

**CITY OF UNALASKA  
UNALASKA, ALASKA  
REGULAR MEETING  
MONDAY, NOVEMBER 10, 2014, 6:00 P.M.  
UNALASKA CITY HALL COUNCIL CHAMBERS  
AGENDA**

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CALL TO ORDER  
ROLL CALL  
PLEDGE OF ALLEGIANCE  
RECOGNITION OF VISITORS  
ADDITIONS TO AGENDA  
**MINUTES:** OCTOBER 28, 2014  
FINANCIAL REPORT  
BOARD/COMMISSION REPORTS  
**AWARDS/PRESENTATIONS:** MARK CHISUM – 10 YEARS OF SERVICE  
**MANAGER'S REPORT**  
COMMUNITY INPUT/ANNOUNCEMENTS  
PUBLIC INPUT ON AGENDA ITEMS

**PUBLIC HEARING**

**WORK SESSION**

1. **DISCUSSION:** ORDINANCE 2014-27: CREATING BUDGET AMENDMENT NO. 5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND COUNCIL'S BUDGET FOR THE USACE ARCTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPITAL PROJECT TITLED "2015 PAVING PROJECT"
2. **DISCUSSION:** RESOLUTION 2014-83: MODIFYING THE CITY OF UNALASKA INVESTMENT POLICY APPROVED MARCH 15, 1995, PREVIOUSLY MODIFIED BY RESOLUTIONS 98-40 AND 2000-80.

**RECONVENE TO REGULAR SESSION**

**CONSENT AGENDA**

**UNFINISHED BUSINESS**

**NEW BUSINESS**

1. **RESOLUTION 2014-73:** AUTHORIZING THE CITY MANAGER TO AMEND THE CONTRACT BETWEEN THE CITY OF UNALASKA AND RONALD MOORE
2. **RESOLUTION 2014-82:** ACCEPTING A GRANT FROM THE ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES IN THE AMOUNT OF \$1,757,600 FOR ROBERT STORRS C FLOAT REPLACEMENT
4. **RESOLUTION 2014-83:** MODIFYING THE CITY OF UNALASKA INVESTMENT POLICY APPROVED MARCH 15, 1995, PREVIOUSLY MODIFIED BY RESOLUTIONS 98-40 AND 2000-80.
5. **RESOLUTION 2014-84:** ESTABLISHING THE FY16–FY20 CMMP SPECIAL REVIEW COMMITTEE AND APPOINTING COMMITTEE MEMBERS
5. **ORDINANCE 2014-27 – FIRST READING:** CREATING BUDGET AMENDMENT NO. 5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND COUNCIL'S BUDGET FOR THE USACE ARCTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPITAL PROJECT TITLED "2015 PAVING PROJECT"
6. **MAYOR & COUNCIL TRAVEL:** NORTH PACIFIC FISHERY MANAGEMENT COUNCIL MEETINGS – ANCHORAGE, DECEMBER 8-17, 2014

**COUNCIL DIRECTIVES TO MANAGER**

COMMUNITY INPUT  
ANNOUNCEMENTS  
ADJOURNMENT

**CITY OF UNALASKA  
UNALASKA, ALASKA  
REGULAR MEETING  
OCTOBER 28, 2014**

The regular meeting of the Unalaska City Council was called to order at 6:00 p.m., October 28, 2014, in the Unalaska City Hall Council Chambers. Roll was taken:

<u>PRESENT</u>	Mayor	Shirley Marquardt Alejandro Tungul Yudelka Leclere Tom Enlow Zoya Johnson Roger Roland David Gregory
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**PLEDGE OF ALLEGIANCE:** Mayor Marquardt led the Pledge of Allegiance.

**RECOGNITION OF VISITORS:** No visitors were introduced.

**APPROVAL OF AGENDA:** The agenda was adopted by consensus.

**MINUTES:** The minutes of the September 30, 2014 regular meeting and the October 10, 2014 special meeting were approved as submitted.

**FINANCIAL REPORT:** The July, August and September, 2014 financial reports were included in the packet.

**BOARD/COMMISSION REPORTS:** The August 21 and September 25, 2014 minutes of the Planning Commission and the September 25, 2014 minutes of the Historic Preservation Commission were included in the packet.

**AWARDS/PRESENTATIONS:** Mayor Marquardt presented an award to Roger Deffendall for 25 years of service.

**MANAGER'S REPORT:** A written Manager's report was included in the packet. City Manager Hladick spoke briefly to highlight the issues covered in the written report.

**COMMUNITY INPUT/ANNOUNCEMENTS:**

Frank Kelty announced the winners of the Lion's Club Peace Poster contest and gave an update on the Bristol Bay red crab fishery.

PCR Director McGirt announced the Halloween event that will be from 5-7 p.m. on Friday at the PCR. Mayor Marquardt mentioned the great feedback she had heard about the Pumpkin Plunge.

Acting Public Safety Director Hoage reminded listeners that Daylight Savings Time ends on November 2<sup>nd</sup>, and that everyone should change their smoke detector batteries.

Zoya Johnson announced that the Museum Auction would take place at 8:00 p.m. on November 8<sup>th</sup>.

**PUBLIC INPUT ON AGENDA ITEMS:** None.

**LEGISLATIVE:**

1. **OATH OF OFFICE:** The City Clerk administered the oath of office to Council Members Leclere and Johnson.
2. **PROCLAMATION:** Mayor Marquardt read a proclamation declaring November 1, 2014 to be Extra Mile Day in Unalaska.

**PUBLIC HEARING**

Mayor Marquardt opened the public hearing on Ordinance 2014-19.

1. **ORDINANCE 2014-19:** AMENDING UNALASKA MUNICIPAL CODE CHAPTER 8.06, UPDATING A DEFINITION, AND CHAPTER 8.12, DELETING LANGUAGE, CHANGING REQUIREMENTS, AND ADDING A SECTION AS THEY RELATE TO BUILDING SEPARATION, PLANNED UNIT DEVELOPMENT AND APPLICATION SUBMITTAL DEADLINES

Hearing no testimony, Mayor Marquardt closed the public hearing on Ordinance 2014-19

Mayor Marquardt opened the Public Hearing on Ordinance 2014-20.

2. **ORDINANCE 2014-20:** AMENDING UNALASKA MUNICIPAL CODE CHAPTER 8.06, ADDING AND UPDATING DEFINITIONS FOR CONSTRUCTION CAMPS, AND CHAPTER 8.12, ADDING ZONING DESIGNATIONS AND SAFEGUARDS FOR CONSTRUCTION CAMPS

Hearing no testimony, Mayor Marquardt closed the public hearing on Ordinance 2014-20.

Mayor Marquardt opened the public hearing on Ordinance 2104-21.

3. **ORDINANCE 2014-21:** AMENDING UNALASKA MUNICIPAL CODE CHAPTER 8.06 UPDATING DEFINITIONS AND CHAPTER 8.08 CLARIFYING SUBDIVISION REQUIREMENTS

Hearing no testimony, Mayor Marquardt closed the public hearing on Ordinance 2014-21.

Mayor Marquardt opened the public hearing on Ordinance 2014-26.

4. **ORDINANCE 2014-26:** CREATING BUDGET AMENDMENT NO. 4 TO THE FY15 OPERATING BUDGET TO INCREASE THE PUBLIC SAFETY BUDGET FOR THE CARRYOVER OF HOMELAND SECURITY GRANT PROGRAM FUNDS

Hearing no testimony, Mayor Marquardt closed the public hearing on Ordinance 2014-26.

Johnson made a motion to move into a work session; Tungul seconded. Motion passed by consensus.

### **WORK SESSION**

1. **DISCUSSION:** AN OVERVIEW AND DISCUSSION OF PROPOSED CHANGES TO THE CMMP PROCESS

Planning Director Reinders presented a proposal for revising the CMMP process. The proposed changes include outreach to stakeholders to solicit input on future projects, the creation of a CMMP review committee, and the addition of a "parking lot" section to the CMMP document to list suggested future projects.

2. **DISCUSSION:** RESOLUTION 2014-73: AUTHORIZING THE CITY MANAGER TO AMEND THE CONTRACT BETWEEN THE CITY OF UNALASKA AND RONALD MOORE

Director of Public Utilities Winters explained the suggested contract amendment, which would transfer the responsibility for payment of shipping costs from Ronald Moore to the City. Staff answered questions from Council about the metal price and shipping cost information that was included in the packet.

3. **DISCUSSION:** RESOLUTION 2014-80: AUTHORIZING AN EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$10,950 FROM COUNCIL CONTINGENCY FOR THE PURCHASE OF A FULL PAGE ADVERTISEMENT IN THE UNITED STATES COAST GUARD 225<sup>TH</sup> ANNIVERSARY PUBLICATION

### **RECONVENE TO REGULAR SESSION**

### **CONSENT AGENDA**

### **UNFINISHED BUSINESS**

1. **ORDINANCE 2014-19:** AMENDING UNALASKA MUNICIPAL CODE CHAPTER 8.06, UPDATING A DEFINITION, AND CHAPTER 8.12, DELETING LANGUAGE, CHANGING REQUIREMENTS, AND ADDING A SECTION AS THEY RELATE TO BUILDING SEPARATION, PLANNED UNIT DEVELOPMENT AND APPLICATION SUBMITTAL DEADLINES

Johnson made a motion to adopt Ordinance 2014-19; Leclere seconded.

Vote: Unanimous. Motion passed.

2. **ORDINANCE 2014-20:** AMENDING UNALASKA MUNICIPAL CODE CHAPTER 8.06, ADDING AND UPDATING DEFINITIONS FOR CONSTRUCTION CAMPS, AND CHAPTER 8.12, ADDING ZONING DESIGNATIONS AND SAFEGUARDS FOR CONSTRUCTION CAMPS

Johnson made a motion to adopt Ordinance 2014-20; Leclere seconded.

VOTE: Unanimous. Motion passed.

3. **ORDINANCE 2014-21:** AMENDING UNALASKA MUNICIPAL CODE CHAPTER 8.06 UPDATING DEFINITIONS AND CHAPTER 8.08 CLARIFYING SUBDIVISION REQUIREMENTS

Enlow made a motion to adopt Ordinance 2014-21; Tungul seconded.

VOTE: Unanimous. Motion passed.

4. **ORDINANCE 2014-26:** CREATING BUDGET AMENDMENT NO. 4 TO THE FY15 OPERATING BUDGET TO INCREASE THE PUBLIC SAFETY BUDGET FOR THE CARRYOVER OF HOMELAND SECURITY GRANT PROGRAM FUNDS

Rowland made a motion to adopt Ordinance 2014-26; Leclere seconded.

