

Regular & Special Meeting
Tuesday, October 8, 2019
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
James Fitch
Roger Rowland
David Gregory

Council Members
Dennis Robinson
Alejandro Tungul
Shari Coleman

UNALASKA CITY COUNCIL

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

Frank Kelty, Mayor

SPECIAL MEETING AGENDA

1. **Call to order**
2. **Roll call**
3. **Legislative**
 - a. Canvass Committee Report
 - b. Certification of Election
4. **Adjournment**

REGULAR MEETING AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of allegiance**
4. **Recognition of visitors**
5. **Adoption of agenda**
6. **Awards & Presentations**
 - a. City Employee Anniversary: Roger Defendall, 30 years
 - b. Council Member Roger Rowland: Appreciation for years of service on City Council
 - c. Mayor Frank Kelty: Retirement and thanks for many years of service to the community
7. **Approve minutes of previous meeting, September 24, 2019**
8. **Reports: City Manager**
9. **Community Input & Announcements** *Members of the public may make announcements of interest to the community.*
10. **Public testimony on agenda items** *Time for members of the public to testify or provide information to Council regarding items on the agenda. Members of the public may also speak when the issue comes up on the regular agenda by signing up with the City Clerk.*
11. **Work session** *Work sessions are for planning purposes, or studying and discussing issues before the Council.*
 - a. M. Lynne Crane, USAFV, Domestic Violence Awareness
 - b. Evan Rose, Alaska Permanent Capital Management
 - c. New Year's Eve Fireworks Show
12. **Legislative:** Proclamation, October 2019 as Domestic Violence Awareness Month
13. **Council Directives to City Manager**
14. **Community Input & Announcements** *Members of the public may make announcements of interest to the community.*
15. **Adjournment**

CITY OF UNALASKA
UNALASKA, ALASKA

CERTIFICATION OF ELECTION

THE UNALASKA CITY COUNCIL hereby certifies the results of the General Election held October 1, 2019, as presented by the Election Board and Canvass Committee, as follows:

City Council Seat CC-A, Mayor

Vince Tutiakoff Sr. 265
Dennis M. Robinson 243
Write-ins..... 35

City Council Seat CC-C

Darin Nicholson 257
Write-ins..... 165

City Council Seat CC-D

David M. Gregory 436
Write-ins..... 31

School Board Seat SB-C

Bob Cummings 409
Write-ins..... 29

School Board Seat SB-D

Denise M. Rankin 246
Josh Good 262
Write-ins..... 1

The City Council with this certification hereby declares the following:

1. **Vince Tutiakoff Sr.** is elected to City Council Seat CC-A, Mayor, for a 3-year term expiring October 2022.
2. **Darin Nicholson** is elected to City Council Seat CC-C for a 3-year term expiring October 2022.
3. **David M. Gregory** is elected to City Council Seat CC-D for a 3-year term expiring October 2022.
4. **Bob Cummings** is elected to School Board Seat SB-C for a 3-year term expiring October 2022.
5. **Josh Good** is elected to School Board Seat SB-D for a 3-year term expiring October 2022.

The City Clerk is authorized to deliver this Certification of Election to every person elected.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on October 8, 2019.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Erin Reinders, City Manager
Date: October 8, 2019
Re: Certificate of Election

SUMMARY: The local general election was held on October 1. The Canvass Committee met on October 4, 2019 and submits their report to the City Council. Pursuant to code, the City Council shall publicly declare and certify the election results on the first Tuesday following the election.

PREVIOUS COUNCIL ACTION: This procedure is followed annually.

BACKGROUND and DISCUSSION: Included in the council packet are the results of Election Day and the Canvass Committee Report, with final results.

Because of the close results for Seat CC-A on Election Day and the number of write-in candidates, a hand count was done for this race only, which increased Mr. Robinson's total by one. There was one ballot on which the oval was not fully filled in by the voter; therefore the vote for that race was not counted by the Optical Scan Unit. Physical inspection of the ballot showed a mark in the oval next to Mr. Robinson's name and the voter also wrote Mr. Robinson's name on the space provided for write-in candidates. The Election Board unanimously agreed that the voter's intent was to cast a ballot for Mr. Robinson.

Inspection of the Election Day ballots showed there were not enough write-in votes for any one candidate to affect the outcome of this race.

UCO § 4.04.070, Majority Elections, states that if no candidate receives in excess of forty percent of the votes cast for the office that a runoff election must be held between the two highest vote getters. The final results for Seat CC-A Mayor are Tutiakoff 265, Robinson 243 and Write-ins 35, for a total of 543 ballots. Including the write-ins, Mr. Tutiakoff received 48.8% of total votes; not including the write-ins, Mr. Tutiakoff received 52% of the vote.

ALTERNATIVES: None.

STAFF RECOMMENDATION: The City Clerk recommends certification of the election results as presented.

PROPOSED MOTION: I move to certify the results of the October 1, 2019 general election as presented by the Election Board and the Canvass Committee.

ATTACHMENTS:

- Optical scan report for Election Day
- Election Day Hand Count Results
- Canvass Committee Optical scan report, Tally sheet and Final Results
- Canvass Committee Report

CITY OF UNALASKA
UNALASKA, ALASKA

**CANVASSING COMMITTEE REPORT
OCTOBER 1, 2019 GENERAL ELECTION**

The Canvassing Committee members, appointed by City Council Resolution 2019-53, consist of Council Member Shari Coleman, Deputy City Clerk Roxanna Winters and City Clerk Marjie Veeder. The Election Board completed a tally of all regular ballots cast at the polls on October 1, 2019, and supplied that report to the Canvassing Committee. The Canvassing Committee met on October 4, 2019, at 10:00 a.m. to canvass all absentee and questioned ballots, and makes this report to the City Council:

ABSENTEE BALLOTS CAST

Absentee ballots	43
Questioned ballots (see disposition below)	2
Subtotal	45

BALLOTS CAST AT THE POLLS

Ballots cast on Election Day	499
Questioned ballots (see disposition below)	4
Subtotal	503

DISPOSITION OF QUESTIONED BALLOTS

Not qualified to vote (not counted)	5
Qualified to vote (counted)	1

TOTAL QUALIFIED BALLOTS 543

There were a total of six questioned ballots, two from absentee voting and four from Election Day. Only one questioned ballot was determined to have been cast by a qualified voter registered at an address in Unalaska and this ballot was counted. The other questioned ballots were cast by voters registered at addresses outside of Unalaska, or by persons not registered to vote.

The Canvass Committee tallied the 43 absentee ballots and the single questioned ballot deemed qualified. The results, combined with the votes cast at the pools, are attached to this report.

There were 2,004 voters on the precinct register, which documents all voters registered at an address in our community at least 30 days before Election Day. The total number of votes cast by qualified voters was 543, which is a 27% voter turnout.

The Canvassing Committee recommends certification of the election results.

DATED this 4th day of October 2019.



Shari Coleman



Roxanna Winters



Marjie Veeder

Election Day

SHA:9320C70D141A8A806E3D
88ECC2C335DBE60F94A8

ELECTION RESULTS REPORT

City of Unalaska
Regular Election

DATE 10/01/19
VOTE CENTER ID 20
Unalaska City Hall
MACHINE ID 2
D/L VERSION 8
COPY 20

ACCU-VOTE 1.96.13
REPORT US 2.2.4

TIME: 20:03:3110/01/19

PRECINCT 20

Unalaska

BALLOTS CAST 499
City Council CC-A Mayor
RACE # 5

Vince Tutiakoff Sr. 245
Dennis M. Robinson 221
WRITE-INS 26
City Council CC-C
RACE # 10

Darin Nicholson 235
WRITE-INS 155
City Council CC-D
RACE # 20

David M. Gresory 400
WRITE-INS 28
School Bd SB-C
RACE # 30

Bob Cummines 371
WRITE-INS 24
School Bd SB-D
RACE # 40

Denise M. Rankin 221
Josh Good 243
WRITE-INS 1

BALLOTS CAST BY PRECINCT
PRECINCT QUANTITY
20 499

WE, THE UNDERSIGNED,
DO HEREBY CERTIFY THE
ELECTION WAS CONDUCTED
IN ACCORDANCE WITH THE
LAWS OF THE STATE.

**** SIGNATURES ****

M. Heider
D. Honan
R. W. ...
...

Election Day Ballots
Hand Count Seat CC-A

10/1/2019

Tutia Koff 275

Robinson $(25 \times 8) + 22 = 222$

Marquardt 19

Alena Syverson 3

Other 10

32 Total Write Ins.

499 total

M. Veder
Susan P. Honan
A. With
M. G. Perkowski

Canvass Committee

SHA:9320C7DD141A8A8C6E3D
89ECC2C335DBE60F94A8

ELECTION RESULTS REPORT

City of Unalaska
Regular Election
DATE 10/01/19
VOTE CENTER ID 40
Absentee
MACHINE ID 4
D/L VERSION 8
COPY 40
ACCU-VOTE 1.96.13
REPORT US 2.2.4

TIME: 10:22:0610/04/19

PRECINCT 30

Absentee

BALLOTS CAST 43

City Council CC-A Mayor
RACE # 5

Vince TutiaKoff Sr. 19
Dennis M. Robinson 21
WRITE-INS 3

City Council CC-C
RACE # 10

Darin Nicholson 22
WRITE-INS 10

City Council CC-D
RACE # 20

David M. Gregory 35
WRITE-INS 3

School Bd SB-C
RACE # 30

Bob Cummins 31
WRITE-INS 5

School Bd SB-D
RACE # 40

Denise M. Rankin 25
Josh Good 18
WRITE-INS 0

BALLOTS CAST BY PRECINCT
PRECINCT QUANTITY
30 43

WE, THE UNDERSIGNED,
DO HEREBY CERTIFY THE
ELECTION WAS CONDUCTED
IN ACCORDANCE WITH THE
LAWS OF THE STATE.

*** SIGNATURES ***
M. Vacker
J. Spillinger
.....
.....
.....
.....
.....

CITY OF UNALASKA
Canvass Committee Tally Sheet
October 1, 2019 General Municipal Election

ABSENTEE BALLOTS	43
QUESTIONED BALLOTS	
Absentee	2
Election Day	4
	6
Questioned - Qualified to Vote	1
Questioned - Not Qualified	5
Canvass Committee Votes to Tally <i>(43 Absentee plus 1 qualified questioned)</i>	44

ABSENTEE and QUESTIONED BALLOT TALLY

City Council Seat CC-A

Vince Tutiakoff Sr.	19
Dennis M. Robinson	21
Write-Ins	3
Total	43

City Council Seat CC-C

Darin Nicholson	22
Write-Ins	10
Total	32

City Council Seat CC-D

David M. Gregory	35
Write-Ins	3
Total	38

School Board Seat SB-C

Bob Cummings	31
Write-Ins	5
Total	36

School Board Seat SB-D

Denise M. Rankin	25
Josh Good	18
Write-Ins	0
Total	43

FINAL ELECTION RESULTS

	ELECTION DAY	CANVASS	TOTAL
City Council Seat CC-A [After Hand Recount]			
Vince Tutiakoff Sr.	245	19 + 1	264 ^{MV} 265
Dennis M. Robinson	222	21	243
Write-ins, over and under voted	32	3	35
City Council Seat CC-C			
Darin Nicholson	235	22	257
Write-ins	155	10	165
City Council Seat CC-D			
David M. Gregory	400	35 + 1	436
Write-ins	28	3	31
School Board Seat SB-C			
Bob Cummings	371	31 + 1	403
Write-ins	24	5	29
School Board Seat SB-D			
Denise M. Rankin	221	25	246
Josh Good	243	18 + 1	262
Write-ins	1	0	1

Shari Coleman _____ *Shari Coleman*

Roxanna Winters _____ *Roxanna Winters*

Marjie Veeder _____ *M. Veeder*

The additional "+1" vote on seats CC-A, CC-D, SB-C + SB-D is because one ballot was damaged on the left margin & could not be counted by the optical scan unit. The votes for that ballot were added to the totals.

M. Veeder
Roxanna Winters
Shari Coleman

Regular Meeting
Tuesday, September 24, 2019
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
James Fitch
Roger Rowland
David Gregory

Council Members
Dennis Robinson
Alejandro Tungul
Shari Coleman

UNALASKA CITY COUNCIL

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Frank Kelty, Mayor

MINUTES

1. Call to order

Mayor Kelty called the Regular Meeting of the Unalaska City Council to order at 6:00 pm, in the Unalaska City council chambers.

