

**Regular Meeting**  
**Tuesday, August 10, 2021**  
**6:00 p.m.**



**Unalaska City Hall**  
**Council Chambers**  
**43 Raven Way**

**Council Members**  
Thomas D. Bell  
Darin Nicholson  
Daneen Looby

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

## **UNALASKA CITY COUNCIL**

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

Vincent M. Tutiakoff Sr., Mayor  
Erin Reinders, City Manager  
Marjie Veeder, City Clerk [mveeder@ci.unalaska.ak.us](mailto:mveeder@ci.unalaska.ak.us)

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### **COUNCIL MEETING ATTENDANCE**

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

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

### **PUBLIC COMMENT**

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

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

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

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

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

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

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

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## **AGENDA**

1. **Call to order**
2. **Roll call**
3. **Pledge of Allegiance**
4. **Adoption of Agenda**
5. **Approve Minutes of Previous Meeting [July 27, 2021](#)**
6. **Reports [City Manager](#)**
7. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three minutes per person.*
8. **Public Comment on Agenda Items** *Time for members of the public to 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. Three minutes per person.*

9. **Public Hearing** *Members of the public may testify about any item set for public hearing. Three minutes per person.*
- a. [Ordinance 2021-11: Amending Unalaska Code of Ordinances Chapter 6.40, Sales Tax, to increase the rate of the sales tax levy from 3% to 4.5% for the purpose of creating a Utility Supplement Fund](#)
  - b. [Ordinance 2021-12: Amending UCO 9.04, Business Licenses and Regulations, to clarify the due date for applications to renew business licenses and to add a late fee](#)
  - c. [Ordinance 2021-13: Amending the Port of Dutch Harbor Unalaska Marine Center Terminal Tariff](#)
  - d. [Ordinance 2021-14: Amending Unalaska Code of Ordinances, Chapter 4, City Elections, to establish that wages of non-employee Election Judges and Clerks shall be determined by council resolution, and to allow certification of election results at either a regular or a special meeting of the City Council](#)
10. **Work Session** *Work sessions are for planning purposes, or studying and discussing issues before the Council.*
- a. Discussion: [Proposed use of American Rescue Plan Act funds](#)
11. **Consent Agenda** *Approval of non-controversial and routine items, accomplished without debate and with a single motion and vote. Council members may request an item be moved to the regular agenda for discussion purposes.*
- a. [Ordinance 2021-12: Amending UCO 9.04, Business Licenses and Regulations, to clarify the due date for applications to renew business licenses and to add a late fee](#)
  - b. [Ordinance 2021-13: Amending the Port of Dutch Harbor Unalaska Marine Center Terminal Tariff](#)
  - c. [Ordinance 2021-14: Amending Unalaska Code of Ordinances, Chapter 4, City Elections, to establish that wages of non-employee Election Judges and Clerks shall be determined by council resolution, and to allow certification of election results at either a regular or a special meeting of the City Council](#)
12. **Regular Agenda** *Persons wishing to speak on regular agenda items must sign up with the City Clerk. Three minutes per person.*
- a. Unfinished Business  
[Ordinance 2021-11: Amending Unalaska Code of Ordinances Chapter 6.40, Sales Tax, to increase the rate of the sales tax levy from 3% to 4.5% for the purpose of creating a Utility Supplement Fund](#)
  - b. New Business  
[Ordinance 2021-15: Creating FY22 Budget Amendment #1, to receive \\$7,200 from Aleutian Pribilof Islands Association and appropriating \\$7,200 in the General Fund for the Senior Exercise Program; appropriating \\$197,884 in the General Fund for PSEA employee compensation per the CBA; and recognizing \\$1,069,850 of American Rescue Plan Act revenue and appropriating \\$1,069,850 for expenditures in the Coronavirus Relief Fund](#)
13. **Council Directives to City Manager**
14. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three minutes per person.*
15. **Adjournment**

**Regular Meeting**  
**Tuesday, July 27, 2021**  
**6:00 p.m.**



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**43 Raven Way**

**Council Members**  
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## **MINUTES**

1. **Call to order** Mayor Tutiakoff, Sr. called the regular meeting of the Unalaska City Council to order on Tuesday, July 27, 2021 at 6:01 pm.
2. **Roll call**  

<u>Present:</u> Vincent Tutiakoff, Sr., Mayor Dennis Robinson Thomas D. Bell Darin Nicholson Alejandro Tungul Daneen Looby Shari Coleman	<u>Absent:</u> None
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3. **Pledge of allegiance** Council Member Nicholson led the Pledge of Allegiance.
4. **Adoption of agenda**  
Robinson made a motion to adopt agenda; Coleman seconded.  
Roll Call Vote: Looby – yes; Coleman – yes; Tungul – yes; Nicholson – yes; Robinson – yes; Bell – yes.  
Motion passed 6-0.
5. **Approve minutes of previous meeting: June 22, 2021**  
Tungul made a motion to approve June 22, 2021 meeting minutes; Robinson seconded.  
Roll Call Vote: Tungul – yes; Looby – yes; Robinson – yes; Bell – yes; Nicholson – yes; Coleman – yes.  
Motion passed 6-0.
6. **Reports:** City Manager – In the packet. City Manager highlighted the following:
  - State Legislative Fly-In
  - Federal Lobby Trip to DC
  - Update on local COVID-19 status; risk level now Medium

## 7. Community Input & Announcements

### PCR

- Bobby Johnson Summer Bay Classic Half Marathon and 5K Fun Run
- Heart of the Aleutians Festival
- Library
  - Mini Golf
  - LinkedIn Learning: Free On-Line Courses

Emmett Fitch, OptimERA regarding leases on Haystack Clerk's Office

- Municipal General Election, Tuesday, October 5, 2021
- Declaration of Candidacy deadline August 23, 2021
- Voter Registration deadline September 5, 2021
- Property Tax First Installment due August 20, 2021

## 8. Public comment on agenda items

Frank Kelty provided comment on Resolution 2021-54

## 9. Consent agenda

- Council Member Coleman requested Resolution 2021-54 be removed from the Consent Agenda.
  - Resolution 2021-54: Authorizing financial support of aerial salmon surveys during calendar year 2021 by Aleutian Aerial LLC in the amount of \$6,550 with funding from FY22 Council Contingency Budget
- Council Member Robinson requested Resolution 2021-52 be removed from the Consent Agenda.
  - Resolution 2021-52: Authorizing the City Manager to enter into an agreement with Procomm Alaska LLC for the construction of the repeater site and radio upgrades project in the amount of \$755,568

Robinson made a motion to adopt Consent Agenda as amended; Coleman seconded.

Roll Call Vote: Nicholson – yes; Looby – yes; Coleman – yes; Tungul – yes; Bell – yes; Robinson – yes.

Motion passed 6-0.

- a. Resolution 2021-51: Authorizing the city manager to sign an agreement with the US Army Corps of Engineers in an amount not to exceed \$575,000 for plans and specifications for construction of the entrance channel dredging project
- b. Resolution 2021-53: Acknowledging the closure and completion of various capital projects and purchases

## 10. Regular agenda

- a. Resolution 2021-52: Authorizing the City Manager to enter into an agreement with Procomm Alaska LLC for the construction of the repeater site and radio upgrades project in the amount of \$755,568 (*moved from Consent Agenda to Regular Agenda*)

Robinson made a motion to adopt Resolution 2021-52; Tungul seconded.

Chief King answered Council questions.

Public Comment given by Emmett Fitch, OptimEra

Roll Call Vote: Robinson – yes; Tungul – yes; Coleman – yes; Looby – yes; Bell – yes; Nicholson – yes.  
Motion passed 6-0.

- b. Resolution 2021-54: Authorizing financial support of aerial salmon surveys during calendar year 2021 by Aleutian Aerial LLC in the amount of \$6,550 with funding from FY22 Council Contingency Budget (*moved from Consent Agenda to Regular Agenda*)

Robinson made a motion to adopt Resolution 2021-54; Bell seconded.  
Andy Dietrick answered Council questions.

Roll Call Vote: Bell – yes; Looby – yes; Nicholson – yes; Robinson – yes; Coleman – yes; Tungul – yes.  
Motion passed 6-0.

- c. Ordinance 2021-11: Amending Unalaska Code of Ordinances Chapter 6.40, Sales Tax, to increase the rate of the sales tax levy from 3% to 4% for the purpose of creating a Utility Infrastructure Fund to supplement the Utility Proprietary Funds

**Main Motion** Robinson made a motion to move Ordinance 2021-11 to second reading and public hearing on August 10, 2021; Nicholson seconded.

**1<sup>st</sup> Motion to Amend** Robinson made a motion to amend Ordinance 2021-11 Section 4, §6.40.150 to read that the increased revenue is to be “only used to specifically to reduce community user’s utility bills”; Looby seconded.

Roll Call Vote: Coleman – yes; Bell – yes; Looby – yes; Nicholson – yes; Tungul – yes; Robinson – yes. Motion passed 6-0.

**2<sup>nd</sup> Motion to Amend** Looby made a motion to amend Ordinance 2021-11 as necessary to reflect an increase in the sales tax levy from 3% to 4.5%; Robinson seconded.

Roll Call Vote: Looby – yes; Coleman – no; Nicholson – yes; Robinson – yes; Tungul – no; Bell – yes. Motion passed 4-2.

**3<sup>rd</sup> Motion to Amend** Bell made a motion to amend Ordinance 2021-11 Section 4, to strike “subject to annual appropriation by the City Council”; Coleman seconded.

Roll Call Vote: Nicholson – no; Bell – yes; Tungul – no; Looby – yes; Robinson – yes; Coleman – yes. Motion passed 4-2.

**Roll Call Vote on Main Motion** Bell – yes; Nicholson – yes; Looby – yes; Robinson – yes; Coleman – yes; Tungul – yes. Motion passed 6-0.

8:15 pm – Break

8:25 pm – Back on Record

- d. Ordinance 2021-12: Amending UCO 9.04, Business Licenses and Regulations, to clarify the due date for applications to renew business licenses and to add a late fee

Robinson made a motion to move Ordinance 2021-12 to second reading and public hearing on August 10, 2021; Nicholson seconded.

Roll Call Vote: Robinson – yes; Coleman – yes; Nicholson – yes; Bell – yes; Tungul – yes; Looby – yes.  
Motion passed 6-0.

- e. Ordinance 2021-13: Amending the Port of Dutch Harbor Unalaska Marine Center terminal tariff

Coleman made a motion to move Ordinance 2021-13 to second reading and public hearing on August 10, 2021; Robinson seconded.

Roll Call Vote: Tungul – yes; Robinson – yes; Coleman – yes; Looby – yes; Bell – yes; Nicholson – yes.

Motion passed 6-0.

- f. Ordinance 2021-14: Amending Unalaska Code of Ordinances, Chapter 4, City Elections, to establish that wages of non-employee Election Judges and Clerks shall be determined by council resolution, and to allow certification of election results at either a regular or a special meeting of the City Council

Coleman made a motion to move Ordinance 2021-14 to second reading and public hearing; Robinson seconded.

Roll Call Vote: Nicholson – yes; Robinson – yes; Tungul – yes; Coleman – yes; Bell – yes; Looby – yes.

Motion passed 6-0.

- g. Resolution 2021-55: Approving Amendment 2 to the Power Purchase Agreement with Ounalashka/Chena Power, LLC and authorizing the City Manager to sign the amendment

Mayor Tutiakoff disclosed he is a shareholder of the Ounalashka Corporation and does not hold a position with Chena Power, LLC.

Council Member Robinson disclosed he is a shareholder of the Ounalashka Corporation.

Tungul made a motion to adopt Resolution 2021-55; Nicholson seconded.

Roll Call Vote: Looby – yes; Coleman – yes; Tungul – yes; Nicholson – yes; Robinson – yes; Bell – yes.

Motion passed 6-0.

#### 11. **Council Directives to City Manager**

Robinson made a motion to direct the City Manager to start the process to terminate leases on haystack for communications and work to upgrade and allow equal access to facilities for communications on Haystack with new leases; Bell seconded

Roll Call Vote: Tungul – yes; Looby – yes; Bell – yes; Coleman – yes; Nicholson – yes; Robinson – yes. Motion passed 6-0.

#### 12. **Community Input & Announcements**

Legislative Fly-In  
Tundra Golf Classic

#### 13. **Adjournment**

Mayor Tutiakoff adjourned the meeting at 9:01 pm.

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Marjie Veeder, CMC  
City Clerk

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Erin Reinders, City Manager  
Date: August 10, 2021  
Re: City Manager Report

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**Strategic Planning:** As we have discussed previously, the in-person Strategic Planning facilitator is set to meet with the Mayor and City Council on **Thursday, August 12 (9:00-3:30) and Friday, August 13 (9:00-12:00)**. The facilitator will first meet with the Executive Team as a group and, with their input, will then meet with the Mayor and City Council. This process will help Council set focus areas for the near future to best address community needs and your vision. With added focus, this will help us to use our resources more effectively. Meetings will take place in the Makushin Room at the Grand Aleutian Hotel. This has been postponed numerous times over the course of the last two years; looking forward to this time together.

**State Legislative Fly-In to Unalaska:** The Fly-in was a huge success, and was a good follow-up up to the virtual lobbying effort earlier this year where Council Members advocated for Unalaska and Council's priorities with legislators and others. The Fly-In provided an opportunity to see in person what was discussed and to meet numerous community members. It was also an opportunity to advocate for PCE and demonstrate our trilateral partnership with the Tribe and OC. I thank staff for all their help with putting this together! As we move forward, Dianne Blumer suggests we alternate a lobby trip to Juneau with hosting a Legislative Fly-in to Unalaska every other year. She did however suggest we plan on a trip to Juneau in the spring of 2022 because we missed this past year due to COVID-19 restrictions.

**COVID-19 Update:** The Mayor, IFHS director Melanee Tiura and I continue to meet on a weekly basis for a status review and to discuss potential responses. The clinic continues their ability to meet the need of local patients and surrounding industry members. The number of cases and hospitalizations continue to grow, with all regions at high alert levels. We did issue a special news release on July 28, 2021, addressing the increased local risk factor to medium, the delta variant of the virus, local case counts, vaccination counts, and encouraging all eligible folks to get vaccinated. We hope to issue an updated news release the week of August 9th. All current active cases on the island are isolated, and we are unaware of any community spread. The City continues waste water surveillance. The composite sample for August 3 remained positive, but the viral load is decreasing from the sample collected on July 29. While our risk level threshold and potential mitigation measures outlined in our Emergency Response Plan still serve as a guide, we are considering updating the plan to address the change in environment (i.e. widely available vaccines and increased understanding of the virus). Melanee Tiura will likely be available during the meeting to provide a timelier update.

**Senator Murkowski Visit:** I have confirmed with Brad Gilman and OC that Senator Murkowski will be visiting Unalaska on **August 16th** with Secretary of Energy Jennifer Granholm to obtain a greater understanding of the Makushin geothermal resource. The City is not organizing this visit, but given the visitors I also do not want to lose an opportunity to extend hospitality! At Brad Gilman's recommendation, I reached out to Natalie Cale and Chris Salts at OC regarding any role

that the City might play in this visit. I will be on personal leave that week, so JR Pearson will be Acting City Manager in my place. JR is meeting with Chris on Friday August 6 to discuss this more. I have let Natalie and Chris know that JR, the Mayor and Michelle Price can be available as needed for this visit.

