

Regular Meeting
Tuesday, September 14, 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

Vincent M. Tutiakoff Sr., Mayor
Erin Reinders, City Manager
Marjie Veeder, City Clerk mveeder@ci.unalaska.ak.us

COUNCIL MEETING ATTENDANCE

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

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

PUBLIC COMMENT

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

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

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

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

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

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

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

AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of Allegiance**
4. **Adoption of Agenda**
5. **Approve Minutes of Previous Meetings**
 - a. [August 24, 2021 Regular Meeting](#); and
 - b. [September 7, 2021 Special Meeting](#)
6. **Reports**
 - a. [City Manager](#)
 - b. [Financials, June 2021](#)

7. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three-minute time limit.*
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-minute time limit.*
9. **Work Session** *Work sessions are for planning purposes, or studying and discussing issues before the Council.*
 - a. [Presentation, proposed Memorial to Fisherman of Unalaska, Karel Machalek](#)
 - b. [Strategies to Increase Return on Excess Reserves, Alaska Permanent Capital Management](#)
 - c. [Overview of City's Haystack Antenna Site, Planning Director Bil Homka](#)
 - d. [Discussion of City of Unalaska Mission Statement and Goals, City Manager](#)
10. **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. [Resolution 2021-60: Appointing Judges and Clerk for the Regular Municipal Election on October 5, 2021 and Judges to serve on the Canvass Committee](#)
11. **Regular Agenda** *Persons wishing to speak on regular agenda items must sign up with the City Clerk. Three-minute time limit.*
 - a. [Resolution 2021-61: Setting out community wide COVID-19 protective measures](#)
12. **Council Directives to City Manager**
13. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three-minute time limit.*
14. **Adjournment**

Regular Meeting
Tuesday, August 24, 2021
6:00 p.m.



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MINUTES

1. **Call to order**
Mayor Tutiakoff called this regular meeting of the Unalaska City Council to order at 6pm in Council Chambers, City Hall, Unalaska.
2. **Roll call**
The City Clerk called the roll. The Mayor and all council members were present, with Council Member Nicholson attending via telephone.
3. **Pledge of Allegiance**
Council Member Looby led the Pledge of Allegiance.
4. **Adoption of Agenda**
Robinson moved to adopt the agenda; second by Coleman.
Roll call vote: all council members voted in the affirmative. Motion passed 6-0.
5. **Oath of Office**
The City Clerk administered the Oath of Office to Public Safety Officers Kody Decker and Grant Dowty.
6. **Employee Anniversary Awards**
The Mayor presented 10 year employee anniversary plaques and lapel pins to City Clerk Marjie Veeder and City Manager Erin Reinders.
7. **Approve Minutes of Previous Meeting** August 10, 2021
Tungul moved to approve the minutes of the August 10 meeting as presented; second by Looby. All council members voted in the affirmative. Motion passed 6-0.
8. **City Manager Report**
The City Manager presented her report and highlighted the Strategic Planning Sessions and the Haystack Communications site information in her report. The manager also responded to Council questions regarding the State PCE credit on utility bills; UMC terminal services agreement (Port Director gave an update & answered question about UMC laydown yard); Canadian Navy visits; IRT team visit cancellation; Airport Master Plan schedule; and new airline to fly into Unalaska.

9. Community Input & Announcements

The Mayor provided an opportunity for community input and announcements.

- PCR Director Blakely announced the 6th Annual Silver Salmon Derby in September
- City Clerk made announcements regarding the October 5 general election, reviewing candidates for each seat; September 5 voter registration deadline; and an opening on the Planning Commission.
- Andy Dietrick announced upcoming drone work in town doing volcano research.

10. Public Comment on Agenda Items

No comments offered.

11. Public Hearing

- a. Ordinance 2021-15 (second reading): 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

The Mayor opened the public hearing on Ordinance 2021-15; no comments offered; the Mayor closed the Public Hearing.

12. Consent Agenda

- a. Ordinance 2021-15 (second reading): 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
- b. Resolution 2021-56: Authorizing the City Manager to enter into an agreement with HDR Engineering, Inc. to prepare a cost/benefit analysis for the Captains Bay Road and Utilities Improvements Project in the amount of \$234,019.75

Robinson moved to adopt the Consent Agenda; second by Tungul. All council members voted in the affirmative. Motion passed 6-0.

13. Regular Agenda

- a. Resolution 2021-57: Encouraging community wide COVID-19 protective measures

Coleman moved to adopt Resolution 2021-57; Bell seconded.

City Manager introduced the resolution. Council discussion. City Manager, Clinic Director Tiura and city attorney Sam Severin responded to Council questions.

Motion to amend #1: Robinson moved to amend Resolution 2021-57, at paragraph 2, in two places, requiring face coverings rather than encouraging face coverings (strike "encouraged"; change to "required"); Coleman seconded. Council discussion. Frank Kelty provided public comment telephonically. All council members voted in the affirmative. Motion passed 6-0.

Motion to amend #2: Robinson moved to amend Resolution 2021-57, to change the expiration to noon on Wednesday, September 8, 2021; Tungul seconded. Council discussion. All council members voted in the affirmative. Motion passed 6-0.

Motion to amend #3: Robinson moved to amend Resolution 2021-57, at paragraph 2, exempting children under the age of 2 from the face covering requirement; Coleman seconded. All council members voted in the affirmative. Motion passed 6-0.

Vote on main motion adopting Resolution 2021-57 as amended: all council members voted in the affirmative. Motion passed 6-0.

- b. Resolution 2021-58: Authorizing the City Manager to enter into a contract with Parkside Development, LLC to construct primary electric, water and sewer utility service extensions for the Parkside Estates Subdivision

Robinson moved to adopt Resolution 2021-58; second by Tungul. City Manager introduced the resolution. Council discussion. No public comment. Roll call vote: all council members voted in the affirmative. Motion passed 6-0.

14. Council Directives to City Manager

Looby moved to direct the City Manager to (1) publish a Nixle alert when there is an outbreak of COVID-19 in the community and when the community risk level raises to high; (2) to increase the news releases to Mon-Wed-Fri when at high risk level; and (3) add new cases to the news release, since the last update. Discussion by Council. City Manager provided comments and answered questions. Following council discussion and manager comments, Looby amended the motion to direct the manager to initiate a Nixle alert whenever there is a potential outbreak and the risk level changes to high; second by Robinson. Roll call vote: all council members voted in the affirmative; motion passed 6-0.

15. Community Input & Announcements

None offered.

16. Adjournment

Having completed all items on the agenda, Mayor Tutiakoff adjourned the meeting at 8:07 p.m.

Marjie Veeder, CMC
City Clerk

SPECIAL MEETING
Tuesday, September 7, 2021
6:00 p.m.



Unalaska City Hall
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43 Raven Way

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MINUTES

1. Call to order

Mayor Tutiakoff called the meeting to order at 6:00 p.m. in Council Chambers, City Hall, Unalaska.

2. Roll call

The Clerk called the roll. The Mayor and all council members were present, with Mr. Nicholson participating telephonically.

3. Pledge of Allegiance

Council Member Coleman led the Pledge of Allegiance.

4. Adoption of Agenda

Robinson moved to adopt the agenda as presented; second by Tungul; there being no objection, the agenda was adopted by consensus.

5. Resolution 2021-59: Setting out Community Wide COVID-19 Protective Measures

Robinson moved to adopt Resolution 2021-59; second by Tungul.

City Manager introduced the resolution and proposed revisions to the version in the council packet because of the reduction in the local risk factor.

Council discussion.

City Manager and Clinic Director Tiura responded to council questions.

Motion to amend #1: Coleman moved to strike section 3 in the entirety (Public Indoor Gathering Limitations); second by Bell. Council discussion. Roll call vote: all council members voted in the affirmative; motion passes 6-0.

Motion to amend #2: Looby moved to strike, from the face covering paragraph, the latter portion of the sentence at 2.b.v. of the proposed resolution which stated "... provided they are able to maintain a distance of at least six feet away from persons who are not members of the same household or residence." Coleman seconded. Council discussion. Roll call vote: all council members voted in the affirmative; motion passes 6-0.

Motion to amend #3: Looby moved to revisit a Resolution containing Community Wide COVID-19 Protective Measures at the regular meeting on September 14, rather than waiting to the meeting scheduled for September 28; Coleman seconded. Council discussion. Roll call vote Bell – yes; Looby – yes; Nicholson – yes; Robinson – no; Coleman – yes; Tungul – yes. Motion passes 5-1.

No public comment offered.

Roll call vote on main motion adoption Resolution 2021-59 as amended: all council members voted in the affirmative; motion passed 6-0.

6. **Executive Session:** Pending litigation update from legal counsel
 - a. Robinson v. City of Unalaska, et al
 - b. Merrion v. City of Unalaska, et al

Tungul moved to adjourn into an Execution Session to discuss matters of pending litigation and to receive advice from legal counsel which, if immediately disclosed, may adversely affect the finances and legal positions of the city. Second by Looby. Roll call vote: all council members voted in the affirmative; motion passes 6-0.

6:38 p.m. Council adjourned to Executive Session.

6:59 p.m. Tungul moved to return to Regular Session; second by Robinson; motion adopted by consensus.

7. **Adjournment**

Having completed all items on the agenda, the Mayor adjourned the meeting at 7:00 p.m.

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: September 14, 2021
Re: City Manager Report

Upcoming Deadlines: The following deadlines and events are coming up.

- Wed. September 15: In person early and absentee voting begins at City Hall
- Tues. October 5: Unalaska General Election, in person voting at City Hall, polls open 8am to 8pm
- Fri. October 8: Canvass Committee Meeting to count absentee & questioned ballots, 10am at City Hall
- Wed. October 20: Second Half property tax payments due

COVID 19 Update: On September 1, 2021, Unified Command finalized the update to Unalaska's COVID-19 Emergency Response Plan. Changes were necessary due to the wide availability of vaccines for COVID-19 and new information learned about the virus. There are now four levels outlining thresholds of risk associated with overwhelming medical facilities: Low, Moderate, Substantial and High Risk. Based on past City Council feedback, the risk levels are now associated with the number of active cases which are community acquired, travel acquired, and/or household acquired. Once the risk level is elevated, it will remain for two weeks, at which point the level will be reassessed. The Response Plan also identifies recommended protective measures associated with each risk level. The general purpose of the plan is to provide guidance to individuals for their personal decision making; to organizations as they make operational decisions; and to the City Council as it considers Community Wide Protective Measures. We also have Unalaska's COVID-19 Dashboard up and running, which includes information related to our Waste Water Surveillance.

Utility Credits: The PCE was reinstated on the August utility bills with a rate of .1153. The ARPA credit will be a total of \$1,950 per PCE eligible residential customer spread over 3 months, meaning \$650 per month. This has already begun and is the same method as used with the CARES Act Utility credit.

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 reached out to the 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. More recently, this topic came up in the Strategic Planning Sessions with Council. APCM will be working with Council over the course of two work sessions (on September 13 and September 14) 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 supplemental component is even more important given recent fisheries announcements.