2. Roll call

Present:

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

Absent:

Alejandro Tungul (Excused)

3. Pledge of Allegiance

Council Member Gregory led the Pledge of Allegiance

4. Recognition of visitors – None

5. Adoption of agenda

Robinson made a motion to adopt the agenda; Gregory seconded
No objection
Motion passed by consensus

6. Approve minutes of previous meeting: September 10, 2019

Coleman made a motion to adopt the agenda; Robinson seconded
No objection
Motion passed by consensus

7. Reports: City Manager

City Manager reported and answered Council questions

8. Community Input & Announcements

- Planning Department
 - Unalaska 2030 Public Forum – October 5, 2019 12:00 pm at the Grand Aleutian
 - Community Survey
- PCR
 - Library Update
 - Upcoming Playground Projects
 - Community Swim Meet
 - Halloween Bash
- UCSD
 - Soldotna Swim Meet Update
- AML email regarding policy statements and principles
- USAFV 10th Annual “Make A Difference” Suicide Prevention and Awareness Dinner
Friday, September 27, 2019 6:00 pm-8:00pm
- Navy Vessel to arrive in Unalaska on September 25, 2019
- Municipal Election
 - Absentee and Early Voting
 - Election Day - October 1, 2019

9. Public testimony on agenda items - None

10. Work session

Robinson made a motion to move into Work Session; Coleman seconded

No objection

Motion passed by consensus

a. Discussion regarding the FY2021-2025 CMMP Project Ranking Criteria

Bil Homka, Planning Director, presented FY2021-2025 CMMP Project Ranking Criteria results and answered Council questions

b. Discussion regarding Pacific Cod issues for the upcoming NPFMC meeting; see proposed Resolution 2019-55

Mayor Kelty led the discussion on the Pacific Cod issues

11. Regular agenda

Robinson made a motion to reconvene to regular session; Gregory seconded

No objection

Motion passed by consensus

a. Unfinished Business

i. Resolution 2019-51: Identifying the City of Unalaska's State priorities for Fiscal year 2021

Coleman made a motion to adopt Resolution 219-51; Robinson seconded
Roll Call vote: Robinson – yes; Gregory – yes; Fitch – yes; Coleman – yes;
Rowland – yes
Motion passed 5-0

b. New Business

i. Resolution 2019-55: Supporting the development of the Bering Sea Aleutian Island Pacific Cod Limited Access Privilege Program (LAPP) for the trawl catcher vessel sector and ≥ 60' pot catcher vessels

Robinson made a motion to adopt Resolution 2019-55; Coleman seconded

Coleman made a motion to amend Resolution 2019-55 to strike paragraphs 8, 9 and 11; Rowland seconded

Roll Call Vote on amended motion: Robinson – no; Gregory – no; Fitch – yes; Coleman – yes; Rowland – yes
Motion failed 3-2

Gregory made a motion to amend Resolution 2019-55 to correct the following typographical errors

- Paragraph 8 - strike *used* and insert *unused*; strike \geq and insert \leq ;
- Paragraph 9 - strike \geq and insert \leq ;
- Paragraph 11- strike *used* and insert *unused*; strike \geq and insert \leq

Robinson seconded.

Roll Call Vote on amended motion: Rowland – yes; Robinson – yes; Gregory – yes; Fitch – yes; Coleman – yes
Motion passed 5-0

Roll Call Vote on main motion as amended: Gregory – yes; Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes
Motion passed 5-0

12. Council Directives to City Manager - None

13. Community Input & Announcements

- Recognition of visitors:
 - Scott Goodman, Bering Fisheries Research Foundation
 - Dr. Leah Zacher

14. Adjournment

Robinson made a motion to adjourn; Coleman seconded

No objection

Motion passed by consensus

The meeting adjourned at 7:05 pm

Marjie Veeder
City Clerk

rfw

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: October 8, 2019
Re: City Manager Report

Dates of Note:

- 10/12/19...Fire Department Open House (Noon – 3pm) at 29 Safety Way (Public Safety Building)
- 10/14/19...Start of Annual Audit
- 10/21/2019...2nd half property tax payments due

Online Sales Tax: AML is helping with a coordinated municipal response to collecting and managing sales tax from online merchants in response to the Wayfair case. For some background, the U.S. Supreme Court in June 2018 changed the rules for collecting sales tax on online orders. It removed a long-standing limitation that had blocked states from requiring all online sellers to comply with their sales tax laws. This, in effect, creates a level playing field for local businesses. The Supreme Court decision was clear: It said allowing states to apply their tax laws to online sellers the same as local merchants is a matter of fairness. The court said past practice enabled online sellers to avoid collecting sales taxes “has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state’s consumers.” Please see the memo from Brooks Chandler with an update on AML’s progress.

Assessment of City Services: Staff is working on the Annual Assessment of City Services for FY19. This is a useful tool to inform the Council and the community of the City’s accomplishments over the past year. It also helps to communicate what we are working to improve.

Fire Prevention Week: This year’s Fire Prevention Week theme is “Not every hero wears a cape. Plan and practice your escape.” This week provides an opportunity for fire and life safety organizations to share how important it is for everyone to have a home fire escape plan. It is important for community members to learn about the dangers of fire and smoke, to have a plan, and to practice it.

Navy and Marine Corps Visit: The Somerset’s visit to Port of Dutch Harbor and Unalaska between September 25 and September 30 seemed to be an exciting one for all involved. It was a busy weekend that also included a Cruise Ship and the Ferry. The Ports Department was able to make room for all. The coordination between the Police Department, the Navy, and the Marine Corps was effective in assuring the security and safety of both our citizens and military personnel and our associated properties. Several community events were held during the visit, providing recreational and volunteer opportunities for the visitors. I have been told that sales were up at local businesses. Additionally, many of our community members enjoyed tours of the Somerset.

Strategic Planning with City Council: I have started discussions with a facilitator and trainer to lead a Strategic Planning Session with Council. This will help Council set goals and focus areas for the organization. Everyone has different needs and priorities, but there are limited resources. This process will help us better focus our time, money and energy.

Executive Level Searches: Current executive level vacancies include the Finance Director and Police Chief. We have updated the job posting and reopened recruitment efforts for the Finance Director. We are currently updating the Police Chief's job description and plan to begin recruitment efforts the week of October 21, 2019. The proposed changes in Title 3 should provide a more attractive compensation package for potential applicants.

Directives to the City Manager: The following identifies the status of outstanding Directives to the City Manager:

- Options for Increased Tobacco Tax (11/27/18). *Ongoing.* Council discussed in detail at the July 9, 2019 Council Meeting. Future discussions will now include additional information on Tobacco Excise Tax, a combination Tobacco Excise Tax with increased sales tax on alcohol and marijuana, fund dedication options, and potential rates. I am working on some of these details with the City Attorney's office.
- Fiscal Sustainability Plan and Policy (5/14/19). *Initiated.* Interim Finance Director Jim Sharpe and I are in the early stages of discussing and researching this. We plan to provide Council with information in the coming months.
- New Year's Fireworks (8/27/19). *Direction Required.* Council directed the City manager to issue an RFP for the New Year's fireworks. An RFP was issued on August 30, 2019 and we received two complete proposals by the deadline of Friday, September 27. This is a work session item on this evening's agenda.

BOYD, CHANDLER, FALCONER, & MUNSON LLP

Attorneys At Law
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911 West Eighth Avenue
Anchorage, Alaska 99501
Telephone: (907) 272-8401
Facsimile: (907) 274-3698
bcf@bcfaklaw.com

MEMORANDUM

TO: Erin Reinders
City Manager
City of Unalaska



FROM: Brooks W. Chandler
City Attorney

RE: Taxation of Internet Sales

DATE: October 1, 2019

This is an update on the status of joint municipal efforts to create a system intended to maximize collection of sales tax from sales made on the internet. I attended a conference on the issue in June and several teleconference sessions the last of which took place Monday September 23. It appears there is critical mass to place a proposal before many municipalities for consideration by or at the annual conference in November. Here is the concept :

1. An agreement that : a) creates an “intergovernmental” entity named the Alaska Remote Sellers Sales Tax Commission; b) establishes the general governing structure (with full details provided by bylaws); and c) obligates the Commission to develop and those signing to adopt a “Uniform Code of Taxation of Sales Made by Remote Sellers”. Both the Agreement and the Uniform Code are 75% developed. (I have reviewed and commented on drafts prepared by the Kenai Peninsula Borough’s attorney).

2. Each municipality wanting to participate must approve the Agreement by a non-code ordinance.

3. Once the initial Members have been established the Commission elects the initial Board of Directors. The Board finalizes a Uniform Code after circulating a draft to those who have signed the Agreement and getting comments. The Uniform Code is approved by the Board.

4. The Uniform Code is then sent out to each Member of the Commission for adoption by code ordinance (the process is similar to how uniform building codes are adopted). The ordinance adopting the uniform code also expressly delegates each Member's power to administer and collect sales tax on sales made over the internet to the Commission. If this ordinance does not pass the Member must resign from the joint group.

5. While this process is underway the Commission will contract with AML to manage the joint collection and administration effort. This effort will include development of software, report forms and mapping plus general administration of the Commission.

6. With joint administration all the internet sellers would submit returns and tax to the Commission. The Commission would then send the tax payments to each municipality.

Costs for creation and implementation of this joint administration have not been fully estimated. The general concept is the costs will be covered by revenue collected with little or no out of pocket expense to Members. But I would expect there will be "seed money" expenses for those first signing up. The seed money could be reimbursed from future tax revenue or as additional Members join. This is an important consideration. The expectation is that more precise numbers will be available before anyone is asked to approve the initial Agreement by ordinance.

Stay tuned for more details and let me know if you have any comments about the approach described above. Amazon and perhaps a couple more companies are currently collecting and remitting sales tax on internet sales. But Amazon is collecting about 35% of what it should be collecting and there are many companies not collecting tax. It does make sense to develop a coordinated approach in an effort to maximize revenue for all.

PROCLAMATION

WHEREAS, domestic violence is a serious crime that impacts people of all races, ages, religions, income levels, genders, and sexual orientations; and

WHEREAS, the crime of domestic violence violates an individual's privacy, dignity, security, and humanity, due to the systematic use of physical, emotional, sexual, psychological, spiritual, and economic control, coercion, and abuse; and

WHEREAS, the Bureau of Justice Statistics reports that children who grow up in violent homes are abused and neglected at a rate of 1500% higher than the national average; and

WHEREAS, domestic violence costs our nation between \$5 and \$12 billion annually in medical expenses; in police and court costs; in shelters and foster care costs; in employee absenteeism, sick leave, and non-productivity; and in other costs; and

WHEREAS, domestic violence is the leading cause of injury to American women ages 18 to 44; and

WHEREAS, USAFV provides safe shelter, advocacy, personal support, and other services to adults and children impacted by domestic violence in Unalaska and Dutch Harbor; and

WHEREAS, USAFV seeks to prevent future domestic violence by providing education and outreach to people of all ages; and

WHEREAS, only a coordinated community effort will put a stop to domestic violence.

NOW, THEREFORE, I, FRANK KELTY, MAYOR OF THE CITY OF UNALASKA, DO HEREBY PROCLAIM THE MONTH OF OCTOBER 2019 AS DOMESTIC VIOLENCE AWARENESS MONTH AND URGE ALL CITIZENS TO WORK TOWARD THE ELIMINATION OF DOMESTIC VIOLENCE AND ALL VIOLENCE WITHIN FAMILIES AND WITHIN DATING RELATIONSHIPS OF ALL KINDS.

DATED: October 8, 2019

Mayor Frank Kelty

ATTEST:

Marjie Veeder, City Clerk

INVESTMENT REVIEW

for period ending August 31, 2019

City of Unalaska



Agenda



1

Historical Review

APCM is a partner with the City of Unalaska

2

Investment Portfolio

Portfolio Characteristics

3

Economic Outlook

How APCM looks at the future

4

Appendix

Appraisal

Introduction to [APCM's Culture](#).