Lt. Hugh Douglas with the 351<sup>st</sup> Civil Affairs Command in California also plans to be in town during this time. Many might have met him last year when he was in town for the IRT assessment. He has been working with the Tribe and OC on travel plans.

**Federal Lobby Efforts:** Sebastian O’Kelly, with City’s Federal lobbyist team, will be available to meet with City Council members and the Mayor on **Monday, August 30, between 9 and 11** at City Hall. Please let the Mayor or I know if you are interested. I also plan to have staff meet with Seb to review some of the challenges that the City might encounter as we prepare for and transition to geothermal. Together, I want to begin researching related opportunities and support programs that may be available. The more brains thinking about this and developing solutions, the better.

As you recall, Council focused on the later suggested dates for a potential three-day federal lobby trip when we discussed this at the last Council meeting. Brad Gilman says he needs four weeks lead time to plan for the trip. Focus is now on the following dates:

- November 29 – December 2
- December 6 – December 9

As a reminder, Brad and team will do their best to fill the schedule, but there is continued uncertainty about meeting in-person due to changing COVID-19 restrictions, and what the requirements might be. Brad suggests bringing proof of vaccination and purchasing refundable tickets in case the trip is canceled.

Given the travel dates above and the local election in October, we plan to address these two items at the **October 12** Council meeting (with Brad or Seb hopefully participating via ZOOM):

- Travel approval for Washing DC Lobbying Trip
- Adopt State and Federal Priorities

**Fiscal Sustainability:** As you recall, City Council has requested criteria for use of the rainy day fund and triggers to assist with the City’s overall fiscal sustainability. The Interim Finance Director and I continue discussions with financial advisors from Alaska Permanent Capital Management (APCM) to see how they might assist in this effort and other efforts to better address our fiscal sustainability. We plan on having a **Special Council Work Session on September 13th** to discuss the strategy for the Rainy Day Fund and other investments with APCM, including the potential for a Permanent Fund to help supplement our revenues. This will include an educational piece as well. APCM will be at the regular Council Meeting the following night, September 14, to provide their annual APCM Investment Presentation.

**Current Directives to the City Manager:**

- *Cost Benefit Analysis for Captains Bay Road Project (March 30, 2021). Progressing.* The directive reads, “Implement a cost-benefit analysis for the proposed road improvements and utility expansion for Captains Bay Road.” Given the magnitude of the Captains Bay Road



project, we are confident that this analysis will serve us well but we are unsure of the cost for such a service. An RFP was issued on Friday, June 11<sup>th</sup> with a due date of July 15<sup>th</sup>. The RFP outlines the project itself and what we are looking for in an analysis, which includes identifying potential funding opportunities. We received two proposals and DPW is currently preparing the material to bring to Council at the August 24, 2021 Council meeting.

- *Utility Infrastructure Fund (May 25, 2021). Complete.* The directive reads, “Work with the City Attorney to prepare an ordinance amending Chapter 6.40 of the Unalaska Code of Ordinances to increase the sales tax levy by one percent (1%) for the purpose of funding a Utility Infrastructure Fund to supplement the Utility Proprietary Funds.” The Clerk has drafted the ordinance. This item was discussed at the July 27, 2021 meeting for the ordinance’s first reading. What is before you tonight has been revised based on amendments. A final approval this evening allows for this to be on the ballot in October.
- *Haystack Communications Site (July 27, 2021). Initiated.* The directive reads, “Start the process to terminate leases on Haystack for communications and work to upgrade and allow equal access to facilities for communications on Haystack with new leases.” I have asked the Planning Director to take the lead here. The Planning Department has long managed the leases on Haystack, and has been striving to improve the lease process and situation for years. This month or next, Staff plans to present an overview of the current complex situation on Haystack, and work that has been done so far. We can then discuss next steps and receive further direction.

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Jim Sharpe, Interim Finance Director  
Through: Erin Reinders, City Manager  
Date: August 10, 2021  
Re: Proposed use of American Rescue Plan Act funds

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**SUMMARY:** The City has provided required documentation to the State of Alaska in order to receive \$1,069,850 in Rescue Act monies from the Federal Government. Staff has discussed how best to administer the funding, given the significant reduction in the amount received and desire to provide the greatest benefit to community residents. The memo includes staff's proposal on how the funds should be used.

**PREVIOUS COUNCIL ACTION:** On June 22, 2021, City Council approved Resolution 2021-50 accepting an award of COVID-19 Local Fiscal Recovery Funds.

**BACKGROUND:** On March 11, 2021, Congress passed the federal act known as the American Rescue Plan Act of 2021 (Rescue Act). The Act is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the devastating economic and health effects of the COVID-19 pandemic. A portion of the package (\$350,000,000,000) is to be distributed to cities, states, tribal governments and U.S. Territories.

Communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of Rescue Act funds. Communities will be required to reimburse the State for any misspent funds.

The City has submitted all required paperwork to the State in order to receive the first tranche of funding (\$534,925) in the next week or two. The second tranche will be received at approximately the same time in 2022. The delay in receiving the second tranche does not prohibit the City from committing the entire amount through a spending plan, but will not be reimbursed until the second tranche has been received.

**DISCUSSION:** The City's costs related to COVID-19 have largely been encountered. It is our anticipation that future coronavirus related costs will be specifically related to the availability and maintenance of the isolation site, which is expected through the end of 2021.

In July 2021, the City was notified that the State had discontinued the PCE program, at least for the short term, formally reducing the PCE rate to \$0.00 effective July 1, 2021. This move directly increases electricity bills for community residents, the City and IFHS. Previously, staff determined that City residents would benefit from the receipt of a utility credit and the need for that credit is even greater today. Should PCE not be reinstated, the impact to the City for FY22 would be approximately \$300,000, most likely resulting in a budget amendment in early 2022. If Council wishes to proactively appropriate funding for the impact to the City as a result of the elimination of PCE credits, the budget amendment would require revision. If that is the case, staff recommends reducing the utility credit portion to \$573,618 and increase each departmental budget to compensate for the loss of PCE credit.

The City has established agreements with processors to continue operating the isolation site and will collect \$300 per person, per night stay at the isolation site. The amount collected will not fully offset the anticipated costs of keeping the site operational. However, it will offset a portion of the costs, with the remaining costs to be covered by ARPA funding.

Given the significantly reduced amount, compared to CARES funding, staff has determined that the most streamlined approach of administering the funds is to:

- Cover the net costs of the Isolation Site from September to December 2021 (\$64,000)
- Fund personnel costs related to two temporary hires; they currently meet incoming flights, informing passengers of City COVID policies and obtain contact tracing information (\$82,232)
- Provide utility credits to residential customers in a similar manner to the CARES funding (\$873,618)
- Complete upgrades to the EOC to make the facility more easily scaled and improve our ability to handle all Emergency Operations (\$50,000)

Staff will present a budget amendment to Council for their consideration later in this meeting.

**ALTERNATIVES:** Council can accept the proposed use of funds or provide guidance to staff on how the funding should be used.

**FINANCIAL IMPLICATIONS:** The related budget amendment to be considered at this meeting will appropriate the receipt and use of ARPA funding. Once the budget amendment has been approved, staff will move forward with implementation of the utility credit program and make EOC improvements.

**LEGAL:** N/A

**STAFF RECOMMENDATION:** N/A

**PROPOSED MOTION:** No action is required

**CITY MANAGER COMMENTS:** I support staff's proposal, which is consistent with what is outlined in the Budget Amendment for tonight.

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2021-12

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UNALASKA CODE OF ORDINANCES CHAPTER 9.04, BUSINESS LICENSES AND REGULATIONS, TO CLARIFY THE DUE DATE FOR APPLICATIONS TO RENEW BUSINESS LICENSES AND TO ADD A LATE FEE

BE IT ENACTED BY THE UNALASKA CITY COUNCIL, as follows:

**Section 1: Classification.** This Ordinance is a Code Ordinance.

**Section 2:** Section 9.04.04, License Application; Generally, is hereby amended to read as follows [new language is underlined; and deleted language is ~~overstruck~~]:

**§ 9.04.040 LICENSE APPLICATION; GENERALLY.**

A person desiring to secure a license to engage in an activity regulated by this Chapter shall make written application to the City Clerk on forms provided by the City. The City Clerk may use different forms for temporary businesses; however, the application fee for a temporary business shall be the same as for other businesses subject to a right of refund set out in § 9.04.025. An applicant shall pay the applicable fee, as set out in the Schedule of Fees and Charges, before the City will process the application. The City Clerk shall not issue a license to a person who has had any license suspended or revoked by the City within a period of six (6) months prior to the date of the application. The City Clerk shall not issue a license for a temporary business for any person who intends to operate a business for forty-five (45) days or more for the calendar year.

Applications to renew business licenses and the applicable fee must be submitted to the City Clerk before 5:00 p.m. on December 31 each year. In the event December 31 falls on a weekend, the application to renew and the applicable fee will be considered timely if received before 5:00 p.m. on the first business day following December 31. Applications to renew and payment postmarked on or before December 31 are considered timely.

**Section 3:** Section 9.04.150 of the Unalaska Code of Ordinances is hereby amended to read as follows [new language is underlined; and deleted language is ~~overstruck~~]:

**§ 9.04.150 LATE FEE AND PENALTIES.**

(A) A person who fails to procure a license when required by this Chapter, or who fails to submit a timely application to renew a business license, shall be assessed a late fee as set out in the Schedule of Fees and Charges plus a penalty of twenty-five (25%) of the license fee due for each thirty (30)-day period of violation, or portion thereof, during which the person engages in

business without a license. ~~The~~ late fee and penalty shall be added to the license fee, and shall be in addition to any other penalty established by this Code.

(B) In addition to the late fee and penalty provided in subsection (A) above, any person violating this Chapter is guilty of a minor offense and may be subject to a penalty as provided by § 1.24.010.

**Section 4: Effective Date.** This ordinance shall take effect upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

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Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

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Marjie Veeder, CMC  
City Clerk

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Marjie Veeder, City Clerk  
Through: Erin Reinders, City Manager  
Date: July 27, 2021  
Re: Ordinance 2021-12: Amending UCO 9.04, Business Licenses and Regulations, to clarify the due date for applications to renew business licenses and to add a late fee

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**SUMMARY:** This ordinance amends UCO 9.04, indicating the business license fee is set out in the Schedule of Fees and Charges; clarifies the due date for applications to renew existing business licenses; and codifies the assessment of a late fee, previously set out only in the Schedule of Fees and Charges. Staff recommends adoption of Ordinance 2021-12.

**PREVIOUS COUNCIL ACTION:** UCO Section 9.04, Business Licenses, was almost completely rewritten in 2006 and adopted by Ordinance 2006-15. In 2016, a minor offense penalty was added for failure to obtain a business license as required by code. Earlier this year an exemption from the requirement of a business license was added with Ordinance 2021-05, so that remote sellers with no physical presence in Unalaska who have registered with the Alaska Remote Seller Sales Tax Commission are not required to obtain a city business license.

**DISCUSSION:** It is recommended that council adopt these “housekeeping” code amendments so that the rules are clear and available to everyone.

**Application Fee:** Clarifies that the business application fee is set out in the Schedule of Fees and Charges.

**Due Date for Renewing Business Licenses:** Code doesn’t specifically set out the due date for applications to renew business licenses and it would be helpful to have this in code for enforcement purposes.

**Late Fee:** The proposed ordinance specifies that the late fee is set out in the Schedule of Fees and Charges, and when the late fee is assessed. The amount of the late fee is not codified, nor is the business license fee. These amounts will continue to be set by the Schedule of Fees and Charges.

**ALTERNATIVES:** Council may choose to adopt this ordinance or not; or to amend it before adoption.

**FINANCIAL IMPLICATIONS:** None.

**LEGAL:** This ordinance has been reviewed and approved by the City Attorney.

**STAFF RECOMMENDATION:** Staff recommends adoption of Ordinance 2021-12.

**PROPOSED MOTION:** I move to schedule Ordinance 2021-12 for public hearing and second reading on August 10, 2021.

**CITY MANAGER COMMENTS:** I support adoption of Ordinance 2021-12.

**ATTACHMENTS:** None.

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2021-13

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING THE PORT OF DUTCH HARBOR UNALASKA MARINE CENTER TERMINAL TARIFF

BE IT ENACTED by the Unalaska City Council, as follows:

**Section 1: Classification.** This is a Non-Code ordinance.

**Section 2: Amendment of Terminal Tariff.** The Council hereby amends the Port of Dutch Harbor Unalaska Marine Center Terminal Tariff as attached, identified as Terminal Tariff #9. This Tariff shall remain in effect until such time as it may be amended by subsequent ordinance.

**Section 3: Effective Date.** This ordinance shall take effect September 1, 2021.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

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Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

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Marjie Veeder, CMC  
City Clerk

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Peggy McLaughlin, Port Director  
Through: Erin Reinders, City Manager  
Date: July 27, 2021  
Re: Ordinance 2021-13: Amending the Port of Dutch Harbor Unalaska Marine Center Terminal Tariff

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**SUMMARY:** Ordinance 2021-13 will adjust the Unalaska Marine Center Terminal Tariff to align with the Ports and Harbors fees as outlined in the FY22 Schedule of Fees and Charges. It also adjusts the dockage rates for UMC to capture Consumer Price Index (CPI) changes. Lastly, it will adjust the cruise ships to tariff rates.

**PREVIOUS COUNCIL ACTION:** Council adopted Terminal Tariff 6 in 2011. Council Adopted Terminal Tariff 7 in 2017. Council adopted Terminal Tariff 8 in 2019. Each year Council reviews and approves the Schedule of Fees and Charges.

**BACKGROUND:** The Terminal Tariff regulates the rates charged at Unalaska Marine Center for services provided. Terminal Tariff 8 was effective in July of 2019. Terminal Tariff 8 was adjusted for increases and also to reference section VI of the Schedule of Fees and Charges for fees that apply to all facilities. Any time a change is made to the Tariff or the fees are adjusted, it requires Council approval through non-code ordinance

**DISCUSSION:** In 2017 we adopted Terminal Tariff 7. Terminal Tariff 7 reflected an increase in charges for services based on the Consumer Price Index (CPI) from 2011-2017. Prior to 2017, it was generally agreed that rates would be reviewed and adjusted approximately every five years. We have since begun reviewing rates each year and adjusting the tariff as appropriate; this has averaged two year increments. In 2017 we began adjusting the Fees and the Tariff to capture the 7% increase indicated in the CPI from 2011-2017. We adjusted those over a three year period, increasing the qualifying fees by 3% followed by 2% in 2018, followed by 2% in 2019.

In 2019 Ports changed several of the rates in the Terminal Tariff to refer to the Schedule of Fees and Charges, Section VI. Each time rates are adjusted in the Schedule of Fees and Charges we need to amend those new rates into the Terminal Tariff. This Ordinance accounts for the adjustments and aligns Terminal Tariff 9 with the Schedule of Fees and Charges.

Also, adjusted in Terminal Tariff 9 are specific wharfage rates. These are adjusted to be the same as the Schedule of Fees and Charges. In 2019, Ports did not adjust the dockage rates. The dockage rates in Terminal Tariff 9 reflect that remaining 2% increase from 2019 and 2% increase to reflect time in between.