Crab Closures and Reductions: The Bristol Bay Red King Crab will remain closed for this season, and things are not looking good for Bering Sea Snow Crab. At this point, we are estimating about a 500K hit to the budget for the Bristol Bay Red King Crab closure. If the Bering Sea Snow Crab is reduced by 50%, we are looking at a hit of about \$1.2 million. So, at this point we are looking at an estimated \$1.7 million impact. Although we can't really identify the specific impact this will have on port related revenue, in general, this typically negatively impacts Wharfage revenue, and positively impacts dockage revenue. Frank Kelty, our Fisheries Consultant, continues to monitor the issue and all our lobbyists have been notified as well. Thank you to Jim Sharpe and Frank Kelty for their work in getting these estimates together.

Federal Lobby Efforts: As previously communicated, Sebastian O'Kelly with City's Federal lobbyist team was available to meet with City Council members and the Mayor on Monday, August 30. The Mayor and I had an informative visit with Seb and took him on a tour of the community, highlighting many of Council's priority projects including Captains Bay Road. We expanded our group to include the Deputy Utilities Directors to review some of the challenges that the City might encounter as we prepare for and transition to geothermal so we can all be thinking about related opportunities and support that might exist.

As you recall, Council focused in 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 in now on the following dates and I am looking for feedback from council as to the preferred time frame:**

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

As a reminder, Brad and team will do their best to try and fill up the schedule but there is continued uncertainty as to the potential to meet in person and what the requirements might be. Seb indicated that they would work to set up both in person (where possible) and Zoom type meetings, which could be successfully adapted if the trip has to be canceled. Brad also suggested bringing proof of vaccination, and purchasing refundable tickets in case the trip is canceled.

I plan to begin a discussion with Council on the Federal priorities during the September 28 Work Session. Council will then hear from Seb, adopt the priorities via resolution, and approve travel for the Lobby trip on October 12. Seb has suggested that with the return of earmarks, that we add more capital projects than we have in recent past. I will be getting Brad and Seb's feedback as I work to prepare items for Council's consideration.

Missing and Murdered Indigenous Persons (MMIP): Mayor and Council are invited to attend a special Missing and Murdered Indigenous Peoples (MMIP) event on Saturday, September 25, 2021. Anticipated hours are 10am – 5pm and it will be held at the Burma Road Chapel. OC is the lead organizer locally. **Please let Michelle Price know if you plan to attend.** Public Safety Department Director, Chief Jay King, has been involved in related discussions for the past several months, and has provided the following:

In May 2021, Yulonda Candelario with the United States Attorney's Office for the District of Alaska reached out and informed me about the USAO training presentations that are to be offered in regards to Justice Department's Missing and Murdered Indigenous Persons (MMIP) Initiative. She also mentioned the possibility of being able to participate in working with the local tribal community in an effort to develop a tailored Tribal Community Response Plan (TCRP) in furtherance of Savanna's Act. I immediately expressed my desire to be part of such an effort. I

forwarded the notice to all sworn DPS personnel and advised them of the upcoming training.

DPS then began taking part in several preparatory conversations involving USDOJ, APIA, UFD, Alaska DPS, and the MMIP Contractor. These conversations later (July 2021) included representatives from the community (OC, Q-Tribe and City Administration). Through our partnership with Alaska DPS, we have extended the training availability to VSPOs serving the surrounding communities. We have invited the VPSOs to participate in person here at the DPS Training Facility or via Zoom within their own community in cases where travel is a problem.

Deputy Chief Simms will represent the Police Department in assisting the development of the tailored Tribal Community Response Plan (TCRP).

Fireworks: Council only had enough funding budgeted to pay for one City sponsored big fireworks show this fiscal year. That show was the Independence Day show. I am in discussions with the Unalaska chapter of the Alaska State Firefighter Association regarding their interest in doing a show similar to what they did last New Year's Eve. The group will request financial support from the City, and a formal request may be presented to Council in the near future.

National Community Survey (NCS): The Planning Department is preparing the second National Community Survey for Unalaska. The results from this survey can be compared to those from the previous survey in 2017. Our goal is to do the survey every few years so that we can compare and track progress in addressing community needs. Planning Director Bil Homka as provided the following information:

We have finalized the survey questions for the NCS with Polko. Polko will begin mailing invitations later this month, and the data collection period for the mailed and online surveys will run September 23 to November 11. The results will be available in early December.

Environmental Assessment Grant: The Planning Department is working on an exciting grant opportunity. The following is an overview from Planning Director Bil Homka:

The US Environmental Protection Agency Community-wide Assessment Grant is a highly competitive three-year program, appropriate when a specific site is not identified and the applicant plans to spend grant funds on more than one brownfield site in its community. The Assessment Grants provide funding to seek contamination that was a result of the post and/or pre-war periods. Assessment Grants provide funding for a grant recipient to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community involvement related to brownfield sites. The City will request up to \$500,000 to assess sites contaminated by hazardous substances, pollutants, contaminants (including hazardous substances co-mingled with petroleum), and/or petroleum. The Planning Department is issuing a RFQ/Dual Procurement opportunity for consultants to respond with proposals. There will be no cost to the city as the grant award covers the costs for administration.

Directives to the City Manager: There are two directives that are progressing, and one that has been recently completed. These are outlined below.

- *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. Council approved Resolution 2021-56 to award a contract in the amount of \$234,019.75 for this analysis at the August 24, 2021 meeting.
- *Haystack Communications Site (July 27, 2021). Progressing.* 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. Staff is presenting an update of the current complex situation on Haystack in tonight’s work session. We can then discuss next steps and receive further direction.
- *Nixle Alerts when Increase to High Risk Level (August 24, 2021). Completed.* We have worked into to our updated COVID-19 Emergency Response Plan that Nixle alerts be sent for special messaging, including when the risk level increases.

General Fund Operating Monthly Summary - Month Ending June 2021

	FY2021 Budget	June	FY2021 YTD	% OF BUD	FY2020 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	4,211,165	170,025	4,965,093	118%	5,328,128	(363,035)
AK Fisheries Business	3,480,663	0	3,747,582	108%	3,869,625	(122,042)
AK Fisheries Resource Landing	5,000,000	0	4,386,842	88%	4,635,929	(249,087)
Property Taxes	7,100,000	23,511	7,152,892	101%	7,078,719	74,173
Sales Tax	5,333,333	7,513	6,320,030	119%	7,093,282	(773,253)
Investment Earnings	1,400,000	(158,879)	475,146	34%	5,272,827	(4,797,682)
Other Revenues	2,616,910	196,893	2,329,011	89%	3,252,650	(923,639)
Appropriated Fund Balance	1,557,871	0	0	0%	0	0
Total General Fund Revenues	30,699,942	239,062	29,376,596	96%	36,531,160	(7,154,565)
EXPENDITURES						
Mayor & Council	443,313	16,479	281,856	64%	594,362	(312,506)
City Administration						
City Manager's Office	533,319	30,858	377,708	71%	409,011	(31,303)
Administration	1,426,451	98,258	1,289,737	90%	1,103,716	186,022
Total City Administration	1,959,769	129,116	1,667,445	85%	1,512,727	154,719
City Clerk	574,043	43,874	460,365	80%	430,927	29,438
Finance						
Finance	1,151,121	107,705	1,057,025	92%	863,491	193,534
Information Systems	986,843	62,901	731,860	74%	916,264	(184,404)
Total Finance	2,137,963	170,606	1,788,885	84%	1,779,755	9,130
Planning	735,316	54,897	552,712	75%	534,647	18,065
Public Safety						
Police and Admin	3,933,446	313,042	2,851,904	73%	2,611,262	240,642
Police Communications	857,481	59,916	767,545	90%	817,403	(49,858)
Police Corrections	1,080,594	66,592	833,550	77%	843,369	(9,819)
Total Public Safety	5,871,521	439,551	4,452,999	76%	4,272,035	180,964
Fire & EMS						
Fire and Emergency Services	1,622,755	130,019	1,287,738	79%	1,574,128	(286,390)
Total Fire & EMS	1,622,755	130,019	1,287,738	79%	1,574,128	(286,390)
Public Works						
DPW Admin & Engineering	833,292	71,872	677,714	81%	627,141	50,573
Streets and Roads	2,414,136	176,843	2,204,147	91%	2,946,073	(741,926)
Receiving and Supply	296,805	20,307	243,204	82%	237,269	5,934
Veh & Equip Maintenance	1,241,686	111,199	1,192,660	96%	940,549	252,111
Facilities Maintenance	1,276,546	161,471	1,242,797	97%	1,274,010	(31,213)
Total Public Works	6,062,465	541,692	5,560,522	92%	6,025,043	(464,521)
Parks, Culture & Recreation						
PCR Administration	255,146	18,414	202,413	79%	219,055	(16,642)
Recreation Programs	776,745	60,306	605,959	78%	597,199	8,760
Community Center Operations	1,057,473	63,338	846,575	80%	732,375	114,200
Library	913,132	79,659	792,984	87%	698,663	94,320
Aquatics Center	507,733	31,572	462,638	91%	387,213	75,424
Parks	41,476	459	41,814	101%	35,796	6,019
Total Parks, Culture & Recreation	3,551,705	253,748	2,952,383	83%	2,670,302	282,081
Other Expenses	5,495,882	404,960	5,445,999	99%	5,993,892	(547,893)
XXXXXXX						
XXXXXXX	999,750	242,183	275,865	28%	0	275,865
Total Operating Expenditures	29,454,483	2,427,124	24,726,769	84%	25,387,817	(661,048)
Transfers To General Fund	0	0	0	0%	0	0
Transfers To Special Revenue	0	0	0	0%	0	0
Transfers To Capital Projects	1,604,658	(54,894)	1,549,764	97%	9,980,668	(8,430,904)
Transfers To Enterprise Funds	0	0	0	0%	158,000	(158,000)
Transfers To Enterprise Capital	0	(129,492)	(129,492)	0%	1,313,242	(1,442,734)
	1,604,658	(184,386)	1,420,272	89%	11,451,909	(10,031,637)
	31,059,141	2,242,739	26,147,041	84%	36,839,726	(10,692,685)
Surplus/(Deficit)	(359,199)	(2,003,677)	3,229,555	90%	(308,565)	3,538,120

