Hearing. Resolution 2013-18 approved the Preliminary Plat of Tiglax Subdivision, Tract A, a subdivision of a portion of Amended USS 58.

The Final Plat has not yet been submitted for signatures and recordation.



VI. Summary of Appeals Cases and Actions:

No appeals were received.

VII. Department of Planning Activities:

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

In addition to the involvement in the items described in previous sections, Departmental accomplishments for 2013 include the following:

- Produced new Zoning Map, Address Map, and Tax Map in GIS, representing a full conversion from a drawing-based CAD system to a database GIS system of maintaining spatial information. This is a modernization that greatly increases efficiency in data management and communication.
- Refined methods of development review, involving more effective coordination with other city departments.
- Created an email notification system to increase community awareness and involvement in community planning initiatives as well as development activities. This system helped get the word out about the new and much more user friendly website, planning related activities, such as Community Planning Month.
- Coordinated the negotiation and approval of tideland leases which will allow for businesses to expand operations in our community and help to diversify Unalaska's economic base.
- Revised CMMP process to include Planning Commission and developed new format for the FY15-FY19 CMMP that will reduce the overall size of the final CMMP and will communicate the information for each in a more succinct manner.

Departmental goals for 2014 include the following:

- Complete existing land use inventory, welcome the Community Planning Assistance Team (CPAT) from the American Planning Association (APA) who will help to provide multiple opportunities for public input on future land uses, and then create a Future Land Use Plan for incorporation in to the Comprehensive Plan.
- Update Title 8 to better address Comprehensive Plan and Land Use Plan, and to reflect new trends and needs in the community.
- Address action items and needs identified in the Comprehensive Plan and the Housing Strategy, including the creation a developable land inventory, the completion of a housing demand study and hosting an informational Housing Summit.
- Continue developing training opportunities and providing educational materials to the Planning Commission and the community as a whole.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2014-03

CREATING BUDGET AMENDMENT NO. 7 TO THE FY14 OPERATING BUDGET TO PURCHASE NEW CELL DOOR LOCKS FOR CORRECTIONS FUNDED BY A STATE GRANT; INCREASE THE BUDGET FOR THE PURCHASE OF A VEHICLE FOR PARKS, CULTURE AND RECREATION; AND INCREASE THE CONSTRUCTION COSTS FOR THE WASTE HEAT RECOVERY PROJECT.

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section Classification: This is a non-code ordinance.
Section Effective Date: This ordinance becomes effective upon adoption.
Section Content: The City of Unalaska FY14 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
B. The following are the changes by account line item:

Amendment No. 7 to Ordinance #2013-09

		<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGET				
A. General Fund				
Revenues				
Current year budgeted surplus		8,460,854	2,677	8,458,177
Intergovernmental		12,778,071	3,000	12,781,071
Expenditures				
Public Safety		5,249,976	3,000	5,252,976
Transfers to Govt Capital Projects		-	2,677	2,677
II. CAPITAL BUDGET				
A. General Fund-Public Works				
Revenues				
Transfer from General Fund	PW302	55,000	2,677	57,677
Projects				
Vehicle Replacement	PW302	55,000	2,677	57,677
B. Electric Fund				
Revenues				
Transfer from Enterprise Fund	EL802	495,500	754,847	1,250,347
Projects				
Powerhouse Waste Heat Recovery	EL802	1,795,500	754,847	2,550,347

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL
THIS 25TH DAY OF FEBRUARY 2014.

MAYOR

ATTEST:


CITY CLERK

**Summary of Budget Amendment
and Schedule of Proposed Accounts**

- 1) **Public Safety** - This request is for the purchase of new cell door locks in Corrections to be funded by a grant from the State of Alaska.
- 2) **Public Works** - This is a request to transfer from General Fund surplus to the Public Works Capital Project to increase the budget to cover vehicle replacement cost.
- 2) **Electric Fund** - This request is for the increase in the construction portion of the Waste Heat Recovery Project to be funded with the utilities net assets.

	Org	Object	Project	Current	Requested	Revised
1) General Fund - Public Safety						
Sources:						
Other Grants - DPS	0101 1041	42198		-	3,000	3,000
Uses:						
Correction General Supplies	0102 1452	56100		8,721	3,000	11,721
2) Capital Projects - General Fund - Public Works						
Sources:						
Current year budgeted surplus				8,460,854	2,677	8,458,177
Transfer to Government Capital Project	0102 9854	59920		-	2,677	2,677
Uses:						
Transfer from General Fund	3101 9848	49100	PW302	55,000	2,677	57,677
Machinery and Equipment	3102 1553	57400	PW302	55,000	2,677	57,677
				-		-
3) Capital Projects - Electric Fund Waste Heat Recovery						
Sources:						
Transfer from Enterprise Funds	5011 9848	49130	EL802	495,500	754,847	1,250,347
Transfer to Enterprise Capital	5002 9854	59940		765,382	754,847	1,520,229
Uses:						
Construction Services	5012 5053	54500	EL802	95,866	754,847	850,713

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: JAMIE SUNDERLAND, DIRECTOR 
THRU: CHRIS HLADICK, CITY MANAGER
FROM: DEPARTMENT OF PUBLIC SAFETY
DATE: 02/06/2014
RE: BUDGET AMENDMENT ORDINANCE 2014-03

SUMMARY: During the February 11, 2014 meeting, we will be discussing the budget amendment necessary to record funds received from the State of Alaska, Regional and Community Jails Program for the FY14 Capital Project.

The total amount received for the capital project is \$3,000.00.

PREVIOUS COUNCIL ACTION: No previous action.

BACKGROUND: \$3,000.000 has been received from the State of Alaska Regional and Community Jails Program – FY14 Capital Project. These funds are designated for purchasing and replacing aging cell door locks within the jail. These funds should be placed in the Corrections General Supplies budget line item (01021452 56100) from which the new locks will be purchased.

DISCUSSION: The Department of Public Safety is requesting the amount of \$3,000.00 be transferred into the Corrections General Supplies line item (01021452 56100), where it will be used to purchase the new cell door locks

ALTERNATIVES: Refuse the Regional and Community Jails Program FY14 Capital Project funds.

FINANCIAL IMPLICATIONS: None. Any surplus funds available after cell door locks have been purchased, may be used for other maintenance, repair, or renovation within the jail.

LEGAL: The legal obligation is to expend the funds in accordance with the scope of the grants.

STAFF RECOMMENDATION: Staff recommends the Council approve the budget amendment request in order for the department to remain in compliance with the scope and intent of the capital project grant allocations, and to maintain adequate security within the jail.

PROPOSED MOTION: Request a motion to approve Ordinance 2014-03, which includes a budget amendment to the Department of Public Safety in the amount of \$3000.00.

CITY MANAGER'S COMMENTS: I recommend approval of this change to reflect the addition of the funds to the requested budget.

Department of Public Safety Attachment

	Description	Amount	BUDGET ACCOUNT
	City of Unalaska General Fund	\$3,000.00	
	DPS – Corrections General Supplies	\$3,000.00	01021452 - 56100

This warrant will be administered as unclaimed property under AS 34.45 unless redeemed within six months after the date of issue

STATE OF ALASKA
TREASURY WARRANT
GENERAL FUND

GN No. 29749244

WARRANT NO.
25450661

89-52/1252

DATE OF ISSUE OCT 02, 2013

PAY

THREE THOUSAND AND NO/100 DOLLARS

TO THE ORDER OF

\$ *****3,000 00

20000 25450661

CITY OF UNALASKA

PO BOX 610
UNALASKA AK 99685-0610

Sean Parnell

⑈ 25450661 ⑈ ⑆ 125200523⑆ 729681000067 ⑈

REMITTANCE ADVICE - STATE OF ALASKA TREASURY WARRANT - NOT NEGOTIABLE				STOCK NO. 29749244	
WARRANT NO. 25450661		MO DAY YR 10 02 13		VENDOR CITY OF UNALASKA	
STATE OFFICE LILIA JAENICKE		PHONE 907 465-2684		DOCUMENT AA26333040010	
				AMOUNT PAID \$3,000.00	
TYPE INV	REFERENCE NUMBER FY2014CAPITAL	DATE 10 01 13	COMMENTS CH16; SLA2013, SEC1, PG59; LN32		AMOUNT 3,000.00
<p>* REGIONAL & COMMUNITY JAILS PROGRAM - FY2014 CAPITAL PROJECT THE FOLLOWING IS A BREAKDOWN OF THE MAINTENANCE, REPAIR & RENOVATION FIRE & LIFE SAFETY THAT HAS BEEN APPROVED BY THE DEPARTMENT OF CORRECTIONS *4-CELL DOOR MECHANICAL LOCKS REPLACEMENT * * THESE CAPITAL PROJECTS WERE FUNDED BY THE LEGISLATURE IN THE STATE OF ALASKA CAPITAL BILL: CH16; SLA2013; SEC1; PG59; LN32 THE APPROPRIATION REQUEST TO THE LEGISLATURE WAS BASED UPON THE CAPITAL BUDGET INFORMATION THAT YOU PROVIDED TO THE DEPARTMENT OF CORRECTIONS IF THERE ARE ANY SURPLUS FUNDS AVAILABLE AFTER THE LISTED ITEMS HAVE BEEN PROCURED, THE REMAINING FUNDS MAY BE USED FOR OTHER MAINTENANCE, REPAIR AND RENOVATION, AS LONG AS THE INTENDED PURCHASE RELATES TO THE CONFINEMENT OF THE STATE OF ALASKA'S PRISONERS.</p>					
<p>OTHER COMMENTS 010104142198</p>					