VOTE: Unanimous. Motion passed.

### **NEW BUSINESS**

1. **RESOLUTION 2014-79:** OPPOSING THE PASSAGE OF THE INITIATIVE TO LEGALIZE RECREATIONAL MARIJUANA IN ALASKA AND URGING VOTERS TO DEFEAT BALLOT MEASURE 2

Rowland made a motion to adopt Resolution 2014-79; Leclere seconded.

Sgt. William Simms of the Unalaska Department of Public Safety presented information about the potential problems that might be created by legalizing the recreational use of marijuana.

VOTE: Rowland – yes, Johnson – yes, Tungul – yes, Gregory – yes, Leclere – yes, Enlow – no. Motion passed 5-1.

2. **RESOLUTION 2014-80:** AUTHORIZING AN EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$10,950 FROM COUNCIL CONTINGENCY FOR THE PURCHASE OF A FULL PAGE ADVERTISEMENT IN THE UNITED STATES COAST GUARD 225<sup>TH</sup> ANNIVERSARY PUBLICATION

Rowland made a motion to adopt Resolution 2014-80; Johnson seconded.

Enlow made a motion to amend Resolution 2014-80 by replacing “full page” with “half page” and replacing “\$10,950” with “\$6,450”.

VOTE on amendment: Yes -2, No – 4. Motion fails.

VOTE on main motion: Unanimous. Motion passes.

Rowland made a motion to move into executive session to discuss the City Manager’s annual evaluation; Tungul seconded. Motion passed by consensus.

**EXECUTIVE SESSION:** CITY MANAGER ANNUAL EVALUATION

Johnson made a motion to move out of executive session; Enlow seconded. Motion passed by consensus.

**COUNCIL DIRECTIVES TO MANAGER:** None.

COMMUNITY INPUT  
ANNOUNCEMENTS

**ADJOURNMENT:** The meeting adjourned at 8:15 p.m.

Cat Hazen, City Clerk

**Manager's Report**  
**Regular City Council Meeting**  
**November 10, 2014**

1. **Housing:** We are looking at a workshop the first week in December to cover Community Wide Housing and Employee Housing at a stand-alone meeting. Staff is working diligently to provide good information for council. To date we have only spent staff time. We will need to get direction from council on where to focus staff time and there will be many options on the table. I look forward to working with council with regard to our ongoing housing crisis.
2. **Election:** We have already been approached by community members who are requesting a license to sell pot. We do not have said license. I talked with Representative Bryce Edgmon about this issue yesterday. Many legislators have been caught off guard by the results of the initiative thinking it was not going to pass. I believe they will be taking this issue up in the legislative session due to begin in January. In Colorado it took the legislature two years to adopt the regulations they drafted after a similar referendum was passed by voters. I would assume that the Legislature will build off of others experience but I believe the issues have grown in the last couple of years. Mainly edibles and the concentrates that have now been brought to market. I also believe there will be local options in any legislation giving local governments control of their destiny when it comes to grow operations, store fronts, or licenses to sell pot.
3. **Bryce Edgmon:** He is our representative again and this is a good thing. Bryce knows our community very well and I have known Bryce for many years. He has a seat on the Finance Committee which is always helpful.
4. **Lyman Hoffman:** Won his seat easily, he was invited to join majority in the Senate and will once again have a seat on the Finance Committee.
5. **Alaska Municipal League:** This year the conference is being held at the Captain Cook the week of November 17 through the 21<sup>st</sup>. The State Budget is going to be large and on the radar. Revenue Sharing will be in danger of being cut. Oil was at \$77 bbl just the other day. Our current fiscal year budget assumes oil at \$104. I have been told you can assume that each dollar under \$104 means a drop in \$100,000,000 to the budget. It's an impressive number.
6. **Capital Project Update:** Public Works Director, Tom Coenhour, will be giving us an update on projects at the meeting on the 25<sup>th</sup>. However, we are winding down from our summer activities and beginning to get ready for next year's construction season. Staff has done a great job, once again, helping to move this community forward.
7. **Arctic Policy Commission:** The next meeting will be during AML week, Monday and Tuesday the 17<sup>th</sup> and 18<sup>th</sup> of November. We will be finalizing a Bill for submission during this legislative session and also finalizing an implementation plan. So I will be trying to be in two places at one time we will see how that works out.

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE NO. 2014-27

CREATING BUDGET AMENDMENT NO.5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND CITY COUNCIL'S BUDGET FOR THE USACE ARTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPITAL PROJECT TITLE "2015 PAVING PROJECT".

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section 1. Classification: This is a non-code ordinance.  
Section 2. Effective Date: This ordinance becomes effective upon adoption.  
Section 3. Content: The City of Unalaska 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. 5 to Ordinance #2014-08**

				Current	Requested	Revised
<b>I. OPERATING BUDGET</b>						
<b>A. General Fund</b>						
<b>Sources</b>						
	Current year budgeted surplus			9,016,292	40,000	8,976,292
<b>Expenditures</b>						
	Mayor & Council			565,469	40,000	1,570,156
<b>B. General Fund - Projects - Public Works</b>						
<b>Sources</b>						
	Transfer from 1% Fund	PW204	8,230,000	(302,000)		7,928,000
	Transfer from 1% Fund	PW501	-	302,000		302,000
<b>Projects</b>						
	Pavement Resurfacing-Exisitng Pavement	PW204	8,230,000	(302,000)		7,928,000
	2015 Paving Project	PW501	-	302,000		302,000
<b>C. Proprietary Funds - Projects -Ports &amp; Harbors</b>						
<b>Sources</b>						
	Transfer from Enterprise Fund to Projects		200,000	2,120,502		2,320,502
<b>Expenditures</b>						
	Robert Storrs Improvements	PH303	3,662,107	2,120,502		5,782,609

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

\_\_\_\_\_  
MAYOR

ATTEST:

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CITY CLERK

Summary of Budget Amendment  
and Schedule of Proposed Accounts  
Budget Amendment 5.

1) Mayor & City Council

This increase will increase Other Professional services for the Artic Deep Draft Port Study.

2) Capital Projects - Public Works

This will transfer the revenue and expense budget from, PW204, into the FY2015 paving project, PW501, for the PND Engineering design services.

2) Capital Projects - Ports & Harbors

This will increase the Robert Storrs Improvement Project, PH303, to cover the lowest bid and 20% contingency.

	Org	Object	Project	Current	Requested	Revised
<b>1. General Fund - Mayor &amp; Council</b>						
<i>Sources:</i>						
Current year budgeted surplus				9,016,292	40,000	8,976,292
<i>Uses:</i>						
<b>Mayor &amp; Council</b>						
Other Professional Services	0102 0152	53300		239,000	40,000	279,000
<b>2. Capital Projects - General Fund - Public Works</b>						
<i>Sources:</i>						
Transfer from 1% Special Revenue Fund	34019848	49110	PW204	7,630,000	(302,000)	7,328,000
Transfer from 1% Special Revenue Fund	34019848	49110	PW501	-	302,000	302,000
<i>Uses:</i>						
Engineering & Architecture	34021553	53240	PW204	954,000	(300,000)	654,000
Construction	34021553	54500	PW204	7,244,585	(2,000)	7,242,585

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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** PEGGY MCLAUGHLIN, PORT DIRECTOR  
**THRU:** CHRIS HLADICK, CITY MANAGER  
**FROM:** PORT DEPARTMENT  
**DATE:** NOVEMBER 10, 2014  
**RE:** ORDINANCE 2014-27 BUDGET AMENDMENT NO. 5: CREATING A BUDGET AMENDMENT TO AMEND THE MAYOR AND COUNCIL'S BUDGET FOR OTHER PROFESSIONAL SERVICES FOR THE ARCTIC DEEP DRAFT PORT STUDY RESPONSE

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**SUMMARY:**

This budget amendment request is housekeeping. It is a request to amend the Mayor and Council's budget by adding \$40,000 to Fiscal Year 15 from Fiscal Year 14. This \$40,000 was approved May 27, 2014 for Fiscal Year 14, but wasn't used as the invoicing for the project did not come through until Fiscal Year 15. These are not additional funds; we will simply be accounting for the already approved \$40,000 to be recognized in the Fiscal Year 15 budget.

The total requested amount: \$40,000

**PREVIOUS COUNCIL ACTION:**

Ordinance 2014-13 passed May 27, 2014 amending the Council budget to include \$40,000 for professional services to respond to the Arctic Deep Draft Port Study

Resolution 2014-56 passed May 27, 2014, authorizing the City Manager to enter into an agreement with Northern Economics to respond to the Arctic Deep Draft Port Study

**BACKGROUND:**

May 27, 2014 Council passed a budget amendment to pay for a response to the Arctic Deep Draft Port Study at the same meeting they authorized the City Manager to enter into an agreement with Northern Economics for that service. An agreement was signed and work began prior to the end of Fiscal Year 14.

**DISCUSSION:**

This budget amendment request is not for additional funds above the original request for \$40,000. The timing of the research for the response to the Arctic Deep Draft Port Study was time-sensitive and needed to begin prior to the end of Fiscal Year 14. In order to enter into an agreement the funds had to be approved. This happened in May of 2014.



The request for the amendment is simply housekeeping as the invoicing for this project did not hit the books until Fiscal Year 15. Because the funds were not spent, though approved, the \$40,000 reverted back to the general fund with the closing of Fiscal Year 14. In order to keep records accurate and have the already-approved funds available in this year's budget, we need to amend the budget to account for the \$40,000 in Fiscal Year 15.

**ALTERNATIVES:**

1. Council could choose to not approve
2. Council could choose to approve
3. Council could choose to fund the payment through other means

**FINANCIAL IMPLICATIONS:**

These funds will be coming from the General Fund

**LEGAL:** N/A

**STAFF RECOMMENDATION:**

Staff recommends fully funding this budget amendment request in to order account accurately for the payment of other professional services for the Deep Draft Arctic Port Study Response

**PROPOSED MOTION:**

I move to approve the first reading of Ordinance 2014-27 and to send it to second reading and public hearing on November 25, 2014.

**CITY MANAGER'S COMMENTS:**

**Attachment:**

Northern Economics Professional Services Contract

**PROFESSIONAL SERVICES CONTRACT  
between Northern Economics, Inc. and City of Unalaska  
for the Response to the USACE Arctic Ports Report**

This Professional Services Contract (the "Agreement") is made effective this 19th day of May, 2014 (the "Effective Date"), by and between Northern Economics, Inc. ("Northern Economics") and the City of Unalaska ("Client") for professional services on the Response to the USACE Arctic Ports Report ("Project"), and is subject to the terms and conditions set forth below.