The last area of adjustment is for the Cruise Ships. In the early 90's, the City offered a discount to cruise ships as an incentive for their business. That discount carried over without scrutiny for each tariff as it was reviewed and adopted. This tariff would align the cruise ships with tariff rates.



**ALTERNATIVES:** Council could approve Ordinance 2021-13, Council could amend Ordinance 2021-13, or Council could choose to vote down Ordinance 2021-13 as proposed.

**FINANCIAL IMPLICATIONS:** This brings UMC rates consistent with other facilities and eliminates docking discounts for cruise ships.

**LEGAL:** This Ordinance was prepared by the City Attorney.

**STAFF RECOMMENDATION:** Staff recommends approval.

**PROPOSED MOTION:** I move to schedule Ordinance 2021-13 for public hearing and second reading on August 10, 2021.

**CITY MANAGER COMMENTS:** I support staff's recommendation.

**ATTACHMENTS:** Unalaska Terminal Tariff



**City of Unalaska  
International Port of Dutch Harbor  
UNALASKA MARINE CENTER**

**TERMINAL TARIFF  
NAMING RATES, RULES, AND REGULATIONS**

for

**TERMINAL SERVICES**

at

**THE CITY OF UNALASKA  
INTERNATIONAL PORT OF DUTCH HARBOR  
UNALASKA MARINE CENTER**

Located at

**UNALASKA / DUTCH HARBOR, ALASKA**

**TERMINAL TARIFF 9**

Adopted 8/10/2021

Effective 9/1/2021

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## EXPLANATION OF SYMBOLS AND ABBREVIATIONS

Cont. ----- Continued  
Period ----- 12 hours or less  
Ft. ----- Foot  
Gal. ----- U.S. gallons  
Lbs. ----- Pounds  
LOA----- Length Overall  
MT ----- Metric Ton  
N.O.S.----- Not Otherwise Specified  
PUA ----- Preferential Use Agreement  
LT ----- Long Ton  
ST ----- Short Ton  
Sq. ----- Square  
Wt. ----- Weight  
\$ ----- U.S. Currency  
Day ----- Calendar Day

## CONVERSION TABLES

1 Pound----- 0.453592 Kilograms  
1 Kilogram----- 2.20462Pounds  
1 Short Ton ----- 2000 Pounds  
1 Short Ton ----- 0.892857 Long Tons  
1 Short Ton ----- 0.907185 Metric Tons  
1 Long Ton----- 2,240 Pounds  
1 Long Ton ----- 1,016.05 Kilograms  
1 Long Ton----- 1.01605 Metric Tons  
1 Long Ton----- 1.120 Short Tons  
1 Metric Ton ----- 2,204.62 Pounds  
1 U.S. Gallon ----- 3.78543 Liters  
1 U.S. Barrel----- 42 Gallons

1 Foot ----- 0.304801 Meters  
1 Meter ----- 3.28083 Feet  
1 Metric Ton ----- 1.1023 Short Ton

1 Gallon Fresh Water -----8.34 Pounds  
1 Short Ton Fresh Water-----239.808 Gallons

## NOTICE TO THE PUBLIC

This tariff is published and filed as required by law and is, therefore, notice to the public, shippers, consignees and carriers, that the rates, rules and charges apply to all traffic without specific notice, quotation or arrangement.

SECTION 1 – GENERAL RULES AND REGULATIONS	ITEM NO.
<p><b>ITEM 100</b> <b>APPLICATION OF TARIFF</b></p> <p><b>(A) GENERAL APPLICATION OF TARIFF</b> Vessel charges and assessments provided in this tariff are applicable to all vessels, self-propelled or other than self-propelled, when such vessels are provided with dockage services or other vessel services named in this tariff. Information and applications for services are maintained by the Port Director/Harbormaster.</p> <p><b>(B) SUBJECT TO CHANGE</b> The rates named in this tariff, revisions or supplements thereto, are based upon ordinary traffic and labor conditions. If and when these conditions change because of demand of labor for increased wages, strikes, congestion or other causes not reasonably within the control of the Port of Dutch Harbor, resulting in an increased cost of service, the rates are subject to change without notice, or the charge for services may be assessed on the basis as per Sections 2.5.</p> <p><b>(C) TARIFF EFFECTIVE</b> The rates, charges, rules, and regulations named in this tariff, revisions, or supplements thereto, will apply on all freight received at terminals on and after the effective date of this tariff, or effective dates of additions, revisions, or supplements thereto. Unless otherwise specified, all transit freight received at terminals and undelivered prior to effective dates of tariff, revisions, or supplements thereto, will be charged the rates in effect on the date such freight was received, until entire lot or shipment has been withdrawn.</p> <p><b>(D) USE OF TERMINAL, DEEMED ACCEPTANCE</b> Use of wharves or facilities will be deemed as acceptance of this tariff, revisions, or supplements, and the terms and conditions named herein.</p> <p><b>(E) RESERVATION OF AGREEMENT RIGHTS</b> The Port of Dutch Harbor reserves the right to enter into agreements with common carriers, shippers, and/or their agents, concerning rates and services, provided such agreements are consistent with existing local, state, and national laws governing the civil and business relations of all parties concerned.</p>	<p>100</p>
<p><b>ITEM 101</b> <b>THIRD PARTY ACCESS – INCLUDING STEVEDORE AND LONGSHOREMAN ACCESS</b></p> <p>All labor must be contracted through shipping agents, stevedoring agencies or vessel agents, owners/operators. This item provides information regarding access, responsibilities, and requirements related to third party employers and employees.</p> <p>Third party access applies to stevedores, longshoremen, independent contractors, and other non-port employees with business at the Port.</p> <p><b>(A) CARE IN THE PERFORMANCE OF OPERATIONS</b> Third party employees shall exercise care in the performance of their operations in order to prevent injury to or death of any person and damage to or destruction or loss of</p>	<p>101</p>

property, whether of the Port, of the third party, of the vessel being loaded/unloaded, or of any other party

**(B) COMPLIANCE WITH FIRE AND SAFETY PRECAUTIONS**

Any third party operating at the Port of Dutch Harbor shall take all necessary safety and fire precautions, and comply with recognized commercial and marine safety practices, procedures and regulations

**(C) THIRD PARTY AND PORT INDEPENDENT CONTRACTORS**

In any service relationship the Port of Dutch Harbor and any third party shall be independent contractors, each to the other, and shall not be agents or employees, one for the other, for any purposes

**(D) THIRD PARTY EMPLOYERS SHALL ENSURE EFFICIENT AND EXPEDITIOUS VESSEL WORK**

In order to ensure efficient and expeditious loading and discharge of vessels, and the maximum utilization of the full capacity of the Port of Dutch Harbor, third party employers shall:

1. Make use of the appropriate facilities and equipment furnished by the Port of Dutch Harbor.
2. Have at least one qualified supervisor present at all times while a vessel is loading or unloading.
3. Have at least one responsible officer or representative, with full power to make all operating decisions concerning the third party's work at the Port, available for contact by the Port at all times and keep the Port informed at all times of how and where such officer or representative may be contacted by the Port.
4. Cooperate fully with the Port of Dutch Harbor in all respects by (i) advising as far in advance as possible the type of vessel, Master's estimate of the quantity of cargo to be loaded or discharged, estimated time to load or discharge, and any special problems that may exist or arise; (ii) determining the equipment needed for the operation; and (iii) coordinating sequence and timing of operations for the convenience and efficiency of the Port.
5. Promptly restore terminal working areas to a clean, safe and orderly condition on completion of third party operations.
6. Not bring pets/animals or small children to the Port unless permission of the port is specifically granted on an individual basis.

**(E) PORT SHALL SUPPLY EQUIPMENT, FACILITIES, AND SERVICE**

The Port of Dutch Harbor shall furnish, subject to the conditions and charges stipulated elsewhere in this tariff, the following:

- 1) Access, for third party employees, to the Port of Dutch Harbor property at places and in the manner as may be approved by the Port of Dutch Harbor.



2) Port equipment to the extent it is available, required, and dedicated to third party employee use.

All Port of Dutch Harbor equipment utilized by the third party in performing its work is expressly understood to be under the direction and control of the third party and the third party is responsible for the operation thereof and assumes all risk for injuries or damages which may arise or grow out of the use or operation of such equipment. It is incumbent upon the third party to make a thorough inspection and verify the physical condition and capacity of the equipment, as well as the competency of the operator, there being no representation of warranty by the Port of Dutch Harbor with respect to such manner. (Subject to ITEM 102 herein.)

All such equipment will be properly used by the third party and not subjected to abuse or more than normal wear and tear. If there is any such abuse or more than normal wear and tear, the third party shall pay for the damage to such equipment. Upon determination of the period of use, all such equipment shall be returned to the Port in the same condition as when received, normal wear and tear excepted. It shall be incumbent on the third party to make a reasonable inspection of all accesses permitted to and from a work area and the work areas and to verify these are safe places for the access and the work to be performed. There is no representation of warranty by the Port of Dutch Harbor with respect to such matters.

**(F) THIRD PARTY EMPLOYER WARRANTY**

As a condition to the right to conduct business or operate on the Port of Dutch Harbor property, third party employers shall warrant that all their operations shall be conducted at all time with all necessary labor and equipment under competent supervision, with all proper dispatch and in good and workmanlike manner, and the conduct of such business or operations on the Port of Dutch Harbor property shall be deemed to be an offer of such warranty by the third party and its acceptance by the Port of Dutch Harbor.

If any breach of these warranties causes or subjects the port to any losses, suits, claims, damages or liabilities, the third party shall defend, indemnify and save harmless and reimburse the City of Unalaska and Port of Dutch Harbor for all such losses, suits, claims, damages or liabilities. (Subject to ITEM 102 herein.)

**THIRD PARTY EMPLOYER – DEFINITION**

The term “Third Party Employers” refers to employers of stevedores, vessel employees, longshoremen, independent contractors, and all other non-City employers.

**(G) INDEMNITY**

Third party employers and employees shall defend, indemnify and hold harmless the City of Unalaska and the Port of Dutch Harbor, its employees, and agents from and against any claims, damages, losses, and expenses (including attorney’s fees) for injury to or death of any third party employees or for injury to any real or personal property.

**(H) INSURANCE**

Third party employers shall be required to obtain and/or maintain the following insurance coverage:

Worker's Compensation insurance (including Longshoremen and Harbor Workers Act Coverage) under all applicable federal and state statutes and municipal ordinances, and shall carry a minimum of \$1,000,000 in employer's liability insurance (including liability under the Jones Act). Third party employers shall carry and maintain, at their own expense, insurance not less than the amount and coverage herein specified, and the City of Unalaska, its employees and agents shall be named as additional insured under the insurance coverage so specified, including all liability coverage with the exception of Worker's Compensation. There shall be no right of subrogation against the City or its agents, and this waiver of subrogation shall be endorsed upon the policies. Insurance shall be placed with companies acceptable to the City of Unalaska; and these policies providing coverage hereunder shall contain provisions that no cancellation or material changes in the policy relative to the business and operations conducted on the City of Unalaska's UMC property shall become effective except upon 30 days prior written notice thereof to the City of Unalaska.

Commercial General Liability limits not less than \$1,000,000 per Occurrence and \$2,000,000 annual Aggregate for bodily injury and property damage including coverage for premises and operations liability, products and completed operations liability, contractual liability, broad form property damage liability, and personal injury liability occurring on, in, or about the vessels being loaded by third party employees, or the premises of the Port and the adjoining areas.

Commercial Automobile Liability covering all owned, non-owned, hired, and rented vehicles with limits of liability of not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each occurrence or loss.

Third party employers shall be required to submit to the City of Unalaska certificates of insurance evidencing the foregoing coverage, and said certificates shall provide that the City is to be given 30 days prior written notice of any alteration or cancellation.

**ITEM 102**

**LIMITS OF LIABILITY**

No provision contained in this tariff shall limit or relieve the City of Unalaska and Port of Dutch Harbor from liability for its own negligence nor require any person, vessel or lessee to indemnify or hold harmless the City of Unalaska and Port of Dutch Harbor from liability for its own negligence.

**102**

**ITEM 103**

**APPLICATION OF RATES**

Unless otherwise provided, rates are given in dollars per short ton, lineal foot, square feet, or U.S. gallon, whichever creates the greater revenue.

**103**

Users of the Port are required to furnish dock receipts, mate's tickets, certificates, or copies of invoices, certified by the shipper to be true and correct, and acceptable to the Port.

Specific commodity rates will take precedence over any general or N.O.S. rates.

As used in this tariff, Schedule of Fees refers to the City of Unalaska Schedule of Fees and Charges then in effect. All current rates & fee schedules will be available at the Port of Dutch Harbor office.

<b>ITEM 104</b>	
<b>INSURANCE</b>	<b>104</b>
Rates named in this tariff do not include insurance of any kind.	

<b>ITEM 105</b>	<b>105</b>
<b>RESPONSIBILITY FOR COLLECTION AND TERMS OF PAYMENT</b>	
<p><b>(A) RESPONSIBILITY FOR CHARGES</b> Vessels, their owners, agents, masters, and shippers or consignees of goods docking at or using the facilities covered by this tariff, agree to be responsible, jointly and severally, for the payments of charges assessed in accordance with this tariff. Rates, rules and regulations of this tariff and liability for charges apply without regard to the provision of any bills of lading, charter party agreement, third party agreement, contract or any other conflicting documents.</p> <p><b>(B) TERMS AND CONDITIONS OF PAYMENT</b> Use of Port facilities or services is conditioned upon satisfactory assurance of the Port that applicable charges will be paid when due. All charges are due and payable, in U.S. currency, as they accrue or on completion of service or use.</p> <p>The Port may require payment of charges in advance, as follows:</p> <ol style="list-style-type: none"> <li>1. By the vessel, its owners, or agents before vessel is assigned a berth and commences its loading or unloading operations.</li> <li>2. By the cargo owner, shipper, or consignee before cargo leaves the custody and control of the Port.</li> <li>3. For all charges on perishable cargo or cargo of doubtful value and household goods, payment terms are cash unless the Port customer, prior to the use of Port facilities or services, has established credit worthiness or has posted adequate security acceptable to the Port and has thereby been relieved of cash payment requirements by the Port.</li> </ol> <p><b>(C) COMPLIANCE WITH TERMINAL USE PERMIT CONDITIONS</b> Use of Port facilities and services shall comply with the Conditions of the UMC Terminal Tariff as published by the Port.</p>	

<b>ITEM 106</b>	<b>106</b>
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**DELINQUENT ACCOUNTS**

**(A) TIME OF DELINQUENCY**

All invoices will be declared delinquent 31 days after the date of the invoice. A monthly finance charge of 0.875% (10.5% per annum) will be applied to all accounts 60 days and older.

**(B) COSTS AND EXPENSES RECOVERABLE**

Should it become necessary for the Port to institute litigation to effect collection of a delinquent account, then all expenses incurred by the prevailing party shall be assessed to and become payable by the non-prevailing party. Such expenses shall include, but not be limited to, a reasonable attorney's fee and all costs of the suit.