	FY2021 Budget	June	FY2021 YTD	% OF BUD	FY2020 YTD	INC/(DEC) Last Year
Electric Proprietary Fund						
REVENUES	15,947,462	1,020,174	12,808,510	80%	16,650,789	(3,842,279)
Electric Line Repair & Maint	1,520,472	83,084	757,588	50%	897,383	(139,795)
Electric Production	10,006,537	402,599	7,243,729	72%	9,557,658	(2,313,930)
Facilities Maintenance	147,063	9,616	78,077	53%	86,361	(8,284)
Utility Administration	6,121,413	85,065	5,245,928	86%	5,052,524	193,404
Veh & Equip Maintenance	64,919	2,812	32,994	51%	34,195	(1,201)
Transfers Out	2,052,338	(1,370,391)	681,947	33%	3,134,692	(2,452,745)
EXPENSES	19,912,743	(787,214)	14,040,263	71%	18,762,813	(4,722,550)
NET EARNINGS/(LOSS)	(3,965,282)	1,807,388	(1,231,753)		(2,112,024)	880,271
Water Proprietary Fund						
REVENUES	2,691,584	235,715	2,933,144	109%	2,680,520	252,625
Transfers Out	559,735	0	559,735	100%	2,947,031	(2,387,296)
Facilities Maintenance	61,134	6,188	64,318	105%	65,504	(1,186)
Utility Administration	1,824,375	51,457	1,657,428	91%	1,696,734	(39,306)
Veh & Equip Maintenance	39,850	1,425	22,767	57%	25,051	(2,284)
Water Operations	1,710,763	105,831	1,184,001	69%	1,351,694	(167,693)
EXPENSES	4,195,857	164,901	3,488,249	83%	6,086,014	(2,597,765)
NET EARNINGS/(LOSS)	(1,504,273)	70,814	(555,105)		(3,405,494)	2,850,390
Wastewater Proprietary Fund						
REVENUES	2,648,412	185,680	2,537,519	96%	2,509,746	27,773
Facilities Maintenance	61,694	7,323	39,581	64%	83,021	(43,440)
Utility Administration	2,031,204	39,056	1,733,593	85%	1,890,611	(157,019)
Veh & Equip Maintenance	29,960	1,136	14,487	48%	21,928	(7,441)
Wastewater Operations	2,733,167	189,684	1,602,906	59%	1,750,283	(147,377)
EXPENSES	4,856,025	237,199	3,390,567	70%	3,745,843	(355,276)
NET EARNINGS/(LOSS)	(2,207,613)	(51,519)	(853,048)		(1,236,097)	383,049
Transfers In	1,009,265	0	1,009,265	100%	998,248	11,017
Solid Waste Proprietary Fund						
REVENUES	2,600,500	244,792	2,654,129	102%	2,503,052	151,077
Facilities Maintenance	88,323	4,290	66,559	75%	44,937	21,622
Solid Waste Operations	2,156,345	122,666	1,106,486	51%	1,617,431	(510,946)
Utility Administration	1,707,085	54,784	1,563,753	92%	1,904,219	(340,466)
Veh & Equip Maintenance	142,935	18,310	71,094	50%	51,787	19,307
Transfers Out	100,000	0	100,000	100%	(209,914)	309,914
EXPENSES	4,194,687	200,050	2,907,891	69%	3,408,460	(500,568)
NET EARNINGS/(LOSS)	(1,594,187)	44,743	(253,762)		(905,408)	651,646
Transfers In	0	0	0	0%	44,622	(44,622)

	FY2021 Budget	June	FY2021 YTD	% OF BUD	FY2020 YTD	INC/(DEC) Last Year
Ports & Harbors Proprietary Fund						
REVENUES	8,713,722	505,674	6,650,690	76%	7,042,106	(391,416)
Bobby Storrs Small Boat Harbor	190,910	7,690	119,912	63%	106,448	13,464
CEM Small Boat Harbor	689,532	58,295	734,661	107%	654,114	80,547
Facilities Maintenance	66,488	1,031	51,087	77%	28,445	22,643
Harbor Office	8,124,639	195,310	6,406,962	79%	6,833,629	(426,667)
Ports Security	73,339	770	6,777	9%	23,462	(16,685)
Spit & Light Cargo Docks	527,369	18,728	532,543	101%	505,574	26,969
Unalaska Marine Center	1,095,321	66,551	936,407	85%	1,007,426	(71,020)
Veh & Equip Maintenance	63,025	2,609	49,289	78%	48,778	511
Transfers Out	0	(24,031)	(24,031)	0%	618,442	(642,472)
EXPENSES	10,830,622	326,953	8,813,608	81%	9,826,318	(1,012,710)
NET EARNINGS/(LOSS)	(2,116,900)	178,721	(2,162,917)		(2,784,212)	621,294
Airport Proprietary Fund						
REVENUES	560,341	38,182	481,450	86%	492,405	(10,955)
Airport Admin/Operations	592,175	24,576	562,362	95%	544,818	17,544
Facilities Maintenance	171,669	13,589	89,894	52%	112,458	(22,564)
EXPENSES	763,843	38,165	652,256	85%	657,276	(5,020)
NET EARNINGS/(LOSS)	(203,503)	18	(170,806)		(164,871)	(5,935)
Transfers In	0	0	0	0%	158,000	(158,000)
Housing Proprietary Fund						
REVENUES	254,168	28,433	257,616	101%	240,023	17,593
Facilities Maintenance	209,652	19,804	182,123	87%	119,051	63,072
Housing Admin & Operating	369,685	13,738	321,481	87%	338,614	(17,133)
EXPENSES	579,337	33,542	503,604	87%	457,665	45,939
NET EARNINGS/(LOSS)	(325,170)	(5,109)	(245,988)		(217,642)	(28,346)

City of Unalaska
Utility Revenue Report
Summary

FY21 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY21 Revenue	FY20YTD Revenue	06/30/21
								YTD Inc/(Dec)
Jul-20	820,666	258,832	206,365	227,531	1,513,394	1,513,394	2,841,418	(1,328,024)
Aug-20	1,037,329	277,869	215,427	225,463	1,756,088	3,269,482	5,675,049	(2,405,567)
Sep-20	1,005,891	327,099	241,245	230,619	1,804,854	5,074,336	7,869,071	(2,794,735)
Oct-20	951,878	304,365	225,026	245,747	1,727,016	6,801,353	9,690,027	(2,888,674)
Nov-20	932,051	94,437	189,715	167,850	1,384,053	8,185,405	11,215,662	(3,030,257)
Dec-20	930,600	89,762	228,559	158,789	1,407,710	9,593,115	12,788,402	(3,195,287)
Jan-21	989,048	139,839	228,696	187,816	1,545,399	11,138,514	14,774,692	(3,636,178)
Feb-21	1,120,594	294,687	219,763	304,916	1,939,961	13,078,475	17,362,510	(4,284,035)
Mar-21	1,582,012	442,774	230,722	273,988	2,529,496	15,607,971	20,124,176	(4,516,205)
Apr-21	1,391,307	359,913	203,805	237,720	2,192,745	17,800,715	21,779,149	(3,978,434)
May-21	1,026,959	107,851	162,516	148,898	1,446,225	19,246,941	22,859,302	(3,612,361)
Jun-21	1,019,262	235,715	185,680	241,692	1,682,350	20,929,290	24,093,961	(3,164,671)
YTD Totals	12,807,598	2,933,144	2,537,519	2,651,029	20,929,290			
FY21 Budget	15,780,484	2,610,839	2,607,950	2,562,531	23,561,804			
% to budget	81.2	112.3	97.3	103.5	88.8			

City of Unalaska
Electric Revenue Report
Electric Fund

06/30/21

FY21 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY21 YTD Revenue	FY20 YTD Revenue	YTD Inc/(Dec)
Jul-20	93,921	67,327	106,770	535,252	14,378	3,018	820,666	820,666	2,041,702	(1,221,036)
Aug-20	94,031	70,430	110,599	736,009	23,014	3,245	1,037,329	1,857,995	4,061,105	(2,203,110)
Sep-20	100,023	75,141	113,511	687,302	24,436	5,479	1,005,891	2,863,886	5,537,536	(2,673,650)
Oct-20	102,288	78,177	112,030	631,652	23,639	4,092	951,878	3,815,764	6,841,205	(3,025,441)
Nov-20	118,995	87,222	125,712	573,144	21,858	5,120	932,051	4,747,815	7,987,449	(3,239,634)
Dec-20	137,542	96,069	125,777	519,650	27,266	24,296	930,600	5,678,415	9,238,174	(3,559,759)
Jan-21	145,402	101,911	131,865	568,854	36,390	4,626	989,048	6,667,464	10,628,356	(3,960,893)
Feb-21	121,623	87,890	125,670	748,252	32,630	4,529	1,120,594	7,788,058	12,345,221	(4,557,163)
Mar-21	132,380	103,019	146,303	1,155,861	38,600	5,849	1,582,012	9,370,070	14,164,895	(4,794,825)
Apr-21	115,068	89,388	122,160	1,025,499	35,947	3,245	1,391,307	10,761,377	15,225,744	(4,464,367)
May-21	102,829	86,223	134,432	659,793	40,440	3,241	1,026,959	11,788,336	15,907,052	(4,118,716)
Jun-21	105,411	86,970	127,064	654,396	41,835	3,585	1,019,262	12,807,598	16,532,508	(3,724,910)
YTD Totals	1,369,514	1,029,768	1,481,894	8,495,663	360,431	70,327	12,807,598			
FY21 Budget	1,219,379	1,371,358	2,766,591	9,734,939	627,396	60,821	15,780,484			
% of Budget	112.3	75.1	53.6	87.3	57.4	115.6	81.2			

Kwh Sold

FY 21 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY21 Kwh Sold	Total FY20 Kwh Sold	Increase (Decrease)
July	292,131	247,538	386,262	2,092,990	3,018,921	6,090,737	(3,071,816)
August	293,860	251,591	390,951	2,775,095	3,711,497	6,449,784	(2,738,287)
September	308,689	265,870	389,200	2,548,140	3,511,899	4,321,225	(809,326)
October	315,284	277,713	376,437	2,281,300	3,250,734	3,894,864	(644,130)
November	358,816	304,498	420,418	2,032,770	3,116,502	3,326,760	(210,258)
December	407,641	322,446	413,963	1,730,270	2,874,320	3,363,919	(489,599)
January *	426,098	331,287	425,643	1,699,025	2,882,053	3,836,620	(954,567)
February	350,697	280,573	397,594	2,743,860	3,772,724	5,270,248	(1,497,524)
March	378,359	317,044	462,418	3,878,220	5,036,041	5,995,767	(959,726)
April	325,575	274,855	378,087	3,368,380	4,346,897	3,695,463	651,434
May	293,083	264,043	415,409	2,128,280	3,100,815	2,748,043	352,772
June	292,967	257,644	385,125	1,987,425	2,923,161	2,350,030	573,131
Total	4,043,200	3,395,102	4,841,507	29,265,755	41,545,564	51,343,460	(9,797,896)
Percent Sold	9.7%	8.2%	11.7%	70.4%	100.0%		

Generator Fuel	
FY21 Average Price Fuel	FY20 Average Price Fuel
1.5393	2.2808
1.5469	2.2532
1.4965	2.3070
1.4744	2.3367
1.7177	2.8235
1.8533	2.2705
1.8318	2.2478
1.9500	2.0874
2.2590	1.8872
2.2295	1.4287
2.3518	1.1246
2.5393	1.3986
1.8991	2.0372

FY21 Cumulative kwh Sold	FY20 Cumulative kwh Sold
3,018,921	6,090,737
6,730,418	12,540,521
10,242,317	16,861,746
13,493,051	20,756,610
16,609,553	24,083,370
19,483,873	27,447,289
22,365,926	31,283,909
26,138,650	36,554,157
31,174,691	42,549,924
35,521,588	46,245,387
38,622,403	48,993,430
41,545,564	51,343,460

% Change from Prior Year

City of Unalaska
Water Revenue Report
Water Fund

06/30/21

FY21 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY21 YTD Revenue	FY20 YTD Revenue	YTD Inc/(Dec)
Jul-20	12,211	246,658	(37)	258,832	258,832	338,385	(79,553)
Aug-20	12,238	265,672	(41)	277,869	536,701	668,362	(131,661)
Sep-20	12,188	314,408	503	327,099	863,801	949,096	(85,295)
Oct-20	12,290	292,119	(45)	304,365	1,168,166	1,055,096	113,070
Nov-20	12,280	82,112	45	94,437	1,262,602	1,124,307	138,295
Dec-20	12,283	77,526	(47)	89,762	1,352,364	1,178,599	173,765
Jan-21	12,281	127,595	(37)	139,839	1,492,203	1,359,317	132,886
Feb-21	11,900	282,751	36	294,687	1,786,891	1,738,211	48,680
Mar-21	12,283	397,416	33,075	442,774	2,229,665	2,151,227	78,438
Apr-21	12,077	347,866	(30)	359,913	2,589,578	2,348,539	241,039
May-21	12,288	79,254	16,310	107,851	2,697,429	2,419,188	278,241
Jun-21	12,320	217,909	5,486	235,715	2,933,144	2,628,208	304,936
YTD Totals	146,640	2,731,286	55,218	2,933,144			
FY21 Budget	161,560	2,420,955	28,324	2,610,839			
% of Budget	90.8	112.8	195.0	112.3			