MAKE INQUIRIES ABOUT PAYMENT TO OFFICE LISTED ABOVE



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELI

Department of Corrections
Division of Administrative Services

P.O. Box 112000
Juneau, Alaska 99811-2000
Main: 907.465.3480
Fax: 907.465.3315

REGIONAL & COMMUNITY JAILS PROGRAM
FY2014 CAPITAL PROJECTS

REGIONAL & COMMUNITY JAIL NAME: City of Unalaska

AMOUNT OF CAPITAL FUNDS: \$3,000.00

The following is a breakdown of the maintenance, repair, and renovation, fire and life safety, and security equipment that has been approved by the Department of Corrections for expenditure by the City of Unalaska:

- (4) – Cell Door Mechanical Lock Replacement - \$3,000.00

These capital projects were funded by the Legislature in the State of Alaska's Capital Bill, Chapter 16 SLA 2013 Section 1 Page 59 Line 32. The appropriation request to the Legislature was based upon the capital budget information that you provided to the Department of Corrections. If there are any surplus funds available after the listed items have been procured, the remaining funds may be used for other maintenance, repair, and renovation, fire and life safety, and security equipment, as long as the intended purchase(s) relates to the confinement of the State of Alaska's prisoners.

Please sign below and return the original copy to:

Alaska Department of Corrections
Attn: April Wilkerson, Director
Administrative Services
P.O. Box 112000
Juneau, Alaska 99811-2000

Upon receipt of the signed copy of this Capital Project Contract, the Department of Corrections will issue a check in the amount of \$3,000.00 to the **City of Unalaska**

For the Borough / City:

By: Chris Hladick
Chris Hladick, City Manager
Official Title

Date: 10/3/13

For the Department of Corrections,

By: April Wilkerson
Director, Administrative Services
Official Title

Date: 10/15/13

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: CHRIS HLADICK, CITY MANAGER
FROM: PATRICIA SOULE, FINANCE DIRECTOR
DATE: FEBRUARY 7, 2014
RE: ORDINANCE 2014-03

SUMMARY: As part of the FY13 Capital Budget, a van was purchased for PCR. The budgeted amount for the purchase was \$55,000. However, the final cost, including freight was \$57,677.20. Capital projects cannot be closed with a negative balance, and as a consequence, the budget for this project must be increased by \$2,677.20 in order to cover the incurred costs and to allow closure of the project.

PREVIOUS COUNCIL ACTION: Council approved the FY13 Capital Budget on May 22nd, 2012, and \$55,000 was budgeted for this Capital Project.

BACKGROUND:

- The City put out a bid request to purchase a 14-15 passenger van in January of 2013. Five bids were received and opened on February 12th, 2013. All bids were rejected as not being responsive bids, as all bids were either over budget or failed to meet the requirements as outlined in the City bid documents.
- The City Manager had an opportunity to personally review and inspect a used van while on personal leave that met the needs and requirements of PCR. A 2012 Ford Vanterra was purchased from Davey Coach Sales in Sedalia, CO for \$53,629.00
- The van was freighted to Unalaska via Samson Tug & Barge for \$4,048.20 bringing the total cost of the vehicle acquisition and implementation to \$57,677.20
- The van has been capitalized and entered as a Fixed Asset (14GFPCRM01)

DISCUSSION: The approved budget for the vehicle replacement was \$55,000. It was purchased for \$53,629, but the freight to Unalaska was \$4,048.20. As a consequence, the project was over budget by \$2,677.20.

In an effort to manage Capital Projects, and allocate capital project funds as necessary, several capital projects have been highlighted to be closed and any remaining funds be returned to the corresponding accounts. PW302 is one such project highlighted to be

closed. However, the project cannot be closed with a negative balance, the necessity of increasing the budget of this particular capital project to cover incurred costs.

ALTERNATIVES: The increase in the budget could be denied, which in that case, the project will not be closed and shall remain open. The deficit will have to be dealt with at some point.

FINANCIAL IMPLICATIONS: In order to close the project, \$2,677.20 will have to be transferred from the General Fund budgeted surplus into the project budget.

LEGAL: None

STAFF RECOMMENDATION: The increase to the capital project is recommended.

PROPOSED MOTION: “I move to approve this motion.”

CITY MANAGER’S COMMENTS: I recommend approval of Ordinance 2014-03

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: CHRIS HLADICK, CITY MANAGER
FROM: DAN WINTERS, DPU DIRECTOR
DATE: FEBURARY 11, 2014
**RE: ORDINANCE 2014-03 BUDGET AMENDMENT REQUEST:
FUNDING THE POWERHOUSE WASTE HEAT TO ENERGY
PROJECT IN THE AMOUNT OF \$754,847.**

SUMMARY: This Budget Amendment request will provide funds in the amount of \$754,847 for the construction portion of the Waste Heat Recovery Project. The total construction cost for this project is \$1,249,555, which puts the total project costs at \$2,550,347. Funding for this project will come from the Electric Proprietary Fund Retained Earnings.

Staff recommends sole sourcing the installation of the Electratherm units to Electrical Power Systems (EPS). These units will be connected to our upgraded powerhouse control system and intertie with the powerhouse house power. EPS is the design contractor for this project, was the designer of the New Powerhouse, and the installation contractor for the C280 16. They are also our SCADA specialist and will be the major contractor upgrading the powerhouse control system.

PREVIOUS COUNCIL ACTION: Previous Council Actions are as follows:

- At the January 8, 2008 Council Meeting, Council approved Ordinance 2008-01, a budget amendment request for \$95,500, to be transferred from the retained earnings of the Electric Utility Proprietary Fund, to the Waste Heat Recovery Project at the Powerhouse.
- At the May 13, 2008 Council Meeting, Council adopted the 2009 operating and capital budget through Ordinance 2008-08, adding \$400,000 to the Waste Heat Recovery Project.
- On October 29, 2009, Council approved Resolution 2008-74, supporting the City Manager's pursuit of the \$1,300,000 in grant funding from Alaska Energy Authority (AEA).
- On February 9, 2010, Council approved the acceptance of AEA grant for \$1.3 million through Resolution 2010-12.
- Council has been updated several times on this Project's progress through the Department of Public Works' Project Update at various Council work sessions.
- At the October 22, 2013 Council Meeting, Council approved Resolution 2013-70, authorizing the City Manager to enter into an agreement with McKinley Services & Equipment in the amount of \$714,133.02, for the purchase of three Electratherm Green Machines.

BACKGROUND: Due to the ever increasing cost of fuel to produce electricity for the community, the City is looking at a number of options to realize cost savings. Utilizing waste heat from the powerhouse engines appeared to be a sensible approach worth pursuing and, to that end, the City hired EPS to conduct a feasibility study, which was completed in May 2008. Because the results of the study were promising, the City submitted a grant application to AEA to help fund a Waste Heat to Energy Project.

After receiving the grant from AEA for the project, the construction timeline was set for completion by July 2011. However, the technology for smaller ORC systems was still in a developmental stage with limited suppliers. As a result, the project completion was extended to July 2013 to provide time for other vendors to further develop their systems and to provide the City time for continued research.

The City was notified in June 2012 that Pratt & Whitney had stopped providing smaller scale systems, but other vendors such as Ormat and Electratherm supported the continuance of the project if the City considered stack robber units instead of ORC units using the lower temperature cooler. By August 2012, Ormat was no longer interested in providing smaller scale systems. However, Electratherm had begun producing the Green Machine ORC, which was being tested at the University of Alaska, Fairbanks.