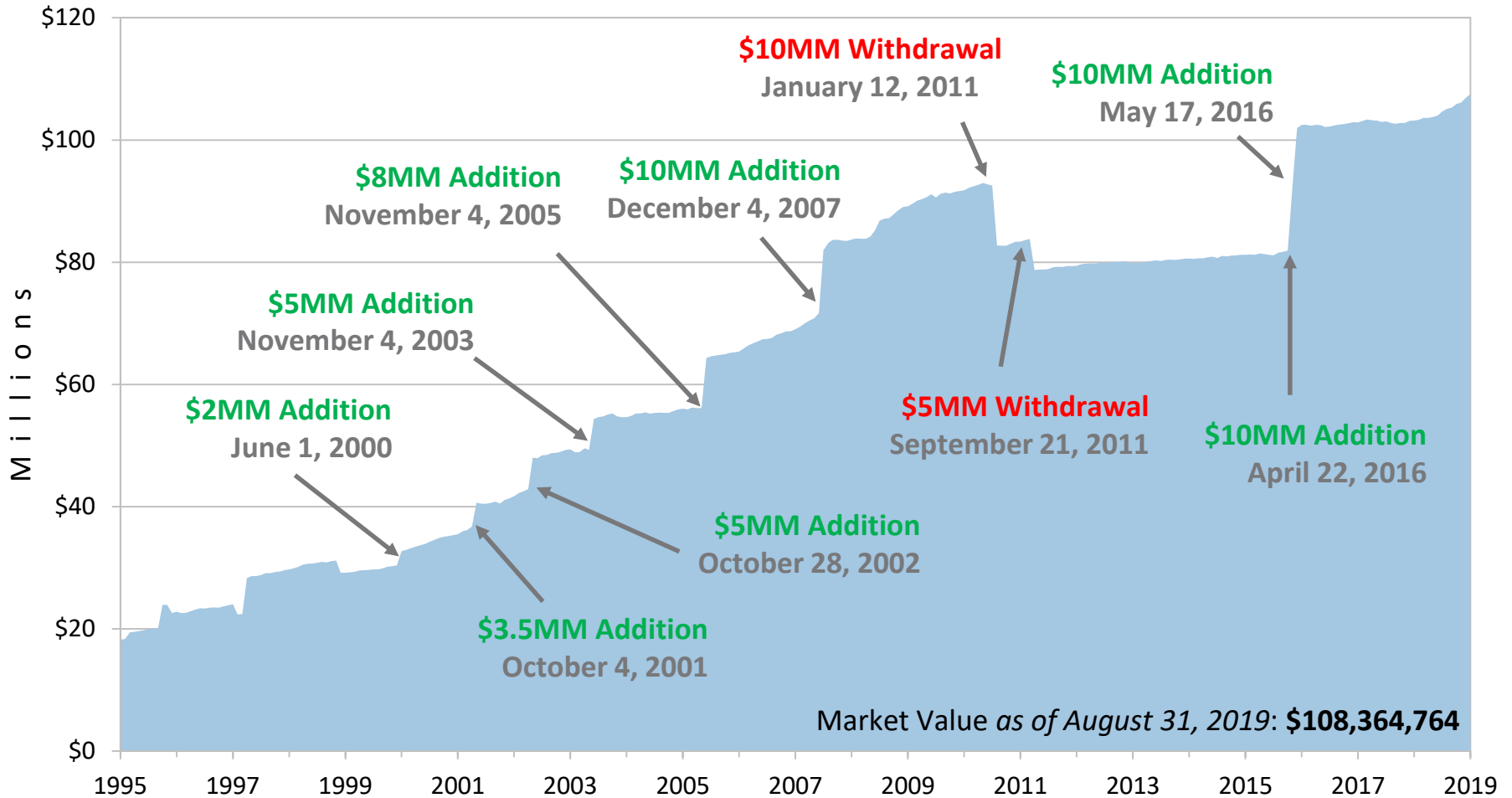
Account Summary as of August 31, 2019

City of Unalaska

Account Inception	June 1995
Current Market Value <i>August 31, 2019</i>	\$108,364,764
Annualized Account Return <i>June 30, 1995 – August 31, 2019; Gross of Fees</i>	+3.70%
Annualized Benchmark Return <i>June 30, 1995 – August 31, 2019</i>	+3.47%
Current Benchmark	Bloomberg Barclays 1-3 Year Government Index

Historical Market Value June 1995 – August 2019

City of Unalaska



Total Contributions: \$71.7MM

Total Withdrawals: \$15.0MM

Investment Portfolio

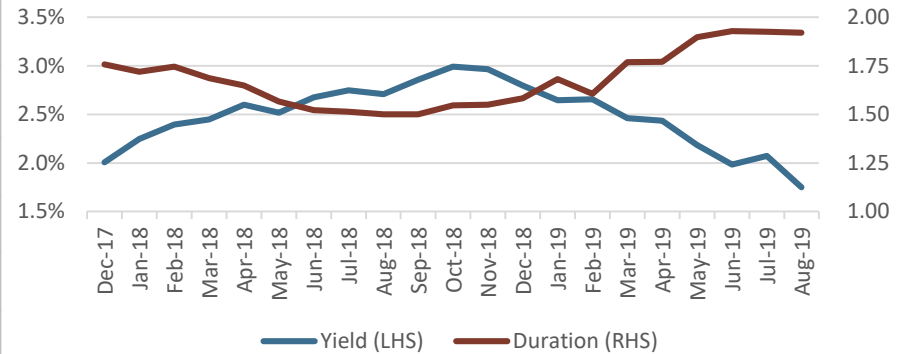
Characteristics and Distribution as of August 31, 2019

City of Unalaska

Summary Statistics

	7/31/2018	8/31/2019	Benchmark
Market Value	\$103,299,839	\$108,364,764	-
Yield to Maturity	2.75%	1.75%	1.57%
Average Quality	AA	AA	AAA
Average Maturity (Yrs)	1.56	2.01	1.97
Effective Duration	1.51	1.92	1.90

Portfolio Yield & Duration



Bond Sectors

	IPS	Portfolio	Benchmark
Cash	-	0.1%	-
U.S. Treasury	>50%	58.1%	95.3%
U.S. Agency		-	4.5%
MBS, ABS, CMBS	-	8.1%	-
Corporates	50% Max	33.7%	-
Other	-	-	0.2%
Total		100%	100%

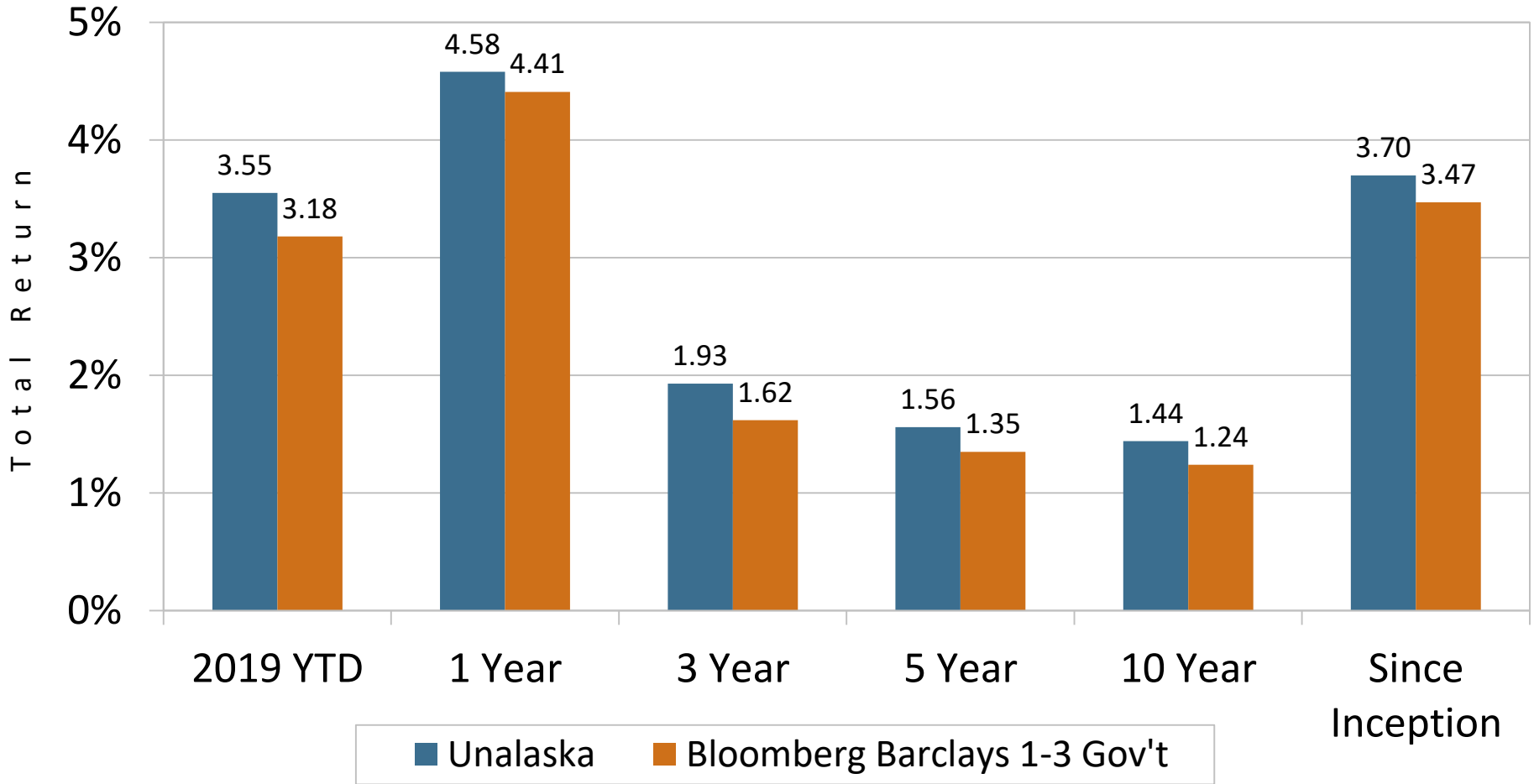
Quality

	Portfolio	Benchmark
AAA	66.3%	95.5%
AA	5.9%	4.5%
A	14.6%	-
BBB	13.2%	-
Other	-	-
Total	100%	100%

Benchmark is the Bloomberg Barclays 1-3 Year Government Index.
Performance is gross of fees and annualized for periods greater than one year.

Account Performance as of August 31, 2019

City of Unalaska



Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on June 30, 1995. Benchmark is the Bloomberg Barclays 1-3 Year Government Index.

Portfolio Summary and Views

The City of Unalaska

- **Portfolio performance** for the last 12 months ending August 2019 was **4.58%** vs. benchmark return of **4.41%**.
 - The main contribution to the outperformance was an overweight to corporate securities.

View Points

Rates	Market indicates another rate cut in 2019, with potential for more in 2020. U.S. inflation expectations are muted despite above trend U.S. GDP growth. Expectations for slower global growth has made central banks lean towards more accommodative monetary policy.
Corporate Credit	APCM remains cautious on credit due to tight valuations. Global default rates remain low while the levels of corporate debt remain high. Any slowdown in corporate earnings will pressure the most highly levered firms.

Historical Cash Flows

Summary of Deposits and Withdrawals

Deposit Amount	Date	Withdrawal Amount
\$ 17,643,500	6/29/1995	
\$ 1,000,000	8/17/1995	
\$ 3,973,149	3/11/1996	
	5/1/1996	\$ 1,332,874
	7/31/1996	\$ 300,000
	7/9/1997	\$ 900,000
	7/14/1997	\$ 500,000
	7/28/1997	\$ 500,000
\$ 5,675,149	9/26/1997	
	5/12/1999	\$ 2,000,000
\$ 2,000,000	6/1/2000	
\$ 3,500,000	10/4/2001	
\$ 5,000,000	10/28/2002	
\$ 5,000,000	11/4/2003	
\$ 8,000,000	11/4/2005	
\$ 10,000,000	12/4/2007	
	1/12/2011	\$ 10,000,000
	9/21/2011	\$ 5,000,000
\$ 10,000,000	4/22/2016	
\$ 10,000,000	5/17/2016	

Observations

- Very few historical draws on an annual basis
- Draws on the account have been known well in advance
- No draw since 2011
- Portfolio remained above \$75mm for over 10 years and over \$100 mm since 2016.
- There is an abundance of liquidity in the account
- Last change to the IPS was 2014 with adding BBB corporate bonds and increasing corporate exposure to max 50%

Economic & Market Outlook

What a Difference a Year Makes

APCM View Points (2018)

Rates



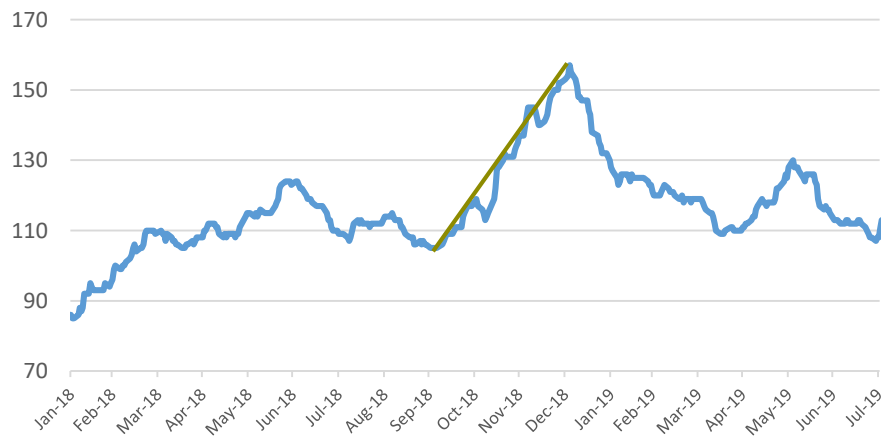
2 more rate hikes still left in 2018 and another 2-3 in 2019. An increase in real yields due to the strengthening economy, an increase in inflation expectations, abundance of Treasury supply coming to market, and a continuation of global bank tightening monetary policy should pressure nominal interest rates up.