Million Gallons Produced

FY21 Month	FY 21 Produced	FY 20 Produced	Increase (Decrease)	FY21 Water Cumulative	FY20 Water Cumulative
July	112.799	144.933	(32.134)	112.799	144.933
August	119.327	137.816	(18.489)	232.126	282.749
September	140.934	119.165	21.769	373.060	401.914
October	131.744	50.297	81.447	504.804	452.211
November	42.052	36.136	5.916	546.856	488.347
December	47.001	28.865	18.136	593.857	517.212
January	66.272	81.562	(15.290)	660.129	598.774
February	127.428	160.773	(33.345)	787.557	759.547
March	175.672	165.937	9.735	963.229	925.484
April	154.863	88.002	66.861	1118.092	1013.486
May	51.271	35.459	15.812	1169.363	1048.945
June	104.922	94.854	10.068	1274.285	1143.799
Total	1274.285	1143.799	130.486		

City of Unalaska
Wastewater Revenue Report
Wastewater Fund

06/30/21

FY21 Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY21 YTD Revenue	FY20 YTD Revenue	YTD Inc/(Dec)
Jul-20	38,879	160,980	6,056	451	206,365	206,365	213,747	(7,382)
Aug-20	38,964	169,827	6,191	445	215,427	421,792	424,277	(2,485)
Sep-20	38,804	186,159	8,038	8,244	241,245	663,037	645,588	17,449
Oct-20	39,131	169,697	9,824	6,374	225,026	888,063	844,028	44,035
Nov-20	39,097	142,152	8,358	109	189,715	1,077,778	997,430	80,348
Dec-20	39,109	174,494	4,462	10,494	228,559	1,306,337	1,151,507	154,830
Jan-21	39,101	181,663	7,862	70	228,696	1,535,032	1,369,160	165,872
Feb-21	37,893	157,113	7,919	16,838	219,763	1,754,795	1,599,264	155,531
Mar-21	39,109	178,689	10,716	2,209	230,722	1,985,517	1,851,274	134,243
Apr-21	38,447	151,921	8,670	4,767	203,805	2,189,323	2,067,544	121,779
May-21	39,124	117,462	2,615	3,316	162,516	2,351,839	2,247,190	104,649
Jun-21	39,226	139,984	5,444	1,025	185,680	2,537,519	2,465,585	71,934
YTD Totals	466,884	1,930,141	86,154	54,341	2,537,519			
FY21 Budget	482,570	2,020,704	46,025	58,651	2,607,950			
% of Budget	96.7	95.5	187.2	92.7	97.3			

FY21 Month	FY21 Effluent (Gal)	FY20 Effluent (Gal)	Increase (Decrease)
July	10,512,000	10,335,000	177,000
August	11,571,000	10,748,000	823,000
September	12,188,000	10,824,000	1,364,000
October	13,078,000	13,384,000	(306,000)
November	13,433,000	12,123,000	1,310,000
December	16,204,000	11,309,000	4,895,000
January	15,231,000	13,438,000	1,793,000
February	16,331,000	16,992,000	(661,000)
March	13,890,000	15,115,000	(1,225,000)
April	12,309,000	10,517,000	1,792,000
May	12,008,000	11,001,000	1,007,000
June	10,900,000	11,391,000	(491,000)
Total	157,655,000	147,177,000	10,478,000

FY21 Cumulative	FY20 Cumulative
10,512,000	10,335,000
22,083,000	21,083,000
34,271,000	31,907,000
47,349,000	45,291,000
60,782,000	57,414,000
76,986,000	68,723,000
92,217,000	82,161,000
108,548,000	99,153,000
122,438,000	114,268,000
134,747,000	124,785,000
146,755,000	135,786,000
157,655,000	147,177,000

City of Unalaska
Solid Waste Revenue Report
Solid Waste Fund

06/30/21

FY21 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY21 YTD Revenue	FY20 YTD Revenue	YTD Inc/(Dec)
Jul-20	29,320	146,308	51,903	227,531	227,531	247,584	(20,053)
Aug-20	29,444	152,674	43,345	225,463	452,994	521,306	(68,312)
Sep-20	29,479	149,594	51,546	230,619	683,613	736,850	(53,237)
Oct-20	29,521	160,070	56,156	245,747	929,360	949,698	(20,338)
Nov-20	29,430	95,353	43,067	167,850	1,097,210	1,106,475	(9,265)
Dec-20	29,436	95,228	34,126	158,789	1,255,999	1,220,123	35,876
Jan-21	29,454	113,492	44,869	187,816	1,443,815	1,417,860	25,955
Feb-21	28,607	195,217	81,093	304,916	1,748,731	1,679,815	68,916
Mar-21	29,501	192,773	51,714	273,988	2,022,719	1,956,780	65,939
Apr-21	29,458	154,836	53,425	237,720	2,260,438	2,137,321	123,117
May-21	29,492	86,580	32,827	148,898	2,409,337	2,285,873	123,464
Jun-21	29,527	152,002	60,164	241,692	2,651,029	2,467,660	183,369
YTD Totals	352,668	1,694,127	604,234	2,651,029			
FY21 Budget	273,770	1,966,240	322,521	2,562,531			
% of Budget	128.8	86.2	187.3	103.5			

FY21 Month	FY21 Tons of Waste	FY20 Tons of Waste	Increase (Decrease)
July	615.03	676.37	(61.34)
August	649.09	769.86	(120.77)
September	534.39	640.50	(106.11)
October	763.70	630.93	132.77
November	431.17	465.26	(34.09)
December	399.72	286.49	113.23
January	501.65	551.56	(49.91)
February	788.69	776.63	12.06
March	770.95	824.33	(53.38)
April	640.15	569.26	70.89
May	390.34	478.41	(88.07)
June	634.64	496.35	138.29
Total	7119.52	7165.95	(46.43)

Cummulative	
FY21 Tons of Waste	FY20 Tons of Waste
615.03	676.37
1264.12	1446.23
1798.51	2086.73
2562.21	2717.66
2993.38	3182.92
3393.10	3469.41
3894.75	4020.97
4683.44	4797.60
5454.39	5621.93
6094.54	6191.19
6484.88	6669.60
7119.52	7165.95

**CITY OF UNALASKA
FY21 PORTS REVENUE**

Month	Year	UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM		Other Rev&Fees	Monthly Revenue	FY21 YTD Revenue	% of Budget	FY20 YTD Revenue	YTD Inc(Dec)	
		Docking/ Moorage	Wharfage Fees	Rental Fees	Utility Fees	Docking / Moorage	Utility Fees	Docking / Moorage	Utility Fees	Dockage / Moorage	Wharfage Rental/Util	Docking/ Moorage	Utility Fees							
Jul	2020	91,790	164,026	47,826	13,002	19,795	5,536	11,042	258	2,205	11,423	30,056	7,631	8,369	412,959	412,959	5.3%	652,342	(239,383)	
Aug	2020	110,341	256,924	47,590	25,965	31,046	5,825	5,492	499	4,671	9,412	48,100	12,726	2,318	560,909	973,869	12.5%	1,396,951	(423,083)	
Sept	2020	88,122	214,259	47,352	13,038	57,287	4,304	6,313	453	5,597	16,226	40,625	11,191	777	505,543	1,479,412	19.0%	2,140,999	(661,587)	
Oct	2020	121,086	209,878	47,165	33,487	59,735	7,600	4,602	534	6,395	13,185	66,269	26,585	1,564	598,086	2,077,498	26.7%	2,657,753	(580,255)	
Nov	2020	62,790	57,528	48,707	21,016	98,382	20,315	10,814	537	1,408	17,226	44,964	43,302	1,716	428,704	2,506,202	32.3%	3,122,930	(616,728)	
Dec	2020	68,331	79,433	48,648	33,517	32,291	26,770	13,761	2,192	3,067	3,252	239,140	55,606	404	606,412	3,112,613	40.1%	3,662,689	(550,076)	
Jan	2021	74,222	36,417	48,226	22,406	59,177	22,743	4,715	1,919	10,616	8,515	19,187	49,912	190	358,247	3,470,860	44.7%	4,109,754	(638,893)	
Feb	2021	118,434	220,170	50,298	52,377	37,504	11,267	3,632	1,350	6,147	30,596	19,369	32,039	7,237	590,421	4,061,281	52.3%	4,833,458	(772,177)	
Mar	2021	180,893	351,887	80,401	26,018	40,399	10,592	6,088	1,496	6,945	18,404	83,745	29,981	4,014	840,862	4,902,143	63.1%	5,691,373	(789,230)	
Apr	2021	138,635	297,614	77,867	10,800	31,283	12,095	5,619	1,616	5,574	11,139	29,528	27,662	854	650,288	5,552,430	71.5%	6,182,722	(630,291)	
May	2021	116,522	162,004	78,380	19,286	78,961	22,366	4,741	1,778	491	6,100	52,457	48,460	1,039	592,586	6,145,016	79.1%	6,619,140	(474,123)	
Jun	2021	109,694	147,645	85,107	32,790	25,002	14,611	5,659	635	4,091	13,569	23,464	39,870	2,561	504,698	6,649,714	85.6%	6,977,352	(327,638)	
Totals		1,280,860	2,197,785	707,566	303,701	570,863	164,024	82,479	13,266	57,207	159,049	696,905	384,965	31,042	6,649,714					
Loc total		4,489,913				734,887		95,745		216,256		1,081,871								
Loc percent		67.5%				11.1%		1.4%		3.3%		16.3%								
FY21 Budget		1,735,300	3,125,950	600,000	360,000	434,730	125,000	87,000	14,290	120,000	122,500	635,000	313,500	97,500	7,770,770					
% to Budget		73.8%	70.3%	117.9%	84.4%	131.3%	131.2%	94.8%	92.8%	47.7%	129.8%	109.7%	122.8%	31.8%	85.6%					

PORTS RECEIVABLES

Month	Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Jul	2020	242,334	22,131	30,689	8,613	303,768	2.8%	337,593
Aug	2020	462,416	107,320	6,987	8,062	584,785	1.4%	373,142
Sept	2020	412,582	123,970	28,777	8,682	574,012	1.5%	519,145
Oct	2020	501,186	148,415	3,448	18,726	671,775	2.8%	483,766
Nov	2020	105,063	47,474	2,491	20,879	175,907	11.9%	575,240
Dec	2020	592,139	119,477	26,341	32,083	770,040	4.2%	304,782
Jan	2021	342,400	158,423	52,571	17,241	570,635	3.0%	452,647
Feb	2021	285,917	38,258	6,523	39,949	370,647	10.8%	321,590
Mar	2021	694,021	66,602	19,854	46,501	826,978	5.6%	658,540
Apr	2021	625,246	173,463	22,937	22,316	843,961	2.6%	555,308
May	2021	546,617	226,571	61,866	5,893	840,946	0.7%	595,601
Jun	2021	485,057	109,580	42,846	65,030	702,512	9.3%	640,829
YTD Cash Received								5,818,184