A feasibility study was completed for the City in November 2012, focusing on the Electratherm ORC, and also looked at the feasibility of stack robbers. The study concluded that stack robbers would not be feasible until the City Powerhouse average demand exceeded 8 MW. The study determined that four (4) Electratherm Green Machine ORCs would be optimum to install. Unfortunately, due to the delays in starting this project, cost estimates have increased, and a decision was made to design for three (3) ORC units as that number could be supported by the current budget.

An updated schedule and budget was submitted to AEA in February 2013 to amend grant conditions and extend the project completion timeline to August 2014. In July 2013, 65% design was complete and submitted to AEA for review and comment. Due to the long lead time for acquiring the ORCs, AEA stated that the City may begin procurement under the grant.

In October 2013, the City ordered three Electratherm Green Machines through McKinley Services and Equipment. These ORC units will arrive in February 2014 and will be stored on the installation pads on the first floor of the Old Powerhouse.

On January 16, 2014, staff received Electrical Power Systems proposal of \$1,249,555 for the construction portion of the Waste Heat Recovery Project.

DISCUSSION: Now that staff has received Electrical Power Systems proposal of \$1,249,555 for the construction portion of the Waste Heat Recovery Project, it is necessary that staff return to Council with this budget amendment to fully fund the project. The EPS proposal is approximately \$600,000 over the original estimate due to additional 480 volt electrical upgrades needed in the Old Powerhouse. Through this budget amendment, Staff is requesting \$754,847 be taken from the Electrical Proprietary Fund Retained Earnings to fund this project.

In 2012, the Electratherm Green Machine 4000 was tested at the University of Alaska, Fairbanks. Based on the reliability testing following 1,100 hours of run time for full rated output, the testing team were very satisfied with the unit's operation and performance and estimated that one Green

Machine can generate more than 413,000 kWh a year with 24/7 daily operation. The UAF test was conducted under ideal conditions. We expect to achieve generation of 35 kWh or 306,600 kWh a year per machine. With three machines online this equates to 919,000 kWh per year with a savings of 61,266 gallons of fuel per year or \$214,433 at \$3.50 per gallon. The estimated total cost for this project is \$2,550,347, which equates to a pay off period of 12 years. If the pay off period is calculated using only the City's contribution of \$1,250,347, the pay off period equates to 5.8 years.

ALTERNATIVES: Staff had EPS conduct a feasibility study to look at all the alternatives for the waste heat recovery units. Based on our existing gen/set's jacket water temperature, flow, kW output, and cost, staff believes this is the best alternative.

FINANCIAL IMPLICATIONS: The City's current contribution to this project is \$495,500, which is \$124,307 short of the \$619,807 contribution required by the granting agency. Through this budget amendment request for \$754,847, the City's total contribution to this project will be \$1,250,347, which will satisfy the granting agency's requirements and provide the needed funds to complete the project.

TABLE 1
Project Cost and Funding Need

<u>Project Costs:</u>		
Design	\$	443,335
Construction	\$	1,249,555
ORC Units (3)	\$	714,133
Contingency (10%)	\$	143,324
TOTAL COST	\$	2,550,347
<u>Current Funding:</u>		
AEA Grant	\$	1,300,000
Proprietary Fund	\$	1,250,347
GF Transfer	\$	-
TOTAL REVENUE	\$	2,550,347
TOTAL PROJECT NEED :	\$	-

LEGAL: The City Manager will decide if legal review is needed.

STAFF RECOMMENDATION: Staff recommends Council approve Ordinance 2014-03, which will provide the needed funds to complete the Powerhouse Waste Heat Recovery Project.

PROPOSED MOTION: I move to approve Ordinance 2014-03.

CITY MANAGER'S COMMENTS: I recommend approval of Ordinance 2014-03.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: CHRIS HLADICK, CITY MANAGER
FROM: DAN WINTERS, DIRECTOR OF PPUBLIC UTILITIES
DATE: FEBRUARY 25, 2014
RE: ELECRICAL RATE STUDY PRESENTATION

SUMMARY: The City has contracted Mike Hubbard of The Financial Engineering Company to conduct a Rate Study for the Electric Proprietary Fund. Mr. Hubbard will be presenting the results of the Rate Study tonight.

Mr. Hubbard's analysis demonstrates that, due to 3 million kWh increase in sales in the industrial rate class, the existing rates are adequate to cover expenses through FY2015. However, without additional load growth of over 2 million kWh, net operating losses of \$492,631 are expected to occur in FY2016, and net operating losses of \$583,776 in FY2017.

Staff recommends maintaining rates at the present levels and reexamining the revenue requirements and sales during the last half of FY2015 to determine if the rates are keeping up with expenditures.

PREVIOUS COUNCIL ACTION: Council has made many decisions regarding Electrical Proprietary Funds rates:

- At the December 14, 2006 Council Meeting, Mike Hubbard of the Financial Engineering Company presented the 2006 Electrical Rate Study to Council. At that meeting Council decided to postpone electrical rate adjustments until previous COPA costs were recovered.
- At the June 12, 2007 Council Meeting, Mike Hubbard presented an update to the 2006 Rate Study. During that same meeting, Council approved the resolution to decrease General Service, Large General Service, and Street Lights electrical rates by 10%, and decrease Industrial electrical rates by 5%.
- At the July 8, 2008 Council Meeting, Council approved Resolution 2008-13, which increased the fuel flat rate from \$1.50 per gallon to \$2.50 per gallon and adjusted the rates to reflect the fuel costs.
- At the February 2, 2011 Council Meeting, Mike Hubbard presented the 2011 Rate Study to Council. At this Council Meeting, Council approved Staff's recommendation to postpone electrical rate adjustments until several months of sales data could be collected from the New Powerhouse production.
- At the May 23, 2011 Council Meeting, Council approved Resolution 2011-09, which changed the COPA calculations such that all fuel and purchased power costs would be recovered through COPA.

BACKGROUND: Every three years, City of Unalaska Staff reviews the rates of the Electric Utility to determine whether existing rates: 1) will provide adequate revenues, and 2) result in inter-class subsidies where one or more rate classes are paying “more than their fair share.” The last review was completed in May 2011, shortly after the new Powerhouse was placed into operation. The 2011 analysis found and recommended:

- With the completion of the new powerhouse, total costs of the Electric Department would increase.
- Much of the cost increases were attributable to the fixed costs of the new powerhouse (interest and depreciation). Fixed system costs not only increases but became a much larger amount as a percentage of total costs.
- Even with the higher costs, rate impacts were less than one percent due to higher anticipated sales, greater generating efficiency, and elimination of high-cost purchases.
- Residential and Industrial rates were set less than cost of service, consistent with previous studies.
- Customer and demand charges were set too low, but large structural changes in rates were not recommended due to the uncertainty of new loads.
- The base energy rates was modified so that all fuel and purchased power costs would be collected from the Cost of Power Adjustment (“COPA”) in lieu of including part in the base rates.

With the passage of nearly three years and the increase in sales experienced during that time, the City believed it prudent to review rates. In July 2014, staff hired the Financial Engineering Company to conduct the rate study and on November 14, 2014, Mr. Hubbard of the Financial Engineering Company submitted a final draft report for the rate study. This report summarizes the analysis conducted, findings, and recommendations of the Financial Engineering Company in its review.

DISCUSSION: The Rate Study Analysis was conducted based on the following goals and considerations.

- Rates should provide sufficient revenues to meet current revenue requirements and those projected over the next three years.
- Rates should also provide cash flows sufficient to meet debt covenants and on-going capital expenditures.
- Capital improvements over the next five years should be considered so that large rate increases are minimized.
- Rates should be fair and equitable and take into account allocation of costs to each rate class.
- Customer and demand charges should be reviewed for fairness and adequacy.

Key to the analysis is the assumed sales, especially to the Industrial class. Total system sales have increased significantly since FY10, although the increase was not as large in FY13. Industrial energy usage during the first four months in FY 2014 has increased by 2.2 – 3.7 million kilowatt-

hours over the same period in the past three years but future sales increase to the industrial class is uncertain.

Annual operating expenses are developed based on the current budget (FY 2014) and assumptions for future inflationary increases. Capital expenditures are based on the FY 2014 – 2018 capital budget plus assumed amounts for smaller, on-going capital expenditures. Based on the assumed sales and revenue requirements, costs are allocated to each rate class based on the National Association of Regulatory Utility Commissioners for electric utilities. This ensures that the allocation process is performed in a fair and equitable manner.