**ARTICLE 1**

Scope of Services and Compensation. The scope of services to be supplied by Consultant, its employees and/or subcontractors is as described in Attachment A.

1.1 Compensation. Consultant's compensation for services rendered under this Agreement shall be as set forth in Attachment A.

1.2 Invoicing; Payment. Consultant shall submit invoices to Client for the work performed during each invoice period. The form and frequency of the invoices shall be as described in Attachment A. Client shall pay Consultant all amounts reflected in each invoice, within thirty (30) days of each invoice date.

1.3 Late Payment. Invoices not paid within thirty (30) days of invoice date shall be subject to interest at the rate of one and one half percent (1.5%) per month, or such lesser amount as required by law.

1.4 Records. Consultant shall maintain records of all work performed hereunder for a period of two (2) years following the expiration or earlier termination of this Agreement.

1.5 Audit. Client shall have the right to audit such records during such two-year period upon reasonable notice to Consultant, during Consultant's regular business hours, and at Client's sole expense.

**ARTICLE 2**

2.1 Term. The term of this Agreement shall be as set forth in Attachment A.

**ARTICLE 3**

3.1 Independent Contractor. Consultant shall act and be deemed at all times hereunder as an independent contractor, and nothing contained herein shall be construed to create the relationship of principal and agent, employer and employee, partners, joint venturers, or any other relationship between Client and Consultant or between Client and Consultant's employees or subconsultants. Consultant shall have no authority to enter into any contract or agreement or to bind Client except as specifically provided herein.

3.2 Control. Any employees or subconsultants engaged by Consultant shall be under the exclusive direction and control of Consultant. All contact with Client shall be through Consultant. Consultant shall assume responsibility for all of its agents and employees under any federal, state, or local laws or regulations regarding employees' liability, worker's compensation, unemployment insurance, income tax withholding, and authorization for employment, as well as any other acts, laws or regulations of similar impact.

**ARTICLE 4**

4.1 Indemnification. Client and Consultant agree to jointly indemnify as indicated below.

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4.1.1 Consultant agrees to indemnify, defend and hold harmless Client, its agents, subconsultants, and employees from and against any and all losses, claims, liabilities, damages, or costs, including without limitation attorneys' fees, arising out of or resulting from Consultant's breach of this Agreement or Consultant's or its agents', officers', employees', or sub-subcontractors' negligence, gross negligence or willful misconduct.

4.1.2 Client agrees to indemnify, defend and hold harmless Consultant, its agents, subconsultants, and employees from and against any and all losses, claims, liabilities, damages, or costs, including without limitation attorneys' fees, arising out of or resulting from Client's breach of this Agreement or Client's or its agents', officers', employees', or sub-subcontractors' negligence, gross negligence or willful misconduct.

4.2 Limitation of Liability. Except as to compensation due Consultant pursuant to this Agreement, in no event shall either party have any liability to the other for special, indirect, incidental, consequential, or punitive damages.

## **ARTICLE 5**

5.1 Insurance. Consultant shall obtain and keep in full force and effect, at its own expense, during the performance of any work under this Agreement, the following minimum policy limits:

5.1.1 Worker's Compensation, in accordance with the laws of the State of Alaska, and Employer's Liability Insurance with minimum limits of \$1,000,000 / \$1,000,000 / \$1,000,000.

5.1.2 General Liability Insurance in an amount not less than \$1,000,000 per occurrence; \$1,000,000 personal and advertising injury; \$2,000,000 general aggregate; and \$2,000,000 products/completed operations aggregate for bodily injury or death and for property damage.

5.1.3 Professional Liability with minimum limits of \$1,000,000 aggregate and each claim.

5.1.4 Automobile Liability Insurance covering owned, non-owned, or hired vehicles used by Consultant, with limits not less than \$1,000,000 combined single limit for bodily injury and property damage.

## **ARTICLE 6**

6.1 Termination. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party. Upon receipt of written notice of termination, Consultant shall cease further work under this Agreement other than the routine tasks associated with winding up the Project. Consultant shall be paid for services rendered up to the effective date of the termination.

## **ARTICLE 7**

7.1 No Exclusivity. Consultant agrees to perform the services described in Attachment A for Client on a non-exclusive basis, and nothing in this Agreement shall be deemed to restrain Consultant from performing work for other clients.

7.2 No Assignment. Neither party shall assign or otherwise transfer the obligations under this Agreement without the prior written consent of the other party, provided, however, that Client acknowledges and agrees that Consultant may assign particular tasks associated with the scope of services to subconsultants of Consultant's choosing, and that the subconsultant shall also be subject to the terms of this Agreement.

7.3 Jurisdiction; Venue. This Agreement shall be governed by the laws of the State of Alaska. Any action brought by either party to enforce or interpret this Agreement shall be filed and maintained in the Third Judicial District in Anchorage, Alaska.

7.4 Severability. If any provision of this Agreement is held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the parties.

7.5 Waiver. One or more waivers by either party of any provision, term, condition, or covenant of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same by the other party.

7.6 Amendments; Modifications. This Agreement may be amended or modified only by written instrument signed by both parties.

7.7 Attorney's Fees and Costs. Should litigation be initiated to enforce the terms or provisions of this Agreement, then all actual, reasonable litigation costs, including court costs and attorneys' fees, shall be paid by the non-prevailing party.

7.8 Construction. This Agreement shall not be construed more strictly against any party hereto regardless of which party is responsible for its preparation, it being agreed that this Agreement was fairly negotiated by the parties and that both parties have had the opportunity to have this agreement reviewed and negotiated by an attorney of their choosing.

7.9 Notice. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed given:

- (i) upon receipt if delivered by hand;
- (ii) upon receipt by the sending party of confirmation of successful transmission if sent by facsimile or email; or
- (iii) five (5) business days following its deposit in the United States mail, postage prepaid, and addressed to the address set forth after the parties' signatures below.

7.10 Entire Agreement. This Agreement, together with any Attachments and documents attached hereto (all of which are incorporated herein by this reference), represent the entire and integrated agreement between the parties concerning the subject matter hereof and supersedes all prior negotiations, representations, or agreements, whether written or oral.

7.11 Counterparts. This Agreement may be executed in counterpart, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of the Effective Date first set forth above.

**Northern Economics, Inc.**

By:



5/19/2014

Patrick L. Burden

Date

Chairman

880 H Street, Suite 210

Anchorage, AK 99501

**City of Unalaska**

By:



6/4/14

Chris Hladick

Date

City Manager

43 Raven Way

Unalaska, Alaska 99685

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## Attachment A: Scope of Services, Compensation, Invoicing, and Term

### 1. Scope of Services

Consultant, its employees, and subconsultants shall perform the services for Client as described below.

**Task 1. Develop outline to guide our investigation.** We think an important first step will be to put together a draft outline for the response. This outline will allow us to focus our work and ensure that we are not omitting any substantial areas for investigation. We would propose to initiate this task after receiving a notice to proceed and submit the outline to you for review.

**Task 2. Document use of Unalaska facilities by Arctic users.** Unalaska has served as a support base for OCS oil exploration activities and has been available to and/or used by other vessels operating in the Arctic. We will work with Port of Dutch Harbor staff to link vessel traffic data from the Marine Exchange of Alaska with the port's Daily Vessel Check data to identify Arctic-going vessels that have used facilities in Unalaska. We will also research news publications to identify documented uses of private facilities. We will follow this research with interviews with private facility owners and operators to determine if there has been additional uses we have not uncovered. These interviews will be completed via in-person and telephone interviews and may include a trip to Unalaska. As part of this task, we will also research news publications to document planned infrastructure improvements intended to support OCS and other Arctic-related vessels. We will write up our findings from this task descriptively so that they can be used by the Corps as the basis for a no-action alternative.

**Task 3. Review other studies and document important information (e.g., MARAD report re: Arctic shipping growth).** We will research other studies and publications about the potential for Arctic shipping, including growth projections and logistical issues. After completing our research, we will document the relevant points in a written summary. In addition to our own research, we will review the MARAD Panama Canal report, Maritime-Executive.com article you provided, and the recent GAO report on Arctic shipping.

**Task 4. Develop narrative about supporting infrastructure, fleet, and services required by a dock.** Development of a port facility requires not only a land/water interface (typically a dock), but also an extensive array of supporting infrastructure, a fleet to provide water-based services, a range of upland-based services, transportation links, a diverse range of users, and a viable business case for vessels to use these facilities. We will conduct research and interviews to document the scope and role of these supporting items. After developing a set of criteria for evaluating the viability of a port, we will then assess Unalaska/Dutch Harbor and the ports identified by the Corps based on these criteria. This benchmarking exercise will identify what criteria are met for each location. We will complete our work on this task by developing a narrative about the criteria as well as how each location ranks.

**Task 5. Interview Alaska Marine Pilots, LLC representative(s) and document their input.** We will interview one or more representatives from Alaska Marine Pilots to get their input on the role of Unalaska/Dutch Harbor in the Arctic, the role of ports included in the Corps' report, logistical issues in those northern ports, transportation issues, and any other issues the pilots feel are important to document. We will write up these findings for inclusion in the response. This work will be completed via in-person and telephone interviews and may include a trip to Unalaska.

*Following completion of this scope of work, Northern Economics, Inc. and the City of Unalaska intend to add, through a change order to this contract, a meeting with the U. S. Army Corps of Engineers and preparation of written comments for submittal to the U. S. Army Corps of Engineers. These scope elements are not included in this contract at this time.*

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## **2. Compensation**

Consultant, its employees, and subconsultants shall perform the services described above on a time and materials basis including all actual and reasonable expenses. Total compensation including expenses will not exceed \$40,000. Details regarding billing rates are shown in the table below.

<b>Full Name</b>	<b>Hourly Rate</b>
Burden, Patrick L	\$260.00
Cuyno, Leah M	\$175.00
Eaton, Gary A	\$85.00
Fisher, Michael H	\$150.00
Hartley, Marcus L	\$215.00
Humphrey, Michelle L	\$85.00
Kerr, Cal L	\$165.00
King, Jonathan R	\$190.00
McCoy, Terri J	\$95.00
Schug, Don M	\$165.00
Sauer, Diane L	\$95.00
Weiss, David W	\$100.00
Wellman, Katharine F	\$165.00

## **3. Invoicing**

Consultant shall submit regular invoices that specify: a) the project name, b) the invoice number, c) the period covered by the invoice, and d) the date of the invoice, e) the date that payment is due, and f) the total amount of the invoice. In addition the invoice will include such details as by the type of contract as specified in Part 2 above. A sample invoice is included as Attachment A-1. Invoices will be submitted on a monthly basis.