**CITY OF UNALASKA
FY21 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY21 YTD REVENUE	% OF BUDGET	FY20 YTD REVENUE	YTD INC/(DEC)
JUL	2020	38,918	6	25	38,949	38,949	7.1%	39,873	(924)
AUG	2020	38,917	5	(50)	38,872	77,821	14.1%	79,596	(1,775)
SEP	2020	38,918	8	136	39,061	116,882	21.2%	119,376	(2,494)
OCT	2020	38,931	867	291	40,089	156,971	28.5%	159,020	(2,049)
NOV	2020	38,918	14	(416)	38,516	195,487	35.4%	37,621	157,866
DEC	2020	41,288	5	294	41,587	237,074	43.0%	239,357	(2,284)
JAN	2021	38,918	4,556	(707)	42,767	279,840	50.7%	285,005	(5,165)
FEB	2021	38,918	6,307	0	45,225	325,065	58.9%	324,171	894
MAR	2021	38,918	1,411	0	40,329	365,394	66.3%	364,320	1,074
APR	2021	38,918	18	6	38,941	404,335	73.3%	403,283	1,052
MAY	2021	38,918	14	0	38,932	443,267	80.4%	442,461	806
JUN	2021	38,168	11	4	38,182	481,450	87.3%	485,446	(3,996)
TOTAL		468,644	13,223	(417)	481,450		0.0%		
FY21 BUDGET		544,000	3,500	4,000	551,500				
% TO BUDGET		86.1%	377.8%	-10.4%	87.3%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2020	38,993	1,049	3,078	5,556	48,676	11.4%	70,070
AUG	2020	31,407	3,587	913	13,045	48,952	26.6%	25,936
SEP	2020	34,300	17,674	855	12,533	65,361	19.2%	23,579
OCT	2020	39,429	26,174	16,723	12,592	94,918	13.3%	12,131
NOV	2020	11,298	16,647	16,713	27,381	5,780	473.7%	56,889
DEC	2020	21,328	935	967	60,728	83,957	72.3%	32,358
JAN	2021	26,972	2,579		27,380	56,931	48.1%	43,105
FEB	2021	11,480	2,454	0	(41,377)	(27,444)	0.0%	25,385
MAR	2021	34,466	13,338	0	(35,229)	12,575	0.0%	36,323
APR	2021	32,457	4,930	765	(23,806)	14,346	0.0%	32,188
MAY	2021	40,700	1,010	100	(23,806)	18,003	0.0%	37,134
JUN	2021	40,025	4,242	327	(23,660)	21,034	0.0%	37,140
YTD TOTAL								432,238

FY 21 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY21 YTD REVENUE	% OF BUDGET	FY20 YTD REVENUE	YTD INC/(DEC)
JUL	2020	20,475		20,475	20,475	8.2%	13,398	7,078
AUG	2020	20,475		20,475	40,950	16.5%	41,553	(603)
SEP	2020	30,303		30,303	71,253	28.7%	68,822	2,431
OCT	2020	15,833		15,833	87,087	35.0%	80,830	6,257
NOV	2020	19,785		19,785	106,872	43.0%	101,070	5,802
DEC	2020	18,224		18,224	125,096	50.3%	127,968	(2,872)
JAN	2021	19,824		19,824	144,920	58.3%	139,408	5,512
FEB	2021	22,136		22,136	167,056	67.2%	158,190	8,866
MAR	2021	21,012		21,012	188,067	75.7%	175,878	12,189
APR	2021	20,504		20,504	208,571	83.9%	192,842	15,729
MAY	2021	20,611		20,611	229,183	92.2%	214,260	14,923
JUN	2021	28,433		28,433	257,616	103.7%	234,735	22,881
TOTAL		257,616	0	257,616				
FY21 Budget		248,500	0	248,500				
% TO BUDGET		103.7%		103.7%				

Memorial to the Fishermen of Unalaska



A Proposal by Karel Machalek

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Cover Letter

Karel Machalek
P.O. Box 920605
Dutch Harbor, AK 99692
907-581-4107 / 907-359-7785

August 20, 2021

Mayor and City Council
City of Unalaska
54 Raven Way
Unalaska, AK 99685

RE: Memorial to the Fishermen of Unalaska - Art Installation Proposal

Dear Mr. Mayor and City Council Members:

As a 30+ year resident of Unalaska and local business owner, I've had the pleasure and honor of working alongside many of our local fishermen. Their stories of adventure, strange creatures hauled aboard, and the treacherous seas always kept me spellbound. Sadly, many of our fishermen have been lost at sea doing the work they loved.

Gone but never forgotten, our fishermen live on in legends as well as in the hearts and minds of family and friends still among us. Unlike many fishing communities, Unalaska does not have a memorial to our fishermen. As a tangible and permanent way to commemorate the lives of so many fishermen no longer with us and to honor their contribution to our community, I am proposing to construct a life-sized memorial to be erected on City owned public property at a to-be-determined location here in Unalaska. Potential locations could include Memorial Park or Carl E. Moses Boat Harbor.

Photos on the cover and within this proposal provide a glimpse of the vision for this project. A detailed scale model is available for close-up inspection as well.

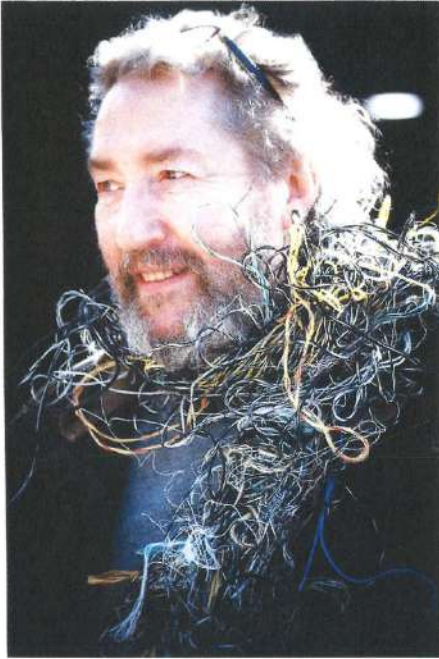
Funds are being raised from businesses and individuals to help reach the \$450,000 goal. Your support for this project will demonstrate the City of Unalaska's recognition of fishermen's key role in building and sustaining our community.

Thank you for considering this request to place the memorial on city property and request for a financial contribution to construct this memorial.

Regards,

Karel Machalek

Artist's Biography



Karel Machalek was born in former Czechoslovakia (now the Czech Republic) in 1958 where he learned the welding trade and worked as a welder honing his expertise. Karel immigrated to the United States in 1979 landing in Los Angeles, CA. He moved to Dutch Harbor in 1985 where he took a welding position with Magone Marine, Inc. In 1990 he established his own welding business, Alpha Welding, Inc.

Karel's interest in shape and form led to various artistic endeavors. In 1993 he worked on a collaborative piece with local Unalaska artist Mike Rasmussen. By 2005, Karel's artistic talent led to a year long metal art exhibition at the Museum of the Aleutians.

In 2013, Karel was asked to install 16 stainless steel bollard covers (vertical pipe embedded in the ground to protect electrical transformers, etc.) at the Carl Moses boat harbor. Each bollard cover depicts seafood favorites such as crab, halibut, and salmon.

The large 7,500 pound "Cube Meteor" in front of the Norwegian Rat Saloon was installed by Karel and his brother, Petr, in 2015. Softly glowing and alternating colored LED lights emanate from inside the cube at night.

Also at the Norwegian Rat Saloon, Karel created three metal sculptures that were on display inside the building from 2016—2019.

The metal sculpture entitled "Starving Halibut" in the Grand Aleutian Hotel lobby was constructed by Karel in 2018.

A great sampling of Karel's art can be seen at:

karelmachalekart.com

Project Overview

Visual Representation

This installation will be a life-sized exterior piece representing a long-liner fisherman, a crab fisherman, and a cod fisherman. The base will be 4' high, octagon shaped, constructed of a stainless steel frame with stainless steel sea life figures. The three fishermen will be cast of bronze. The deck will be made of cedar planks simulating the slightly tilted deck of a ship.

The detailed cabling, nets, gaff hook, crab pot, and clothing lend authenticity to the piece. Numerous stainless steel salmon will fill the scene. The mast will have lights and antenna to complete the feel of a ship at work.

The overall dimensions will be 12' tall x 7' diameter at the base. Mounting will be secure to withstand our punishing winds.

Location and Methods of Installation

The proposed location is yet to be determined but some have suggested Memorial Park or Carl E. Moses Boat Harbor would provide an appropriate setting.

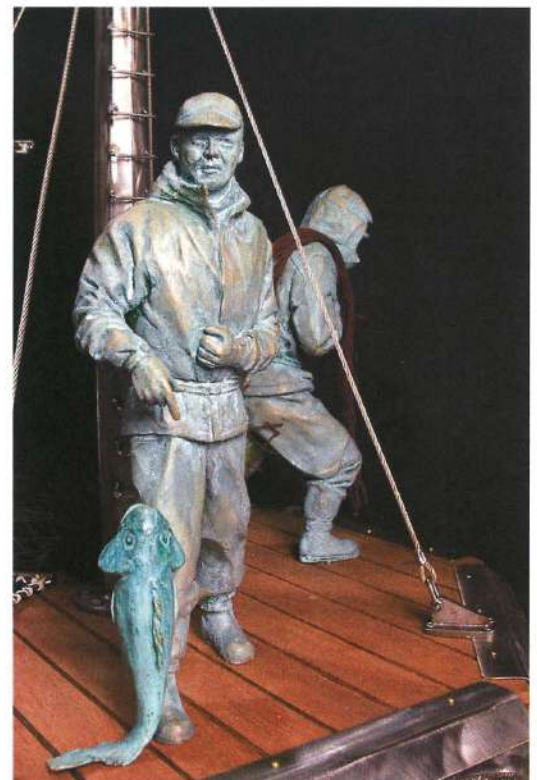
This exterior piece will be constructed of 3/8" mild steel and 1/8" stainless steel, the overall weight will be approximately 1000 pounds and securely anchored in a concrete base flush to the ground.

Care and Maintenance

No maintenance is required. The mild steel will naturally oxidize into a brownish hue while the stainless steel will maintain its light colored appearance. Should storm events cause debris to remain on the installation, simple hosing with water or light brushing will easily restore the piece.

Cost Estimate

\$450,000 all inclusive of materials, labor, and installation.



Fundraising

Materials and Trades

This life-sized installation will require a variety of materials and talent to construct. Mold making, bronze casting, stainless steel fabrication, wood working, and site work are all specialty fields. This is truly a collaborative effort. Detailed work takes hours and hours to accurately coordinate the precise scale of each component to blend seamlessly into a single piece of art. We anticipate that some trades people's time will be provided as in-kind donations, while most will be a project expense.