Table 1 below shows the revenue requirements allocated to each customer class and revenue requirements of each rate class. Residential, Small General Service, and Industrial rates are set relatively close to cost of service whereas Large General Service is high and Street Lights low. However, it is noted that revenue requirements in the table include:

- A net income or margin of \$200,000.
- Production expenses based on the FY 2014 budget for repairs/maintenance and supplies whereas FY 2015 is expected to be less.

Table 1
Allocations of Revenue Requirements

	Total	Residential	Small Gen Svc	Large Gen Svc	Industrial	Street Lights
Cost Allocation						
Energy	\$ 1,246,027	\$ 111,083	\$ 106,993	\$ 197,418	\$ 826,518	\$ 4,016
Demand	6,427,723	511,380	570,919	892,371	4,423,585	29,468
Customer	726,857	474,736	197,014	28,019	18,979	8,109
Direct	(22,419)	857	(2,788)	(3,562)	(16,792)	(133)
Total	<u>\$ 8,378,189</u>	<u>\$ 1,098,054</u>	<u>\$ 872,138</u>	<u>\$ 1,114,245</u>	<u>\$ 5,252,290</u>	<u>\$ 41,461</u>
Revenues from Existing Rates						
Customer		\$ 66,960	\$ 21,280	\$ 24,700	\$ 20,500	\$ 1,560
Energy		950,481	803,963	1,255,985	4,348,467	30,179
FCA						
Demand		-	-	128,189	709,361	-
Total	<u>\$ 8,361,624</u>	<u>\$ 1,017,441</u>	<u>\$ 825,243</u>	<u>\$ 1,408,873</u>	<u>\$ 5,078,328</u>	<u>\$ 31,739</u>
Surplus (Deficiency)	\$ (16,565)	\$ (80,614)	\$ (46,895)	\$ 294,628	\$ (173,962)	\$ (9,722)
Percent	-0.2%	-7.9%	-5.7%	20.9%	-3.4%	-30.6%

Alternative growth scenarios were also tested in Mr. Hubbard's report and are summarized below in Table 2. It is important to note that, since the revenue requirements include a \$200,000 margin, it is only at a growth scenario of slightly less than 2,000,000 kilowatt-hours or less would net operating margins be negative.

Table 2
Alternative Growth Scenarios

Industrial Growth (kWh)	Revenues Above (Below) Requirements	Percent
4,000,000	150,751	1.8%
3,000,000	(16,565)	-0.2%
2,000,000	(183,881)	-2.2%
1,000,000	(351,197)	-4.4%
-	(518,513)	-6.6%

Approximately 3.5 million kilowatt-hours of additional Industrial sales are required to have a positive net margin and 4.7 million kilowatt-hours for a full \$200,000 margin.

At this time, rate adjustments do not appear warranted for FY 2015 revenue requirements but adequacy of rates are questionable in later years once the fourth unit and other capital additions are placed into service. Table 3 below summarizes the adequacy of rates through FY 2017 based on no additional load growth and no grants for the fourth unit.

Table 3
Adequacy of Existing rates in Future

	FY 2015	FY 2016	FY 2017
Revenues	\$ 8,361,624	\$ 8,361,624	\$ 8,361,624
Less Expenses			
Power Production	2,114,948	2,167,822	2,222,017
Line Repair/Maintenance	1,255,660	1,287,051	1,319,228
Vehicles	57,931	59,379	60,864
Facilities	83,572	85,662	87,803
Administrative	1,209,812	1,240,057	1,271,058
Depreciation	2,073,887	2,403,219	2,426,742
Interest on Long-Term Debt	1,445,692	1,674,377	1,620,998
Other Revenues	(63,311)	(63,311)	(63,311)
Subtotal	8,178,190	8,854,255	8,945,400
Net Income	\$ 183,434	\$ (492,631)	\$ (583,776)
Cash Flow			
Net Income	\$ 183,434	\$ (492,631)	\$ (583,776)
Plus:			
Depreciation	2,073,887	2,403,219	2,426,742
Interest	1,445,692	1,674,377	1,620,998
Cash Flow Before Debt Service	\$ 3,703,012	\$ 3,584,964	\$ 3,463,965
Debt Service			
Interest	1,445,692	1,674,377	1,620,998
Principal	910,000	1,061,152	1,118,530
Net Cash Flow Before Capital Additions	\$ 1,347,320	\$ 849,436	\$ 724,437
DSC	1.57	1.31	1.26

The projections summarized in the preceding table show that, without additional load growth, net operating losses are expected to occur in FY2016 and carry over in FY2017. Also, the Debt Service Coverage Ratio (DSC), which provides an indication of an entity's ability to cover its cash requirements, shows a significant decreases between 2015 and 2017. The City must maintain a minimum DSC of 1.25. Due to the outcome of these projections, it's vital that the rates be reexamined in the last half of FY2015.

ALTERNATIVES: Staff agrees with Mr. Hubbard's recommendation of maintaining the existing electrical rates through FY2015 and revisiting the rates at the end of FY2015. However, staff is more than willing to examine Council's recommendations in this matter.

FINANCIAL IMPLICATIONS: Rates must be set such that the DSC is expected to be at least 1.25 where net revenues on a cash basis are 1.25 times annual debt service. Table 4 below summarizes the annual debt service of the Electric Utility's debt. Table 4 also summarizes the principal and interest payments required on the existing debt and that assumed for the debt associated with the fourth unit. The DSC shown in the table represents the net margins required excluding depreciation, interest on debt, and any payments in lieu of taxes.

Table 4
Annual Debt Service

Existing Debt			Fourth Engine		Total			1.25 x DSC
Principal	Interest		Principal	Interest	Principal	Interest	Total	
<i>No Grants for Fourth Unit</i>								
2014	\$ 870,000	\$ 1,479,192			\$ 870,000	\$ 1,479,192	\$ 2,349,192	\$ 2,936,490
2015	910,000	1,445,692			910,000	1,445,692	2,355,692	2,944,615
2016	940,000	1,406,167	121,152	268,210	1,061,152	1,674,377	2,735,528	3,419,411
2017	990,000	1,360,167	128,530	260,831	1,118,530	1,620,998	2,739,528	3,424,411
<i>With \$2 million Grant for Fourth Unit</i>								
2014	\$ 870,000	\$ 1,479,192			\$ 870,000	\$ 1,479,192	\$ 2,349,192	\$ 2,936,490
2015	910,000	1,445,692			910,000	1,445,692	2,355,692	2,944,615
2016	940,000	1,406,167	67,307	149,005	1,007,307	1,555,172	2,562,479	3,203,099
2017	990,000	1,360,167	71,406	144,906	1,061,406	1,505,073	2,566,479	3,208,099

LEGAL: The City Manager will determine whether a legal opinion is required.

STAFF RECOMMENDATION: Staff recommends maintaining rates at the present levels and reexamining the revenue requirements and sales during the last half of FY2015, to determine if the rates are keeping up with expenditures.

PROPOSED MOTION: None.

CITY MANAGER'S COMMENTS:

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2014-14

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE
COUNCIL'S GOALS FOR THE FY15 BUDGET

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

WHEREAS, the City Council has discussed and selected the attached set of budget goals for FY15; and

WHEREAS, management will utilize the adopted goals as guidelines when developing the FY15 budget;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council adopts the attached goals as a guideline for developing the FY15 budget.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY UNALASKA THIS 25TH DAY OF FEBRUARY 2014.

MAYOR

ATTEST:

CITY CLERK

City Council Goals for the FY15 Budget Year

Personnel Goals

The number of full-time equivalent (FTE) employees will increase by 1. If revenue declines, consideration will be given to a reduction in work force. The number of employee positions approved by Council is 149 full-time and 33 part-time positions (9.96 FTE) resulting in a total FTE of 158.96.

Note: The FTE has decreased .78 from FY14 due to removing the Wastewater Operator III position and the two Temporary Installation Maintenance Worker positions are removed and replaced with one full time Installation Maintenance Worker. There are 149 full time positions and 33 part time positions budgeted for FY15- for a total of 182 employees.

General Fund Surplus Deficit

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

Enterprise Self Funding

Staff will continue to seek ways to balance budgets in the following enterprise funds: Electric, Water, Wastewater and Ports.