## **4. Term**

The term of this Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to Article 7, shall expire on the 31<sup>st</sup> day of December, 2014.

## Attachment A-1: Example Invoice

The figure below contains an example invoice in that format that will be used in this project.

**Figure 1. Example Invoice for a Time-and-Materials Not-To-Exceed Contract**

<b>Northern Economics, Inc.</b> 880 H Street, Suite 210 Anchorage, AK 99501 907-274-5600 Fax: 907-274-5601		<b>Invoice</b>								
		<table border="1"> <tr> <th>DATE</th> <th>INVOICE #</th> </tr> <tr> <td>2/14/2008</td> <td>08-723</td> </tr> </table>	DATE	INVOICE #	2/14/2008	08-723				
DATE	INVOICE #									
2/14/2008	08-723									
<table border="1"> <tr> <th>BILL TO</th> </tr> <tr> <td>           Client Name            123 Park Ave            Breath-taking, Alaska 99501            Attn: Contract Manager         </td> </tr> </table>		BILL TO	Client Name 123 Park Ave Breath-taking, Alaska 99501 Attn: Contract Manager							
BILL TO										
Client Name 123 Park Ave Breath-taking, Alaska 99501 Attn: Contract Manager										
		<table border="1"> <tr> <th>PROJECT NUMBER</th> </tr> <tr> <td>10800201.01 Project Title</td> </tr> </table>			PROJECT NUMBER	10800201.01 Project Title				
PROJECT NUMBER										
10800201.01 Project Title										
ITEM	DESCRIPTION	QTY	RATE	AMOUNT						
	For Professional Services and Expenses previously uninvoiced through January 31, 2008									
ALW	Alex L. Warren	15	45.00	675.00						
BKD	Blake K. Davidson	20	35.00	700.00						
PLB	Philip L. Bradford	42	200.00	8,400.00						
MLH	Madison L. Harrison	17	175.00	2,975.00						
	Subtotal Labor			12,750.00						
Data	Data	1	300.00	300.00						
Travel Exp.	Travel Expenses - airlines	2	525.00	1,050.00						
Travel Exp.	Travel Expenses - car rental	1	267.50	267.50						
Subcontract...	Subcontractor - Alaska Map Company	4	150.00	600.00						
	Subtotal Expenses			2,217.50						
We appreciate the opportunity to be of service. If you have any questions please contact us at once.		<table border="1"> <tr> <td>Invoice Total</td> <td>\$14,967.50</td> </tr> <tr> <td>Payments/Credits</td> <td>\$0.00</td> </tr> <tr> <td>Balance Due</td> <td>\$14,967.50</td> </tr> </table>			Invoice Total	\$14,967.50	Payments/Credits	\$0.00	Balance Due	\$14,967.50
Invoice Total	\$14,967.50									
Payments/Credits	\$0.00									
Balance Due	\$14,967.50									

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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** PEGGY MCLAUGHLIN, PORT DIRECTOR  
**THRU:** CHRIS HLADICK, CITY MANAGER  
**FROM:** PORT DEPARTMENT  
**DATE:** NOVEMBER 10, 2014  
**RE:** ORDINANCE 2014-27 BUDGET AMENDMENT NO. 5: CREATING A BUDGET AMENDMENT TO AMEND THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT TO INCLUDE ADDITIONAL FUNDS FOR CONSTRUCTION COSTS AND CONTINGENCY

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**SUMMARY:**

This budget amendment is necessary to move forward with the award of the Robert Storrs C Float Replacement project. The request is for \$2,120,502 to be added to the Robert Storrs C Float Replacement Project from the Port Net Asset Fund. The project budget is short \$1,249,800 for construction and we need to add \$871,494 for administrative costs, engineering, inspection, and contingency. We believe that \$871,494 (or 20% of the project cost) is ample to complete the project, including all oversight, without additional budget requests. Any surplus from the project will be turned back over to the Port Net Asset Fund.

The total requested amount: \$2,120,502

**PREVIOUS COUNCIL ACTION:**

- Resolution 2010-40, on May 25<sup>th</sup> 2010 in support of the FY2012 application for funding through the State of Alaska Department of Transportation and the Public Facility Grant Program in the amount of \$3,325,126 for the Robert Storrs International Small Boat Harbor Improvement Project.
- Resolution 2012-26, on April 24, 2012 adopting the City of Unalaska FY13-FY17 Capital Major and Maintenance Plan.
- Ordinance 2012-04, on May 22, 2012 adopting the City of Unalaska FY13 Capital Budget, appropriating \$123,719 for design of the Robert Storrs International Boat Harbor Float Replacement Project.
- Resolution 2013-08, authorizing the City Manager to enter into a contract with PND Engineers for Robert Storrs Boat Harbor Float Replacement scoping services in the amount of \$22,016.



- Resolution 2013-77 awarding the design of C Float
- Ordinance 2014-08 adopting the FY 15 Capital Budget, which included funding for Robert Storrs C Float Replacement

### **BACKGROUND:**

The Robert Storrs Float Replacement project has been a priority since 2010. Staff has been working since then toward securing the funding for the engineering design and construction of the Robert Storrs Boat Harbor Floats. In 2012 the City received a 50/50 grant from the State of Alaska Department of Transportation and Public Facilities for \$1,757,500 and it was determined that the replacement project would focus on C Float due to the overall cost of the entire project. The State of Alaska has been holding this grant money for the project in anticipation of releasing the funds for fabrication of the floats during the winter of 2014/2015, and installation of the floats in the spring of 2015.

### **DISCUSSION:**

The funding for the Robert Storrs Float Replacement Project has been appropriated in phases. The initial funding was for scoping and engineering. This took place in early 2013, and during that time we developed the concepts for replacing A, B and C Floats. It was apparent during this process that the 50/50 grant from the State would not cover the complete project, and the focus shifted to replacing C Float the first priority or Phase 1.

Through discussion with the users, the general public and Council, it was determined that a robust float system should be designed to handle the surf conditions and wind that funnel through Robert Storrs Harbor.

A budget for C Float replacement was established through the CMMP process based on the amount of the grant, the required City match, and the initial Engineer's Estimates. This original budget included contingency, engineering and administrative oversight. As the design progressed closer to 100%, the Engineer's Estimate was further detailed to include actual costs of components, materials, and labor.

The original budget outlined in the CMMP was \$3,662,107. This amount included contingency, inspection, engineering and administrative costs. The detailed Engineer's Estimate developed for the bid process was \$3,706,940. This included additive alternatives for anode placement, but did not include any additional engineering, inspection, administrative oversight costs, or contingency.

The bid opening for the Robert Storrs Harbor C Float Replacement Project was held November 4, 2014. We had four bidders, all of whom bid over the Engineer's construction estimate. The lowest bidder's overall bid including additive alternatives was \$4,357,470. This did not include any contingency or inspection and oversight.

In general, the lowest bidder was fairly consistent with the Engineer's Estimate, with the exception of the uplands work and the float fabrication, which were consistently higher

amongst all the bidders. The amount of the bid does exceed both the Engineer's Estimate and the current approved budget for this project.

The project was originally budgeted for \$3,662,107 and we have spent \$475,000 for engineering and geotechnical drilling and analysis. This work was for all of Robert Storrs Harbor Floats A, B, and C. Also included in \$475,000 was the permitting for C Float replacement. This brings the current available amount in the project to \$3,108,462. The available amount also assumes the \$1,757,500 from the State.

At this point, the construction budget is short \$1,249,008 and we still need inspection, administrative oversight and a small contingency. In the request for this amount, I have assumed a 20% contingency for the project based on the lowest bidder's overall bid. This amount is \$871,494. The total of what we are short in the budget plus the contingency is \$2,120,502.

We are not anticipating any major change orders. I do believe that by requesting the 20%, we are covering our needs to move forward with this project and any remaining amount of the 20% contingency will go back to the Port Net Asset Fund once the project is complete and closed.

In order to award this bid to begin the construction process, we need to increase the project budget to cover construction and the assumed costs of inspection, engineering, and oversight.

**ALTERNATIVES:**

1. Council could choose to approve
2. Council could choose to not to approve

**FINANCIAL IMPLICATIONS:**

This funding request will come from the Port Net Asset Fund. Delay in funding this project could result in turning back grant money to the State of Alaska.

**LEGAL:** N/A

**STAFF RECOMMENDATION:**

Staff recommends fully funding this budget amendment request in to award the construction contract and begin using the State of Alaska Grant Money for this project

**PROPOSED MOTION:**

I move to approve the first reading of Ordinance 2014-27 and to send it to second reading and public hearing on November 25, 2014.

**CITY MANAGER'S COMMENTS:** I recommend approval. It could be years before we see funding for A and B floats. The current C float has the most issues requiring maintenance. We can't apply for more funding until C float is completed.

**Attachment:**

Robert Storrs C Float Replacement Bid Tabs

<b>BID TABULATION FORM</b>						
<b>JOB</b>		ROBERT STORRS HARBOR - C FLOAT REPLACEMENT				
<b>Bid Opening Date</b>		November 4, 2014, 2:00 PM				
	Contractor A	Contractor B	Contractor C	Contractor D		
Company Name	Turnagain Marine	Orion Marine	Pacific Pile & Marine	Northern Alaska	Engineer's Estimate	
Bid Received by Deadline	X	X	X	X		
Bid 00300 -1 thru 6 Signed	X	X	X	X		
Bid Schedule 00310-1 thru 2	X	X	X	X		
Bid Bond	X	X	X	X		
Addenda - 1 ,2 and 3	X	X	X	X		
<b>Base Bid</b>	\$4,270,670.00	\$4,533,000.00	\$3,919,200.00	\$6,993,050.00	\$3,624,940.00	
Modification	\$0.00	\$0.00	\$1,050,500.00	\$0.00	\$0.00	
<b>Base Bid, with Modification</b>	<b>\$4,270,670.00</b>	<b>\$4,533,000.00</b>	<b>\$4,969,700.00</b>	<b>\$6,993,050.00</b>	<b>\$3,624,940.00</b>	
<b>Add Alt A</b>	\$52,800.00	\$49,200.00	\$71,000.00	\$77,000.00	\$59,000.00	
Modification	\$0.00	\$0.00	-\$18,800.00	\$0.00	\$0.00	
<b>Add Alt A with Modification</b>	<b>\$52,800.00</b>	<b>\$49,200.00</b>	<b>\$52,200.00</b>	<b>\$77,000.00</b>	<b>\$59,000.00</b>	
<b>Add Alt B</b>	\$34,000.00	\$32,000.00	\$20,000.00	\$3,200.00	\$23,000.00	
Modification	\$0.00	\$0.00	\$6,000.00	\$0.00	\$0.00	
<b>Add Alt B with Modification</b>	<b>\$34,000.00</b>	<b>\$32,000.00</b>	<b>\$26,000.00</b>	<b>\$3,200.00</b>	<b>\$23,000.00</b>	
<b>Base Bid + Add Alt A (w/ mods)</b>	<b>\$4,323,470.00</b>	<b>\$4,582,200.00</b>	<b>\$5,021,900.00</b>	<b>\$7,070,050.00</b>	<b>\$3,683,940.00</b>	
<b>Base Bid + Add Alt A + B (w/ mods)</b>	<b>\$4,357,470.00</b>	<b>\$4,614,200.00</b>	<b>\$5,047,900.00</b>	<b>\$7,073,250.00</b>	<b>\$3,706,940.00</b>	