Businesses

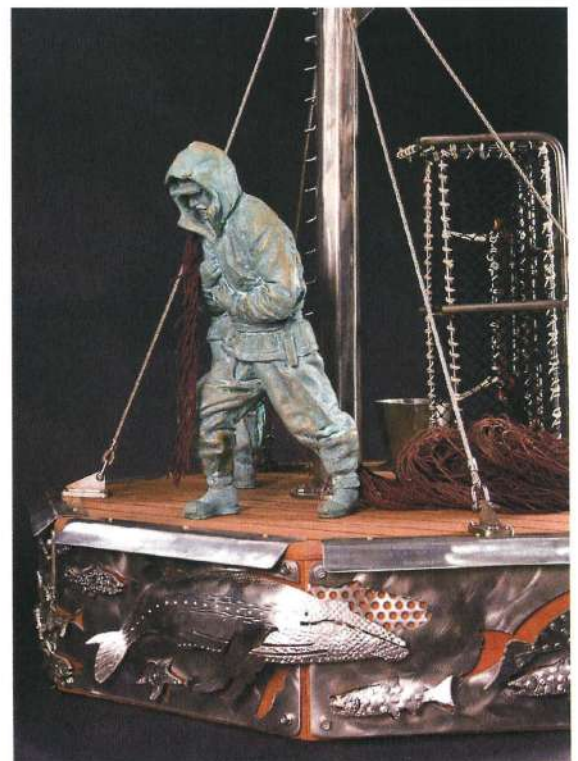
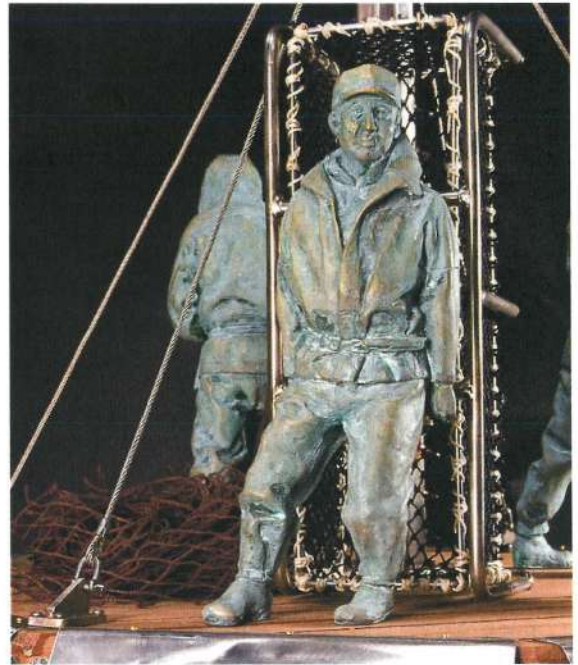
Efforts have already begun to contact local businesses and organizations to garner financial support. Trade unions, fish processors, industry support businesses, and fishing fleets are on the contact list.

Individuals

Participation by residents and non-residents are being sought out.

Trust Account

Key Bank is the agent holding funds for this project. All monies donated will be held in trust for the sole purpose of seeing this project to completion.



Scope of Work

Like most construction projects, this one will begin with the base. Materials will be carefully selected and procured on-island to the largest extent possible. Welding and fabrication will take place in Unalaska. Wood will also be hand selected for optimum grain and durability. As depicted in the photos, stainless steel sea creatures will appear to be swimming around the memorial and visible on all sides. The fishermen will be cast in bronze off-island and shipped to Unalaska. While the bronze is being cast, work on the mast, lights, cabling, crab pot, and finishes will be performed. After the above mentioned work is completed, site work will take place, followed by installation at the location site.

Timeline

Funding is anticipated to take 18 months to secure the full \$450,000.

Base construction will take 4 months.

Sea creature figurines and mounting on the base will take 3 months.

Bronze casting and shipping will take 7 months but will be done simultaneously with base construction and sea creature crafting and mounting.

Mast construction and mounting will take 2 months.

Gaff hook, crab pot, and nets will take 2 months.

Site work and mounting will take 1 month.

In Summary:

Funding 18 months

Construction 12 months

Project (fundraising) kick-off was held August 14, 2021





CITY OF UNALASKA

STRATEGIES TO INCREASE RETURN ON EXCESS RESERVES

September 14, 2021



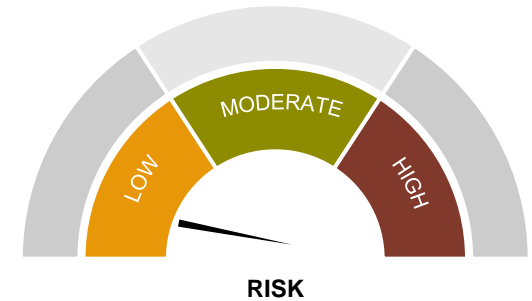
Agenda & Next Steps

- This presentation focuses on providing details regarding the recommended strategic asset allocations of the new proposed buckets and expected outcomes.
- If the Council chooses to pursue one of the options, APCM will assist the City to implement the new strategy, including:
 - Policy drafting assistance
 - Account creation
 - Funds transfers
- Once all of the new accounts, policies, and necessary Code changes are in place, APCM will implement the new strategic plan.



Summary of Current Strategy

- The City currently invests excess Reserves in cash, cash equivalents, and short-term bonds.
- The risk levels for these investments are low, which also means that the return potential is low. Particularly in today's low interest rate environment.
- The City can utilize the strong Reserve levels (approximately \$160M) the Council has built over time to improve long-term fiscal sustainability by diversifying revenue sources.



Operating Cash (<1 Year)

- \$1.8M – KeyBank
- \$47.2M – AMLIP

Short-Term Reserves (1-3 Years)

- \$112.3M – 1-3 Year Government (APCM)

*Account values based upon June 30, 2021 market values as detailed in a Memorandum to Council provided to APCM by the City.

Match Reserves to Time Horizon

- Many clients utilize a holistic portfolio approach for cash assets when funds will be withdrawn over time to enhance earnings potential without sacrificing budgetary stability.
- **If cash needs can be predicted fairly well**, pools of assets can be identified to meet budgetary needs over time.
 - Assets needed soon are invested in safer, more liquid assets with lower earnings potential.
 - Assets not needed until later are invested in longer-term assets with higher earnings potential and higher risk.
- As shorter-term assets are utilized, longer-term assets can be sold to replenish short and rainy day reserves, and vice versa.
- **This strategy improves fiscal sustainability through maximization of the City's revenue from investments without jeopardizing budgetary stability.**

Operating Cash

Operating cash is placed in either demand deposits or cash equivalents. These are Reserves that will be needed within a one-year time horizon and should be invested to maximize availability and minimize risk rather than improve yield.

Short-Term Reserves

Short-Term Reserves are meant for budgetary needs that are 1-3 years out. These Reserves would be invested in short-term Government securities that provide slightly higher yield while maintaining strong liquidity and a low risk profile.

Rainy Day Reserves

Rainy Day Reserves are meant to provide a source of funds in emergency or crisis situations. These reserves must be available when needed with no specific time horizon. Best invested in longer dated fixed income assets to improve yield and provide capital appreciation in economic downturns.

Permanent Fund

Permanent Funds can be utilized to improve fiscal sustainability by providing an additional source of revenue. Permanent Funds generally take advantage of higher risk capacity to improve earnings via additional asset classes that improve return expectations.

Bucketing Strategy Breakout

Current Operating Cash

\$1.8M – KeyBank*

\$47.2M – AMLIP*

Current Short-Term Reserves

\$112.3M – 1-3 Year Government (APCM)*

Proposed Bucketing Strategy

Operating Cash

\$1.8M – KeyBank

\$13.2M – AMLIP

Short-Term Reserves

\$95.0M – APCM

Rainy Day Reserves

\$25.0M – APCM

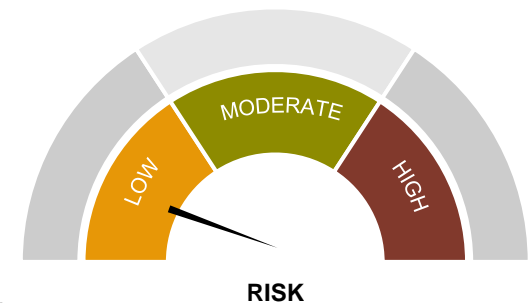
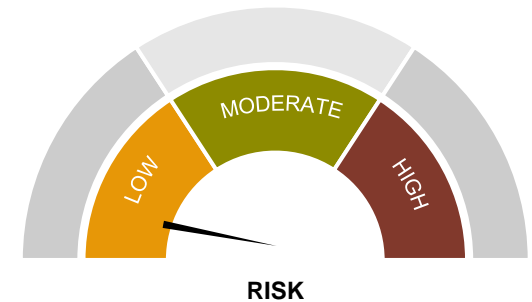
Permanent Fund

\$25.0M – APCM

*Account values based upon June 30, 2021 market values as detailed in a Memorandum to Council provided to APCM by the City.

Total Portfolio Risk Remains Low

- With the City's current strategy, **only two types of assets are employed**: cash and equivalents, and short-term fixed income. This keeps risk levels low, but expected returns are also low, given today's low interest rate environment.
- The inclusion of additional types of assets, such as intermediate-term fixed income, equities, and alternatives, **improve the City's revenue possibilities, and provide diversification of the City's Reserves.**
- By introducing stronger diversification, the **improvement in the City's revenue expectations from Reserves can be accomplished with just an incremental increase in expected risk levels.**
- At the Total Portfolio level, the increase in risk is minor, even after including higher risk asset types such as equities into the overall strategic asset allocation. At least 89% of total portfolio assets would remain in cash or fixed income securities.



Strategy Benefits for the City of Unalaska

01



Risk Increases Only As Risk Capacity Increases

Additional risk is taken only on those Reserves with the capacity for it – a prudent framework to increase earnings without jeopardizing budgets.

Improved Earnings Enhance Fiscal Sustainability

The strategy improves earnings expectations from unused Reserves. These earnings can then supplement other revenue if necessary.

02



03



Budgetary Stability Remains Solid

The approach allows asset levels for each bucket to be adjusted to address the City's changing needs and improve peace of mind.

Takes Advantage of Diversification

Because bonds, equities, and alternative asset classes do not behave the same in all market environments, the City can take advantage of diversification to improve return with minimal additional risk.