Corporate Credit



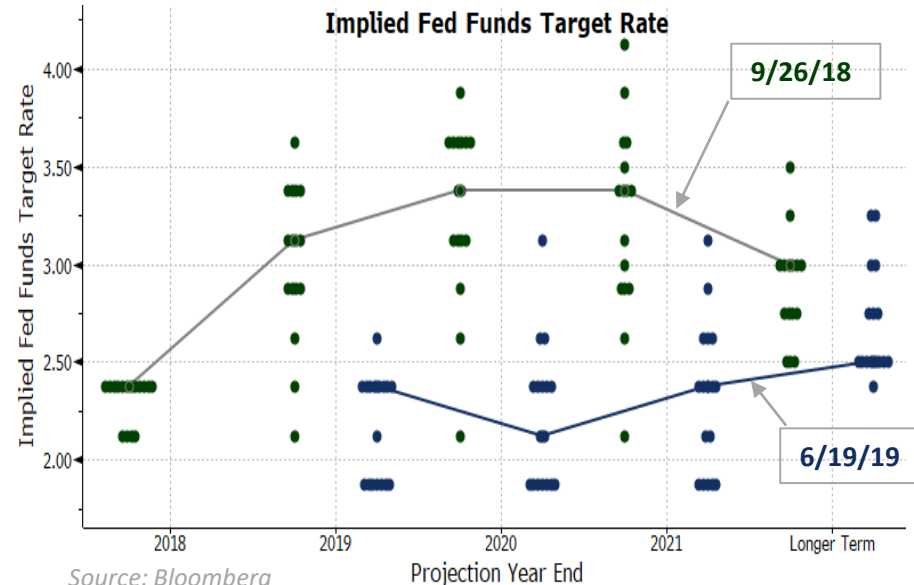
APCM remains cautious on credit due to tight valuations. We acknowledge that the credit cycle has extended with the recent passage of tax reform. Global default rates declined in 2017 from 2016.

Credit Spreads



Developments Since We Last Met

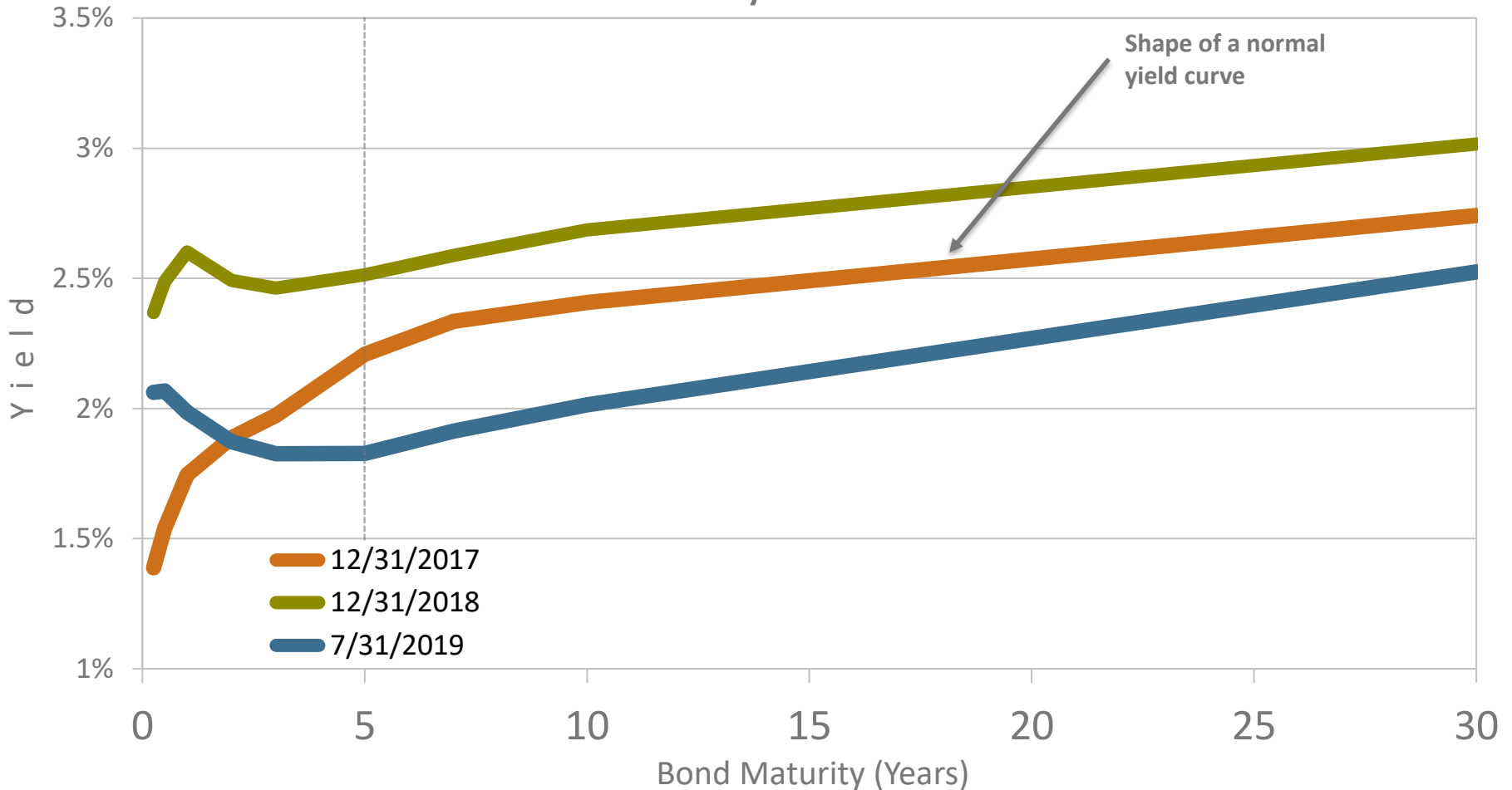
- **Interest rate** levels have fallen dramatically, with market pricing in additional decreases in the Fed Funds Rate.
- **Trade tensions** have dominated headlines and increased since last summer. Impacts are being felt by global U.S. firms (Agriculture, Technology, Auto).
- **Healthy sentiment** through 3rd quarter 2018, mixed since.
- **Sporadic corporate health** concerns, however earnings growth continues to be positive.



Source: Bloomberg

Yield Curve Volatility

U.S. Treasury Yield Curve



Data: Bloomberg

Global Risks



Leadership Approval Ratings
(Data compiled during June 2019)

- Abe: 45%
- Trump: 43%
- Macron: 35%
- Trudeau: 32%
- Merkel: 24%
- Johnson*: Recently Elected

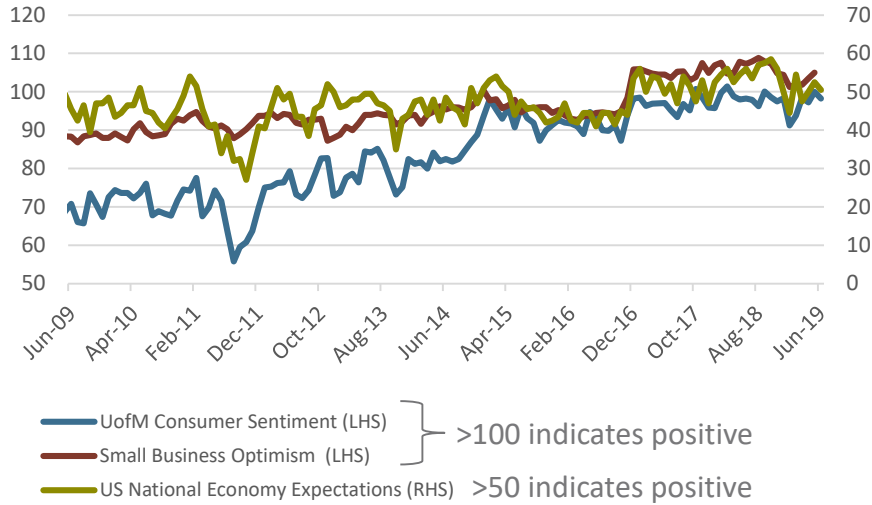
(Most recent)	US	China	Canada	UK	EU	Japan
Real GDP (YoY)	2.3%	6.2%	1.4%	1.8%	1.1%	0.9%
Inflation	1.6%	2.7%	2.0%	2.0%	1.3%	0.7%
Unemployment	3.7%	3.7%	5.5%	3.8%	7.5%	2.3%

Data as of 07/31/2019

Source: Bloomberg, Various Polling Services

Sentiment U.S. & Abroad

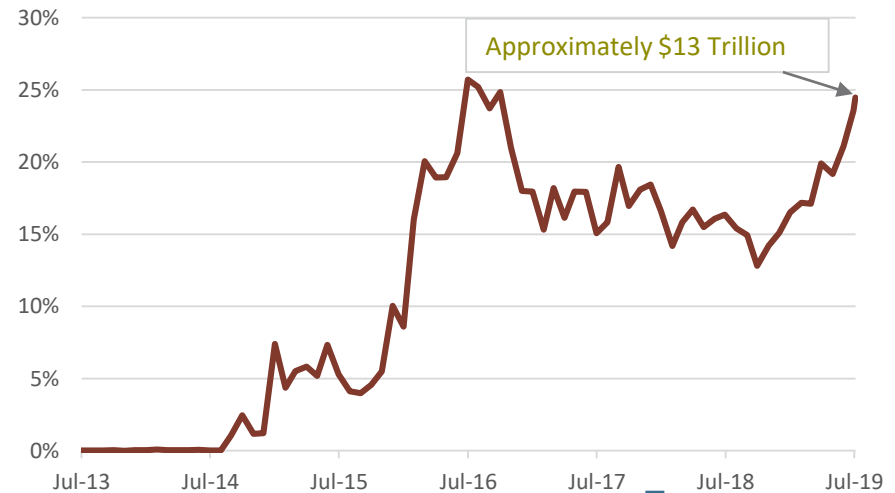
Business & Consumer Sentiment



Deutsche Bank Global Sentiment



Global Negative Yielding Debt as % of Index



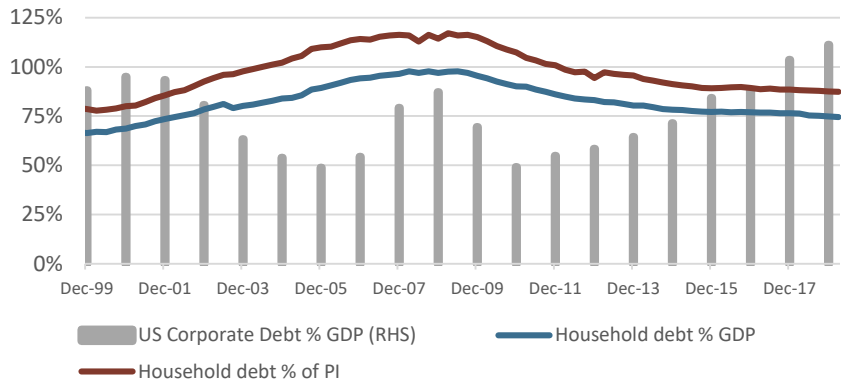
Tying it Together

US business and consumer sentiment has held steady. However, global investor sentiment has moved down and uncertainty remains. Low investor sentiment and a thirst for yield by investors increases demand for fixed income assets, pushing yields lower.