Witness: Derrick Honrud, PND Engineers

Michael Gemmell, PND Engineers

Peggy McLaughlin, Port of Dutch Harbor

Lori Gregory, City of Unalaska

Grace Magpantay, City of Unalaska

CITY OF UNALASKA - ROBERT STORRS HARBOR - C FLOAT REPLACEMENT  
BID RESULTS SUMMARY - NOVEMBER 4, 2014

BASE BID				Engineer's Estimate		Turnagain Marine Construction		Orion Marine Contractors		Pacific Pile & Marine		Northern Alaska Contractors	
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1505.1	Mobilization	LS	All Req'd	\$329,540	\$329,540	\$400,000	\$400,000	\$460,000	\$460,000	\$884,000	\$884,000	\$1,100,000	\$1,100,000
1580.1	Contaminated Materials - Excavation, Bagging and Stockpiling	CY	90	\$60	\$5,400	\$58	\$5,220	\$240	\$21,600	\$100	\$9,000	\$350	\$31,500
2060.1	Demolition and Disposal	LS	All Req'd	\$200,000	\$200,000	\$115,000	\$115,000	\$560,000	\$560,000	\$310,000	\$310,000	\$300,000	\$300,000
2200.1	Upland Construction	LS	All Req'd	\$65,000	\$65,000	\$350,000	\$350,000	\$81,000	\$81,000	\$140,000	\$140,000	\$590,000	\$590,000
2500.1	Storm Drain System	LS	All Req'd	\$30,000	\$30,000	\$35,000	\$35,000	\$44,000	\$44,000	\$44,000	\$44,000	\$60,000	\$60,000
2601.1	Domestic Water System	LS	All Req'd	\$300,000	\$300,000	\$260,000	\$260,000	\$310,000	\$310,000	\$290,000	\$290,000	\$420,000	\$420,000
2601.2	Board Insulation	BD	120	\$50	\$6,000	\$120	\$14,400	\$70	\$8,400	\$65	\$7,800	\$50	\$6,000
2603.1	Fire Hydrant	LS	All Req'd	\$12,000	\$12,000	\$20,000	\$20,000	\$21,000	\$21,000	\$25,000	\$25,000	\$25,000	\$25,000
2611.1	Fire Suppression Standpipe System	LS	All Req'd	\$90,000	\$90,000	\$105,000	\$105,000	\$111,000	\$111,000	\$120,000	\$120,000	\$180,000	\$180,000
2702.1	Construction Surveying	LS	All Req'd	\$10,000	\$10,000	\$25,000	\$25,000	\$47,000	\$47,000	\$50,000	\$50,000	\$70,000	\$70,000
2718.1	Signage and Assemblies	LS	All Req'd	\$10,000	\$10,000	\$7,500	\$7,500	\$4,000	\$4,000	\$3,000	\$3,000	\$5,000	\$5,000
2894.1	7'x80' Aluminum Gangway	LS	All Req'd	\$90,000	\$90,000	\$92,000	\$92,000	\$70,000	\$70,000	\$70,000	\$70,000	\$112,000	\$112,000
2895.1	Mainwalk Float, 12' x 360'	LS	All Req'd	\$1,080,000	\$1,080,000	\$1,480,000	\$1,480,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,800,000	\$1,800,000
2895.2	20'x24' Gangway Landing Float	LS	All Req'd	\$120,000	\$120,000	\$225,000	\$225,000	\$150,000	\$150,000	\$190,000	\$190,000	\$270,000	\$270,000
2896.1	Float Mooring Pile, 16" Dia. x .500" t	EA	20	\$10,000	\$200,000	\$12,500	\$250,000	\$9,000	\$180,000	\$10,000	\$200,000	\$13,800	\$276,000
2896.2	Predrilled Pile Socket, 16" Dia. Piles	EA	20	\$10,000	\$200,000	\$1,650	\$33,000	\$18,000	\$360,000	\$19,000	\$380,000	\$34,000	\$680,000
2897.1	Supply Floatation Billet	EA	15	\$200	\$3,000	\$150	\$2,250	\$200	\$3,000	\$200	\$3,000	\$430	\$6,450
2897.2	Install Floatation Billet	EA	15	\$500	\$7,500	\$1,600	\$24,000	\$800	\$12,000	\$1,000	\$15,000	\$220	\$3,300
2899.1	Life Ring Cabinet and Base	EA	3	\$1,500	\$4,500	\$1,600	\$4,800	\$1,000	\$3,000	\$1,500	\$4,500	\$2,000	\$6,000
2899.2	Fire Extinguisher Cabinet and Base	EA	4	\$1,200	\$4,800	\$1,600	\$6,400	\$1,000	\$4,000	\$1,200	\$4,800	\$1,500	\$6,000
2899.4	Safety Ladders	EA	6	\$1,200	\$7,200	\$1,600	\$9,600	\$2,000	\$12,000	\$1,600	\$9,600	\$2,800	\$16,800
2900.1	Marine Mammal Observance Contingency	HR	10	\$1,500	\$15,000	\$2,100	\$21,000	\$1,000	\$10,000	\$3,500	\$35,000	\$1,000	\$10,000
3305.1	Concrete Abutment	LS	All Req'd	\$120,000	\$120,000	\$120,500	\$120,500	\$131,000	\$131,000	\$250,000	\$250,000	\$300,000	\$300,000
16000.1	Electrical and Lighting Systems	LS	All Req'd	\$695,000	\$695,000	\$640,000	\$640,000	\$600,000	\$600,000	\$600,000	\$600,000	\$684,000	\$684,000
16000.2	Electrical Support Assemblies	LS	All Req'd	\$20,000	\$20,000	\$25,000	\$25,000	\$30,000	\$30,000	\$25,000	\$25,000	\$35,000	\$35,000
TOTAL BASE BID				\$3,624,940		\$4,270,670		\$4,533,000		\$4,969,700		\$6,993,050	
ADDITIVE ALTERNATE A													
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1505.1A	Mobilization	LS	All Req'd	\$25,000	\$25,000	\$25,500	\$25,500	\$24,000	\$24,000	\$27,000	\$27,000	\$35,000	\$35,000
2996.2A	Install Pile Anodes	EA	40	\$600	\$24,000	\$650	\$26,000	\$600	\$24,000	\$600	\$24,000	\$1,000	\$40,000
2996.3A	Field Photos, Continuity, Potential Readings & Report	LS	All Req'd	\$10,000	\$10,000	\$1,300	\$1,300	\$1,200	\$1,200	\$1,200	\$1,200	\$2,000	\$2,000
TOTAL ADD ALT A				\$59,000		\$52,800		\$49,200		\$52,200		\$77,000	
ADDITIVE ALTERNATE B													
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
2996.1B	Supply Pile Anodes	EA	40	\$575	\$23,000	\$850	\$34,000	\$800	\$32,000	\$650	\$26,000	Not Provided	\$3,200
TOTAL ADD ALT B				\$23,000		\$34,000		\$32,000		\$26,000		\$3,200	
TOTAL BASE BID + ADD ALT A				\$3,683,940		\$4,323,470		\$4,582,200		\$5,021,900		\$7,070,050	
TOTAL BASE BID + ADD ALT A + B				\$3,706,940		\$4,357,470		\$4,614,200		\$5,047,900		\$7,073,250	

Prepared by: PND Engineers, Inc.

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## MEMORANDUM TO COUNCIL

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** THOMAS COHENOUR, DIRECTOR OF PUBLIC WORKS  
**THRU:** CHRIS HLADICK, CITY MANAGER  
**DATE:** NOVEMBER 10, 2014  
**RE:** ORDINANCE 2014-27 BUDGET AMENDMENT REQUEST –  
CREATING A NEW CAPITAL PROJECT “2015 PAVING PROJECT”

---

**SUMMARY:** This budget amendment request, if approved, will move \$302,000 from the Pavement Resurfacing Project into a new capital project “2015 Paving Project”. Funding is requested for Engineering Services, Telephone & Fax, and Construction.

**PREVIOUS COUNCIL ACTION:** Council has taken the following action specific to the 2015 Paving Project:

- On September 9, 2014, via Resolution 2014-74, Council awarded the 2015 Paving Project’s design services work to PND Engineers, Inc. in the amount of \$300,000.

**BACKGROUND:** This budget amendment will fund design work for the next phase of road improvements as set forth in the Road Improvement Master Plan. The scope of the proposed 2015 Paving Project is to design and construct paved driving surfaces for the following streets and roads:

E Broadway (from Alpha Welding to stop sign at Steward Rd)	Mill & Overlay
W Broadway (from 3 way stop by school to boat ramp by Alyeska)	Mill & Overlay
Salmon Way (from gas station to Museum)	Mill & Overlay
King St (from E Broadway to Bayview Ave)	Gravel - Full Build
E Broadway (from stop sign at Steward Rd to Hawley Ln)	Mill & Overlay

**DISCUSSION:** The purpose of this budget amendment request is to create a new capital project entitled 2015 Paving Project. Upon final close-out of the existing 2014 paving projects, Staff will request remaining monies be transferred into the 2015 Paving Project in order to fund construction. Depending upon the level of funding available, some or all of the proposed design will be constructed in 2015.

**ALTERNATIVES:** Council could appropriate General Fund monies to fund this work instead of transferring remaining funds after final close-out of the existing 2014 projects.

**FINANCIAL IMPLICATIONS:** The proposed initial budget for 2015 Paving Project is set forth below. After all invoices have been paid related to 2014 Paving Projects, Staff will request another Budget Amendment to move remaining funds into the 2015 Paving Project.