Operating Expenses

The City Manager's proposed FY15 budget shall not increase more than 3% in non-personnel expenditures

The total amount available to fund the Community Support Program grants will continue to follow the formula of 3.4642 percent of the five-year average revenue for the General Fund and Bed Tax Fund for the most recent complete years for a total of \$1,093,775.68. (Revenues do not include Other Financing Sources. The most complete years are FY09 through FY13.)

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

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

Capital

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

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

Vehicle and heavy equipment fleet will be reduced where appropriate without significantly impacting services provided to the public.

Revenues

Enterprise Fund rate studies will be completed every three years and presented to Council.

Yearly revenue projections will be conducted five years out, utilizing the model prepared by Northern Economics.

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

Debt Service

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

The City may incur debt for one or more of the three major capital projects: Landfill and Water projects.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: CHRIS HLADICK, CITY MANAGER
DATE: FEBRUARY 25, 2014
RE: BUDGET GOALS FOR FY15

SUMMARY: This memo outlines my recommendations for FY15 Budget Goals. There are a couple of changes from last year in personnel and future planning. Once again I am a bit behind schedule, but with the help of Patricia Soule, the new Finance Director, we will get back up to speed. The Directors have submitted their budgets with the idea that non-personnel increases are limited to 3% unless they show proper justification. This memo will also outline some initiatives that I recommend for the coming year.

PREVIOUS COUNCIL ACTION: The City Council has reviewed budget goals at the beginning of each budget cycle since about 2002.

BACKGROUND: The outside influences on our finances can be summed up in three letters: EPA. The Leachate Tank project is complete and the Wastewater Treatment Plant project is well underway. Bids for the new Water Treatment Facility required by EPA will be opened on March 13, 2014. As everyone is aware, Shell has been delayed once again by decisions made by the 9th Circuit Court of Appeals. Whether they continue plans for drilling in 2015 is dependent on their permits and some sort of certainty that the permits can survive a legal challenge.

DISCUSSION: The City Council Goals for the FY15 Budget Year are attached. There is one position being added in Building Maintenance. In the process, two temporary installation worker positions will be deleted. Over time, we continue to add work for the building maintenance crew so this is a natural progression. The Facilities Maintenance Division is also requesting an additional vehicle in this year's budget.

Community Support: We have updated the amount of money available for Community Support under Operating Expenses to reflect the formula we have been using for many years.

Debt Service: As Council knows, we will be incurring debt for the Wastewater Treatment Plant Construction Project. And we will also incur debt for the Landfill Expansion Project.

Arctic Issues: We have been given a reprieve since Shell has delayed drilling for another year. This gives us time to prepare for possible impacts. I suspect the biggest impacts may be to utilities if exploration continues.

Website and Branding: The new Website is up and running. The next phase of this project is to look into branding for the City. I will plan a council workshop on this issue in conjunction with our response to the Arctic Port Study that will hit the streets prior to this coming fiscal year. What does the city council want to promote about this community to possible new industry or other partners? The City of Petersburg completed a Branding Study for \$60K several years ago.

Planning: The Planning Department requested and the City received notification that assistance would be provided to the City from the American Planning Association. We basically asked for help and guidance in preparing for possible oil exploration impacts. A team of planners from the American Planning Association has had a hard time scheduling the right people at the right time to come to Unalaska. They will come to Unalaska to put on a series of public meetings and conduct interviews, in a short amount of time, to address land use needs and help identify other possible issues associated with the impacts of oil exploration. At this time they are scheduled for late May 2014. Their final report would be provided a month or so after that, which the Planning Department will use to strengthen the Land Use Plan portion of the City's Comprehensive Plan.

Cargo over the Pole: A representative of Tschudi Shipping Company will be here the first part of March to see what Unalaska has to offer and meet with seafood processors. Tschudi Shipping is an established company from Kirkenes Norway that is trying to determine what goods could be shipped back across the pole. They are currently the furthest northern port in Norway and they have been successful shipping bulk products over the pole, but not containerized cargo.

Captains Bay Road: The Public Works Department has specifications that are used on every project. This document has not been updated in some time. We expect road improvements and utility extensions will be required down Captains Bay road if oil exploration continues. This would entail engineering time to update our package of specifications and then detail some conceptual drawings. This effort will not be wasted since the specifications can be used in every contract and utilities will be expanded down Captains Bay road someday with or without oil exploration. This effort could cost up to \$50,000 in the coming year.

City Housing: The lack of housing in Unalaska is well documented. Currently, the Planning Department is working on possible solutions for city employee housing to include possibly guaranteeing leases if housing is built by private enterprise on city property. Private enterprise would own the building and maintain it, lease only to city employees. Planning is also working on an inventory of buildable land, a survey of city employee's housing needs, Title 8 changes and the prospect of putting on a housing forum to talk with funders, HUD, AHFC, and other on how we can address housing needs in the community.

LNG: As you know, we have been working with a company called WesPac concerning conversion of our community to LNG. We are under a confidentiality agreement with them so I will not get into the details. I believe we will need to spend some money on further investigations of LNG this coming year. I am working on a plan and will also come up with a dollar figure when the plan is completed.

ALTERNATIVES: Various alternatives exist, some of which I have not thought of at this point.

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

LEGAL: None.

STAFF RECOMMENDATION: Approve the attached Resolution.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2014-24

A RESOLUTION OF THE UNALASKA CITY COUNCIL SUPPORTING THE STATE OF ALASKA DEPARTMENT OF PUBLIC SAFETY CONTINUING TO HOME-PORT THE ENFORCEMENT PATROL VESSEL *STIMSON* IN THE CITY OF UNALASKA, PORT OF DUTCH HARBOR.

WHEREAS, The State of Alaska purchased the 154' PV *Stimson* in late 1998 and converted the former Bering Sea crab vessel during 1999; and

WHEREAS, the City of Unalaska worked in concert with the Department of Public Safety to ensure funding was obtained to purchase and retrofit the vessel; and

WHEREAS, the PV *Stimson* was home-ported in the City of Unalaska, Port of Dutch Harbor after the vessel's conversion was completed in late 1999; and

WHEREAS, the primary function of the PV *Stimson* is the enforcement of the State of Alaska commercial fisheries in the Bering Sea, Aleutian Islands, and Bristol Bay area; and

WHEREAS, the State of Alaska Department of Public Safety expressed the need for a vessel of the size and stability of the PV *Stimson* not just for enforcement purposes, but also to perform year-round search and rescue missions in the Bering Sea, Aleutian Islands, and Bristol Bay areas; and

WHEREAS, due to its size and stability, the PV *Stimson* is ideally suited to the weather conditions in the Bering Sea/Aleutian Islands, which are known for their unpredictable weather extremes, where 30 to 50 foot seas and winds of 50 to 100 knots are not uncommon; and

WHEREAS, it is logical to home-port the PV *Stimson* in the City of Unalaska, Port of Dutch Harbor due to its central location near the Bering Sea/Aleutian Islands fishing grounds; and

WHEREAS, the Port of Dutch Harbor is the nation's number one commercial fishing port; and

WHEREAS, the City of Unalaska, Port of Dutch Harbor supports fishing and processing operations that provide markets and support services for hundreds of vessels that fish the Bering Sea; and

WHEREAS, the revenue generated from the fisheries of the Bering Sea provide millions of dollars to the State of Alaska from fisheries and marine fuel taxes; and

WHEREAS, any relocation of the PV *Stimson* to another Port in the Gulf of Alaska will do major harm to the mission of the PV *Stimson* which is to provide fisheries enforcement and search and rescue services in the Bering Sea, Aleutian Islands, and Bristol Bay area; and

WHEREAS, relocating in another community in the Gulf of Alaska would require two to three days' running time in good weather for the PV *Stimson* to respond to an emergency call or rescue mission in Bering Sea area were she not on patrol at that time; and

WHEREAS, response time to emergency calls or rescue missions to most areas from Unalaska/Port of Dutch Harbor is within twenty-four hours; and

WHEREAS, the City of Unalaska has built mooring facilities at its Unalaska Marine Center dock, which were designed and constructed to accommodate the specific needs of the PV *Stimson*; and

WHEREAS, the relocation of the PV *Stimson* to another Port in the Gulf of Alaska at which an enforcement vessel is already home-ported is unacceptable to the City of Unalaska and to the hundreds of vessels that fish the Bering Sea/Aleutian Islands;

NOW, THEREFORE, BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL formally opposes any relocation of the PV *Stimson* to another homeport in the Gulf of Alaska, which would impact the stated mission of the PV *Stimson* to provide fisheries enforcement and search and rescue to the Bering Sea/Aleutian Islands and Bristol Bay areas.