04



Bucketing Strategy Recommendations

Investment Horizon →

<1 Year

1-3 Years

3-10 Years

>10 Years

Operating Cash

\$1.8M – KeyBank
\$13.2M – AMLIP



No change to strategy recommended, remain in cash and cash equivalents

Short-Term Reserves

\$95.0M – 1-3 Year Government (APCM)



No change to strategy recommended, remain in 1-3 Year Fixed Income

Rainy Day Reserves

\$25.0M – Intermediate Term Government & Investment Grade Credit (APCM)



Extend duration as time horizon for the use of funds is longer than three years

Permanent Fund

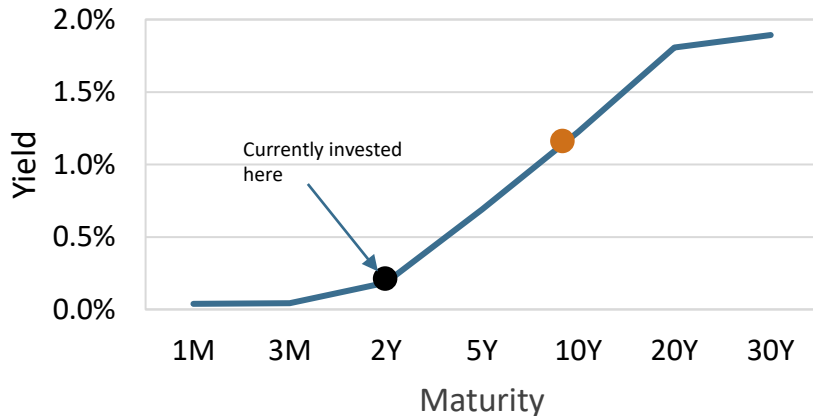
\$25.0M – Multi-Asset Account (APCM)



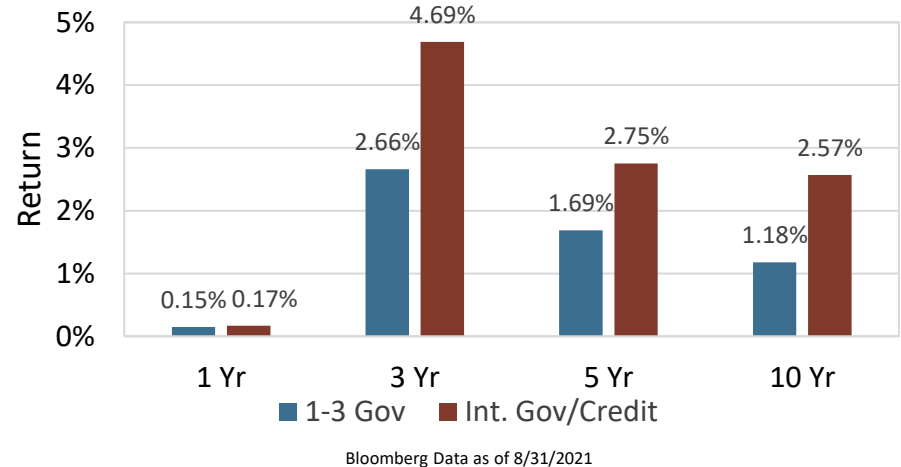
Employ equities, alternatives, and fixed income to create perpetual investment fund to diversify revenue sources

Rainy Day Reserve Recommendation

US Treasury Curve



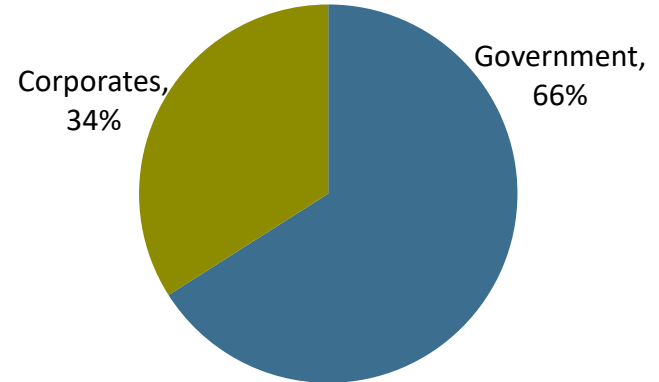
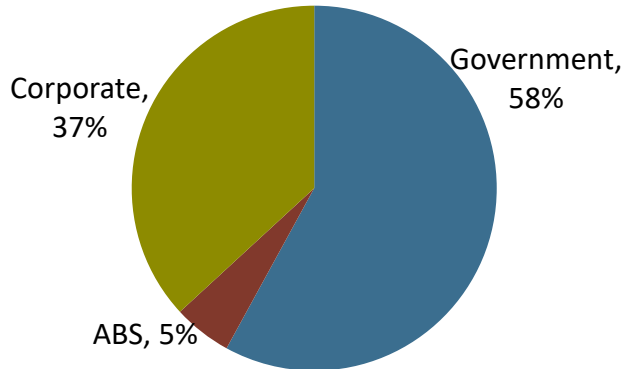
Return Comparison



Medium-Term Reserve: \$25MM

This account would have a longer time horizon than short-term Reserves and hold securities with maturities between 1 and 10 years, including investment grade corporate bonds. While maturities would be different, the majority of holdings would remain in Treasury securities. Investment grade corporate bonds would add incremental yield to the portfolio. Should the City have a greater cash need than anticipated, funds would be taken from here and moved to the short-term reserves.

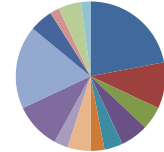
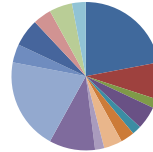
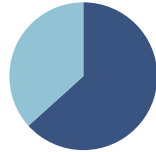
Rainy Day Reserve Recommendation



Current APCM Portfolio Characteristics		
Duration		1.95
Yield		0.45%
Maturity		1-3 Years
Quality	AAA	60.8%
	AA	2.4%
	A	11.9%
	BBB	24.9%

Intermediate Gov/Credit Characteristics		
Duration		4.18
Yield		0.87%
Maturity		1-10 Years
Quality	AAA	63.6%
	AA	5.4%
	A	14.1%
	BBB	16.9%

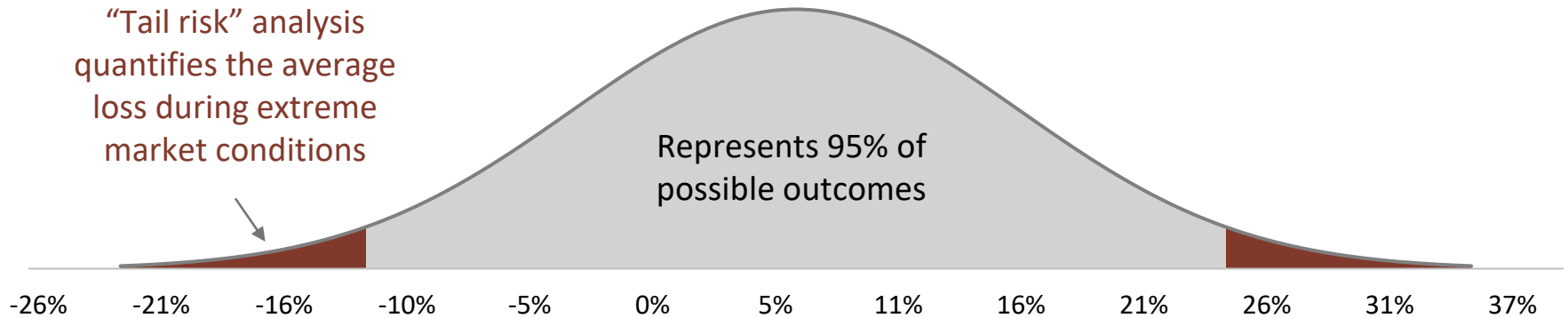
Permanent Fund Portfolio Options



Asset Class	Current Total Portfolio	Option 1	Option 2
Total Equity	0.0%	39.0%	47.0%
Large Cap Equity	0.0%	22.0%	22.0%
Mid Cap Equity	0.0%	8.0%	10.0%
Small Cap Equity	0.0%	2.0%	5.0%
International Equity	0.0%	5.0%	6.0%
Emerging Markets Equity	0.0%	2.0%	4.0%
Total Alternatives	0.0%	19.0%	21.0%
REITs	0.0%	3.0%	3.0%
Infrastructure	0.0%	4.0%	5.0%
Commodities	0.0%	2.0%	3.0%
Alternative Beta	0.0%	10.0%	10.0%
Total Fixed Income	100.0%	42.0%	32.0%
U.S. Fixed Income	0.0%	20.0%	18.0%
U.S. 1-5 Year Gov/Credit	0.0%	4.0%	0.0%
U.S. Corporate High Yield	0.0%	6.0%	5.0%
U.S. 1-3 Year Government	63.3%	0.0%	0.0%
TIPS	0.0%	4.0%	2.0%
International Fixed Income	0.0%	5.0%	5.0%
Cash	36.7%	3.0%	2.0%
Expected Annual Return	1.5%	5.8%	6.6%
Long Term Expected Return	1.5%	5.5%	6.1%
Net Earnings (less inflation)	-0.5%	3.5%	4.1%

* Range denotes the 95% confidence interval. Risk and return data from Windham Portfolio Advisor. Inflation expectation 2%.

Permanent Fund Characteristics



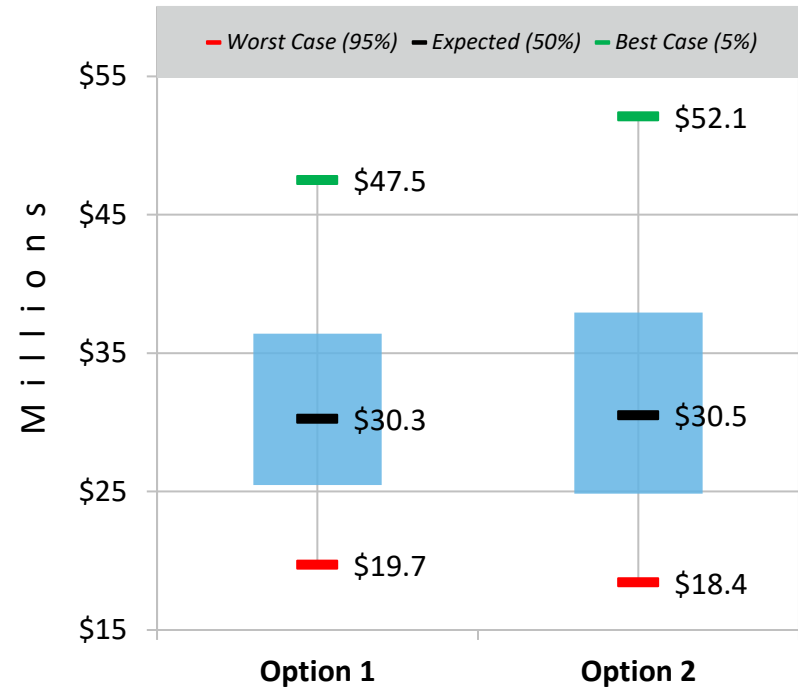
Characteristics	Example Permanent Fund (Option 1)		Example Permanent Fund (Option 2)	
	Expected	Range*	Expected	Range*
Annual Return	5.8%	-11.3% to 22.9%	6.6%	-13.7% to 26.8%
Long-Term Return	5.5%	5.2% to 5.7%	6.1%	5.8% to 6.4%
Net Earnings <i>Long-Term Return Less 2% Expected Inflation</i>	3.5%	3.2% to 3.7%	4.1%	3.8% to 4.4%
Average Loss in Extreme Conditions <i>Within a 1-Year Horizon</i>	-21.0%	–	-24.3%	–

* Range denotes the 95% confidence interval. Risk and return data from Windham Portfolio Advisor. Graphic is for illustrative purposes only.