**(C) DELINQUENT LIST**

The Port may record the vessels, their owners or agents whose invoices are delinquent on a Delinquent List. Vessels whose owners, operators or agents are on the Delinquent List may not be allowed to discharge to any Port dock or use any Port facilities until all past due charges are paid. A vessel whose owners, operators or agents have been on the Delinquent List and whose owners, operators or agents have satisfied past due charges must prepay all estimated charges on voyages subsequent to removal from the Delinquent List before being allowed use of any Port facility, unless other arrangements have been made in advance with the City Finance Department.

**ITEM 107**

**107**

**LIABILITY FOR LOSS, DAMAGES, OR INJURY**

**(A) LIMITS OF RESPONSIBILITY**

The Port of Dutch Harbor will not be responsible for any loss, damage, or delay to merchandise which may arise from any cause beyond its direct authority and control, nor from any cause except for want of due diligence.

Further, the Port of Dutch Harbor shall not be liable for any loss, damage or delay to merchandise, or any other injury which results from animals, insects, rodents or vermin; not from decay, deterioration, evaporation, shrinkage or loss of quantity, quality or value from inherent vice of product; nor from fire, frost, leakage or discharge from fire protective sprinklers, oxidation or rusting; nor from civil disorder, insurrection, riot, strike or labor stoppage whether or not agents or the employees of the Port of Dutch Harbor be involved; not from delay caused by adverse weather; delay caused by shortage of qualified labor, except to the extent that any of the aforesaid loss of damage results from negligent acts or omissions of the Port, its employees or agents. (Subject to ITEM 102 herein.)

**(B) LIMITS OF RESPONSIBILITY**

If and when others, other than the Port, are permitted to perform services on the wharves or premises of the Port, they shall be liable for the injury of persons in their employ and shall also be held accountable for malicious acts or thefts by themselves or persons in their employ

The provisions of this item are applicable to all persons, corporations, associations and the like who in any manner come upon or use the terminal facilities, except to agents or

employees of the Port. All such persons, corporations, associations and the like shall be strictly liable and responsible for damage to property or for damage or injury to, or for the death of, any person or persons, which may be caused or occasioned by any acts or omission of such persons or the acts or omissions of their agents or employees. All such persons who come upon or use the terminal facilities shall be deemed to have irrevocably agreed to indemnify the Port of Dutch Harbor for any such loss or damage to persons or property for which a claim is or may be made against the Port, and all such persons shall save and hold the Port harmless from any or all such liability, together with all costs and expenses incurred by the Port in investigating or defending claims therefore, including, but not limited to, court costs, experts' fees and attorney's fees.

**ITEM 108**

**108**

**RIGHTS OF THE PORT**

**(A) RIGHTS RESERVED**

The Port of Dutch Harbor reserves the right to furnish equipment, supplies, and materials, and to perform all services in connection with the operation of its facilities, under rates and conditions named herein.

**(B) RIGHTS TO APPROVE**

The Port of Dutch Harbor reserves the right to approve, if it so deems necessary, the Vessel agent's or owner/operator's use of their own equipment, supplies and materials and performing all services in connection with the operation of the loading and unloading of cargo and gear.

**(C) RIGHT TO REFUSE FREIGHT**

The Port of Dutch Harbor reserves the right, without responsibility for demurrage, loss or damage attaching, to refuse to accept, receive, or unload, or to permit vessels to discharge freight:

For which previous arrangements for space, receiving, unloading or handling have not been made by shipper, consignee or carrier.

Deemed extra offensive, perishable, or hazardous.

The value of which may be determined as less than the probable Port charges.

Not packed in packages or containers suitable for standing the ordinary handling incident to its transportation. Such freight, however, may be repacked or reconditioned at discretion of the Port of Dutch Harbor, and all expense, loss or damage incident thereto will be for account of shipper, consignee, owner or carrier

**(D) RIGHT TO REMOVE, TRANSFER, OR WAREHOUSE FREIGHT**

Hazardous or offensive freight, or freight which, by its nature, is liable to damage other freight, is subject to immediate removal, either from the wharf or wharf premises, or to other locations within said premises, with all expense and risk of loss or damage for the account of owner, shipper or consignee. (Subject to ITEM 102 herein.)

Freight remaining on wharf or wharf premises after expiration of free time (See ITEM 202), and freight shut out at clearance of vessel, may be piled or re-piled to make space, transferred to other locations or receptacles within the wharf premises, or removed to public or private warehouses, with all expense and risk of loss or damage for account of the owner, shipper, consignee, or carrier, as responsibility may appear. (Subject to ITEM 102 herein.)

**(E) EXPLOSIVES**

The acceptance, handling, or storage of explosives or excessively inflammable material will be subject to special arrangements with the Port of Dutch Harbor and governed by rules and regulations of Federal, State and local authorities. USCG; (TITLE 49 CFR 176.100 & 176.415)

Special arrangements with the Port of Dutch Harbor may include handling fees.

**(F) OWNERS RISK**

(Subject to ITEM 102 herein.)

Glass, liquids, and fragile articles will be accepted only at owner's risk for breakage, leakage, or chafing.

Freight on open ground or on open wharf is at owner's risk for loss or damage.

All watercraft if and when permitted by the Port of Dutch Harbor to be moored, at wharves, or alongside vessels, are at owner's risk or damage.

**ITEM 109**

**109**

**SHIPPER REQUESTS AND COMPLAINTS**

For dockage and storage, shipper requests and complaints may be made by filing a written statement with the Port Director/Harbormaster. For handling of cargo and gear, requests and complaints must be first submitted to the vessel agent, owner/operator. Any shipper may submit a request or complaint.

**ITEM 110**

**110**

**DEMURRAGE OR DELAYS**

In furnishing services related to loading and unloading vessels, no responsibility for any demurrage whatsoever will be assumed by the Port.

Delays in loading, unloading, receiving, delivering, or handling freight, arising from combinations, riots, or strikes of any person in the employ of the Port or in the services of others, or arising from any other cause not reasonably within control of the Port, will not entitle the owners, shippers, consignees, or carriers of the freight to waiver of wharf demurrage, or any other terminal charges or expenses that may be incurred.

The Port Director/Harbormaster may waive dockage charges for delays caused by extreme weather conditions, when such conditions prevent a vessel from departing at its scheduled time. However, the Port of Dutch Harbor does not accept liability for losses

to vessel owners/operators, third party contractors, and others that are caused by adverse weather.	
<b>ITEM 111</b>	
<b>MANIFESTS REQUIRED OF VESSELS</b>	<b>111</b>
Masters, owners, agents or operators of vessels are required to furnish the Port of Dutch Harbor with complete copies of vessels' manifests showing the port of discharge and the weights or measurements of all freight loaded or discharged at the facilities of the Port of Dutch Harbor. Such manifest must also designate the basis weight or measurement of which ocean freight was assessed. In lieu of manifests, certified lists of copies of "boat notes", mates' receipts, or dock receipts containing all information as required above may be accepted.	
<b>SECTION 2 – DEFINITIONS AND SCHEDULE OF CHARGES</b>	
<b>SECTION 2.1 – GENERAL DEFINITIONS</b>	
<b>ITEM 201</b>	<b>201</b>
<b>BERTHING</b>	
Vessels berthing or departing piers or wharves subject to this tariff must use sufficient tugs so the ship can be berthed or removed in a safe manner. Berthing speed shall be of a safe and controlled velocity—for example, the berthing speed shall not exceed 16 feet/minute. Line handlers shall be used as necessary.	
<b>ITEM 202</b>	<b>202</b>
<b>FREE TIME FOR CARGO &amp; MOORAGE</b>	
<b>(A) DEFINITION OF FREE TIME</b>	
1. <b>CARGO</b> The initial twelve (12) hour period during which cargo may occupy space assigned to it on terminal property, free of wharf demurrage or terminal storage charges, immediately prior to the loading, or subsequent to the discharge, of such cargo on or off the vessel.	
Free time applies to cargo in storage areas only. Cargo or equipment in working areas or that otherwise interferes with activities at the Port may be moved by the Port. In such cases, labor and equipment charges may be assessed.	
2. <b>MOORAGE</b> Durations of two (2) hours or less during which a vessel may occupy space assigned to it or terminal property free of moorage charges. Examples of free moorage consist of medical emergencies, and short stops to pick up/drop off personnel.	
<b>(B) VESSEL DELAY</b>	
When the sailing date of a vessel has been announced or posted by the terminal operator and the sailing date is delayed due to stress of weather, accident, or other emergency, an extension of free time may be granted equivalent to the delay of the vessel, but not to	

exceed 24 hours. This exception does not apply on freight against which wharf demurrage and/or storage charges have accrued prior to the scheduled sailing date as announced.

**(C) COSTS ASSOCIATED WITH VESSEL DELAY**

If a vessel exceeds its sailing date and time without proper notice or permission to do so by the port, that vessel may be liable for related costs incurred by the Port. For example, the Port shall not be liable for any charges that may be assessed to the Port by a subsequent dock user that incurs labor costs for gang call-out when this user is unable to access the dock because of the unauthorized delay of the first vessel. The offending vessel shall be liable for such costs, plus a 30 percent administration charge.

**ITEM 203**

**203**

**LOAD LIMITS**

Cargo shall be stacked or piled on piers or wharves so as to produce a uniform loading for the areas covered and to be no greater than 750 pounds per square foot.

**ITEM 204**

**204**

**NORMAL WORKING HOURS**

Normal working hours of the Port office staff are 0800 to 1700 hours, five (5) days per week except during periods designated by the Port Director as a seven (7) day work week or on Port of Dutch Harbor / City of Unalaska holidays. Holidays are as follows: New Year's Day; Martin Luther King, Jr. Day (3rd Monday in January); Presidents' Day (3rd Monday in February); Memorial Day (last Monday in May); Independence Day; Labor Day; Veterans Day (11th of November); Thanksgiving Day; Christmas Day; and every day designated by public proclamation by the President of the United States or the Governor of the State of Alaska as a legal holiday. Hours will be posted at the Port Office.

Reservations shall be made by way written notification at least 24 hours in advance so scheduling changes can be made and confirmed during normal scheduled working hours.

Cancellation of a confirmed schedule less than 24 hours in advance may result in a charge of 25% of the applicable LOA rate listed in the UMC tariff.

**ITEM 205**

**205**

**RESPONSIBILITY FOR HOUSEKEEPING**

Users of the Unalaska Marine Center property will be required to maintain it in an orderly manner as directed by the Port Director/Harbormaster. If a user does not properly clean property used, the Port Director/Harbormaster shall order the work performed and the user will be billed at cost, plus a 30% overhead charge.

Housekeeping of flammable cargo requires special provisions. Users, shippers, consignee and persons in charge of ships will be held responsible for the following:

- a) Providing steam or other heating means to assure proper flow of petroleum products requiring such heat.
- b) Removal of temporary lines upon completion of receipt of discharge or



flammable liquids.

c) Preventing or containing any and all spillage or leakage associated with the receipt or discharge of their cargo(s). Spillage and/or leakage of petroleum products or flammables must be cleaned up immediately.

d) Cleaning all petroleum products from lines located on or adjacent to the Terminal after vessel completes loading or discharge (unless otherwise authorized by the Port Director/Harbormaster).

<b>ITEM 206</b>	<b>206</b>
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**POINT OF REST**  
Point of rest is defined as that area on the terminal facility which is assigned for the receipt of inbound cargo from the vessel and from which inbound cargo may be delivered to the consignee, and that area which is assigned for the receipt of outbound cargo from shippers for vessel loading.

**SECTION 2.2 – DOCKAGE**

<b>ITEM 220</b>	<b>220</b>
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**DOCKAGE – GENERAL INFORMATION**

**(A) DEFINITION**

The charge assessed against a vessel for berthing at a wharf, piling structure, pier, bulkhead structure, or bank, or for mooring to a vessel so berthed.

**(B) DOCKAGE – HOW CALCULATED**

The period of time upon which dockage will be assessed shall commence when the vessel is made fast to a wharf, or when a vessel is made fast to a vessel so berthed, or when a vessel comes within or moors within a slip; and shall continue until such vessel is completely free from and has vacated such berth or slip.

In calculating dockage, billing is based on twelve (12) hour periods. For billing purposes, partial periods will be rounded up to the next full period.

**(C) BASIS FOR COMPUTING CHARGES**

Dockage charges will be assessed on the length-over-all of the vessel published in “Lloyds Register”. The Port reserves the right to: (a) Obtain the length-over-all from the vessel’s register, or (b) measure the vessel.

**(D) VESSELS DOCKED TO REPAIR, SHORE, OUTFIT OR OTHER**

Full dockage will be charged if and when a vessel is permitted to make repairs or alterations, shore for special freight, outfit, and store or fumigate while docked at wharf unless otherwise negotiated with Port Director/Harbormaster.

**(E) VESSELS REQUIRED TO VACATE BERTH**

The Port reserves the right to order a vessel to shift its position at a wharf, to change berths or to vacate berth when not actually engaged in loading or discharging freight or when occupying a berth beyond the time scheduled by the Port Director/Harbormaster. Any vessel upon notice to move, which refuses or fails to move, may be shifted or moved by

tug or otherwise, by wharf agent, and any expenses, damage to vessels or wharf during such removal will be charged to vessel so moved.

**(F) CHARGES ON VESSEL SHIFTING**

When a vessel is shifted directly from one wharf (berth) to another wharf (berth) operated by the Port of Dutch Harbor the total time at such berths will be considered together in computing the dockage charge.

**(G) DOCK ASSIGNMENTS**

The Port Director/Harbormaster has sole authority to determine how a vessel must use the Unalaska Marine Center (e.g., the exact location for berthing), to reserve the vessel arrival and departure time, and to maintain a written schedule of such reservations prepared from the Vessel Docking Request forms.

**(H) RESOURCE ALLOCATION RULES**

Vessels not taking or discharging cargo may be required to leave to accommodate vessels intending to take or discharge cargo.

In cases of emergency, the Port Director/Harbormaster shall have full authority to reset berthing and terminal use priorities.

**(I) GOVERNMENT SHIPS**

The Port may offer US Government non-military and/or US Government contracted vessels the opportunity for up to 1 free 24-hour period of docking per year. All such ships must vacate the dock upon the request of the Harbor Master or Port Director. All other fees will apply to vessels receiving this 24-hour dockage exemption. Government agencies that have use agreements on file with the City of Unalaska will pay for dockage and other services per tariff or as otherwise outlined in individual agreements.

**(J) OTHER**

The Port Director is permitted to charge rates applicable to other City Dock facilities if such activity is temporary, short in duration, and for the convenience of harbor operations. Upon advanced written approval by the City Manager and notification to the Finance Director, the Port Director may also create special rates for activities not covered by the tariff or in the interest of promoting services to new customers. Promotional rates shall not last more than one month.