BE IT FURTHER RESOLVED THAT THE UNALASKA CITY COUNCIL respectfully asks Governor Parnell and the Commissioner of Public Safety, on our behalf, to look into this matter, which is of the utmost importance to the City of Unalaska and the Port of Dutch Harbor.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 25TH DAY OF FEBRUARY 2014.

MAYOR

ATTEST:

CITY CLERK

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2014-26

A RESOLUTION OF THE UNALASKA CITY COUNCIL REQUESTING THAT THE ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES REMOVE THE TORPEDO BOMBSIGHT AND UTILITY SHOP (TORPEDO BUILDING) ON PROPERTY LOCATED AT TOM MADSEN AIRPORT IN UNALASKA

WHEREAS, the State of Alaska owns the Torpedo Building located at Tom Madsen Airport in Unalaska; and

WHEREAS, the City of Unalaska leases property adjacent to the Torpedo Building for use as long-term airport parking; and

WHEREAS, the City Council has been working to remove this structure since 2001, and members of the public have requested that the structure be removed; and

WHEREAS, the instability and degradation of the structure have been well-documented over the years as windblown debris has impacted surrounding property and threatened runway, vehicular, and pedestrian traffic; and

WHEREAS, the current practice of demolition by neglect has created a threat to life, health, and public safety; and

WHEREAS, on February 7, 2014, a wind storm threw 16-foot two-by-six lumber from the structure approximately 150 feet through the air causing severe damage to vehicles parked in the leased lot; and

WHEREAS, the storm of February 7, 2014 resulted in wind speeds of 84 miles per hour which is considered medium strength, and more powerful storms are expected before summer; and

WHEREAS, the City's long-term parking lot has been closed until the State of Alaska can ensure that members of the public and their vehicles will be safe while using the parking area next to the Torpedo Building;

NOW, THEREFORE, BE IT RESOLVED that the Unalaska City Council requests that the State of Alaska remove the Torpedo Building, thereby mitigating a public danger and allowing for adjacent uses by the Tom Madsen Airport.

PASSED AND APPROVED AS A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 25th DAY OF FEBRUARY 2014.

MAYOR

ATTEST:

CITY CLERK

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2014-27

A RESOLUTION OF THE UNALASKA CITY COUNCIL CONFIRMING THE
MAYOR'S RE-APPOINTMENT OF STEVEN GREGORY TO THE UNALASKA
PLANNING COMMISSION / PLATTING BOARD

WHEREAS, Unalaska City Code Section 2.60.040 states that each member of a board or commission shall be appointed by the Mayor subject to approval of the City Council; and

WHEREAS, Mayor Marquardt has considered the application of a member of the public to the Unalaska Planning Commission / Platting Board and has submitted the name to the City Council for approval;

NOW THEREFORE BE IT RESOLVED that the following Mayor's re-appointment to the Unalaska Planning Commission/Platting Board is confirmed:

MEMBER

EXPIRING

STEVEN GREGORY

FEBRUARY 2017

PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE
UNALASKA CITY COUNCIL THIS 25TH DAY OF FEBRUARY 2014.

MAYOR

ATTEST:

CITY CLERK

BOARD APPLICATION

NAME OF BOARD APPLYING FOR:

Planning Commission

Date: 2/20/14 Note: Application expires one year from date received.

NAME:

Steven Gregory

ADDRESS:

PHONE: Daytime: 581-1222 Evening: 581-3010

OCCUPATION: Teacher

EMPLOYER:

Unalaska School District

PREVIOUS BOARD/COMMITTEE EXPERIENCE:

P+2 past 4 years

(Attached pages additional if necessary)

Check the main reason(s) for your interest:

- ☒ I am a returning board or commission member whose term recently expired.
☐ I have expertise I want to contribute.
☐ I am interested in the activities the Board/Commission handles.
☐ I want to participate in local government.
☐ I want to make sure my segment of the community is represented.
☐ Other _____

Please explain in greater detail those you have checked:

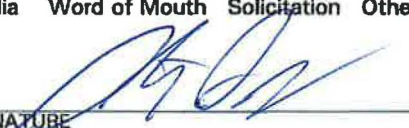
It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (circle one): Media Word of Mouth Solicitation Other _____

DATE

2/20/14

SIGNATURE



THANK YOU FOR YOUR INTEREST IN SERVING ON A CITY BOARD OR COMMISSION

PLEASE RETURN COMPLETED FORM TO
CITY CLERK, CITY OF UNALASKA, PO BOX 810, UNALASKA, AK 99685
OR DROP IT OFF AT CITY HALL

**CITY OF UNALASKA
UNALASKA, ALASKA**

RESOLUTION 2014-23

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING A TIDELAND LEASE AGREEMENT FOR A TERM OF 30-YEARS BETWEEN THE CITY OF UNALASKA AND OFFSHORE SYSTEMS, INC. FOR UNALASKA TIDELAND SURVEY 103 TRACT A-1

WHEREAS, the City of Unalaska is the owner of Unalaska Tideland Survey (UTS) 103 Tract A-1; and

WHEREAS, Offshore Systems, Inc., desires to lease UTS 103 Tract A-1, for a 30-year period to construct a marine facility; and

WHEREAS, a new marine facility is consistent with Unalaska Comprehensive Plan by helping to strengthen and diversify the local economy; and

WHEREAS, the lease application has been processed in accordance with City Manager Regulations for Tidelands Leasing, License, Exchange or Sale; and

WHEREAS, Section 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 30-year lease is of benefit to the city as it promotes long term investment in Unalaska's tidelands, allows for an existing business to expand its practices;

NOW THEREFORE BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL approves a tideland lease between the City of Unalaska and Offshore Systems, Inc. for UTS 103 Tract A-1 for with the lease rate amount as negotiated by the City Manager in accordance with the City Manager Regulations for Tideland Leasing, License, Exchange or Sale.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 25TH DAY OF FEBRUARY 2014.

MAYOR

ATTEST:

CITY CLERK

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: CHRIS HLADICK, CITY MANAGER
FROM: ERIN REINDERS, DIRECTOR OF PLANNING
DATE: FEBRUARY 21, 2014
RE: TIDELAND LEASE AGREEMENT FOR UTS 103 TRACT A-1 (RESOLUTION 2014-23)

SUMMARY: A tidelands lease agreement between City of Unalaska and Offshore Systems, Inc. (OSI) has been drafted and is being processed in accordance with City Code and Tideland Regulations. City Council approval is required for these agreements because the term is greater than 5 years. Staff recommends approval of Resolution 2014-23.

PREVIOUS COUNCIL ACTION: The City Manager Regulations for Tidelands were endorsed by the City Council on April 24, 2012.

BACKGROUND: OSI has submitted an application to lease UTS 103 Tract A-1, a 4.18 acre tideland, in order to add fill and construct a marine facility. Their plan for the proposed facility currently includes a 600-foot sheet pile dock and warehouse. As discussed last month, this facility goes beyond the limits of Tract A-1 and separate tideland lease agreement for this area will be drafted if acquired from the State. The proposed uses are constant with zoning district requirements identified in Title 8.

DISCUSSION: A tideland lease agreement between the City of Unalaska and OSI has been drafted for UTS 103 Tract A- 1, consisting of 4.18 acres, in accordance with the Title 7 and Regulations for Tidelands Leasing, License, Exchange or Sale.

The area to be leased has been platted in full accordance with Title 8 and recorded with the State Recorder's Office as Plat Number 2013-39. The property has been appraised and annual lease rate of \$9,104 has been determined. The requested 30-year term allows for an existing business to expand their current operations within our community by developing a new deep draft marine facility adjacent to their existing barge dock facility. Such expansion is consistent with the community's Comprehensive Plan in that it helps to strengthen and diversity the local economy by providing land for development of business and industries.

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 Tideland Regulations, a lease bond based on 5% of the estimated value of the proposed improvements will need to be provided to the city prior to the signing the agreement.

OSI has indicated that that they are in the process of obtaining the required state and federal permits. Documentation of these applications shall be provided to the City prior to signing the agreement, as described in the Tideland Regulations. Additionally, building permit 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 Tidelands Regulations explain that the owner of the uplands adjacent to the tidelands have a first preference to lease the tidelands. To exercise this preference, the upland owner must file development plans supported by Title 8 of the Unalaska City Code of Ordinances and City of Unalaska's Comprehensive Plan. A notice regarding the tideland lease application was sent out in cooperation with the Bureau of Indian Affairs to the upland owners because the upland is a Native Allotment. Although the Planning Department was contacted by an upland owner who initially had concerns about the impact of this lease on the existing or any future use of the upland itself, no development plan was submitted by the upland owners in response to the notice.