**2015 Paving Project – Proposed Initial Budget**

Engineering & Architectural	\$ 301,000.00
Telephone & fax	\$ 250.00
Construction	\$ 750.00
Total	\$ 302,000.00

**LEGAL:** N/A

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

**PROPOSED MOTION:** I move to approve Ordinance Number 2014-27

**CITY MANAGER'S COMMENTS:** I recommend approval of this budget amendment request.

**CITY OF UNALASKA  
UNALASKA, ALASKA  
RESOLUTION 2014-83**

**A RESOLUTION OF THE UNALASKA CITY COUNCIL MODIFYING THE CITY OF UNALASKA INVESTMENT POLICY APPROVED MARCH 15, 1995, PREVIOUSLY MODIFIED BY RESOLUTIONS 98-40 AND 2000-80.**

**WHEREAS**, the FDIC insurance limits have changed since the adoption and review of this Policy; and

**WHEREAS**, the collateral for repurchase agreements now usually include mortgage backed securities; and

**WHEREAS**, the City wishes to allow the investment manager to diversify the City's corporate bond holdings by allowing "BBB" rate bonds in its portfolio; and

**WHEREAS**, the City wishes to allow up to 50% of the portfolio to be invested in corporate bonds; and

**WHEREAS**, the City wishes to control the duration of the portfolio to 80% - 120% of the Barclay's 1 – 3 Government index; and

**WHEREAS**, the proposed changes have been recommended by Alaska Permanent Capital Management Co. with the intent of enhancing the returns on the portfolio.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the amendment to the City of Unalaska Investment Policy, Approved March 15, 1995, be amended per the attached recommendations.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 10th DAY OF NOVEMBER 2014.

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MAYOR

ATTEST:

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CITY CLERK



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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**THROUGH:** CHRIS HLADICK, CITY MANAGER  
**FROM:** PATRICIA SOULE, FINANCE DIRECTOR  
**DATE:** NOVEMBER 10, 2014  
**RE:** RESOLUTION 2014-83 INVESTMENT POLICY CHANGES

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**SUMMARY:** The Finance Department of the City of Unalaska is recommending making changes to the Investment Policy based upon the presentation by Evan Rose of the Alaska Permanent Capital Management Co. on August 12, 2014. The proposed changes would allow language to stay current and allow more flexibility to increase the diversification in the City's investment choices.

**PREVIOUS COUNCIL ACTION:** The original investment policy was approved on March 15, 1995, modified by resolution's 1998-49 and 2000-80.

**BACKGROUND:** It has been fourteen years since the last revision to the investment policy. We reviewed the current policy with Evan and he noted that we should look at updating our policy language and limits on our investment option. He presented those ideas to Council and we were directed to bring those suggested changes forth to Council for review.

**DISCUSSION:** At the August 12, 2014 Council meeting Evan discussed making some changes to the investment policy. The intent of the suggested changes is to update the language to current standards and to change some of the restrictions on the investment options. The change in investment restrictions is to enable Evan to continue diversifying our investments to meet the objectives of the City's investment strategy and allowing a larger selection of available securities to be considered.

The changes made to the investment policy are as follows:

- Sections 8(2) Authorized & Suitable Investments & 10 Collateralization; updated the FDIC language to remove the amount and put the word "limit" there so no matter what changes occur in the future the policy would be in compliance with new rules.
- Section 8(3) Authorized & Suitable Investments; added "including agency MDS" as this has almost the same quality as US Treasury.
- Section 8(6) Authorized & Suitable Investments; changed the investment grade to rated "BBB" from "AA" bonds. This will allow more flexibility and choices in the bond market and it also has slightly more yield and better diversification. And he

removed the language requiring the .25 percent spread at the time of purchase, as this would be a tough requirement in the BBB market.

- Section 9 Collateral; removed the custodian language as our current custodian does not work in the REPO market, replaced with “that is rated A or higher by at least one nationally recognized rating service.”
- Section 11(4) Diversification; removed the language about corporate debt as the corporate portfolio is already limited to 50% by existing language under 11(1)-11(3).
- Section 12 Maximum Maturities; removed “not exceed three and one half years” and replaced with “have a range of 80-120% of benchmark duration”. This change is to allow better control of interest rate risk.
- Section 14 Performance Standards; correcting the language that listed “yields” with “returns” as return is the correct comparison to a benchmark. Also removed “Lehman” to “Barclays” as Lehman’s no longer exists.

**ALTERNATIVES:** (1) Council approves the changes to the investment policy; (2) Council rejects changes and leaves policy as is.

**FINANCIAL IMPLICATIONS:** These changes will allow Alaska Permanent Capital fund to look for more diverse investments while following the objective of the City’s investment policy.

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

**STAFF RECOMMENDATION:** Authorize the changes to the investment policy.

**PROPOSED MOTION:** “Motion to adopt Resolution 2014-83.”

**CITY MANAGER’S COMMENTS:** I recommend approval

**CITY OF UNALASKA  
INVESTMENT POLICY**

**Approved March 15, 1995**

Modified by Resolution 1998-49

Modified by Resolution 2000-80

Modified by Resolution 2014-83

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## INVESTMENT POLICY

### 1.0 **Policy:**

It is the policy of the City of Unalaska (herein after "City") to invest public funds in a manner which will preserve capital, provide a market rate of investment return, meet the daily cash flow demands of the City and conform to the Alaska State Statutes and the Unalaska Code of Ordinances governing the investment of public funds.

### 2.0 **Scope:**

This investment policy applies to all financial assets of the City. These funds are accounted for in the City of Unalaska's **Comprehensive Annual Financial Report** and include the following funds:

- (1) General Fund;
- (2) Special Revenue Funds;
- (3) Debt Service Funds;
- (4) Capital Project Funds;
- (5) Enterprise Funds;
- (6) Trust and Agency Funds; and
- (7) Any new fund created by the City Council.  
(unless specifically exempted)

### 3.0 **Prudence:**

The management and investment of assets by the City shall be made with the care, skill prudence and diligence under the circumstances then prevailing that a prudent person would use in the conduct of an enterprise of a like character and with like aims.

3.1 The standard of prudence to be used by investment officials shall be the "*prudent person*" standard and shall be applied in the context of managing an overall portfolio. Investment officials acting in accordance with written procedures and the

investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### 4.0 **Objective:**

The primary objective, in priority order, of the City investment activities shall be:

4.1 **Preservation of Capital:** Preservation of Capital is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, *diversification* is required to reduce overall portfolio risk while attaining market rates of return. This will be accomplished through prudent management and adoption of investment policies and restrictions.

4.2 **Liquidity:** The City investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

4.3 **Return on investment:** The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, and is subject to the City's primary objectives of preservation of capital and liquidity.

#### 5.0 **Delegation of Authority:**

Authority to manage the City's investment program is derived from City Council Resolution 95-23, Unalaska Code of Ordinances, and Alaska State Statutes.

5.1 **Finance Director.** Overall management responsibility for the investment program is hereby delegated to the Finance Director, who shall establish written procedures for the operations of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

5.2 **Procedures.** Procedures set forth by the Finance Director shall include, but are not limited to: (1) the duties of custodian banks responsible for the custody of the City investment account cash and securities, clearing and settling investment transactions and periodic reporting of assets and transactions; (2) the duties of internal and external investment managers responsible for the investment of City funds, to include performance benchmarks, interface with custodian banks, and the reporting of assets and transactions; (3) wire transfer procedures and instructions which provide for authorized signatories.

5.3 Appointment of Custodian Banks and Investment Managers. The Finance Director is authorized to appoint custodian banks and external investment managers subject to the City Council notification and normal City procedures for the approval of contracts, Council Resolution, and 7.0 of this policy.

Investment managers may be retained to invest City funds in lieu of City staff. The investment manager, except for an authorized bank, shall be registered as a Financial Advisor with the U.S. Securities and Exchange Commission, must hold professional liability insurance of at least \$1,000,000 and must have experience in the management of municipal operating or reserve funds.

5.4 City Treasurer. While investment policy is reserved to the Finance Director, operation of the investment program is delegated to the City Treasurer. The City Treasurer shall execute the investment policies and shall be responsible for the coordination of custodial and investment functions. The Treasurer shall maintain records pertaining to all investment transactions and asset holdings.

#### 6.0 **Ethics and Conflicts of Interest:**

Officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City. Employees and officials shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

#### 7.0 **Authorized Financial Dealers and Institutions:**

The Treasurer will maintain a list of financial institutions authorized to provide investment services. A current audited financial statement is required to be on file for each financial institution with which the City invests.

#### 8.0 **Authorized & Suitable Investments:**

The City is empowered by this resolution to invest in, **and is restricted to**, the following types of securities:

(1) obligations of, the United States and of an agency or instrumentality of the United States;

(2) certificates of deposit; those over the FDIC insurance must be secured by eligible collateral as defined in Section 10.0;

(3) repurchase and agreements secured by obligations of the Treasury of the United States and obligations of an agency or instrumentality of the United States, including agency MBS . A Master Repurchase Agreement must be signed with the bank or dealer, before repurchase agreements are entered into;

(4) the Alaska Municipal League Investment Pool, Inc. made in accordance with the terms of that Pool's "Common Investment Agreement"; and in accordance with AS 37.23.010-37.23.900;

(5) commercial paper and other short-term taxable instruments that, at the time of investment, maintain the highest rating by at least two nationally recognized rating services;

(6) obligations of a corporation or municipality if the obligations are, investment grade rated BBB or higher by at least one nationally recognized rating service at the time of investment; this includes asset backed securities (ABS);

(7) money market funds in which the securities of the funds consist of obligations listed in this section and otherwise meet the requirements of this investment policy.

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

#### 9.0 **Collateralization:**

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

Collateral will always be held by an independent third party that is rated A or higher by at least one nationally recognized rating service.

The right of collateral substitution is granted, provided that the substitution meets or exceeds the investment requirements of this policy.

#### 10.0 **Safekeeping and Custody:**

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a *delivery-versus-payment* basis. Securities will be held by a third party custodian designated by the Finance Director and evidenced by safekeeping receipts and statements.



#### 11.0 **Diversification:**

It is the policy of the City to diversify City investments and to ensure the safety and liquidity of the investments by observing the following sound investment practices:

(1) At least 50% of the investment portfolio shall be invested in Government securities.

(2) Not more than 50% of the portfolio will be invested in Time Certificates of Deposit at the time of purchase.

(3) Investments in term repurchase agreements shall not exceed 50% of the investment portfolio at the time of purchase.

(4) Not more than 20% of the portfolio will be invested in Commercial Paper at the time of purchase. Not more than 5% of the portfolio may be invested in the Commercial Paper of any one issuer, at the time of purchase. At any given time, not more than 25% of the portfolio may be invested in Commercial Paper. In addition, Commercial Paper will not be purchased unless the spread in interest rates above Government (US Treasuries) securities is at least 25 basis points (.25%) at the time of purchase.