**ITEM 225**

**225**

**DOCKAGE – FEES AND CHARGES**

**DOCKAGE RATES/ CARGO TRANSFER**

Dockage rates/cargo transfer, expressed in dollars per 12 hour period, will be assessed as follows:

Length Over All in Feet	Charge
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<u>Over</u>	<u>But Not Over</u>	<u>Dollars per 12-hour period</u>	
0	100	\$177.84	\$184.95
101	125	\$222.88	\$231.80
126	150	\$266.75	\$277.42
151	175	\$353.29	\$367.42
176	200	\$403.08	\$419.20
201	225	\$454.07	\$472.23
226	250	\$503.87	\$524.02
251	275	\$554.83	\$577.02
276	300	\$604.64	\$628.83
301	325	\$655.61	\$681.83
326	350	\$711.33	\$739.78
351	375	\$845.30	\$879.11
376	400	\$901.02	\$937.06
401	425	\$957.93	\$996.25
426	450	\$1,013.64	\$1,054.19
451	475	\$1,067.00	\$1,109.68
476	500	\$1,126.27	\$1,171.32
501	525	\$1,185.55	\$1,232.97
526	550	\$1,244.83	\$1,294.62
551	575	\$1,304.10	\$1,356.26
576	600	\$1,363.39	\$1,417.93
601	625	\$1,481.04	\$1,541.22
626	650	\$1,778.34	\$1,849.47
651	675	\$2,074.72	\$2,157.71
676	700	\$2,371.11	\$2,465.95
701	725	\$2,667.49	\$2,774.19
726	750	\$2,963.89	\$3,082.45
751	775	\$3,260.28	\$3,390.69
776	800	\$3,556.66	\$3,698.93
801		\$3561.10 plus \$4.4563 for each foot LOA in excess of 800 ft.	

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Cruise Ships will be charged per tariff at a \$1.85 per foot, per 12-hour period.

Lay-up fees for other vessels using the UMC Dock during period of overflow will be charged at the Spit/LCD rate.

**SECTION 2.3 – STORAGE**

<b>ITEM 230</b>	<b>230</b>	
<b>STORAGE – GENERAL INFORMATION</b>		
<b>(A) DEFINITION:</b>		
Terminal storage, including closed or covered storage, open or ground storage, bonded storage and refrigerated storage after storage arrangements have been made, is the service of providing warehousing or other terminal facilities for the storing of inbound or outbound cargo or gear after the expiration of free time.		
<b>(B) CONDITIONS GOVERNING ACCEPTANCE OF CARGO FOR MONTHLY STORAGE</b>		
When space is available and arrangements are entered into prior to arrival of cargo at the terminal, storage may be permitted on in-transit cargo interchanged with or between water carriers at rates named below.		
When request for storage is not made prior to arrival of cargo at the terminal, and additional handling is required to move and/or re-pile cargo for storage, all labor and equipment in connection therewith will be assessed per Sections 2.5 and 2.7.		
Storage charges are payable in advance and will be computed on the following basis:		
1) Cargo received for storage will be billed on a daily/monthly rate.		
Except as otherwise provided, no free time is allowed under the provisions of this section.		
<b>(C) CONDITIONS GOVERNING ACCEPTANCE OF CARGO FOR Daily STORAGE</b>		
When space is available and arrangements are entered into prior to arrival of cargo at the terminal, storage may be permitted on in-transit cargo interchanged with or between water carriers at rates named below.		
<b>ITEM 235</b>	<b>235</b>	
<b>STORAGE – FEES AND CHARGES</b>		
<b>(A) MINIMUM CHARGES (SEE ITEM 270)</b>		
<b>(B) STORAGE RATES – OPEN AREAS</b>		
Rates herein named apply to storage in open areas. Owner assumes the risk for loss or damage to cargo.		
<u>Commodity</u>	<u>Monthly Charge</u>	<u>Daily Charge</u>
All Freight N.O.S.	\$0.43 per sq ft.	\$0.03 per sq ft per day
<b>(C) WAREHOUSE</b>		
Entire Warehouse Full Day \$529.47 ½ Day \$287.76		
½ Warehouse Full Day \$264.74 ¼ Day \$143.88		
¼ Warehouse Full Day \$132.36 ½ Day \$71.93		
<b>(D) LOADING DOCK</b>		
\$296.39 per day / whole dock		
\$74.08 per day / bay		
<b>(E) MOBILE LOADING RAMPS:</b> See Section VI of Schedule of Fees and Services		

ITEM 240	240
<b>WHARFAGE – GENERAL INFORMATION</b>	
<p><b>(A) DEFINITION</b> A charge assessed against the cargo on all cargo passing or conveyed over, onto or under wharves or between vessels when berthed at a wharf. Wharfage is solely the charge for the use of the wharf and does not include charges for any other service.</p> <p><b>(B) APPLICATION</b> Wharfage rates named in this tariff will be charged for all cargo received over the Unalaska Marine Center docks and will be in addition to all other charges made under provisions of this tariff, <b>Except the following:</b></p> <p>No wharfage shall be charged to ship's gear, such as strongbacks, lines, hatch covers, walking boards, etc., placed on the wharf during unloading operations. Fuel handled over wharf will not be considered as ship's stores and will be subject to wharfage (see sections below on fuel and petroleum products).</p> <p><b>(C) SHIP'S STORES</b> Ship's stores dunnage used for vessel's cargo, and repair materials and supplies, when intended for vessel's own use, consumption, or repairs, will all be exempt from assessment of wharfage. Fuel handled over wharf and ballast will not be considered as ship's stores and will be subject to wharfage and other charges that may be incurred.</p> <p><b>(D) OVERSIDE</b> Unless otherwise specified in individual commodity items or unless other arrangements are made with the Port Director/Harbormaster, all freight loaded or discharged outside a vessel directly to or from another vessel (rafted), barge, lighter, draft, or to or from the water while vessel is berthed at wharf or moored in wharf slip, will be assessed regular wharfage rates.</p>	
ITEM 245	245
<b>WHARFAGE – FEES AND CHARGES</b>	
<b>(A) MINIMUM CHARGES: (SEE ITEM 270)</b>	
<b>(B) SCHEDULE OF CHARGES</b>	
Unless otherwise specified, charges are in dollars per short ton.	
<u>Commodity</u>	<u>Charge</u>
Bulk Commodities, dry, N.O.S.....	<u>\$4,935.08</u>
(unloaded by owner's equipment)	

Seafood.....	\$4.935.08	
Vessel Gear & Equipment.....	<del>\$4.93</del> 5.08	Crab Pots/Cod Pots
Other Pots: See Section VI of Schedule of Fees and Services		
Petroleum or Petroleum Products – flowage fee <sup>1</sup> : \$4.74 or \$.017 per U.S. gallon, or negotiated contract rate.		
Bulk Petroleum Products – inbound: Subject to contract and negotiations <i><sup>1</sup>flowage fee charge to distributor is applicable unless preferential use agreement is in place or other contract has been negotiated.</i>		

<b>ITEM 246</b>	<b>246</b>
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<b>WHARF DEMURRAGE</b>	
<b>(A) DEFINITION</b> A charge assessed against cargo/equipment remaining in or on terminal facilities after the expiration of free time unless arrangements have been made for storage. After expiration of free time demurrage will be assessed.	
<b>(B) MINIMUM CHARGES: (SEE ITEM 270)</b>	
<b>(C) RATES</b> Except as otherwise provided below, Wharf Demurrage will be assessed at the following rates. Owner assumes the risk for loss or damage to cargo/equipment. Per 24 hour day or part thereof, per square foot	
<u>First 12 hours</u>	<u>After 12 hours</u>
\$0.00	\$0.57

<b>SECTION 2.5 – HANDLING</b>
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<b>ITEM 250</b>	<b>250</b>
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<b>HANDLING – GENERAL INFORMATION</b>	
<b>(A) DEFINITION</b> Handling, when performed at the terminal, is the service of moving cargo or fishing gear from the end of ship’s tackle on the wharf to the first place of rest on the wharf, or from the first place of rest on the wharf to within reach of ship’s tackle on the wharf. It includes ordinary sorting, breaking down, and stacking on the wharf. Charges will be made at the man-hour and equipment rental rates. Charges for handling are assessed against vessels, their owners, operators, or the party ordering the service.	
<b>(B) LINE HANDLING</b> The Port Director/Harbormaster will not make any arrangements for handling of lines, cargo	

or gear. No preference will be given to any labor force working the terminal. All labor must be contracted through shipping agents, stevedoring agencies or vessel agent, owner/operator.

All vessels must have line handlers appropriate for vessel size and current conditions.

**(C) RIGHT TO HANDLE FREIGHT RESERVED**

The Port of Dutch Harbor reserves the right in all instances for vessel owners and operators to select qualified labor to perform the services of handling cargo. The labor selection is at their discretion and shall be in accordance with the requirements of this tariff.

**ITEM 255 255**

**HANDLING – FEES AND CHARGES**

**(A) MINIMUM CHARGE: (SEE ITEM 270)**

**(B) SCHEDULE OF CHARGES**

<u>Commodity or Activity</u>	<u>Charge</u>
Vessel Gear & Equipment	cost plus 18%
Putrid or Rotten Fish Products	cost plus 18%
Heavy Metal Discard or Similar <sup>1</sup>	cost plus 18%
Handling Flammable Material	cost plus 18%
Cleaning and Other	cost plus 18%

(1) Disposal of Items not normally accepted by the landfill

**SECTION 2.6 – LABOR**

**ITEM 260 260**

**LABOR RATES**

Labor described in this section refers to Port employees hired for specific tasks. It does not refer to third party employees.

**ITEM 265 265**

**SPECIFIC LABOR COST SERVICES**

Unless otherwise provided for individual items, man-hour rates will be charged on services not arranged through a third party, including but not limited to the following:

- 1) Services for inspection and cleaning, etc. – See, for example, Section 2.5 - Handling.

Materials and supplies furnished by the Port of Dutch Harbor in connection with services shall be billed at actual cost plus 18% for administration costs.

When equipment is used in performance of services, the charge will not be less than the tariff rate as shown ITEM 276.

**ITEM 267 267**

**SCHEDULE OF MAN-HOUR RATES**

Unless otherwise stated herein, the basic rate for Port labor per man-hour is provided in Section VI of the schedule of fees and services.

<b>ITEM 268</b>	<b>268</b>
<b>Security (TWIC)</b>	
Security that is required, but not provided by the owner, shipper, agent, or USCG regulations, will be provided by the Port and will be assessed at the following rates per hour for labor:	
Straight Time	See Section VI of Schedule of Fees and Services
Over Time	See Section VI of Schedule of Fees and Services
Double Time	See Section VI of Schedule of Fees and Services
Security set-up/tear down	See Section VI of Schedule of Fees and Services
Security Administration	See Section VI of Schedule of Fees and Services

<b>ITEM 270</b>	<b>270</b>
<b>MINIMUM CHARGES</b>	
Unless otherwise specified under individual items in this tariff or supplements thereof, the following minimum charges shall apply:	
Handling	\$ Labor + 18%
Service and Facilities	\$ Labor + 18%
Storage – Open Areas	\$ 57.56
Wharfage	\$ 225.26
Wharf Demurrage	\$ 115.10
Minimum charge based on 1 hour labor plus 18%.	

<b>ITEM 271</b>	<b>271</b>
<b>ELECTRIC SERVICE FOR VESSELS</b>	
Electric service for vessels must be arranged through the Harbor Office at least two hours in advance of required service.	
Vessels using City-supplied electrical shore power at the UMC Dock will be charged the following:	
Hook-up Fee:	See Section VI of Schedule of Fees and Services
Energy Charge, per kWh:	See Section VI of Schedule of Fees and Services
Demand Charge, per kWh:	See Section VI of Schedule of Fees and Services

<b>ITEM 272</b>	<b>272</b>
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<p><b>ITEM 272</b></p>	<p><b>272</b></p>
<p><b>FRESH WATER FOR VESSELS</b></p>	
<p>Water must be arranged through the Harbor Office. Fresh water will be furnished vessels as follows:</p>	
<p><b><u>VOLUME</u></b></p>	<p><b><u>RATE</u></b></p>
<p>First 1,000 gallons (includes hook-up)</p>	<p>See Section VI of Schedule of Fees and Services</p>
<p>Each additional 1,000 gallons or fraction thereof</p>	<p>See Section VI of Schedule of Fees and Services</p>
<p><b>ITEM 273</b></p>	<p><b>273</b></p>
<p><b>WASTEWATER SERVICES FEES FOR VESSELS</b></p>	
<p>Wastewater service for vessels must be made through the Harbor Office. The fees for discharge of vessel wastewater through the UMC sewer line are:</p>	
<p>Hook-up Fee:</p>	<p>\$57.56</p>
<p>Rate per 24 hours or portion thereof:</p>	
<p>LOA 0'-300'</p>	<p>\$80.57</p>
<p>LOA 301'-600'</p>	<p>\$149.63</p>
<p>LOA over 600'</p>	<p>\$218.70</p>
<p><b>ITEM 274</b></p>	<p><b>274</b></p>
<p><b>FUEL FLOWAGE FEE</b></p>	
<p>Unless otherwise specified in a preferential use agreement or other contract, charges will be assessed on fuel as described in ITEM 245 (Wharfage).</p>	
<p><b>ITEM 276</b></p>	<p><b>276</b></p>
<p><b>EQUIPMENT RENTAL</b></p>	
<p><b>(A) RATES</b></p>	
<p>Equipment rental can be arranged. A list of available items and current rates is maintained by the Port Director/Harbormaster.</p>	
<p><b>(B) LESSEE'S AND RENTER'S RESPONSIBILITY</b></p>	
<p>When equipment is rented or leased to others, it is expressly understood that the equipment will be operated under the direction and control of the renter or lessee, and the renter or lessee shall be responsible for the operation thereof and assumes all risk for injuries or damages which may arise or grow out of the use of operation of said</p>	

equipment. It is hereby understood and agreed that in the event the renter or lessee uses the operator of said equipment employed by the Port of Dutch Harbor, such operator shall be under the direction of the Port of Dutch Harbor and such operator shall be responsible for his/her own actions during the time of the rental or lease. It is incumbent upon the renter or lessee to make a thorough inspection and satisfy himself as to the physical condition and capacity of equipment, as well as the competency of the operator. There is no representation or warranties by the Port of Dutch Harbor with reference to such matters.

**ITEM 278**

**278**

**REFUSE REMOVAL AND SOLID WASTE DISPOSAL CHARGES**

Charges will be assessed when a ship places refuse in a Port supplied 40 Yard dumpster and will be billed in increments of 1/4, 1/2, 3/4 or full:

See Section VI of Schedule of Fees and Services

***Note:** No wood, pallets, metal, heavy plastics, crab line, poly totes, fish waste, chemical or food additives, or hazardous materials are allowed in dumpsters. If vessels require metal, pallets, plastic, fish waste, or food additives to be hauled to the landfill by the Port Department, the following charges shall apply:*

Pallets or wood, per flatbed truck load                      See Section VI of Schedule of Fees and Services

Other waste or scrap, per flatbed truck load      See Section VI of Schedule of Fees and Services

Additional Administrative Fee                                      18%

Placing prohibited material in a drop box and/or failure to sort refuse as required by landfill will result in a penalty. The penalty will be equal to any fees incurred by the Port plus a 30% administration charge, or equal to any time and material plus 30%, whichever is greater.

**ITEM 280**

**280**

**VESSEL OILY WASTE OR GARBAGE DISPOSAL**

**CONDITIONS COVERING**

Vessels that find it necessary to discharge oil waste or garbage at the Port of Dutch Harbor shall contact the Port Director/Harbormaster's office for the name of oily waste or garbage haulers who will be permitted by the Port to provide equipment and operate at the Port facility to receive, haul and dispose of oily waste or garbage. The vessel shall arrange directly with the oily waste or garbage hauler for such services and equipment. Payment of charges for the services and equipment provided by the oily waste or garbage hauler will be made directly to the oil waste or garbage hauler by the vessel, its agent, charterer, or any other party responsible for such payment of charges by the vessel.