ALTERNATIVES: If the City Council finds that it is in the best interest of the City to reject Resolution 2014-23 as is, they may disapprove or modify the agreement.

FINANCIAL IMPLICATIONS: The annual rent has been set for \$9,104 annually, which is 10% of the appraised value of the tideland, resulting in \$273,120 over 30 years. However, these figures do not account for tax revenue or incremental rate increases. As described in lease agreement, the incremental rate increases will be based on appraisal of the lease property only, and will not include improvements that the lease holder has constructed themselves.

LEGAL: The form of the lease was reviewed by the City Attorney.

STAFF RECOMMENDATION: Staff recommends approval of Resolution 2014-23.

CITY MANAGER COMMENTS: I recommend moving forward the finalizing the tidelands lease agreement as currently written.

CITY OF UNALASKA
TIDELAND LEASE AGREEMENT
UTS 103, Tract A-1
FOR CITY OWNED TIDELANDS

This Lease Agreement is made and entered into this _____ day of _____, 2014, between the City of Unalaska, a first-class Alaska municipal corporation ("Lessor"), whose address is P.O. Box 610, Unalaska, Alaska 99685, Offshore Systems, Inc. ("Lessee"), whose address is 12019 76th Place NE, Kirland, WA 98034. This Lease Agreement supersedes all other existing Lease Agreements between these parties, or related parties, for the property described in the following section.

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, shown in a Tideland Plat signed by Registered Professional Land Surveyor in the State of Alaska, comprised of 4.18 Acres, more or less, and are described as follows:

Tract A-1 of the Unalaska Tideland Survey 103 according to the official survey and recorded thereof included as Exhibit A, Plat Number 2013-39, Aleutian Islands Recording District, Third Judicial District, State of Alaska.

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. All reservations contained in the City's Patent No. 375 of ATS 1452
- C. The rights of the public to access tidelands under the Alaska Constitution.
- D. The rights of the public to access tidelands under the Public Trust Doctrine.

1. Term. The term of this Lease shall be for a period of 30 years commencing on the _____ day of _____, 20____ and ending on the _____ day of _____, 20____.

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 _____ of the first month of the period of said rental term at the rate of Nine Thousand One Hundred and Four (\$9,104.00) for the 4.18 Acre Parcel for the first year, such annual rental payments to be subject to adjustment in accordance with Paragraph 3 of this Agreement.

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.

The cost of the initial appraisal used to calculate this lease rate was \$4,321, originally paid for by the City and to be split equally between the City and the Lessee. The Lessee shall pay the Lessor the following reimbursement for the Initial Appraisal of the Parcel: on or before the _____ day of the first month of the period of said rental term at the rate of Two Thousand One Hundred Sixty dollars and Fifty cents (\$2,160.50).

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 proposed as part of the lease application 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, Inc.
12019 76th Place NE

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 non-waivable 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.

CITY OF UNALASKA

OFFSHORE SYSTEMS, INC.

Chris Hladick
City Manager

Jeff Savage
General Manager

STATE OF ALASKA)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by Jeff Savage, General Manager of OFFSHORE SYSTEMS, INC. of Kirland, WA on behalf of the corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public, State of Alaska
My Commission expires _____

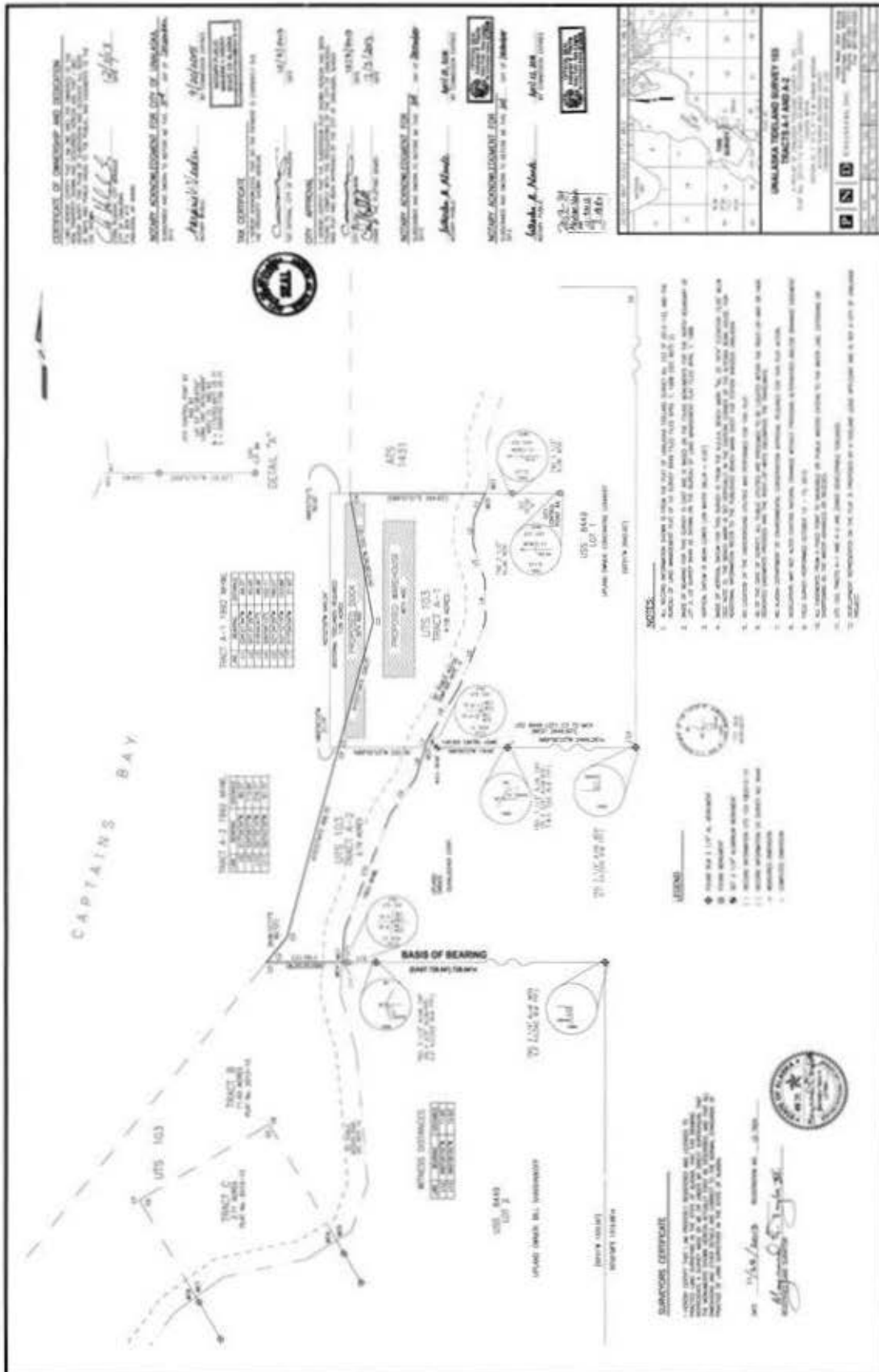
STATE OF ALASKA)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged before me this _____ day of _____ 20_____, by Chris Hladick, City Manager for the City of Unalaska, a First Class Alaska Municipal Corporation, on behalf of the City of Unalaska.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public, State of Alaska
My Commission expires _____

Exhibit A:
Plat 2013-39



AFTER RECORDATION, PLEASE RETURN TO:

**City of Unalaska
Planning Department
PO Box 610
Unalaska, AK 99685**

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2014-05

CREATING BUDGET AMENDMENT NO. 8 TO THE FY14 OPERATING BUDGET TO ADD A \$3,000,000 ADEC GRANT TO THE CONSTRUCTION LINE ITEM BUDGET FOR THE WATER TREATMENT IMPROVEMENT PROJECT #WA905.