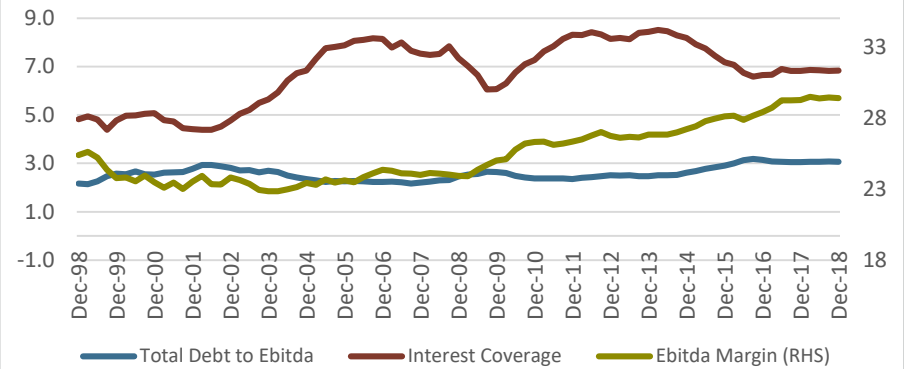
US Consumer Healthy; Corporations Remain Levered

**Consumer accounts for approximately 70% of GDP*

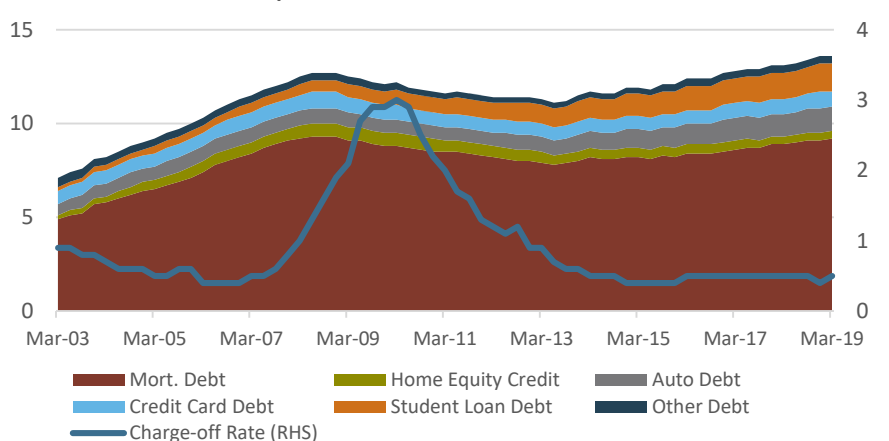
Consumer & Corporate Debt



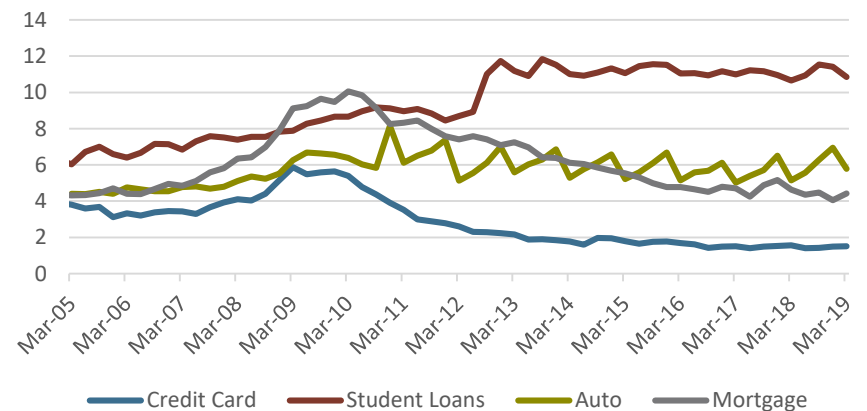
Corporate Fundamentals



Composition of Household Debt



Consumer Delinquency Rates (%)

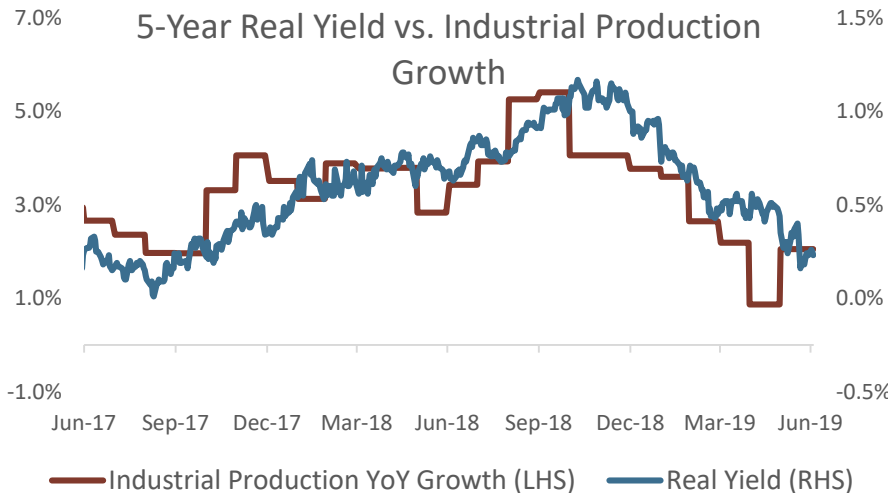
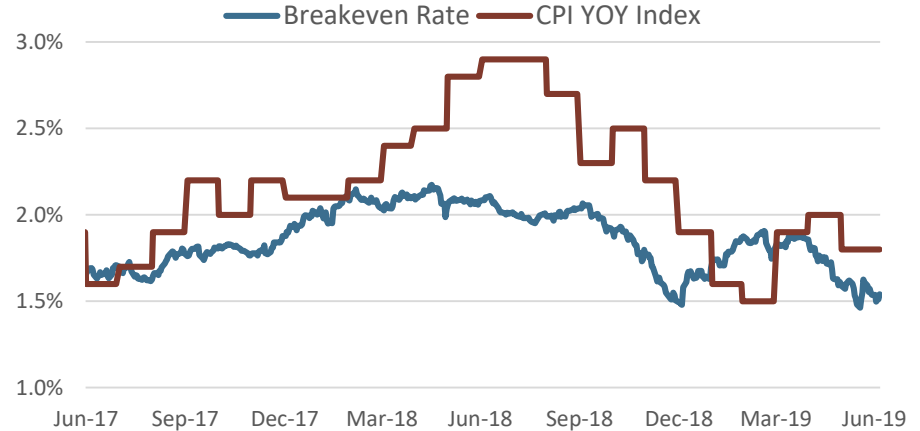


Source: Bloomberg, FRED

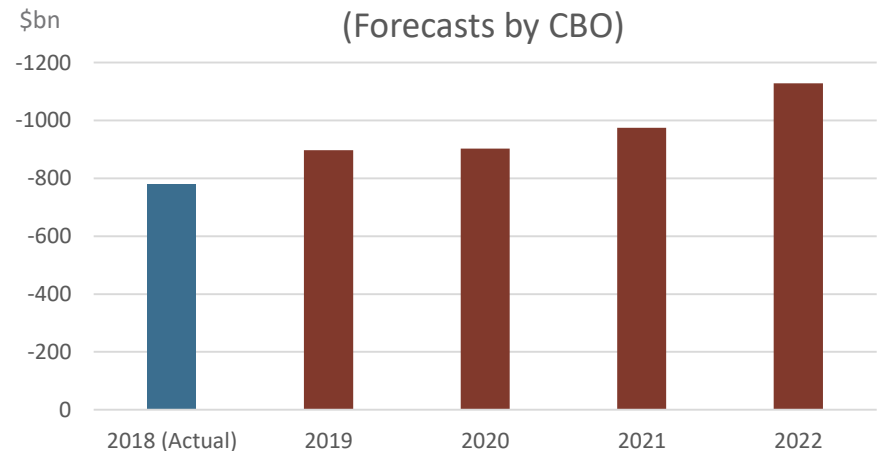
Drivers of Interest Rates

- Inflation expectations have moderated ↔
- Real yields decrease by way of slowing economy ↓
- Increase supply – Budget Deficit ↑
- Increase demand (Flight-to-Quality) ↓
- Federal Reserve – Balance Sheet Normalization ↔
- Sentiment ↓

5-Year Breakeven Inflation Rate vs. CPI



Budget Deficit
(Forecasts by CBO)

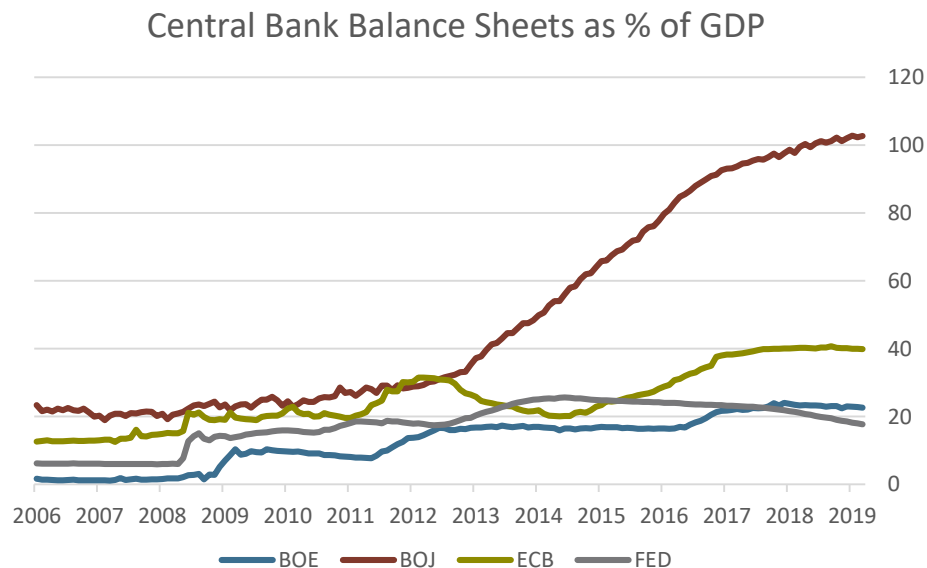
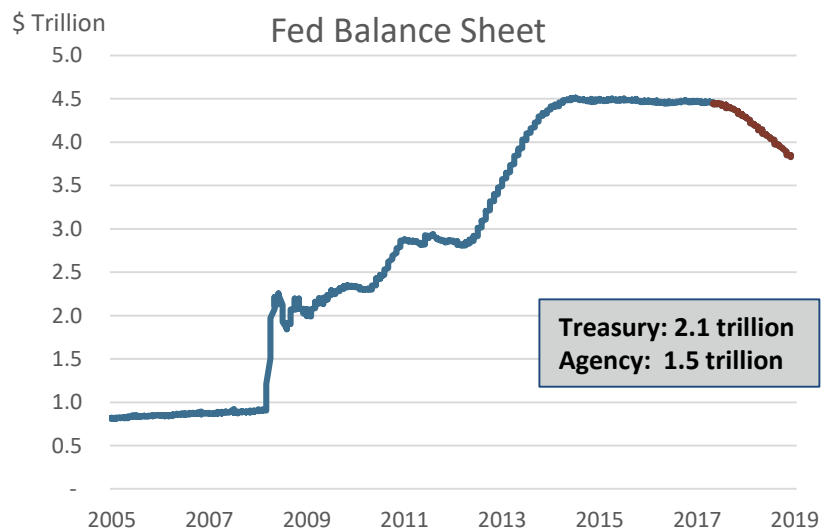


Source: Bloomberg

*CBO Forecast Real GDP of 2.7%, 1.9%, 1.6% over next 3 years [Page Number 33](#) PERMANENT CAPITAL MANAGEMENT Registered Investment Adviser

Central Bank Tools

	Balance Sheet	Interest Rate	Date of First Hike	Date of First Cut
US Fed	Roll off ends in August '19	2.25%	December 2015	July 2019
ECB	Ended Asset Purchase December 2018	0.00%	-	-
BOJ	On-going asset purchase program (corporate, gov. securities, equities)	-0.10%	-	-
BOE	Corporate purchases ended - April 2017	0.75%	August 2018	-



Source: Bloomberg, FRED

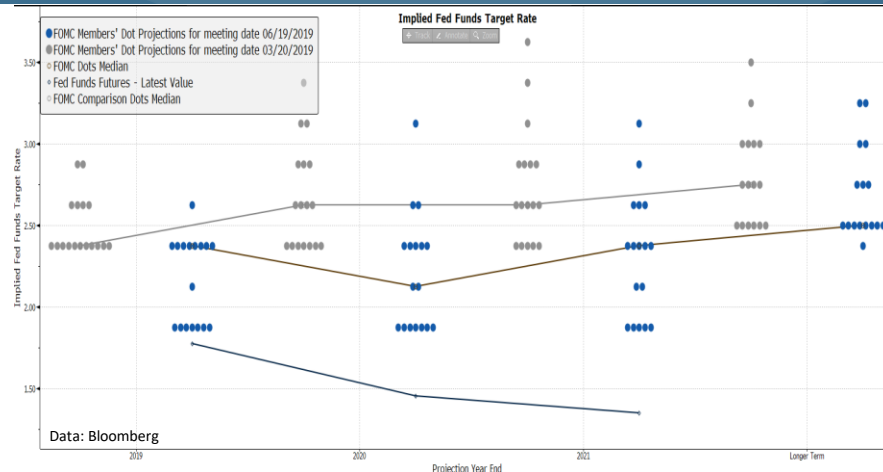
The Fed and Outlook

Outlook

APCM's current fixed income outlook largely defines our core fixed income strategy. Multiple inflection points due to US deficit spending, developing weakness in global growth, trade wars, and government instability will lead to an uncertain decision-making climate for many businesses. This suggests more **volatile return expectations** relative to the past 35+ years. Continued increases in corporate leverage **may amplify negative returns** in spread-based products both in the US and the European Union.