(5) Not more than 5% of the portfolio may be invested in Corporate Debt of any one issuer, at the time of purchase.

#### 12.0 **Maximum Maturities**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. All investments shall mature in five years or less. However, the duration of the portfolio should have a range of 80-120% of benchmark duration.

#### 13.0 **Internal Control:**

The Finance Director shall develop and maintain adequate internal controls, which should be reviewed annually by the City's external auditor.

#### 14.0 **Performance Standards:**

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs.

15.0 **Market Total Return (Benchmark):**

The basis used by the City Treasurer to determine whether market returns are being achieved shall be the Barclays 1-3 year government index for the securities portion of the portfolio. The Alaska Municipal League Investment Pool shall be compared to the yields of the US T Bills and money markets.

16.0 **Reporting:**

A monthly report shall be prepared by the City Treasurer summarizing investment activity in the portfolio. A market report on investments shall also be prepared for inclusion in the City's Comprehensive Annual Financial Report.

17.0 **Investment Policy Adoption:**

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed each February by the Finance Department. Any modifications made thereto must be approved by a resolution of the City Council.

**CITY OF UNALASKA  
UNALASKA, ALASKA**

**RESOLUTION NO. 2014-73**

**A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO AMEND THE CONTRACT BETWEEN THE CITY OF UNALASKA AND RONALD MOORE.**

WHEREAS, in order to promote the health, welfare, and safety of the public, it has been determined that there is a need for the removal of scrap metal and junk vehicles from the Unalaska Landfill; and

WHEREAS, the City of Unalaska contracted with Ronald Moore on July 8, 2014, to remove scrap metal and junk vehicles from the Unalaska City Landfill and pay for the off island shipping of the material; and

WHEREAS, the increase in shipping costs and the decrease in metal prices has made it unprofitable to remove scrap metal and junk vehicles from the Unalaska Landfill; and

WHEREAS, it has been determined that an amendment to the contract between the City and Ronald Moore is needed that will state that the City is responsible for the off island shipping costs to remove scrap metal and junk vehicles from the Unalaska Landfill.

NOW, THEREFORE, BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to amend the contract between the City of Unalaska and Ronald Moore to state that the City of Unalaska will be responsible for the off island shipping costs of the removed scrap metal and junk vehicles from the Unalaska Landfill.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS \_\_\_\_ DAY OF OCTOBER, 2014.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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## MEMORANDUM TO COUNCIL

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** DAN WINTERS, PUBLIC UTILITIES DIRECTOR  
**THRU:** CHRIS HLADICK, CITY MANAGER  
**DATE:** OCTOBER 14, 2014  
**RE:** RESOLUTION 2014-73 AMENDING THE CONTRACT BETWEEN THE CITY OF UNALASKA AND RONALD MOORE.

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**SUMMARY:** Through Resolution 2014-73, Staff is requesting Council approve amending the contract between the City of Unalaska and Ron Moore to state that the cost of shipping the scrap metal and junk vehicles removed from the Landfill is the responsibility of the City.

Shipping prices of scrap metal and junk vehicles has increased from \$70 per ton to approximately \$250 per ton, and the price paid for scrap metal has dropped from \$250 per ton to \$140 per ton. It will cost \$110 per ton more to ship the material to Seattle than the material is worth. Staff believes Mr. Moore needs relief in shipping costs to keep his business whole, and doing so will sustain the much needed services Mr. Moore has provided for the City.

**PREVIOUS COUNCIL ACTION:** Council Action concerning this issue is as follows:

- At the March 20, 2012, Council Meeting, Council adopted Resolution 2012-22, which awarded a contract for removal of scrap metal and junk vehicles to Ronald Moore in the amount of \$60,000.
- At the July 8, 2014, Council Meeting, Council adopted Resolution 2014-60, which awarded a contract to Ron Moore to remove junk vehicles and scrap metal from the Unalaska Landfill in the amount of \$30,000. This contract was for one year, renewable for a ten year period.

**BACKGROUND:** The City Landfill accepts both scrap metal and junk cars. These items accumulate to the extent of approximately 50 junk vehicles and 200 tons of scrap metal per year. The City has paid as much as \$500 per vehicle and \$250 per ton for scrap metal to remove these items from the Landfill. In 2012, the City contracted with Ron Moore to remove all scrap metal and junk vehicles from the Landfill for \$60,000. This contract was extended in 2012. Mr. Moore extended his scrap metal removal efforts to include the entire City of Unalaska. Since the inception of this contract, Mr. Moore has removed over 11 million pounds of scrap metal from the Unalaska area. On May 27, 2014, the City solicited bids to remove junk vehicles and scrap metal from the Landfill. The City received one bid on June 26, 2014, from Ron Moore at a cost of \$30,000. The contract was awarded to Mr. Moore on July 8, 2014. Staff's experience working with Mr. Moore has been very positive. Mr. Moore has the equipment needed to do the work quickly and efficiently.

In 2012, during the first contract between the City and Ron Moore, metal prices were at \$250 per ton. The cost of shipping junk vehicles and scrap metal to Seattle was \$70 per ton. This gave Mr.

Moore a comfortable profit margin of approximately \$180 per ton to sustain his business and family, who lives here in Unalaska. In 2014, metal prices have dropped to \$140 per ton and shipping costs have increased to approximately \$250 per ton. This decrease in metal prices and increase in shipping costs puts Mr. Moore's business in a negative profit margin, which will eventually force Mr. Moore to discontinue his operation in Unalaska.

**DISCUSSION:** The contract between the City and Ron Moore that is the subject of this resolution has duration of one year, and is renewable annually for 10 years thereafter. Mr. Moore's bid for the subject contract was \$50 per vehicle and \$20 per ton for scrap metal for a total contract price of \$30,000 for the first year, which basically pays for the handling of the material. This contract also states that Mr. Moore is responsible for the shipping of scrap metal and junk vehicles off of our Island. Shipping costs are expected to increase to approximately \$250 per ton and metal prices have decreased to \$140 per ton. It will cost \$110 per ton more to ship the scrap metal and junk vehicles out than it is worth. Staff believes this is too much of a burden on Mr. Moore and recommends amending the contract between the City and Mr. Moore, stating that the City will be responsible for shipping costs of scrap metal and junk vehicles removed from the Landfill.

Currently there is approximately 4000 tons of scrap metal and junk vehicles stored at the Landfill ready for shipment. If shipped by open top containers, it could cost as much as \$1 million to ship this material off Island. The most likely scenario is shipping the material by barge, which will cost from \$160,000 to \$250,000. If Council adopts Resolution 2014-73, Staff will return to Council with a budget amendment to finance the shipping and then solicit proposals for barges from the shipping companies.

Staff recommends Council's adoption of Resolution 2014-73, amending the contract between the City and Ron Moore to state that the cost of shipping junk vehicles and scrap metal from the Unalaska Landfill is the responsibility of the City.

**ALTERNATIVES:** Council could choose to not adopt Resolution 2014-73. However, in doing so would set Staff's efforts in finding a reliable metal salvager back by several years. If Mr. Moore doesn't find relief from the high cost of shipping and low metal prices, the City will lose the service he provides for the community.

**FINANCIAL IMPLICATIONS:** Staff will return to Council with a budget amendment to fund the shipping of scrap metal and junk vehicles from Solid Waste net assets.

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

**STAFF RECOMMENDATION:** Staff recommends adopting Resolution 2014-73.

**PROPOSED MOTION:** I move to adopt Resolution 2014-73.

**CITY MANAGER'S COMMENTS:**

**ADDENDUM NO. 1 TO STANDARD FORM OF AGREEMENT  
BETWEEN THE OWNER AND CONTRACTOR FOR THE  
CITY OF UNALASKA SOLID WASTE LANDFILL  
ANNUAL JUNK VEHICLE & SCRAP METAL REMOVAL PROJECT**

**THIS ADDENDUM NO. 1** is dated as of the \_\_\_\_\_ day of \_\_\_\_\_ in the year 2014, by and between the City of Unalaska (hereinafter called OWNER) and R.L. Moore Metal Recycling (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree to amend that certain Standard Form of Agreement between the Owner and CONTRACTOR as follows:

**Article 1. WORK**

The scope of the construction work shall be amended to remove the existing language of Article 1.4.3 and replace it with the following; "The City shall be responsible for shipping costs for the removed scrap metal and junk vehicles".

The list of Contract Documents shall be amended to include:

- Addendum No. 1 to Standard Form of Agreement

**IN WITNESS WHEREOF**, The OWNER and CONTRACTOR have signed all counterparts of this Addendum. All portions of the Contract Documents have been signed or identified by the OWNER and CONTRACTOR.

This Addendum will be effective on \_\_\_\_\_, 2014.

**City of Unalaska**

**R.L. Moore Metal Recycling**

By \_\_\_\_\_  
Chris Hladick, City Manager

By \_\_\_\_\_  
Ronald Lee Moore

(CORPORATE SEAL)

(CORPORATE SEAL)

Attest \_\_\_\_\_  
City Clerk

Attest \_\_\_\_\_

Address for giving notices:  
PO Box 610  
Unalaska, Alaska 99685

Address for giving notices:  
\_\_\_\_\_  
\_\_\_\_\_

**Subject:** October Scrap Price  
**From:** Adam Thomas (adamt@seairon.com)  
**To:** rlmooremetalrecycling@yahoo.com;  
**Date:** Monday, October 20, 2014 11:28 AM

Dear Ron,

Here are the ferrous prices for material received in October.

Current Price SIMCO Dock:

Shredder Logs & Shreddable Steel - \$160NTD

Heavy Unprepared Scrap Steel (Torch Cut) - \$120NTD

Please note the ferrous markets have seen a steep decline the last few months. Due to significantly lower demand from steel mills, we believe November's price is likely to fall again.

Let me know if you have any questions.