The oily waste or garbage hauler is not an agent or employee of the Port of Dutch Harbor, nor shall the Port of Dutch Harbor be liable for any act, omission or negligence of any such oily waste or garbage hauler. Charges for related services may be assessed to vessels by the Port of Dutch Harbor. The discharge by a vessel of oily waste or garbage at the Port of Dutch Harbor shall be allowed only in accordance with the terms of this tariff item and applicable Federal, State and Local regulations.

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2021-14

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UNALASKA CODE OF ORDINANCES, CHAPTER 4, CITY ELECTIONS, TO ESTABLISH THAT WAGES OF NON-EMPLOYEE ELECTION JUDGES AND CLERKS SHALL BE DETERMINED BY COUNCIL RESOLUTION, AND TO ALLOW CERTIFICATION OF ELECTION RESULTS AT EITHER A REGULAR OR SPECIAL MEETING OF THE CITY COUNCIL

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF UNALASKA, as follows:

**Section 1: Classification.** This Ordinance is a Code Ordinance.

**Section 2: AMENDMENT OF TITLE 4.04.050 EXPENSES.** Section 4.04.050 of the Unalaska Code of Ordinances is hereby amended to read as follows: [New language is underlined; and deleted language is ~~everstruck~~.]

**§ 4.04.050 EXPENSES**

The city shall pay all necessary election expenses, including those of securing places for polls and providing ballot boxes, ballots, voting booths, screens, national and state flags and other supplies, and any wages due election judges and clerks. ~~Salaries for non-employee election judges and clerks shall be \$10.00 per hour.~~ Wages for non-employee election judges and clerks shall be established by resolution of the city council. However, all expenses of making a recount pursuant to an election contest shall be paid by the candidate or voters contesting the election if the recount fails to reverse a result of the election or the difference between the winning and losing vote on the result contested is more than two percent. If the recount is obtained by voters, each of them shall be individually liable for the whole amount of such expenses.

**Section 3: Amendment of Title 4.28.060 RESULTS OF ELECTION.** Section 4.28.060 of the Unalaska Code of Ordinances is hereby amended to read as follows: [New language is underlined; and deleted language is ~~everstruck~~.]

**§ 4.28.060 RESULTS OF ELECTION**

- (A) If a contest is not begun pursuant to Chapter 4.36, the results of the election shall be publicly declared by the City Council and entered in the minutes of a regular or special meeting of the City Council on the first Tuesday following the election.
- (B) If a contest is declared and resolved, the result of the election shall be publicly declared by the City Council and entered in the minutes of a regular or special meeting of the City Council within a week after the contest is resolved.

**Section 3: Effective Date.** This ordinance shall take effect upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

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Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

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Marjie Veeder, CMC  
City Clerk

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Marjie Veeder, City Clerk  
Through: Erin Reinders, City Manager  
Date: July 27, 2021  
Re: Ordinance 2021-14: Amending Chapter 4, City Elections, to establish that wages of non-employee Election Judges and Clerks shall be determined by council resolution, and to allow certification of election results at either a regular or a special meeting

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**SUMMARY:** Ordinance 2021-14 will make two small changes to code dealing with city elections. Code presently sets out an hourly rate for non-employee election workers at \$10 per hour. This rate is low in comparison to election worker pay in other jurisdictions and any increase in this rate requires a code change. It makes sense to set the rate by council resolution which can be done in the same resolution appointing election judges and clerks each year. Secondly, Ordinance 2021-14 allows for certification of election results at either a regular or special meeting. Code presently dictates that certification occur at a special meeting. Staff recommends approval.

**PREVIOUS COUNCIL ACTION:** The particular sections of code contained in Ordinance 2021-14 were last amended in 2001 when Title 4 was rewritten in the entirety.

**BACKGROUND AND DISCUSSION:**

**Election worker wages:** Code presently sets out an hourly rate for non-employee election workers at \$10 per hour. This rate is low in comparison to election worker pay in other jurisdictions and any increase in this rate requires a code change. A survey of other jurisdictions shows pay for election workers ranging from \$12-\$20 per hour depending on duties. In some jurisdictions council sets the wage; and in others, it is determined by the City Clerk. It makes sense to set the rate by council resolution, which can be done in the same resolution appointing election judges and clerks each year.

**Certification of election results:** Code presently dictates that certification of election results is to occur at a “special meeting” of the council on the first Tuesday following the election. Local general elections are held the first Tuesday in October, with the canvass committee meeting scheduled on Friday of the same week. With a regular council meeting scheduled on the second Tuesday in November, certification of election results can take place at a regular meeting, without the need to schedule a special meeting for the same evening for the sole purpose of certifying election results. Allowing the results to be certified at a regular or special meeting will simplify the process.

**ALTERNATIVES:** Council may choose to adopt Ordinance 2021-14 or not; and may amend the ordinance before final adoption.

**FINANCIAL IMPLICATIONS:** A slight increase in election worker wages is anticipated. A slight decrease in council stipends paid will result if election results are certified at a regular meeting

rather than a special meeting because council members are paid an additional stipend for special meetings.

**LEGAL:** The City Attorney reviewed and approved Ordinance 2021-14.

**STAFF RECOMMENDATION:** Staff recommends adoption of Ordinance 2021-14.

**PROPOSED MOTION:** I move to schedule Ordinance 2021-14 for public hearing, second reading and adoption on August 10, 2021.

**CITY MANAGER COMMENTS:** I support staff's recommendation.

**ATTACHMENTS:** None.

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2021-11

AN ORDINANCE AMENDING UNALASKA CODE CHAPTER 6.40, SALES TAX, TO INCREASE THE RATE OF THE SALES TAX LEVY FROM THREE PERCENT (3%) TO FOUR AND ONE-HALF PERCENT (4.5%) FOR THE PURPOSE OF CREATING A UTILITY SUPPLEMENT FUND

WHEREAS, the City of Unalaska determined, through a detailed rate study for each public utility, that customer rate increases were necessary to achieve a Debt Service Coverage Ratio beyond 1.25 for each Utility Proprietary Fund and to continue operations at the current level of service; and

WHEREAS, the Unalaska City Council authorized rate increases for each utility, to be phased in over four years, through Resolutions 2021-26 and 2021-35, adopted on May 10 and May 25, 2021, respectively, and Ordinance 2021-10, the FY22 Schedule of Fees, adopted on June 22, 2021; and

WHEREAS, these utility rate increases do not meet the full revenue requirement identified in the rate study for each utility; and

WHEREAS, the Unalaska City Council has determined it is necessary and in the best interest of the community to increase the sales tax levy and use the increased revenue to create a Utility Supplement Fund, the proceeds of which will be used to offset operational expenses of the utilities, to mitigate future rate increases and thereby reduce customers' utility bills.

NOW THEREFORE, BE IT ENACTED BY THE UNALASKA CITY COUNCIL:

**Section 1: Classification.** This ordinance is a code ordinance.

**Section 2: Amendment of UCO §6.40.020.** Section 6.40.020, Levy of Tax, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

**§ 6.40.020 LEVY OF TAX**

A sales tax is levied on all sales, rents and services made in the City at the rate of ~~three percent (3%)~~ four and one-half percent (4.5%) of the selling price. The burden of this tax rests upon the consumer. This tax shall not be levied on raw seafood products taxed pursuant to Chapter 6.44. The tax on services shall not include salaries or wages received by an employee from an employer, but shall include consideration for furnishing labor and materials for accomplishing a specific result.

**Section 3: Amendment of UCO §6.40.025.** Section 6.40.025, Tax Schedule, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

**§ 6.40.025 TAX SCHEDULE**

The amount of tax to be added to the lease, rental, transfer or assignment of any right, title or interest in any goods, personal property of any kind, real property and any provision of labor or services for a consideration subject to levy under § 6.40.020 shall be in accordance with the following schedule:



<u>Price</u>	<u>Tax</u>
<del>\$0.01 - \$0.30</del>	<del>\$0.01</del>
<del>\$0.31 - \$0.60</del>	<del>\$0.02</del>
<del>\$0.61 - \$1.00</del>	<del>\$0.03</del>
\$0.01 - \$0.30	\$0.01
\$0.31 - \$0.50	\$0.02
\$0.51 - \$0.75	\$0.03
\$0.76 - \$0.95	\$0.04
\$0.95 - \$1.00	\$0.045

**Section 4:** Use of Sales Tax Increase. Section 6.40 is hereby amended by adding a new section 6.40.150, as follows:

**§ 6.40.150 Application of Tax Revenues.** The difference in sales tax revenue generated by a 4.5% rate instead of a 3% rate of levy shall be deposited in a newly created Utility Supplement Fund, to offset operational expenses of the utilities, to mitigate future rate increases and thereby reduce customers' utility bills. Revenue deposited in the Utility Supplement Fund shall be considered utility revenue whenever a utility rate study is performed.

**Section 5:** Authorization of Election. The City of Unalaska, at the October 5, 2021 municipal election, shall conduct an election on the question of whether there should be an increase of the sales tax rate by placing before qualified voters a proposition for approval or rejection. The City Clerk is directed to take all action necessary to arrange for this election. The proposition must receive a majority vote of those qualified voters actually voting on the question in order to be approved by the voters. The proposition shall be presented printed on a ballot substantially in the following form:

Should the City of Unalaska increase the rate of Sales Tax from three percent (3%) to four and one-half percent (4.5%) for the purpose of creating a Utility Supplement Fund to be used to offset operational expenses of the utilities, to mitigate future rate increases and thereby reduce customers' utility bills?

Yes       No

**Section 6:** Effective Date. This ordinance shall become effective January 1, 2022, following certification of the election by the City of Unalaska, showing ratification by a majority of the qualified voters of the City of Unalaska voting at the election.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

\_\_\_\_\_  
 Vincent M. Tutiakoff, Sr.  
 Mayor

ATTEST:

\_\_\_\_\_  
 Marjie Veeder, CMC  
 City Clerk

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Marjie Veeder, City Clerk and Dan Winters, Director of Public Utilities  
Through: Erin Reinders, City Manager  
Date: August 10, 2021  
Re: Ordinance 2021-11: Amending UCO Chapter 6.40, Sales Tax, to increase the rate of the sales tax levy from 3% to 4.5% for the purpose of creating a Utility Supplement Fund

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**SUMMARY AND CHANGES:** Ordinance 2021-11 was presented for first reading on July 27, 2021, at which time Council discussed the proposed ordinance at length and adopted three amendments:

1. Section 4 of the ordinance, relating to new section § 6.40.150 Use of Sales Tax Increase, indicating that the increased revenue is to be “only used to specifically to reduce community user’s utility bills”;
2. To amend the ordinance as necessary to reflect a 1.5% increase in the sales tax levy from 3% to 4.5%; and
3. Section 4 of the ordinance, relating to new section § 6.40.150 Use of Sales Tax Increase, to strike the phrase “subject to annual appropriation by the City Council”.

Staff worked with the City Attorney to edit the language of the ordinance and presents the amended ordinance for second reading, public hearing and potential adoption this evening.

The City Attorney advised that the changes to the ordinance are not so substantial as to require reintroduction of the ordinance. This means that the amended ordinance can be adopted by council after the Public Hearing scheduled for this evening.

The second and third amendments (#2 and #3 above) were straight forward and have been incorporated in the ordinance.

The nature of the first amendment required that language be crafted to comply with council’s intended use of the increased sales tax revenue. This includes:

- A change in the name of the fund (where the increased revenue will be accounted) to “Utility Supplement Fund”.
- The addition of the phrase “in the best interest of the community” in the 4<sup>th</sup> “whereas” statement on the first page.
- New language indicating the increased tax revenue will be “used to offset operational expenses of the utilities, to mitigate future rate increases and thereby reduce customers’ utility bills”.

- Removal of the word “infrastructure” in the use of the funds, the result of which is that the increased sales tax revenue will not be used for infrastructure or capital project expenses of the utilities. These types of capital expenses impact rates differently than annual operating expenses and it appeared that Council does not want this revenue to be used for infrastructure and capital project expenses.
- The addition of a sentence at the end of § 6.40.150 which reads: “Revenue deposited in the Utility Supplement Fund shall be considered utility revenue whenever a utility rate study is performed.” This language was added to reinforce Council’s intent that the funds be used for rate relief.

**ALTERNATIVES:** City Council may approve the ordinance as presented, or make changes. Council may also vote the ordinance down and stop the process of increasing the sales tax levy.

If Staff misinterpreted Council’s intent about not using the increased revenue for infrastructure and capital project expenses of the utilities, the word “infrastructure” can be added back to the ordinance with this amendment:

I move to amend Ordinance 2021-11 to add the words “and infrastructure” after the words “offset operational” in three places:

- the fourth whereas statement on page 1;
- in section 6.40.150 Application of Tax Revenues; and
- in the ballot language of Section 5.

In order to be included on the October ballot, the ordinance must be adopted no later than the second meeting in August, which is August 24, 2021.

**LEGAL:** This original ordinance and the changes presented this evening were developed with the assistance of the City Attorney.

**PROPOSED MOTION:** I move to adopt Ordinance 2021-11.

**CITY MANAGER COMMENTS:** The changes to Ordinance 2021-11 are presented in response to Council’s Directive and the amendments adopted by Council on July 27, 2021. I support adoption of Ordinance 2021-11 in order to meet revenue requirements for continued operation of the public utilities.

**ATTACHMENTS:** To aid review by Council and the public, attached are the following documents:

- A. Ordinance and staff memo presented at the July 27 meeting
- B. A red-lined version of the ordinance showing all changes made after the July 27 meeting

**ATTACHMENT A**  
**ORDINANCE AND STAFF MEMO PRESENTED JULY 27**

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2021-11

AN ORDINANCE AMENDING UNALASKA CODE OF ORDINANCES CHAPTER 6.40, SALES TAX, TO INCREASE THE RATE OF THE SALES TAX LEVY FROM THREE PERCENT (3%) TO FOUR PERCENT (4%) FOR THE PURPOSE OF CREATING A UTILITY INFRASTRUCTURE FUND TO SUPPLEMENT THE UTILITY PROPRIETARY FUNDS

WHEREAS, the City of Unalaska determined, through a detailed rate study for each public utility, that customer rate increases were necessary to achieve a Debt Service Coverage Ratio beyond 1.25 for each Utility Proprietary Fund and to continue operations at the current level of service; and

WHEREAS, the Unalaska City Council authorized rate increases for each utility, to be phased in over four years, through Resolutions 2021-26 and 2021-35, adopted on May 10 and May 25, 2021, respectively, and Ordinance 2021-10, the FY22 Schedule of Fees, adopted on June 22, 2021; and

WHEREAS, these utility rate increases do not meet the full revenue requirement identified in the rate study for each utility; and

WHEREAS, the Unalaska City Council has determined it is necessary to increase the sales tax levy and use the increased sales tax revenue to create a Utility Infrastructure Fund to supplement the Utility Proprietary Funds to be used for utility operational and infrastructure needs.