Looking out the next few years, we anticipate that a **slow and choppy expansion** will continue for developed markets. This could provide support for a controlled neutral rate environment. But recent market volatility and economic data has caught the attention of the Fed. The September Fed meeting indicated potential for further rate cuts in response to adverse market conditions.

APCM has shifted its outlook along with the market. The Fed will have to juggle a regime of full employment, muted inflation, and an environment ripe for exogenous shocks. Currently there is a higher expected probability that the Fed cuts rates in both 2019 and early 2020. Demand for US rates due to risk aversion and monetary policy continue to exist. In the long-run, deficit spending by the U.S. Gov't, lack of demand for US assets and political stability could be a catalyst for interest rates to increase.



Interest Rate & Market Outlook

- The Federal Reserve cut its benchmark rate by 25bp in both July and September, bringing the lower bound to 1.75%. The Fed indicated this was a “mid-cycle adjustment,” the first since 1995. Interest rates fell dramatically in response in July and have remained low as further rate cuts remain on the table.
- APCM's stance has shifted to another rate cut in the 4th quarter. We expect 2019 and 2020 to have continued volatility, but not quite what was seen in the fourth quarter of 2018.
- China, Brexit issues, politics, souring sentiment and weaker global economic data continue to weigh on yields.

Appendix

Portfolio Appraisal

CITY OF UNALASKA

August 31, 2019



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
ASSET-BACKED SECURITIES									
742,177	ALLY AUTO RECEIVABLES TRUST 1.720% Due 04-12-21	98.91	734,088	99.86	741,130	0.68	12,765	567	2.09
310,774	FORD CREDIT AUTO OWNER TRUST 1.670% Due 06-15-21	98.89	307,315	99.83	310,249	0.29	5,190	231	2.21
1,000,000	CITIBANK CREDIT CARD ISSUANCE TRUST 1.750% Due 11-19-21	98.63	986,289	99.91	999,090	0.92	17,500	4,958	2.19
1,500,000	FORD CREDIT FLOORPLAN MASTER OWNER TRUST 2.070% Due 05-15-22	98.64	1,479,551	99.97	1,499,490	1.38	31,050	1,380	2.12
650,000	BANK OF AMERICA CREDIT CARD TRUST 1.950% Due 08-15-22	98.61	640,936	99.95	649,649	0.60	12,675	563	2.07
625,000	NISSAN AUTO LEASE TRUST 2.040% Due 09-15-22	99.11	619,458	99.98	624,900	0.58	12,750	567	2.19
1,200,000	USAA AUTO OWNER TRUST 1.880% Due 09-15-22	98.32	1,179,891	99.77	1,197,288	1.10	22,560	1,003	1.99
500,000	AMERICAN EXPRESS CREDIT ACCOUNT 1.770% Due 11-15-22	98.08	490,391	99.84	499,210	0.46	8,850	393	2.02
750,000	VOLKSWAGEN AUTO LOAN ENHANCED TRUST 3.020% Due 11-21-22	99.99	749,912	101.66	762,457	0.70	22,650	692	1.90
1,500,000	DISCOVER CARD EXECUTION NOTE TRUST 1.880% Due 02-15-23 Accrued Interest	98.57	1,478,555	99.96	1,499,385	1.38	28,200	1,253	1.92
					11,608	0.01			
			8,666,384		8,794,457	8.12		11,608	
CORPORATE BONDS									
416,000	AIG GLOBAL FUNDING 2.150% Due 07-02-20	97.90	407,285	100.09	416,370	0.38	8,944	1,466	2.03
1,175,000	HSBC USA INC 2.750% Due 08-07-20	101.60	1,193,765	100.63	1,182,449	1.09	32,312	2,154	2.05
1,250,000	BANK OF NOVA SCOTIA 2.350% Due 10-21-20	100.69	1,258,637	100.47	1,255,937	1.16	29,375	10,608	1.92
1,000,000	JPMORGAN CHASE & CO 2.550% Due 10-29-20	99.81	998,080	100.54	1,005,440	0.93	25,500	8,642	2.07
1,150,000	BANK OF NY MELLON CORP 2.450% Due 11-27-20	101.43	1,166,410	100.46	1,155,255	1.07	28,175	7,357	2.07
1,300,000	TORONTO-DOMINION BANK 2.550% Due 01-25-21	98.47	1,280,058	100.87	1,311,284	1.21	33,150	3,315	1.91
1,000,000	MORGAN STANLEY 2.500% Due 04-21-21	97.59	975,900	100.55	1,005,550	0.93	25,000	9,028	2.15
1,000,000	WEC ENERGY GROUP INC 3.375% Due 06-15-21	101.27	1,012,700	102.20	1,021,970	0.94	33,750	7,125	2.11

*CALLABLE SECURITY

Portfolio Appraisal

CITY OF UNALASKA

August 31, 2019



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
1,300,000	MOLSON COORS BREWING CO 2.100% Due 07-15-21	96.01	1,248,091	99.97	1,299,558	1.20	27,300	3,488	2.11
994,000	CAPITAL ONE NA 2.950% Due 07-23-21	100.45	998,483	101.26	1,006,505	0.93	29,323	3,095	2.26
1,300,000	CITIGROUP INC 2.350% Due 08-02-21	96.85	1,259,115	100.64	1,308,320	1.21	30,550	2,461	2.01
1,045,000	DOMINION ENERGY INC 2.000% Due 08-15-21	97.22	1,015,928	99.59	1,040,747	0.96	20,900	929	2.21
1,295,000	BANK OF MONTREAL 1.900% Due 08-27-21	96.08	1,244,197	100.04	1,295,557	1.20	24,605	273	1.88
1,000,000	AMERICAN ELECTRIC POWER 3.650% Due 12-01-21	103.26	1,032,560	103.36	1,033,590	0.95	36,500	9,125	2.11
1,000,000	FEDEX CORP 3.400% Due 01-14-22	101.69	1,016,870	103.17	1,031,690	0.95	34,000	4,439	2.02
1,200,000	US BANCORP 2.625% Due 01-24-22	99.66	1,195,896	101.66	1,219,884	1.13	31,500	3,237	1.91
1,000,000	IBM CORP 2.500% Due 01-27-22	99.29	992,940	101.31	1,013,060	0.93	25,000	2,361	1.94
750,000	CITIZENS BANK NA/RI 3.250% Due 02-14-22	102.67	770,032	102.67	770,017	0.71	24,375	1,151	2.12
750,000	PNC BANK NA 2.625% Due 02-17-22	98.25	736,890	101.65	762,345	0.70	19,687	766	1.93
1,250,000	CBS CORP 3.375% Due 03-01-22	100.33	1,254,075	102.73	1,284,087	1.18	42,187	21,094	2.24
1,150,000	AMERICAN EXPRESS CREDIT 2.700% Due 03-03-22	100.67	1,157,739	101.99	1,172,896	1.08	31,050	15,352	1.88
1,250,000	WELLS FARGO & CO 3.500% Due 03-08-22	101.06	1,263,300	103.52	1,294,037	1.19	43,750	21,024	2.06
1,250,000	ALLERGAN FUNDING SCS 3.450% Due 03-15-22	100.96	1,262,050	102.72	1,283,950	1.18	43,125	19,885	2.34
1,000,000	UNITEDHEALTH GROUP INC 2.875% Due 03-15-22	100.43	1,004,280	102.04	1,020,440	0.94	28,750	13,257	2.04
620,000	HUNTINGTON NATIONAL BANK 3.125% Due 04-01-22	101.86	631,526	102.52	635,649	0.59	19,375	9,957	2.11
750,000	LOWES COS INC 3.120% Due 04-15-22	102.23	766,762	102.52	768,930	0.71	23,400	8,840	2.12
1,050,000	ANTHEM INC 3.125% Due 05-15-22	101.99	1,070,926	102.43	1,075,567	0.99	32,812	9,661	2.19
974,000	SIMON PROPERTY GROUP LP 2.625% Due 06-15-22	99.95	973,503	101.75	991,055	0.91	25,567	5,398	1.97

*CALLABLE SECURITY

Portfolio Appraisal

CITY OF UNALASKA

August 31, 2019



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
1,000,000	STARBUCKS CORP 2.700% Due 06-15-22	99.89	998,920	102.05	1,020,530	0.94	27,000	5,700	1.94
1,125,000	Toyota Motor Credit Corp 2.800% Due 07-13-22	101.42	1,140,997	102.81	1,156,669	1.07	31,500	4,200	1.79
1,000,000	CVS HEALTH CORP 3.500% Due 07-20-22	102.68	1,026,840	103.58	1,035,800	0.96	35,000	3,986	2.21
535,000	CENTERPOINT ENERGY INC 2.500% Due 09-01-22	100.52	537,777	100.81	539,317	0.50	13,375	6,687	2.22
1,500,000	KEYCORP 2.300% Due 09-14-22	100.04	1,500,615	100.82	1,512,375	1.40	34,500	16,004	2.02
1,350,000	PRICOA GLOBAL FUNDING 1 2.450% Due 09-21-22	101.05	1,364,202	101.13	1,365,228	1.26	33,075	14,700	2.06
	Accrued Interest				256,766	0.24			
			35,757,352		36,548,827	33.73		256,766	
U.S. TREASURY									
2,800,000	US TREASURY NOTES 2.125% Due 01-31-21	99.62	2,789,281	100.64	2,817,948	2.60	59,500	5,174	1.66
7,300,000	US TREASURY NOTES 2.250% Due 02-15-21	99.61	7,271,488	100.87	7,363,583	6.80	164,250	7,588	1.64
5,500,000	US TREASURY NOTES 2.250% Due 03-31-21	100.05	5,502,793	100.97	5,553,515	5.12	123,750	52,123	1.63
5,000,000	US TREASURY NOTES 2.000% Due 05-31-21	99.52	4,975,977	100.72	5,035,950	4.65	100,000	25,410	1.58
4,250,000	US TREASURY NOTES 2.125% Due 06-30-21	98.97	4,206,172	101.01	4,293,010	3.96	90,312	15,461	1.56
1,600,000	US TREASURY NOTES 2.625% Due 07-15-21	99.71	1,595,359	101.95	1,631,184	1.51	42,000	5,478	1.56
2,000,000	US TREASURY NOTES 2.750% Due 08-15-21	99.83	1,996,641	102.30	2,046,020	1.89	55,000	2,541	1.55
2,300,000	US TREASURY NOTES 2.875% Due 10-15-21	99.95	2,298,922	102.81	2,364,699	2.18	66,125	25,113	1.52
5,450,000	US TREASURY NOTES 2.875% Due 11-15-21	100.19	5,460,604	102.94	5,610,502	5.18	156,687	46,410	1.51
4,000,000	US TREASURY NOTES 2.625% Due 12-15-21	100.02	4,000,625	102.57	4,102,640	3.79	105,000	22,377	1.48
4,250,000	US TREASURY NOTES 2.500% Due 01-15-22	99.85	4,243,691	102.36	4,350,130	4.01	106,250	13,859	1.49
1,500,000	US TREASURY NOTES 1.875% Due 01-31-22	100.09	1,501,289	100.92	1,513,770	1.40	28,125	2,446	1.49

*CALLABLE SECURITY

Portfolio Appraisal

CITY OF UNALASKA

August 31, 2019



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
2,250,000	US TREASURY NOTES 2.500% Due 02-15-22	100.13	2,252,900	102.45	2,305,102	2.13	56,250	2,599	1.48
3,000,000	US TREASURY NOTES 2.000% Due 02-15-22	99.29	2,978,672	101.30	3,039,030	2.80	60,000	2,772	1.46
4,700,000	US TREASURY NOTES 2.250% Due 04-15-22	99.94	4,697,062	102.02	4,794,752	4.42	105,750	40,162	1.46
2,500,000	US TREASURY NOTES 1.875% Due 04-30-22	99.05	2,476,172	101.07	2,526,850	2.33	46,875	15,795	1.46
2,500,000	US TREASURY NOTES 2.000% Due 07-31-22	100.16	2,504,004	101.62	2,540,425	2.34	50,000	4,348	1.43
800,000	US TREASURY NOTES 1.500% Due 08-15-22	99.93	799,437	100.20	801,592	0.74	12,000	554	1.43
	Accrued Interest				290,208	0.27			
			61,551,090		62,980,911	58.12		290,208	
CASH AND EQUIVALENTS									
	WF ADV GOVT MM FD-INSTL #1751		40,569		40,569	0.04			
TOTAL PORTFOLIO			106,015,395		108,364,764	100	2,586,480	558,582	



PERFORMANCE HISTORY GROSS OF FEES

CITY OF UNALASKA
Gross of Fees

Time Period	Percent Return Per Period		
	Total Account	Blend	BB BARC 1-3 YR GOV
08-31-18 to 09-30-18	0.02	-0.12	-0.12
09-30-18 to 10-31-18	0.11	0.14	0.14
10-31-18 to 11-30-18	0.25	0.36	0.36
11-30-18 to 12-31-18	0.63	0.80	0.80
12-31-18 to 01-31-19	0.43	0.27	0.27
01-31-19 to 02-28-19	0.17	0.10	0.10
02-28-19 to 03-31-19	0.57	0.62	0.62
03-31-19 to 04-30-19	0.24	0.20	0.20
04-30-19 to 05-31-19	0.71	0.74	0.74
05-31-19 to 06-30-19	0.58	0.52	0.52
06-30-19 to 07-31-19	-0.05	-0.11	-0.11
07-31-19 to 08-31-19	0.85	0.81	0.81
Date to Date			
08-31-18 to 08-31-19	4.58	4.41	4.41

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
 From: Michelle Price, Administrative Coordinator
 Through: Erin Reinders, City Manager
 Date: October 8, 2019
 Re: New Years' Eve Fireworks

On August 27, 2019, City Council directed the City Manager to issue an RFP for the New Year's fireworks. An RFP was issued on August 30, 2019, with a deadline of September 27, 2019.