Thank-you,

Adam

Adam Thomas  
Seattle Iron & Metals Corp  
Direct: 206-834-4459  
Cell: 206-793-6226  
[adamt@seairon.com](mailto:adamt@seairon.com)  
[www.seairon.com](http://www.seairon.com)

**CITY OF UNALASKA  
UNALASKA, ALASKA**

**RESOLUTION 2014-82**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNALASKA,  
ACCEPTING A GRANT FROM THE ALASKA DEPARTMENT OF  
TRANSPORTATION AND PUBLIC FACILITIES IN THE AMOUNT OF \$1,757,600  
FOR ROBERT STORRS C FLOAT REPLACEMENT PROJECT**

WHEREAS, the City of Unalaska determined the need to replace the existing C Float at Robert Storrs Harbor; and

WHEREAS, The City of Unalaska City Council passed a resolution of support for the grant application for the Robert C Float Replacement Project through the State of Alaska Harbor Grant Program; and

WHEREAS, the City of Unalaska has been awarded a 50/50 grant from the Alaska Department of Transportation and Public Facilities for the Replacement of C Float at Robert Storrs Harbor; and

WHEREAS, Robert Storrs C Float Replacement is completely designed and ready for construction; and

WHEREAS, the grant money from Alaska Department of Transportation and Public Facilities has been included in the construction budget for Robert Storrs C Float Replacement; and

WHEREAS, the City Council of the City of Unalaska must accept the grant in order to receive the grant money and execute a the harbor grant agreement between the City of Unalaska and the State of Alaska;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Unalaska accepts \$1,757,600 from the Alaska Department of Transportation and Public Facilities Harbor Grant Program; and

BE IT FURTHER RESOLVED that the City of Unalaska agrees to the conditions of the grant award; and

BE IT FURTHER RESOLVED that the Unalaska City Council authorizes the City Manager to sign the grant agreement.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 10<sup>th</sup> DAY OF NOVEMBER 2014.

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MAYOR

ATTEST:

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CITY CLERK



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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** PEGGY MCLAUGHLIN, PORT DIRECTOR  
**THRU:** CHRIS HLADICK, CITY MANAGER  
**DATE:** NOVEMBER 10, 2014  
**RE:** RESOLUTION 2014-82 ACCEPTING A GRANT FROM THE ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES IN THE AMOUNT OF \$1,757,600 FOR ROBERT STORRS C FLOAT REPLACEMENT

**SUMMARY:**

The City of Unalaska has been awarded a 50/50 grant through the Alaska Department of Transportation and Public Facilities. This grant is in the amount of \$1,757,600. In order to begin receiving this grant money the City of Unalaska must accept the grant. By accepting the grant the City agrees to the conditions of the grant award and authorizes the City Manager to sign the grant agreement. The funding from this grant has been included in the budget for the Robert Storrs C Float Replacement Project.

**PREVIOUS COUNCIL ACTION:**

Resolution 2010-40, on May 25, 2010 in support of the FY2012 application for funding through the State of Alaska Department of Transportation and Public Facilities Grant Program in the amount of \$3,325,126 for the Robert Storrs International Boat Harbor Improvement Project.

**BACKGROUND:**

In 2010 the Council supported the application for funding through the State of Alaska Department of Transportation and Public Facilities. The application was not successful. The application was resubmitted in 2011, and the project was awarded \$1,757,600. This was a 50/50 grant program, so the City must match at least this amount. As a courtesy, the State of Alaska extended the grant until we could complete the engineering, design, and bid processes.

**DISCUSSION:**

The Robert Storrs Float Replacement Project has been engineered, designed, reviewed by the public and Council, and has gone through the formal bidding process. The budget for this project includes the \$1,757,600 awarded by the State of Alaska Department of Transportation and Public Facilities. The total construction cost for the project was bid at \$4,357,470.

The grant awarded by the State has been a critical funding source for moving this project forward, specifically as we budgeted for construction costs. This grant money can only be used for construction as the program does not cover engineering, design, or upland construction.

The city has gone through a thorough process to engineer, design, receive public comment, and bid the construction for Robert Storrs C Float. In order for the City of Unalaska to receive funding through this grant the Council must first accept the grant from the State.

Robert Storrs C Float Replacement is a worthy and necessary project. Accepting the funding from the Alaska Department of Transportation and Public Facilities is a critical step in completing this project.

Accepting this grant will allow the Finance Department to receive funding from the State into the Robert Storrs Project Account. By accepting this grant, the City of Unalaska agrees that it will comply with the conditions of the grant. The contractor requirements have been addressed in the formal bid documents.

Payment from this grant will be based on progress. The initial payment will come as start-up, additional funds will be paid as the project hits benchmarks of completion.

**ALTERNATIVES:**

Council could accept the grant

Council could choose to not accept the grant

**FINANCIAL IMPLICATIONS:**

The formal acceptance of this grant is necessary in order to receive funds from the State through this program. This is a matching grant program.

**LEGAL:** N/A

**STAFF RECOMMENDATIONS:**

Staff Recommends approving this Resolution

**PROPOSED MOTION:**

I move to approve Resolution 2014-82

**CITY MANAGER'S COMMENTS:**

**Attachment:**

1. Letter of Award

# STATE OF ALASKA

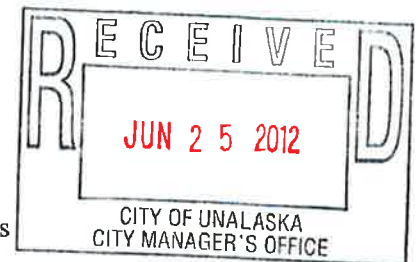
## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

STATEWIDE DESIGN & ENGINEERING SERVICES DIVISION  
*Ports and Harbors Section*

3132 CHANNEL DRIVE  
P.O. Box 112500  
JUNEAU, ALASKA 99811-2500  
PHONE: (907) 465-2960  
FAX: (907) 465-2460  
TEXT: (907) 465-3652

June 15, 2012

Chris Hladick  
City Manager  
City of Unalaska  
P.O. Box 610  
Unalaska, Alaska 99685



Subject: Letter of Award of the FY13 Municipal Harbor Facility Grant Funds

Dear Mr. Hladick: *Chris*

Congratulations on your successful application for the Department of Transportation and Public Facilities' Municipal Harbor Facility Grant Program. Upon successful execution of a harbor grant agreement with the department, the City of Unalaska will receive a Tier I 50/50 matching harbor grant in the amount of \$1,757,600 for construction of the Unalaska Robert Storrs International Small Boat Harbor project. These funds are 100% state general funds.

As a reminder, and as explained in the harbor grant instructions, the municipality will have six (6) months from the date of this Letter of Award to properly ratify and execute a mutually agreeable grant agreement with the department. Note if there is a change in your harbor project that affects the nature of the municipality's original application, then that could prevent us from executing a harbor grant agreement. If a grant agreement cannot be completed within that six month period, the department may deny the award and select the next highest scoring proposal or award the funds in subsequent years. After the grant agreement is signed, the City of Unalaska will have eighteen (18) months to complete the construction phase of the Unalaska Robert Storrs International Small Boat Harbor project.

Please contact me at your earliest convenience to discuss the grant agreement and the timing for your harbor project. I look forward to working with you on this important municipal harbor project. My phone number is 465-3979.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Lukshin".

Michael Lukshin, P.E.  
State Ports and Harbors Engineer

*6/25/2012:*

*Copies to Peggy  
Jonny  
Elizabeth  
Nancy*

*"Get Alaska Moving through service and infrastructure."*

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION 2014-84

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING THE FY16–FY20 CMMP SPECIAL REVIEW COMMITTEE AND APPOINTING COMMITTEE MEMBERS.

WHEREAS, the purpose of the Capital Major and Maintenance Plan (CMMP) is to formalize the process of identifying and completing capital improvements and major maintenance projects; and

WHEREAS, the City Council reviews and approves the CMMP, which is presented by the City Manager annually per Unalaska City Code Chapter 6.12; and

WHEREAS, Unalaska City Code Chapter 2.62 states how special committees are to be established and governed; and

NOW THEREFORE BE IT RESOLVED by the Unalaska City Council that the FY16 – FY20 CMMP Special Review Committee is established for the purpose of helping to solicit for project nominations, reviewing nominations for the CMMP, and recommending the CMMP document to the City Council.

BE IT FURTHER RESOLVED by the Unalaska City Council that the following are appointed to serve on the FY16–FY20 CMMP Special Review Committee and shall meet as needed and as determined by the committee in keeping with the CMMP and Budget schedule:

Chris Hladick, City Manager

Erin Reinders, Planning Director

Tom Cohenour, Director of Public Works

Patricia Soule, Finance Director

Shirley Marquardt, Mayor

Yudelka Leclerc, Council Member

Steven Gregory, Planning Commission Chair

BE IT FURTHER RESOLVED by the Unalaska City Council that the Planning Director shall serve as chair of the FY16–FY20 CMMP Special Review Committee and the Committee shall make its final recommendations to the City Council through the City Manager.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF UNALASKA THIS \_\_\_\_ DAY OF NOVEMBER 2014

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MAYOR

ATTEST:

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CITY CLERK

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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** ERIN REINDERS, PLANNING DIRECTOR  
**THROUGH:** CHRIS HLADICK, CITY MANAGER  
**DATE:** NOVEMBER 7, 2014  
**RE:** CMMP REVIEW COMMITTEE

**SUMMARY:** The City Council reviews and approves the City of Unalaska's Capital and Major Maintenance Plan (CMMP) annually. Staff proposes that the Council establish a FY16-FY20 CMMP Special Review Committee to assist in the development of the CMMP document, and recommends approval of Resolution 2014-84.

**PREVIOUS COUNCIL ACTION:** The City Council reviews and approves the CMMP, which is presented by the City Manager annually per Title 6.12., UCO.

**BACKGROUND:** The CMMP serves as a tool to help the City effectively and efficiently meet the needs of the community. This planning document outlines anticipated or recommended projects and expenditures for the upcoming five years. Over the past few years, the Planning Department has strived to continually increase the usefulness and relevancy of the document. Most recently, a revised CMMP process was proposed at the October 28, 2014 Council meeting that included an establishment of a CMMP Review Committee. Unalaska City Code Chapter 2.62 states how special committees are to be established and governed.

**DISCUSSION:** Resolution 2014-84 has been drafted in accordance with Unalaska City Code Chapter 2.62 to establish the CMMP Review Committee, and to appoint committee members. This committee includes the City Manager, Planning Director, Finance Director, Public Works Director, Mayor, a City Council Member, and the Planning Commission Chair. Committee members would be charged with helping to solicit for project nominations, reviewing approximately 500 pages of nominations and supporting documentation for the CMMP, and recommending the CMMP document to the City Council. These activities will involve approximately four meetings throughout the CMMP development process. The Planning Director is proposed to serve as chair of the Committee with all recommendations being made to the City Council through the City Manager.

**ALTERNATIVES:** City Council may decide to revise Resolution 2014-84 and alter the members being appointed or their roles. If City Council decides it is in the public's best interest not to approve the resolution, the CMMP schedule would be revised to eliminate the involvement of the Review Committee.

**FINANCIAL IMPLICATIONS:** None at this time.

**LEGAL:** None.

**STAFF RECOMMENDATION:** Staff recommends approval of Resolution 2014-84.

**CITY MANAGER'S COMMENTS:** I recommend approval of Resolution 2014-84.