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section Classification: This is a non-code ordinance.
Section Effective Date: This ordinance becomes effective upon adoption.
Section Content: The City of Unalaska FY14 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
B. The following are the changes by account line item:

Amendment No. 8 to Ordinance #2013-09

		<u>Current</u>	<u>Requested</u>	<u>Revised</u>
II. CAPITAL BUDGET				
A. Enterprise Fund - Projects - Water Revenues				
ADEC Grant #87932	WA905	6,000,000		6,000,000
Projects				
Construction Services	WA905	3,000,000	3,000,000	6,000,000

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL
THIS _____ DAY OF MARCH 2014.

MAYOR

ATTEST:

CITY CLERK

**Summary of Budget Amendment
and Schedule of Proposed Accounts**

- 1) **Water** - This request is for the placement of the \$3,000,000 grant from ADEC for the Water Treatment Improvement Project, WA905, construction line item.

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<u>1) Capital Projects - Enterprise Fund - Water</u>						
Sources:						
Misc State Oper Grants	5100641	42299	WA905	6,000,000		6,000,000
Uses:						
Construction	5100653	54500	WA905	3,000,000	3,000,000	6,000,000

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: CHRIS HLADICK, CITY MANAGER
FROM: DAN WINTERS, DIRECTOR OF PUBLIC UTILITIES
DATE: FEBRUARY 25, 2014
RE: ORDINANCE NO. 2014-05, A BUDGET AMENDMENT FOR THE WATER TREATMENT FACILITY IMPROVEMENTS, WA905, BUDGETING AN ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION GRANT IN THE AMOUNT OF \$3,000,000.

SUMMARY: Through Ordinance 2014-05, staff is requesting the placement of \$3,000,000 grant obtained from the Alaska Department of Environmental Conservation, into the Water Treatment Improvement Project, WA905 construction line item. The available budget in the construction line item is \$9,835,780. The estimated construction cost is \$12,553,000 and the total cost of the project is estimated to be approximately \$15,663,714. Placing this \$3,000,000 grant into the projects construction line item will create a construction line item balance of \$12,835,780.

PREVIOUS COUNCIL ACTION: Council has acted on the New Water Treatment Plant Project a number of times:

- Council approved the FY2008 Capital Budget via Ordinance 2007-05, adopted on June 12, 2007, which provided \$200,000 for Phase I of this project?
- Council approved the FY2009 Capital Budget via Ordinance 2008-08, adopted on May 27, 2008, which provided \$550,000 for Phase II – Design.
- Council passed Resolution No. 2009-42, a Resolution of the Unalaska City Council identifying the Water Treatment Plant – LT2 Rule – Phase III Construction Project as the highest priority project for funding from the State of Alaska for the State Fiscal Year 2011, on July 28, 2009.
- During the October 13, 2009 council meeting, Council chose to combine aspects of Alternatives 1 & 2 from the preliminary design for the future design of the Water Plant upgrades.

- On April 20, 2010, Council approved the award of the design of the Water Treatment Plant – LT2 Upgrades to Larsen Consulting Group.
- On May 25, 2010, Council passed Resolution No. 2010-38, a Resolution of the Unalaska City Council identifying the Water Treatment Plant – LT2 Rule – Phase III Construction Project as the highest priority project for funding from the State of Alaska for the State Fiscal Year 2012.
- On December 13, 2011, Council approved Resolution 2011-12 which accepted a \$716,800 grant from the U.S. Environmental Protection Agency for the construction of a new Water Treatment Plant.
- On December 27, 2011, Council approved Resolution 2011-66 which accepted a 3,000,000 grant from the Alaska Department of Environmental Conservation for the construction of a new Water Treatment Plant for the State Fiscal Year 2012.
- At the December 27, 2011 Council Meeting, Council approve Resolution 2011-66, a Resolution accepting a \$3,000,000 grant from ADEC for the construction of New Water Treatment Plant.
- At the October 8, 2014 Council Meeting, Council approved Resolution 2013-68, a Resolution accepting a second \$3,000,000 grant from ADEC for the construction of the New Water Plant.

BACKGROUND: The US EPA's Long Term 2 Enhanced Surface Water Treatment Rule (LT2 Rule) requires all unfiltered drinking water systems be capable of a minimum of 2-log removal of Cryptosporidium. The results of the Water Utility's Cryptosporidium analysis confirmed the 2-log removal of Cryptosporidium requirement as the minimum. In an unfiltered drinking water system such as the City's, two different disinfection methods are necessary to meet the requirement. Although chlorine is currently used for disinfection, an additional form of disinfection is required. The upgrades consist of installation of UV disinfection, correcting electrical and chlorine safety issues, and upgrading the single phase main electrical line to the Water Plant, to a three phase electrical line.

Full EPA compliance was due by October 1, 2014; however, the City was granted an extension to through a compliance order by consent to complete the project by December 31, 2015. The City of Unalaska contracted with Larsen Consulting Group for the final design of the upgrades to the Pyramid Water Treatment Plant. Larsen submitted final plans on December 2, 2013.

On December 6, 2013, the City went out to bid for the construction of the New Water Plant. The original bid opening date was on January 16, 2014 but due to numerous questions and plan clarification, the bid date was moved to March 13, 2014.

DISCUSSION: When the 35% design was completed for this project, staff began looking for grant and loan opportunities to fund construction in FY2013. To date, the City has received \$6,716,800 in grants for this project.

The subject ADEC grant amended the State Fiscal Year 2012 ADEC Municipal Matching Grant by adding \$3,000,000. The EPA grant which Council accepted at the December 13, 2011 Council Meeting may be used as matching funds for this grant, and vice versa.

The total cost of this project is estimated to be approximately \$15,663,714, which includes \$810,714 for design, \$12,553,000 for construction, \$100,000 for permitting, \$1,250,000 for contingency, and \$950,000 for Construction Engineer Inspection, as is shown in Table 1 below.

The table below also shows the current funding of \$15,663,714 for this project. If construction bids are higher than estimated, the City still has the option of using the ADEC loan in the amount of \$5,000,000. Staff is reluctant to use the loan funds unless absolutely necessary.

Table 1
WA905 Project Cost and Funding Needs

Project Costs:

Design	\$810,714	
Construction	\$12,553,000	
Permitting	\$100,000	
Contingency (10%)	\$1,250,000	
CEI (10%)	\$950,000	
TOTAL COST		\$15,663,714

Current Funding:

2011 EPA Grant	\$716,800	
2012/2014 Legislative Grant	\$6,000,000	
GF Designation	\$4,260,710	
Enterprise Transfer	\$4,686,281	
TOTAL REVENUE		\$15,663,791
TOTAL PROJECT NEED AS OF 02/18/14:		-\$77

ALTERNATIVES: Staff has exhausted all granting organizations to fund the new water treatment plant. Another alternative for funding is the ADEC loan program, which has been explored, but receiving these grants has saved us from exercising this option.

FINANCIAL IMPLICATIONS: Council accepted the FY2012 and FY2014 ADEC grants totaling \$6,000,000. Through this Ordinance, Council is approving

placing the FY2014 ADEC grant in the amount of \$3,000,000, into the construction line item, 5100653-54500-WA905, of this project.

Table 2 below, shows the project Original Budget, Spent and Allocated, and Available budget totals after the \$3,000,000 grant has been placed into the construction line item of this project.

Table 2

Water Treatment Plant Upgrades WA905			
Account Description	Original Budget	Spent/Allocated	Available Budget
Legal	\$ 500	\$ 97.50	\$ 402.50
Engineering and Architectural	\$ 1,143,610	\$ 1,128,670.80	\$ 14,939.20
Other Professional	\$ 1,800	\$ 684.20	\$ 1,115.80
Sampling and Testing	\$ 4,800	\$ 4,529.07	\$ 270.93
Survey Services	\$ 4,800	\$ 4,798.00	\$ 2.00
Construction Services	\$ 14,172,781	\$ 1,337,000.78	\$ 12,835,780.22
Telephone/Fax/TV	\$ 1,500	\$ 352.64	\$ 1,147.36
Advertising	\$ 1,500	\$ 1,279.80	\$ 220.20
Permit Fees	\$ 298,500	\$ -	\$ 298,500.00
General Supplies	\$ 30,500	\$ 25,991.16	\$ 4,508.84
Machinery & Equipment	\$ 3,500	\$ 3,370	\$ 130.00
Totals	\$ 15,663,791	\$ 2,506,774	\$ 13,157,017

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LEGAL: The City Manager will determine whether a legal opinion is required.

STAFF RECOMMENDATION: Staff recommends Council approve Ordinance 2014-05.

PROPOSED MOTION: “move to approve Ordinance 2014-05”

CITY MANAGER’S COMMENTS: I recommend approval of this budget amendment.