We received three proposals from two companies. One of the proposals was incomplete and is not being considered. The two remaining proposals are from Lantis Fireworks & Laser.

Proposal A is consistent with the 4th of July fireworks display and included cakes and roman candles. Proposal B does not include cakes and roman candles. Estimated costs for Fireworks Display:

COMPANY	PROPOSAL (A) <i>(With Cakes & Roman Candles)</i>	PROPOSAL (B) <i>(Without Cakes & Roman Candles)</i>
Lantis Fireworks & Laser Fee (includes shipping)	\$31,000	\$28,000
<i>Estimated Additional Travel Costs</i>		
Alaska Airlines (2 Persons)	\$2,201.98	\$2,201.98
Grand Aleutian	\$1,200	\$1,200
BC Rentals	\$400	\$400
Meals	\$400	\$400
TOTAL	\$35,201.98	\$32,201.98

\$41,800 was budgeted in FY20 for fireworks in the Council's General Supplies budget line item. The remaining available funds in the General Supplies line item are **\$10,730**.

If the Council chooses to proceed with either Proposal A or B, a line item transfer or budget amendment is necessary. A budget amendment takes two readings. Alternatively, potential sources for a line item transfer include:

- **\$13,500** from Council's Planned Sponsorships line item, which was planned for UAF but was actually funded through the Community Grants Program.
- **\$11,000** (or less depending on the selected option) of the \$20,000 budgeted in Contingency Sponsorship line item.

Masters of Our Craft



LANTIS
Fireworks & Lasers

Lantis Fireworks & Lasers
2150 Innes Cr
Anchorage, AK 99515
907-354-3312

Proposal (A)
Unalaska 2019 NYE Fireworks Display

Table of Contents

Schedule 1**Introduction & Event Concept**

Schedule 2**Personal**

Schedule 3**Experience**

Schedule 4**Product Description and Quantity List**

Schedule 5**Insurance**

Schedule 6**Permitting**

Schedule 7**Reference Contacts**

Schedule 1

Introduction

Lantis Fireworks & Lasers has a good concept of the type of fireworks display needed to create excitement and enjoyment at the 2019 Unalaska New Year's Eve Fireworks Display. **This proposal will fill all available tubes listed in the RFP and includes Multi Shot Aerial Display Devices and Roman Candles.**

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Event Planning: Given the limitations of budget, safety consideration of the site and the tubes/racks available in Unalaska, Lantis will create an evening sky full of noise, fantastic shell designs and color combinations that will please all in attendance. The fireworks display site will allow for us to shoot up to 12" aerial shells. A good active firework display with shells requires an average of one shell per 2.5 seconds on average. Each large multi shot items or cakes will fill the sky with fireworks for up to 50 seconds at a time and add variety to a display. For the fireworks display finale we use an average of 15% to 20% of the aerial shells and multi shot items or cakes and shoot them in the last few minutes of the display. All fireworks in the display will be fired electronically using Lantis Fireworks Wired Firing System. Firing electronically allows for a much safer display for the pyro and better control of the flow and timing of the display. It provides for the display to be choregraph by colors, effects and angle. We have moved from shooting single shells straight up to putting a slight angle to the racks of the smaller shells and shooting some multiple shells at the same time and with a slight delay. This provides a great effect and widens the sky for a better viewing experience. The downside is that the display will not last as long. This shooting option will be discussed with the client to see what they prefer.

Schedule 2

Personal

The Pyrotechnic crew for your fireworks display is;

Head Pyro – Anthony Schmidt - State of Alaska Pyro License FWP18-014
Expires 05/30/2021 phone # (907-707-3661)

Project Manager – Michael Bowen - State of Alaska Pyro License FWP18-009
Expires 11/28/2020 mike@lantisfireworks.com phone # (907-354-3312)

Schedule 3

Experience

Anthony Schmidt is a very safety and detailed orientated Pyro. He takes the effort to choregraph the placement of each shell and cake for the best size, timing, color and effect. Anthony has shot multiple displays for Lantis Fireworks and Gorilla Fireworks. He has received professional pyro training at American Pyrotechnic Institution.

Michael Bowen is the Alaska representative of Lantis Fireworks & Lasers located in Anchorage Alaska and has been involved in all facets of display fireworks since 2002 and Alaska Pyro licensed since 2005. We have a storage bunker in Wasilla, AK but our main facility is in Salt

Lake City, Utah. We provide professional fireworks displays for any event from small intimate weddings to large community and private events in five western states and Alaska. We offer displays choreograph to music and lasers.

Safety is always our top priority and pride ourselves in maintaining great relationships with the fire departments and clients in the communities that we operate in.

The main events in Alaska that we have provided displays for the last three plus years are;
Anchorage New Year's Eve and Fur Rondy.
Soldotna Winter Games and Frozen River Festival.
Cordova Iceworm Festival.
Seward 4th of July/Mount Marathon Race.
New for this last year is City of Valdez NYE and Unalaska 4th of July

Schedule 4

Proposal Full Cost & List of Display Components

Lantis Fireworks & Lasers directly imports their fireworks from China and other nations. We use quality products from well know manufactures like LIDU and Pingxiang HIFI Trading Co. The interrelationship between the mood and rhythm of the visual effects created requires that final shell selection await the actual choreographing of the show, this allows our pyro-artists the largest possible palate from which to paint the sky. We have an assortment of over 300,000 shells to choose from. You can rest assured that your show will be like no other.

This approach is different from other pyrotechnic companies. While we are careful to specify the quantity, quality, and size of fireworks shells, we are reluctant to identify specific individual shells until show design and choreography is complete.

We hope that you will consider the value of this approach in evaluating our proposals

3" Aerial Shells

With one of the widest ranges of 3" aerial shell you will find over 70% to be bicolor. We have over 175 different varieties to choose from. Shells such as: Palm Trees, Willows, Double rings, hearts, mixed Peonies with special effects such as Color-Changing stars, Whistles and Pistols are designed for these shells reaching heights of up to 350 feet. For your display we have selected:

Total 3" Aerial Shells = 150 Shells to be designed into the show

3" Salutes

A brilliant silver flash and heavy report, these shells are usually used to note the finale of the display. For your display we have selected:

Total 3" Salutes = 40 Shells to be designed into the show

4" Aerial Shells

These spectacular shells travel up to 450 feet high and then burst in a spectrum of colors and effects. The world-famous Hummer Shells, Special Effect Willows, three color changing Stars with Palm Core and Sky Mines are some of our exclusive 4" shells. We have 125 varieties to

choose form. For your display we have selected:

Total 4" Aerial Shells = 140 Shells to be designed into the show

5" Aerial Shells

Our 5" aerial shells are individually designed to add a new dimension to the display. As these shells are larger in diameter this allows our designers to place more effects inside the shell to create effects such as Saturn Rings, Smiley Faces, Butterflies, Sky Mines, Silver Serpents and the beautiful gold "Kamouro" stars which burst over 500 feet high and then suspend in the night sky slowly descending towards the ground. We have over 130 varieties in stock. For your display we have selected:

Total 5" Aerial Shells = 105 Shells to be Designed into the show

6" Aerial Shells

These magnificent shells are a big crowd pleaser and is normally the largest shell size in most displays' due fallout site limitations. The 6" shell is a massive aerial shell, which weighs 4kg, is fired up to 620 feet, leaving a silver trail as it soars into the night sky. As the shell reaches it programmed height it bursts into a huge colored chrysanthemum, falling leaves, Variegated Dahlia, Special pattern fish or one of our other shells that we have in stock. There are over 115 varieties to choose from in this selection of shells. For your Display we have selected:

Total 6" Shells = 87 Shells to be designed into the show

8" Aerial Shells

These shells will burst at over 800 feet. The height and multi effects of these shells will amaze spectators. Some of the effects are Red Crackling Double Hearts, Blue Meteor, Nishiki Kamuro Niagara Fall and Magenta Jellyfish.

Total 8" Shells = 6 Shells to be designed into the show

10" Aerial Shells

These amazing shells will climb to 1000 feet. They are special and are uncommon in most displays. The size of the effects of these shells will fill the sky with color and multi effects. Some of the effects are Blue Dahlia, Coco Tree Pistil, Silver Time Rain, 1000's Of Horse Tail and Golden Flashing Pistil.

Total 10" Shells = 3 Shells to be designed into the show

12" Aerial Shells

Total 12" Shells = 3 Shells to be designed into the show

Total aerial shells for your display: 534

Multi Shot Items or Cakes consist of basic colors and shapes including chrysanthemums, willows and peonies. These items are designed to keep the sky busy and exciting. A host of these items are also multi break, meaning they will give a large effect and then many smaller effects. The same measurement formula applies for height and break size. Fans will give horizontal skyline coverage.

Multi Shot Items = 10 Large Cakes to be Designed into the show

1-1.25" 100'S 10X10'S FAN BROCADE CROWN MINES

1-1.25" 100s (Fan shape): blue tail white strobe willow 1-1" large cake 100 shot Golden spider w/ golden tail

1-1.25" 100'S 10X10'S FAN THREE PACE GREEN FLASH MINES ½" 300'S CHANGING CROSSETTE

1-1.25" 100'S 10X10'S FAN SHAPED WHITE FLASH MINE/RED FLASH WILLOW

1-1.25" 108'S FAN CRACK.

1-1.25" 130S (Fan shape): 30S red/green/blue+brocade 10S red green crossettes; 30S time rain willow; 30S white strobe with red pistil; 10S purple green dahlia; 20S big chrys

1-1.25" 130S (Fan): Crackling willow mines

1-2" 50'S TITANIUM SALUTE W/TAIL

1-2" 50'S MULTI COLOR CRACKLE FINALE W/SILVER TAIL

1-3" 36'S RAIN STORM W/REP. MINES

Total Cake shots: 904 with over 3,000 shot effects

2" Roman Candles

6- 2" 8 BALL RED, WHITE, BLUE PEONY ROMAN CANDLE

6- 2" 8 BALL BLUE CROSS. ROMAN CANDLE

6- 2" 8 BALL GOLD CROSS. ROMAN CANDLE

Total shots for your display: 1,438 with over 4,314 shot effects

Lantis Fireworks & Lasers Alaska will provide all products and services associated with producing the pyrotechnic performance for 2019 Unalaska 4th of July Fireworks Display as follows.

These Include:

Licensed and Experienced Pyrotechnician and assistant.

All Pyrotechnic Devices/Products

Insurance- Commercial General Liability Insurance, Workers Compensation Coverage and Automobile Liability Insurance.

State of Alaska Firework Display Permit.

Electronic Firing System and Production Design as required.

Fireworks products, necessary equipment and electronic firing system shipment from Seattle to Unalaska.

City of Unalaska will provide the following:

A suitable site in which to stage the fireworks display, including a firing and a fallout zone in which the fireworks and fireworks debris may be exhibited, rise and fall safely.

Adequate policing and crowd control measures to prevent access by the public into the display site.

The services of standby firemen.