NOW THEREFORE, BE IT ENACTED BY THE UNALASKA CITY COUNCIL:

**Section 1:** Classification. This ordinance is a code ordinance.

**Section 2:** Amendment of UCO §6.40.020. Section 6.40.020, Levy of Tax, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

**§ 6.40.020 LEVY OF TAX**

A sales tax is levied on all sales, rents and services made in the City at the rate of ~~three percent (3%)~~ four percent (4%) of the selling price. The burden of this tax rests upon the consumer. This tax shall not be levied on raw seafood products taxed pursuant to Chapter 6.44. The tax on services shall not include salaries or wages received by an employee from an employer, but shall include consideration for furnishing labor and materials for accomplishing a specific result.

**Section 3:** Amendment of UCO §6.40.025. Section 6.40.025, Tax Schedule, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

**§ 6.40.025 TAX SCHEDULE**

The amount of tax to be added to the lease, rental, transfer or assignment of any right, title or interest in any goods, personal property of any kind, real property and any provision of labor or services for a consideration subject to levy under § 6.40.020 shall be in accordance with the following schedule:

<u>Price</u>	<u>Tax</u>
<del>\$0.01 - \$0.30</del>	<del>\$0.01</del>
<del>\$0.31 - \$0.60</del>	<del>\$0.02</del>
<del>\$0.61 - \$1.00</del>	<del>\$0.03</del>
\$0.01 - \$0.25	\$0.01
\$0.26 - \$0.50	\$0.02
\$0.51 - \$0.75	\$0.03
\$0.76 - \$1.00	\$0.04

**Section 4: Use of Sales Tax Increase.** Section 6.40 is hereby amended by adding a new section 6.40.150, as follows:

**§ 6.40.150 Application of Tax Revenues.** Subject to annual appropriation by the City Council, the difference in sales tax revenues generated by a 4% rate instead of a 3% rate shall be deposited in a newly created Utility Infrastructure Fund to use for utility operational and infrastructure needs.

**Section 5: Authorization of Election.** The City of Unalaska, at the October 5, 2021 municipal election, shall conduct an election on the question of whether there should be an increase of the sales tax rate by placing before qualified voters a proposition for approval or rejection. The City Clerk is directed to take all action necessary to arrange for this election. The proposition must receive a majority vote of those qualified voters actually voting on the question in order to be approved by the voters. The proposition shall be presented printed on a ballot substantially in the following form:

Should the City of Unalaska increase the rate of Sales Tax from three percent (3%) to four percent (4%) for the purpose of creating a Utility Infrastructure Fund to supplement the Utility Proprietary Funds, to be used for utility operational and infrastructure needs?

Yes       No

**Section 6: Effective Date.** This ordinance shall become effective January 1, 2022, following certification of the election by the City of Unalaska, showing ratification by a majority of the qualified voters of the City of Unalaska voting at the election.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

\_\_\_\_\_  
 Vincent M. Tutiakoff, Sr.  
 Mayor

ATTEST:

\_\_\_\_\_  
 Marjie Veeder, CMC  
 City Clerk

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Marjie Veeder, City Clerk and Dan Winters, Director of Public Utilities  
Through: Erin Reinders, City Manager  
Date: July 27, 2021  
Re: Ordinance 2021-11: Amending UCO Chapter 6.40, Sales Tax, to increase the rate of the sales tax levy from 3% to 4% for the purpose of creating a Utility Infrastructure Fund to supplement the Utility Proprietary Funds

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**SUMMARY:** This ordinance is presented in response to Council's directive issued on May 25, 2021. The directive was issued following a recommendation in the utility rate studies to increase sales tax by 1% to create a Utility Infrastructure Fund (UIF) because utility rate increases recently authorized by Council will not fully meet revenue requirements for the public utilities. Staff recommends approval.

**PREVIOUS COUNCIL ACTION:** In 1988, the sales tax levy was increased from 2% to 3%, and was ratified by Unalaska's voters. The revenue generated by the 1% increase was dedicated to fund capital improvement projects. This fund is still in existence today.

In 1996, council adopted Ordinance 1996-14 increasing the sales tax levy from 3% to 4% with increased revenue dedicated to the existing special revenue fund for capital improvements. This tax increase was not ratified by voters.

Council last addressed the sales tax levy with Ordinance 2017-14, amending Title 6 to increase sales tax on alcohol, tobacco and marijuana by 3%, thereby taxing those particular products at the rate of 6%. This proposition was not ratified by Unalaska's voters, with 263 yes votes and 298 no votes.

**BACKGROUND:** Council heard numerous presentations about utility rates starting in February 2021, and authorized rate increases for each utility to be phased in over four years, through Resolutions 2021-26 and 2021-35, adopted on May 10 and May 25, 2021, respectively, and Ordinance 2021-10, the FY22 Schedule of Fees and Services, adopted on June 22, 2021.

The recent rate increases were necessary to achieve a Debt Service Coverage Ratio beyond 1.25 for each Utility Proprietary Fund and to continue operations at the current level of service. These utility rate increases do not meet the full revenue requirements identified in the rate study for each utility.

To address this revenue shortfall, Council directed staff to prepare an ordinance to increase the sales tax levy by 1% and create a Utility Infrastructure Fund for the purpose of supplementing the Utility Proprietary Funds.

The table below shows the complete picture of the revenue shortfalls for each utility proprietary fund, both before and after the recent rate increases. The combined revenue shortfall for all the utilities is (\$4,448,032) -- after the rate increases.

**REVENUE REQUIREMENT SHORTFALL  
Before and After Rate Increases**

	Electric 6.1% Rate Inc.	Water 3.6% Rate Inc.	Solid Waste 33% Rate Inc.	Wastewater 40% Rate Inc.	Totals For All Utilities
Current Revenue Requirement	\$ 9,762,823	\$ 3,530,573	\$ 4,102,820	\$ 4,319,505	\$ 21,715,721
Current Revenue	\$ 7,248,373	\$ 2,616,686	\$ 2,562,531	\$ 2,468,212	\$ 14,895,802
Current Revenue Shortfall	\$ (2,514,450)	\$ (913,887)	\$ (1,540,289)	\$ (1,851,293)	\$ (6,819,919)
Revenue from Rate Inc.	\$ 444,436	\$ 94,532	\$ 845,635	\$ 987,284	\$ 2,371,887
Revenue Shortfall After Rate Inc.	\$ (2,070,014)	\$ (819,355)	\$ (694,654)	\$ (864,009)	\$ (4,448,032)

**DISCUSSION:** Ordinance 2021-11 (a) increases the sales tax levy from 3% to 4%; (b) includes language specifically dedicating the increased revenue to a Utility Infrastructure Fund to be used for utility operational and infrastructure expenses; and (c) outlines the proposition language for the ballot and an effective date should the proposition receive voter approval.

**DEDICATION OF REVENUE**

The dedication language in the ordinance is prefaced with the phrase “Subject to annual appropriation by the City Council ...” All expenditures of City funds are “subject to appropriation” in that the City cannot spend money that has not been authorized to be spent by the Council.

The phrase “subject to appropriation” also means that Council could not be forced to make a specific appropriation to the UIF based on the dedication language and Council has the freedom to appropriate the funds elsewhere without violating this section of code.

If the phrase “subject to appropriation” is removed, it would not impact the validity of the remaining language of the dedication, and transfers to the UIF would be required as set out in the dedication language.

Ordinances ratified by voter approval, as is required for increases in the sales tax levy, cannot be changed by City Council for a period of two years. If the phrase “subject to appropriation” is removed from the ordinance, the result is that council cannot appropriate these funds elsewhere for a minimum of two years.

**VOTER RATIFICATION**

Any increase in the sales tax levy must be approved by voters. As drafted, the ordinance sets the question for the October 5, 2021 general municipal election, which will be certified by Council no later than October 12, 2021. The effective date for the sales tax increase is January 1, 2022 to allow time for City staff to prepare for the increased tax rate and to inform sales tax collectors of the new rate; to allow time for collectors to implement the new levy; and to set the new rate at the beginning of a reporting quarter.

**FINANCIAL IMPLICATIONS:** The increased sales tax revenue will be dedicated to the UIF to provide cash flow to supplement the utility proprietary funds, both for operational and infrastructure needs.

There was some discussion at previous council meetings of increasing the sales tax levy beyond the 1% increase recommended by Aldrich, at either 1.5% or 2%.

The following table shows sales tax revenue for the last four years, using actuals for FY18-20, and unaudited revenue received for FY21. (FY21 sales tax revenue is down compared to prior years and it is believed to be due to the coronavirus pandemic and resulting decrease in sales in some business sectors.)

<b>3% Sales Tax Revenue</b>	
FY18	\$ 10,568,302
FY19	\$ 10,928,892
FY20	\$ 10,639,924
FY21 (unaudited)	\$ 9,480,045
Four Year Average	\$ 10,404,291

The four-year average sales tax revenue is \$10,404,291. Using the four year average, we calculated estimated sales tax revenue based on increases to the sales tax levy at 1%, 1.25%, 1.5% and 2%. We also calculated the resulting amounts to be funneled to the UIF (the portion above the existing 3% levy); and the revenue requirement shortfall (the needed \$4,448,032 less the portion dedicated to the UIF):

Sales Tax Rate Increase	Estimated Total Sales Tax Revenue	Portion to UIF	Revenue Requirement Shortfall
1% increase - 4% Tax	\$ 13,872,388	\$ 3,468,097	\$ (979,935)
1.25% increase - 4.25% Tax	\$ 14,739,412	\$ 4,335,121	\$ (112,911)
1.5% increase - 4.5% Tax	\$ 15,606,436	\$ 5,202,145	\$ 754,113
2% increase - 5% Tax	\$ 17,340,485	\$ 6,936,194	\$ 2,488,162

As you can see, a 1% sales tax increase does not fully cover the combined revenue shortfall for all utilities of \$4,448,032 and misses the mark by \$979,935. An increase of 1.25% misses the mark by \$112,911; and a 1.5% increase exceeds the goal by \$754,113.

The Department of Public Utilities will continue their efforts to increase efficiencies and trim the budget in order to further reduce this shortfall through cost savings, just as was done for the FY22 budget.

Presently, revenue shortfalls are covered by the unrestricted net assets for each utility, and this practice would continue if the UIF cannot cover the full revenue requirements of the utilities. It should be noted that additional sales tax revenue due to an increase in the sales tax levy will not be received until after the first quarter of 2022 as the ordinance is presently written.

Additionally, the CMMP shows multiple capital improvements for the utility proprietary funds, and continued depletion of the unrestricted net assets will impede our ability to pay for capital project improvements for the utilities.

**ALTERNATIVES:** City Council may approve the ordinance as presented or not; and can amend the ordinance, including the rate of the proposed increase in the sales tax levy or the dedication language, before public hearing and final approval, which is presently scheduled for August 10, 2021.



If council chooses to amend the ordinance, staff provides language for proposed motions, as follows:

**To change the sales tax levy:** “I move to amend Ordinance 2021-11 as necessary to reflect an increase in the sales tax levy from 3% to \_\_\_\_\_%” inserting the desired rate in the blank.

**To remove the phrase “subject to appropriation” in the dedication:** “I move to amend Section 4 of Ordinance 2021-11 to strike the phrase ‘Subject to annual appropriation by the City Council’.”

The ordinance will then be amended and presented to council on August 10 for public hearing, second reading and potential adoption. In order to be included on the October ballot, the ordinance must be approved no later than the second meeting in August, which is August 24, 2021.

**LEGAL:** This ordinance has been developed with the assistance of the City Attorney.

**STAFF RECOMMENDATION:** This ordinance, showing a 1% increase to the sales tax levy, is presented in accord with the council’s directive. Staff recommends approval of Ordinance 2021-11 increasing the sales tax levy from 3% to 4%, and the creation of a UIF. It is Council’s decision as to the amount of the sales tax increase.

**PROPOSED MOTION:** I move to schedule Ordinance 2021-11 for public hearing, second reading and adoption on August 10, 2021.

**CITY MANAGER COMMENTS:** This ordinance has been developed based on council’s directive. I support adoption of Ordinance 2021-11 in order to meet revenue requirements for continued operation of the public utilities.

**ATTACHMENT B**  
**RED LINE VERSION SHOWING CHANGES**  
**MADE AFTER JULY 27 MEETING**

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2021-11

AN ORDINANCE AMENDING UNALASKA CODE ~~OF ORDINANCES~~ CHAPTER 6.40, SALES TAX, TO INCREASE THE RATE OF THE SALES TAX LEVY FROM THREE PERCENT (3%) TO FOUR AND ONE-HALF PERCENT (4.5%) FOR THE PURPOSE OF CREATING A UTILITY SUPPLEMENT INFRASTRUCTURE FUND ~~TO SUPPLEMENT THE UTILITY PROPRIETARY FUNDS~~

WHEREAS, the City of Unalaska determined, through a detailed rate study for each public utility, that customer rate increases were necessary to achieve a Debt Service Coverage Ratio beyond 1.25 for each Utility Proprietary Fund and to continue operations at the current level of service; and

WHEREAS, the Unalaska City Council authorized rate increases for each utility, to be phased in over four years, through Resolutions 2021-26 and 2021-35, adopted on May 10 and May 25, 2021, respectively, and Ordinance 2021-10, the FY22 Schedule of Fees, adopted on June 22, 2021; and

WHEREAS, these utility rate increases do not meet the full revenue requirement identified in the rate study for each utility; and

WHEREAS, the Unalaska City Council has determined it is necessary and in the best interest of the community to increase the sales tax levy and use the increased ~~sales tax~~ revenue to create a Utility Supplement Infrastructure Fund, the proceeds of which to will be used supplement the Utility Proprietary Funds to be used for utility to offset operational and infrastructure expenses needs of the utilities, to mitigate future rate increases and thereby reduce customers' utility bills.

NOW THEREFORE, BE IT ENACTED BY THE UNALASKA CITY COUNCIL:

**Section 1: Classification.** This ordinance is a code ordinance.

**Section 2: Amendment of UCO §6.40.020.** Section 6.40.020, Levy of Tax, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

**§ 6.40.020 LEVY OF TAX**

A sales tax is levied on all sales, rents and services made in the City at the rate of ~~three percent (3%)~~ four and one-half percent (4.5%) of the selling price. The burden of this tax rests upon the consumer. This tax shall not be levied on raw seafood products taxed pursuant to Chapter 6.44. The tax on services shall not include salaries or wages received by an employee from an employer, but shall include consideration for furnishing labor and materials for accomplishing a specific result.

**Section 3: Amendment of UCO §6.40.025.** Section 6.40.025, Tax Schedule, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

**§ 6.40.025 TAX SCHEDULE**

The amount of tax to be added to the lease, rental, transfer or assignment of any right, title or interest in any goods, personal property of any kind, real property and any provision of labor or services for a consideration subject to levy under § 6.40.020 shall be in accordance with the following schedule:

<u>Price</u>	<u>Tax</u>
<del>\$0.01 - \$0.30</del>	<del>\$0.01</del>
<del>\$0.31 - \$0.60</del>	<del>\$0.02</del>
<del>\$0.61 - \$1.00</del>	<del>\$0.03</del>
<del>\$0.01 - \$0.25</del>	<del>\$0.01</del>
<del>\$0.26 - \$0.50</del>	<del>\$0.02</del>
<del>\$0.51 - \$0.75</del>	<del>\$0.03</del>
<del>\$0.76 - \$1.00</del>	<del>\$0.04</del>
<u>\$0.01 - \$0.30</u>	<u>\$0.01</u>
<u>\$0.31 - \$0.50</u>	<u>\$0.02</u>
<u>\$0.51 - \$0.75</u>	<u>\$0.03</u>
<u>\$0.76 - \$0.95</u>	<u>\$0.04</u>
<u>\$0.95 - \$1.00</u>	<u>\$0.045</u>

**Section 4: Use of Sales Tax Increase.** Section 6.40 is hereby amended by adding a new section 6.40.150, as follows:

**§ 6.40.150 Application of Tax Revenues.** ~~Subject to annual appropriation by the City Council, the~~ difference in sales tax revenues generated by a 4.5% rate instead of a 3% rate of levy shall be deposited in a newly created Utility Infrastructure Supplement Fund, to offset use for utility operational and infrastructure needs expenses of the utilities, to mitigate future rate increases and thereby reduce customers' utility bills. Revenue deposited in the Utility Supplement Fund shall be considered utility revenue whenever a utility rate study is performed.