Assistance with on-site construction, tear down and cleanup by an experienced volunteer crew consisting of employees of the City of Unalaska, directed by the operator.

City owned mortar tubes and racks.

A 53' lowboy trailer on which to construct/stage the fireworks display and a second 10' trailer for larger mortars. And an enclosed structure in which to house the trailer and construct the display.

Round trip air transportation from Anchorage to Unalaska for operator and one other person (2 persons) to travel to Unalaska, plus a vehicle, 4 nights' hotel accommodation and \$50 per day for meals while in Unalaska.

Cost of Proposal is \$31,000.00

Schedule 5 Insurance Details

General Liability Insurance

Amount of Coverage: \$10,000,000

Insurers: Lloyds of London

DOT Hazmat Auto Insurance

Amount of Coverage: \$5,000,000 required

Insurers: RLI

Workers Comp Insurance

Amount of Coverage: \$1,000,000

Insurers: Alaska National Insurance Co.

Schedule 6 Reference Contacts

Reference 1

Name of Client: Greater Anchorage Inc
Location: Anchorage, Alaska
Contact Person: John McCleary
Title and Event: Executive Director Anchorage Fur Rendezvous Festival
Contact e-mail and phone #: john@furrondy.net 907-242-1559

Reference 2

Name of Client: Seward Chamber of Commerce
Location: Seward, Alaska
Contact Person: Cindy Clock
Title and Event: Executive Director Seward 4th of July/Mount Marathon Race
Contact e-mail and phone #: director@seward.com 907-224-8051

Reference 3

Name of Client: Anchorage Downtown Partnership
Location: Anchorage Alaska
Contact Person: Penny Smythe
Title and Event: Event Organizer of Anchorage's New Year's Eve Celebration
Contact e-mail and phone #: psmythe@anchoragedowntown.org 907-279-5660

Reference 4

Name of Client: Cordova Iceworm Festival Committee
Location: Cordova, Alaska
Contact Person: Kelsey Appleton
Title and Event: Event Organizer of Cordova's Iceworm Festival
Contact e-mail and phone #: icewormfestival@gmail.com 907-429-5357

Reference 5

Name of Client: City of Valdez
Location: Valdez, Alaska
Contact Person: Laurine Regan
Title and Event: Events & Marketing Coordinator Valdez New Year's Eve
Contact e-mail and phone #: icewormfestival@gmail.com 907-429-5357

Fire Dept Contacts

Anchorage Craig Torrey AFD Fire Prevention torreyce@muni.org 907-267-4969
Seward Eddie Athey Seward Fire Chief eathey@cityofseward.net 907-224-344
Cordova Paul Trumblee Cordova Fire Marshal fire@cityofcordova.net 907-424-6117

Michael Bowen
Lantis Fireworks & Lasers
2150 Innes Cr Anchorage, AK 99515
mike@lantisfireworks.com 907-354-3312

Masters of Our Craft



LANTIS
Fireworks & Lasers

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Anchorage, AK 99515
907-354-3312

Proposal (B)
Unalaska 2019 NYE Fireworks Display

Table of Contents

Schedule 1**Introduction & Event Concept**

Schedule 2**Personal**

Schedule 3**Experience**

Schedule 4**Product Description and Quantity List**

Schedule 5**Insurance**

Schedule 6**Permitting**

Schedule 7**Reference Contacts**

Schedule 1

Introduction

Lantis Fireworks & Lasers has a good concept of the type of fireworks display needed to create excitement and enjoyment at the 2019 Unalaska New Year's Eve Fireworks Display. **This proposal has the same number of shells but no Multi Shot Aerial Display Devices, Comets, Mines and Roman Candles.**

Event Planning: Given the limitations of budget, safety consideration of the site and the tubes/racks available in Unalaska, Lantis will create an evening sky full of noise, fantastic shell designs and color combinations that will please all in attendance. The fireworks display site will allow for us to shoot up to 12" aerial shells. A good active firework display with shells requires an average of one shell per 2.5 seconds on average. Each large multi shot items or cakes will fill the sky with fireworks for up to 50 seconds at a time and add variety to a display. For the fireworks display finale we use an average of 15% to 20% of the aerial shells and multi shot items or cakes and shoot them in the last few minutes of the display. All fireworks in the display will be fired electronically using Lantis Fireworks Wired Firing System. Firing electronically allows for a much safer display for the pyro and better control of the flow and timing of the display. It provides for the display to be choregraph by colors, effects and angle. We have moved from shooting single shells straight up to putting a slight angle to the racks of the smaller shells and shooting some multiple shells at the same time and with a slight delay. This provides a great effect and widens the sky for a better viewing experience. The downside is that the display will not last as long. This shooting option will be discussed with the client to see what they prefer.

Schedule 2

Personal

The Pyrotechnic crew for your fireworks display is;

Head Pyro – Anthony Schmidt - State of Alaska Pyro License FWP18-014
Expires 05/30/2021 phone # (907-707-3661)

Project Manager – Michael Bowen - State of Alaska Pyro License FWP18-009
Expires 11/28/2020 mike@lantisfireworks.com phone # (907-354-3312)

Schedule 3

Experience

Anthony Schmidt is a very safety and detailed orientated Pyro. He takes the effort to choregraph the placement of each shell and cake for the best size, timing, color and effect. Anthony has shot multiple displays for Lantis Fireworks and Gorilla Fireworks. He has received professional pyro training at American Pyrotechnic Institution.

Michael Bowen is the Alaska representative of Lantis Fireworks & Lasers located in Anchorage Alaska and has been involved in all facets of display fireworks since 2002 and Alaska Pyro licensed since 2005. We have a storage bunker in Wasilla, AK but our main facility is in Salt Lake City, Utah. We provide professional fireworks displays for any event from small intimate

weddings to large community and private events in five western states and Alaska. We offer displays choreograph to music and lasers.

Safety is always our top priority and pride ourselves in maintaining great relationships with the fire departments and clients in the communities that we operate in.

The main events in Alaska that we have provided displays for the last three plus years are;
Anchorage New Year's Eve and Fur Rondy.
Soldotna Winter Games and Frozen River Festival.
Cordova Iceworm Festival.
Seward 4th of July/Mount Marathon Race.
New for this last year is City of Valdez NYE and Unalaska 4th of July

Schedule 4

Proposal Full Cost & List of Display Components

Lantis Fireworks & Lasers directly imports their fireworks from China and other nations. We use quality products from well know manufactures like LIDU and Pingxiang HIFI Trading Co. The interrelationship between the mood and rhythm of the visual effects created requires that final shell selection await the actual choreographing of the show, this allows our pyro-artists the largest possible palate from which to paint the sky. We have an assortment of over 300,000 shells to choose from. You can rest assured that your show will be like no other.

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Total 3" Aerial Shells = 150 Shells to be designed into the show

3" Salutes

A brilliant silver flash and heavy report, these shells are usually used to note the finale of the display. For your display we have selected:

Total 3" Salutes = 40 Shells to be designed into the show

4" Aerial Shells

These spectacular shells travel up to 450 feet high and then burst in a spectrum of colors and effects. The world-famous Hummer Shells, Special Effect Willows, three color changing Stars with Palm Core and Sky Mines are some of our exclusive 4" shells. We have 125 varieties to choose form. For your display we have selected:

Total 4” Aerial Shells = 140 Shells to be designed into the show

5” Aerial Shells

Our 5” aerial shells are individually designed to add a new dimension to the display. As these shells are larger in diameter this allows our designers to place more effects inside the shell to create effects such as Saturn Rings, Smiley Faces, Butterflies, Sky Mines, Silver Serpents and the beautiful gold “Kamouro” stars which burst over 500 feet high and then suspend in the night sky slowly descending towards the ground. We have over 130 varieties in stock. For your display we have selected:

Total 5” Aerial Shells = 105 Shells to be Designed into the show

6” Aerial Shells

These magnificent shells are a big crowd pleaser and is normally the largest shell size in most displays’ due fallout site limitations. The 6” shell is a massive aerial shell, which weighs 4kg, is fired up to 620 feet, leaving a silver trail as it soars into the night sky. As the shell reaches its programmed height it bursts into a huge colored chrysanthemum, falling leaves, Variegated Dahlia, Special pattern fish or one of our other shells that we have in stock. There are over 115 varieties to choose from in this selection of shells. For your Display we have selected:

Total 6” Shells = 87 Shells to be designed into the show

8” Aerial Shells

These shells will burst at over 800 feet. The height and multi effects of these shells will amaze spectators. Some of the effects are Red Crackling Double Hearts, Blue Meteor, Nishiki Kamuro Niagara Fall and Magenta Jellyfish.

Total 8” Shells = 6 Shells to be designed into the show

10” Aerial Shells

These amazing shells will climb to 1000 feet. They are special and are uncommon in most displays. The size of the effects of these shells will fill the sky with color and multi effects. Some of the effects are Blue Dahlia, Coco Tree Pistil, Silver Time Rain, 1000's Of Horse Tail and Golden Flashing Pistil.

Total 10” Shells = 3 Shells to be designed into the show

12” Aerial Shells?

Total 12” Shells = 3 Shells to be designed into the show

Total aerial shells for your display: 534 with over 1,602 shot effects

Lantis Fireworks & Lasers Alaska will provide all products and services associated with producing the pyrotechnic performance for 2019 Unalaska 4th of July Fireworks Display as follows.

These Include:

Licensed and Experienced Pyrotechnician and assistant.

All Pyrotechnic Devices/Products
Insurance- Commercial General Liability Insurance, Workers Compensation Coverage and Automobile Liability Insurance.
State of Alaska Firework Display Permit.
Electronic Firing System and Production Design as required.
Fireworks products, necessary equipment and electronic firing system shipment from Seattle to Unalaska.

City of Unalaska will provide the following:

A suitable site in which to stage the fireworks display, including a firing and a fallout zone in which the fireworks and fireworks debris may be exhibited, rise and fall safely.

Adequate policing and crowd control measures to prevent access by the public into the display site.

The services of standby firemen.

Assistance with on-site construction, tear down and cleanup by an experienced volunteer crew consisting of employees of the City of Unalaska, directed by the operator.

City owned mortar tubes and racks.

A 53' lowboy trailer on which to construct/stage the fireworks display and a second 10' trailer for larger mortars. And an enclosed structure in which to house the trailer and construct the display.

Round trip air transportation from Anchorage to Unalaska for operator and one other person (2 persons) to travel to Unalaska, plus a vehicle, 4 nights' hotel accommodation and \$50 per day for meals while in Unalaska.

Cost of Proposal is \$28,800.00

**Schedule 5
Insurance Details**

General Liability Insurance

Amount of Coverage: \$10,000,000

Insurers: Lloyds of London

DOT Hazmat Auto Insurance

Amount of Coverage: \$5,000,000 required

Insurers: RLI

Workers Comp Insurance

Amount of Coverage: \$1,000,000

Insurers: Alaska National Insurance Co.

Schedule 6

Reference Contacts

Reference 1

Name of Client: Greater Anchorage Inc
Location: Anchorage, Alaska
Contact Person: John McCleary
Title and Event: Executive Director Anchorage Fur Rendezvous Festival
Contact e-mail and phone #: john@furrondy.net 907-242-1559

Reference 2

Name of Client: Seward Chamber of Commerce
Location: Seward, Alaska
Contact Person: Cindy Clock
Title and Event: Executive Director Seward 4th of July/Mount Marathon Race
Contact e-mail and phone #: director@seward.com 907-224-8051

Reference 3

Name of Client: Anchorage Downtown Partnership
Location: Anchorage Alaska
Contact Person: Penny Smythe
Title and Event: Event Organizer of Anchorage's New Year's Eve Celebration
Contact e-mail and phone #: psmythe@anchoragedowntown.org 907-279-5660

Reference 4

Name of Client: Cordova Iceworm Festival Committee
Location: Cordova, Alaska
Contact Person: Kelsey Appleton
Title and Event: Event Organizer of Cordova's Iceworm Festival
Contact e-mail and phone #: icewormfestival@gmail.com 907-429-5357

Reference 5

Name of Client: City of Valdez
Location: Valdez, Alaska
Contact Person: Laurine Regan
Title and Event: Events & Marketing Coordinator Valdez New Year's Eve
Contact e-mail and phone #: icewormfestival@gmail.com 907-429-5357

Fire Dept Contacts

Anchorage Craig Torrey AFD Fire Prevention torreyce@muni.org 907-267-4969
Seward Eddie Athey Seward Fire Chief eathey@cityofseward.net 907-224-344

Cordova

Paul Trumblee Cordova Fire Marshal fire@cityofcordova.net 907-424-6117

Michael Bowen

Lantis Fireworks & Lasers

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