**Section 5: Authorization of Election.** The City of Unalaska, at the October 5, 2021 municipal election, shall conduct an election on the question of whether there should be an increase of the sales tax rate by placing before qualified voters a proposition for approval or rejection. The City Clerk is directed to take all action necessary to arrange for this election. The proposition must receive a majority vote of those qualified voters actually voting on the question in order to be approved by the voters. The proposition shall be presented printed on a ballot substantially in the following form:

Should the City of Unalaska increase the rate of Sales Tax from three percent (3%) to four and one-half percent (4.5%) for the purpose of creating a Utility Supplement Infrastructure Fund to supplement the Utility Proprietary Funds, to be used for utility operational and infrastructure needs, to be used to offset operational expenses of the utilities, to mitigate future rate increases and thereby reduce customers' utility bills?

Yes       No

**Section 6: Effective Date.** This ordinance shall become effective January 1, 2022, following certification of the election by the City of Unalaska, showing ratification by a majority of the qualified voters of the City of Unalaska voting at the election.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

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Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

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Marjie Veeder, CMC  
City Clerk

CITY OF UNALASKA  
UNALASKA, ALASKA  
ORDINANCE 2021-15

CREATING BUDGET AMENDMENT #1 TO THE FISCAL YEAR 2022 BUDGET, ACCEPTING \$7,200 FROM ALEUTIAN PRIBILOF ISLANDS ASSOCIATION AND APPROPRIATING \$7,200 IN THE GENERAL FUND FOR THE SENIOR EXERCISE PROGRAM; APPROPRIATING \$197,884 IN THE GENERAL FUND FOR PUBLIC SAFETY EMPLOYEES ASSOCIATION EMPLOYEE COMPENSATION PER THE COLLECTIVE BARGAINING AGREEMENT; AND RECOGNIZING \$ 1,069,850 OF AMERICAN RESCUE PLAN ACT REVENUE AND APPROPRIATING \$ 1,069,850 FOR EXPENDITURES IN THE CORONAVIRUS RELIEF FUND

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 FY22 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 #1 to Ordinance 2021-07**

	Current	Requested	Revised
<b>I. OPERATING BUDGETS</b>			
<b>A. General Fund</b>			
Sources:			
Appropriated Fund Balance	\$ 5,694,458	\$ 197,884	\$ 5,892,342
Local Support - APIA	\$ -	\$ 7,200	\$ 7,200
Uses:			
PSEA Employee Compensation	\$ 4,953,919	\$ 197,884	\$ 5,151,803
PCR Other Professional Services	\$ 20,340	\$ 7,200	\$ 27,540
<b>B. Coronavirus Relief Fund</b>			
Sources:			
ARPA Grant	\$ -	\$ 1,069,850	\$ 1,069,850
Uses:			
EOC Upgrade	\$ -	\$ 50,000	\$ 50,000
Isolation Site	\$ -	\$ 64,000	\$ 64,000
Temporary Hires	\$ -	\$ 82,232	\$ 82,232
Utility Credit Program	\$ -	\$ 873,618	\$ 873,618

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 24, 2021.

\_\_\_\_\_  
Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

\_\_\_\_\_  
Marjie Veeder, CMC  
City Clerk

**City of Unalaska Ordinance 2021-15, Page 2**  
**Summary of Budget Amendment and Schedule of Proposed Accounts**  
**Budget Amendment #1 to the FY22 Budget**

1) General Fund - Operating Budget

*Public Safety*

Add \$197,884 to Appropriated Fund Balance

Add a total of \$197,884 to the Police, Communications, Corrections and Fire/EMS personnel budgets per the PSEA collective l

*Parks, Culture and Recreation*

Add \$7,200 to Other PCR Revenue to record grant from APIA for the senior exercise program

Add \$7,200 to Other Professional Services for senior exercise program instructor

2) Coronavirus Relief Fund

Add \$1,069,850 to ARPA Grant Revenue distributed through AK DCCED per the Coronavirus Local Fiscal Recovery Fund agre

Add \$50,000 to General Supplies for upgrades to the emergency operations center

Add \$1,019,850 to Community Grants for the residential utility credit program

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<b>1) <u>General Fund Operating Budget</u></b>						
<i>Public Safety</i>						
<b>Sources:</b>						
Appropriated Fund Balance	01010049	49900		\$ 5,694,458	\$ 197,884	\$ 5,892,342
<b>Uses:</b>						
<i>Police</i>						
Police - Salaries & Wages	01021151	51100		\$ 1,858,759	\$ 72,167	\$ 1,930,926
Police - FICA & Medi	01021151	52200		\$ 159,032	\$ 5,521	\$ 164,553
Police - PERS	01021151	52300		\$ 589,934	\$ 17,772	\$ 607,706
<i>Communications</i>						
Communications - Salaries & Wages	01021251	51100		\$ 464,185	\$ 27,469	\$ 491,654
Communications - FICA & Medi	01021251	52200		\$ 38,289	\$ 2,101	\$ 40,390
Communications - PERS	01021251	52300		\$ 137,532	\$ 6,901	\$ 144,433
<i>Corrections</i>						
Corrections - Salaries & Wages	01021451	51100		\$ 573,779	\$ 6,334	\$ 580,113
Corrections - FICA & Medi	01021451	52200		\$ 46,973	\$ 485	\$ 47,458
Corrections - PERS	01021451	52300		\$ 170,532	\$ (977)	\$ 169,555
<i>Fire/EMS</i>						
Fire/EMS - Salaries & Wages	01021551	51100		\$ 651,351	\$ 44,048	\$ 695,399
Fire/EMS - FICA & Medi	01021551	52200		\$ 59,286	\$ 3,370	\$ 62,656
Fire/EMS - PERS	01021551	52300		\$ 204,267	\$ 12,694	\$ 216,961
<i>Parks, Culture and Recreation</i>						
<b>Sources:</b>						
Other PCR Revenue	01012047	43780		\$ -	\$ 7,200	\$ 7,200
<b>Uses:</b>						
Other Professional Services	01023252	53300		\$ 20,340	\$ 7,200	\$ 27,540
<b>2) <u>Coronavirus Relief Fund</u></b>						
<b>Sources:</b>						
ARPA Revenue	130A2041	42149		\$ -	\$ 1,069,850	\$ 1,069,850
<b>Uses:</b>						
Temporary Hires	130A2051	51200		\$ -	\$ 76,000	\$ 76,000
FIC & Medicare	130A2051	52200		\$ -	\$ 6,232	\$ 6,232
Supplies	130A2052	56100		\$ -	\$ 50,000	\$ 50,000
Rent/Lease	130A2052	54410		\$ -	\$ 32,000	\$ 32,000
Electricity	130A2052	56220		\$ -	\$ 8,000	\$ 8,000
Other Professional Services	130A2052	53300		\$ -	\$ 24,000	\$ 24,000
Community Grants	130A2052	58400		\$ -	\$ 873,618	\$ 873,618

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Jim Sharpe, Interim Finance Director  
Through: Erin Reinders, City Manager  
Date: August 10, 2021  
Re: Ordinance 2021-15: Creating FY22 Budget Amendment #1, to receive \$7,200 from Aleutian Pribilof Islands Association and appropriating \$7,200 in the General Fund for the Senior Exercise Program; appropriating \$197,884 in the General Fund for PSEA employee compensation per the CBA, and recognizing \$1,069,850 of American Rescue Plan Act revenue and appropriating \$1,069,850 for expenditures in the Coronavirus Relief Fund

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**SUMMARY:** Ordinance 2021-15 creates budget amendment #1 to accept \$7,200 to fund the Senior Exercise Program and increase PCR personnel costs in the same amount; increases Public Safety personnel costs by \$197,884 as a result of the approved Collective Bargaining Agreement (CBA); and adopts American Rescue Plan Act (ARPA) funding budget to include revenue and expenditures in the amount of \$1,069,850.42.

### **PREVIOUS COUNCIL ACTION:**

On September 19, 2019, Council adopted Ordinance 2019-09 creating Budget Amendment #1 to the FY 2020 operating and capital budget. This ordinance included an amendment to PCR's budget in the amount of \$7,200 to start the Senior Exercise Program.

On May 25, 2021, City Council adopted the Fiscal Year 2022 Operating and Capital budget through Ordinance 2021-07; this is the first amendment.

On May 25, 2021, City Council approved Resolution 2021-17 Authorizing the City Manager to Sign a CBA between the City of Unalaska and the Public Safety Employees Association (PSEA) for represented employees.

On June 22, 2021, City Council approved Resolution 2021-50 accepting an award for coronavirus Local Fiscal Recovery Funds to Non-entitlement units of local governments from the Alaska Department of Commerce, Community and Economic Development.

### **BACKGROUND:**

#### **PCR – Senior Exercise Program**

The Aleutian Pribilof Islands Association (APIA) partnered with the Department of Parks, Culture and Recreation (PCR) to develop a senior exercise program, held at the Unalaska Senior Center. APIA received a grant to fund the program and is working with PCR to provide an instructor. PCR requests a budget amendment to allocate an additional \$7,200 to 01023251-51200 (Temporary Employees) to hire the instructor for this program. This \$7,200 reflects the amount of money APIA received to fund the personnel portion of the program.

PCR will invoice APIA for the hours worked by the instructor and we will receive reimbursement for those hours up to the \$7,200 outlined in the APIA grant. The result is \$0 net loss to the city, and gives PCR the ability to provide a much-needed senior exercise class in cooperation with APIA. The program will end when the grant funds are exhausted.

The program was successful, with funding from APIA. Due to the COVID-19 pandemic and the inability to offer regular instructor led classes in FY21, this funding request was not made in 2020.

### **Public Safety and Fire Personnel Costs**

PSEA represents the following Public Safety and Fire positions: Police Sergeants, Communication Sergeant, Corrections Sergeant, Fire Captains, Fire Fighters, Corrections Officers, Communications Officers, Police Officers, Animal Control Officer and DMV Agent. Every 3 years, the City and PSEA enter contract negotiations to agree upon a CBA for a new 3-year term. The recently approved agreement is effective July 1, 2021 through June 30, 2024. PSEA and City Staff completed negotiations the week of April 5, 2021.

### **ARPA Funding**

On March 11, 2021, Congress passed the federal act known as the American Rescue Plan Act of 2021. The Act is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the devastating economic and health effects of the COVID-19 pandemic. A portion of the package (\$350,000,000,000) is to be distributed to cities, states, tribal governments and U.S. Territories.

Communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of ARPA funds. Communities will be required to reimburse the State for any misspent funds.

The City has submitted all required paperwork to the State in order to receive the first tranche of funding (\$534,925) in the next week or two. The second tranche will be received at approximately the same time in 2022. The delay in receiving the second tranche does not prohibit the City from committing the entire amount through a spending plan, but will not be reimbursed until the second tranche has been received.

### **DISCUSSION:**

**PCR – Senior Exercise Program:** This amendment to the FY22 budget allows for \$7,200 to pay the Instructor for the Senior Exercise Class held twice a week at the Senior Center. This will be supported with funding from APIA, also addressed in the amendment.

**Public Safety and Fire Personnel Costs:** This amendment to the FY22 budget is to account for the new CBA with PSEA. The final CBA was developed in accordance with Council direction. The PSEA CBA was ratified by PSEA members on May 7, 2021, and signed on May 18, 2021. City Council approved the CBA on May 25, 2021.

**ARPA Funding:** This amendment to the FY22 budget will create a budget for the Coronavirus Relief special revenue fund for the entire amount of the grant award and the anticipated expenditures.



The City's costs related to COVID-19 have largely been encountered. It is our anticipation that future related costs will include lease and maintenance of the isolation site, which is expected to be operational through the end of 2021, and personnel costs for temporary hires to meet incoming flights.

In July 2021, the City was notified that the State has discontinued the PCE program, at least for the short term, formally reducing the PCE rate to \$0.00 effective July 1, 2021. This move directly increases electricity bills for community residents, the City and IFHS. Previously, staff determined that City residents would benefit from the receipt of a utility credit, and the need for that credit is even greater today. Should PCE not be reinstated, the impact to the City for FY22 would be approximately \$300,000, most likely resulting in a budget amendment in early 2022. If Council wishes to proactively appropriate funding for the impact to the City as a result of the elimination of PCE credits, the budget amendment would require revision. If that is the case, staff recommends reducing the utility credit portion to \$573,618 and increase each departmental budget to compensate for the loss of PCE credit. Staff has not yet made that calculation; however, it would be available for the second reading and adoption of the ordinance.

The City has established agreements with processors to continue operating the isolation site and will collect \$300 per person, per night stay at the isolation site. The amount collected will not fully offset the anticipated costs of keeping the site operational. However, it will offset a portion of the costs, with the remaining costs to be covered by ARPA funding.

Given the significantly reduced amount, compared to CARES funding, staff has determined that the most streamlined approach of administering the funds is to:

- Cover the net costs of the Isolation site from September to December 2021 (\$64,000)
- Fund personnel costs related to two temporary hires; they currently meet incoming flights, informing passengers of City COVID-19 policies and obtain contact tracing information (\$82,232)
- Provide utility credits to residential customers in a similar manner to the CARES funding (\$873,618)
- Complete upgrades to the EOC to make the facility more easily scaled and improve our ability to handle all Emergency Operations (\$50,000)

**ALTERNATIVES:** Council can approve the budget amendment as presented, alter it, or decide not to approve it. Lack of approval would result in PCR cancelling the Senior Exercise Program, Public Safety and Fire exceeding their FY22 personnel budgets and the City not receiving the benefit of ARPA funds.

**FINANCIAL IMPLICATIONS:**

**PCR – Senior Exercise Program:** Appropriates \$7,200 for personnel costs to PCR for the FY22 operating budget, while also recognizing revenue in the same amount.

**Public Safety and Fire Personnel Costs:** Appropriates a \$137,773 to Public Safety for personnel costs and \$60,111 to Fire for personnel costs for the FY 2022 operating budget.

**ARPA Funding:** Appropriates \$1,069,850 of funding for the City's coronavirus relief efforts and recognizes revenue in the same amount.

**LEGAL:** None

**STAFF RECOMMENDATION:** Staff recommends approval of Ordinance 2021-15.

**PROPOSED MOTION:** I move to schedule Ordinance 2021-15 for second reading and public hearing on August 24, 2021.

**CITY MANAGER COMMENTS:** I support staff's recommendation.