Sustainable Distributions 10-Year Horizon

- The simulations depicted on the right were based upon a starting value of \$25M and no contributions.
- Annual withdrawals begin starting with the next fiscal year (July 1, 2022).
- Withdrawals are based upon the sustainable rate for each option:
 - Option 1: 3.5%
 - Option 2: 4.0%

Monte Carlo Simulation

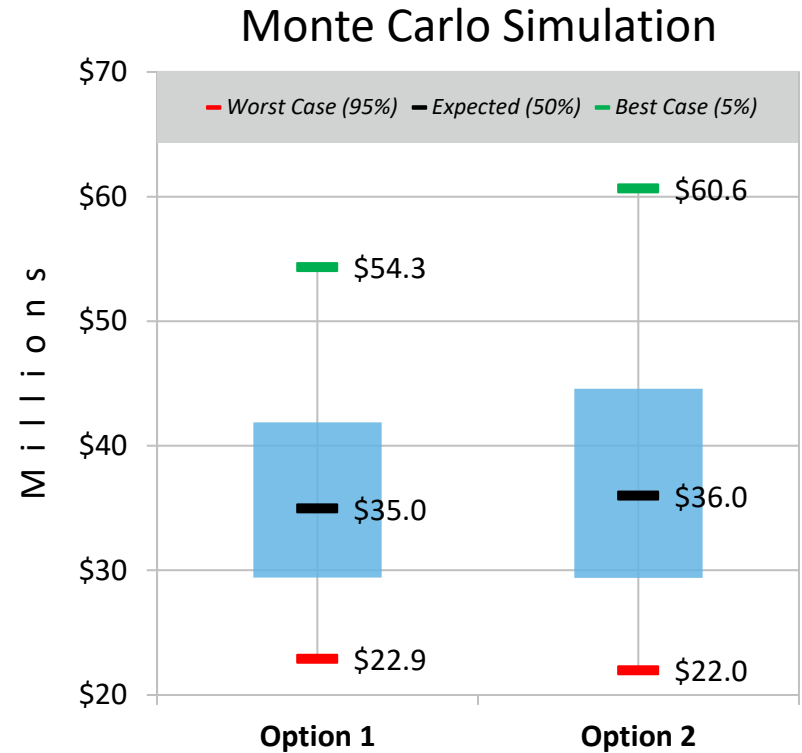


Distributions (\$ thousands)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Option 1	894	907	918	928	950	971	991	1,012	1,033	1,054
Option 2	1,024	1,035	1,045	1,054	1,075	1,092	1,109	1,126	1,144	1,160

Risk and return data from Windham Portfolio Advisor.

Sustainable Distributions After 5 Years 10-Year Horizon

- The simulations depicted on the right were based upon a starting value of \$25M and no contributions.
- Annual withdrawals begin in year five (July 1, 2026).
- Withdrawals are based upon the sustainable rate for each option:
 - Option 1: 3.5%
 - Option 2: 4.0%

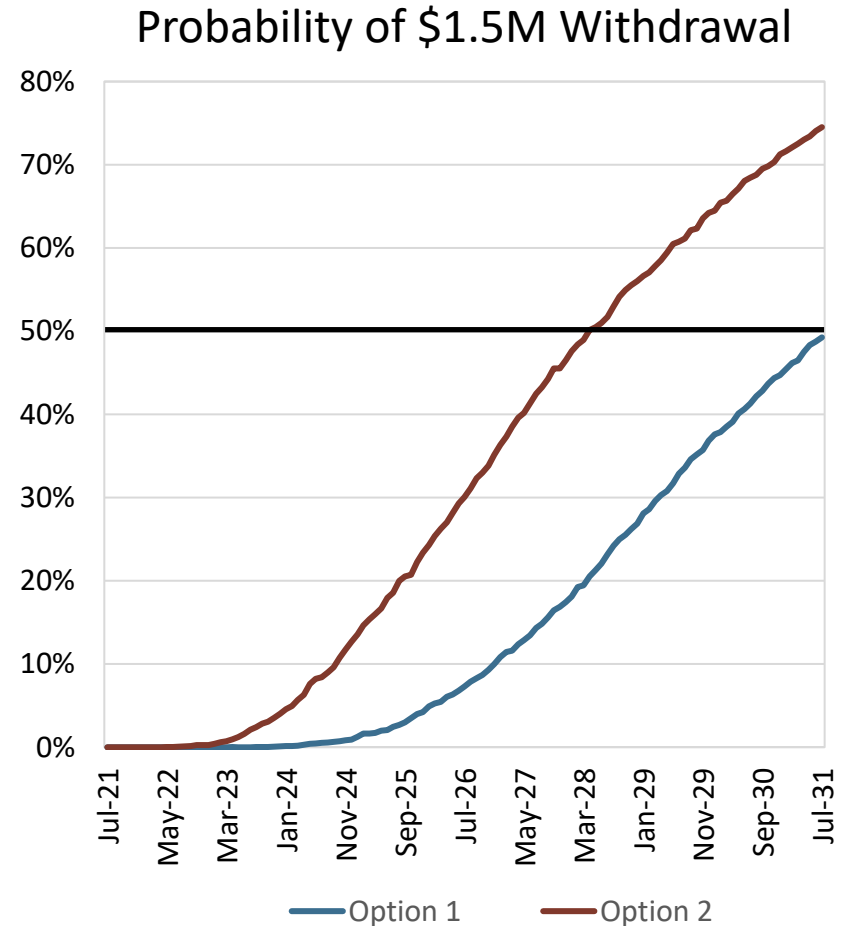


Distributions (\$ thousands)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Option 1	–	–	–	–	1,021	1,072	1,116	1,157	1,189	1,214
Option 2	–	–	–	–	1,188	1,253	1,311	1,361	1,404	1,435

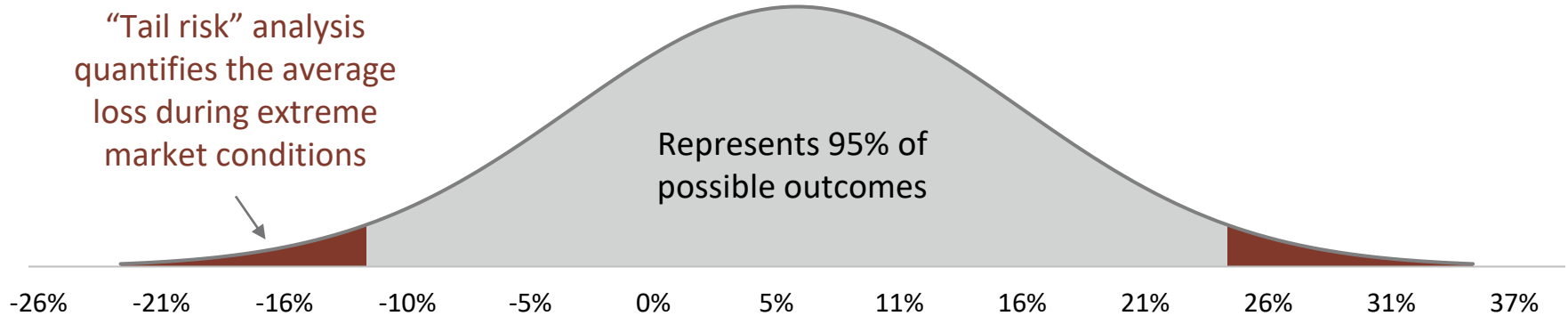
Risk and return data from Windham Portfolio Advisor.

\$1.5M Distributions 10-Year Horizon

- The probabilities depicted on the right were based upon a starting value of \$25M and no contributions or withdrawals.
- For Option 1, a \$1.5M withdrawal at the sustainable rate (3.5%) would require a market value of \$42.9M, which is not expected to occur within a 10-year horizon at the 50% confidence level.
- For Option 2, a \$1.5M withdrawal at the sustainable rate (4.0%) would be possible with a market value of \$37.5M, which is expected to occur for the July 1, 2028 fiscal year.



Total Portfolio Characteristics

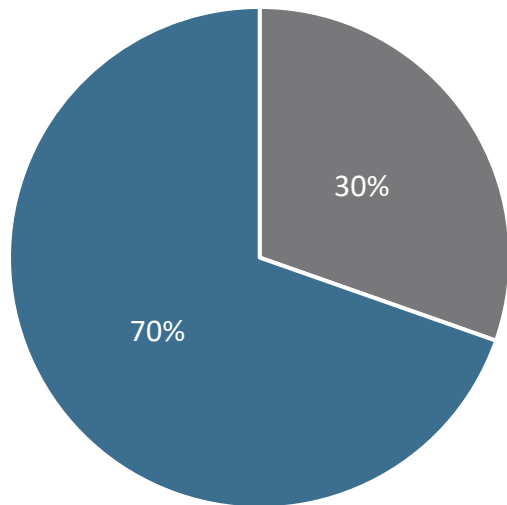


Characteristics	Total Portfolio (Current)		Total Portfolio (Option 1)		Total Portfolio (Option 2)	
	Expected	Range*	Expected	Range*	Expected	Range*
Annual Return	1.5%	-0.4% to 3.4%	2.3%	-0.9% to 5.5%	2.4%	-1.1% to 5.9%
Long-Term Return	1.5%	1.4% to 1.5%	2.3%	2.2% to 2.3%	2.4%	2.3% to 2.4%
Average Loss in Extreme Conditions <i>Within a 1-Year Horizon</i>	-2.1%	–	-3.6%	–	-4.0%	
Strategic Asset Allocation	37% Cash / 63% Fixed Income		10% Cash / 81% Fixed Income / 6% Equity / 3% Alternatives		10% Cash / 80% Fixed Income / 7% Equity / 3% Alternatives	

* Range denotes the 95% confidence interval. Risk and return data from Windham Portfolio Advisor. Graphic is for illustrative purposes only.

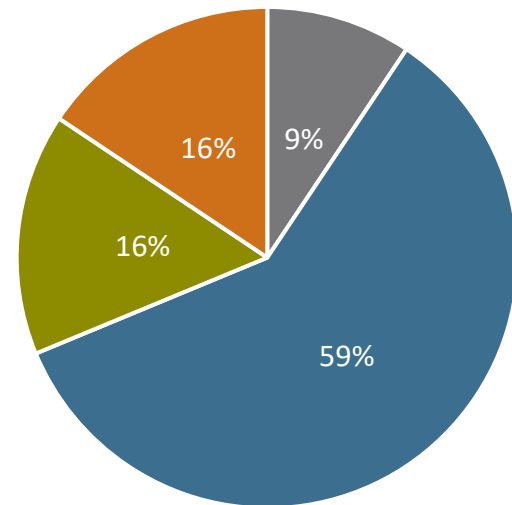
Summary

Current



■ Cash ■ Short-Term Reserves

Proposed

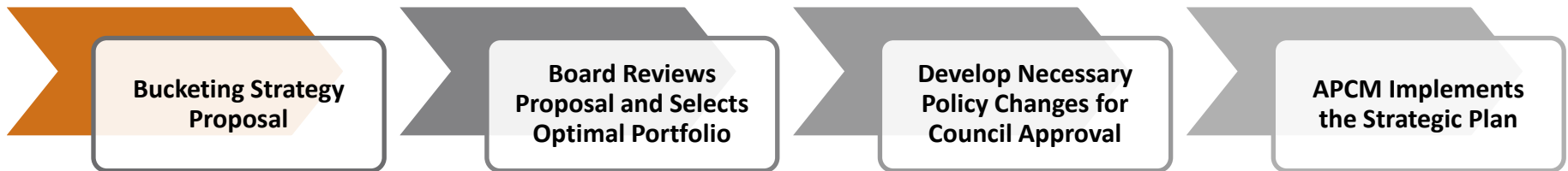


■ Cash ■ Short-Term Reserves ■ Rainy Day ■ Perm. Fund

- The proposed strategy optimizes the City's portfolio returns by aligning the investment strategy with the appropriate reserve levels.
- APCM's current 10-year expected long-term return on the City's existing strategy is 1.5%, annualized. The bucketing strategy would increase that to at least 2.3%, a **0.8% increase or \$1.28M for a \$160M total portfolio**.
- The new bucketing strategy with the adoption of a Permanent Fund will help the City increase and diversify revenues in order to provide additional budgetary stability.

Next Steps

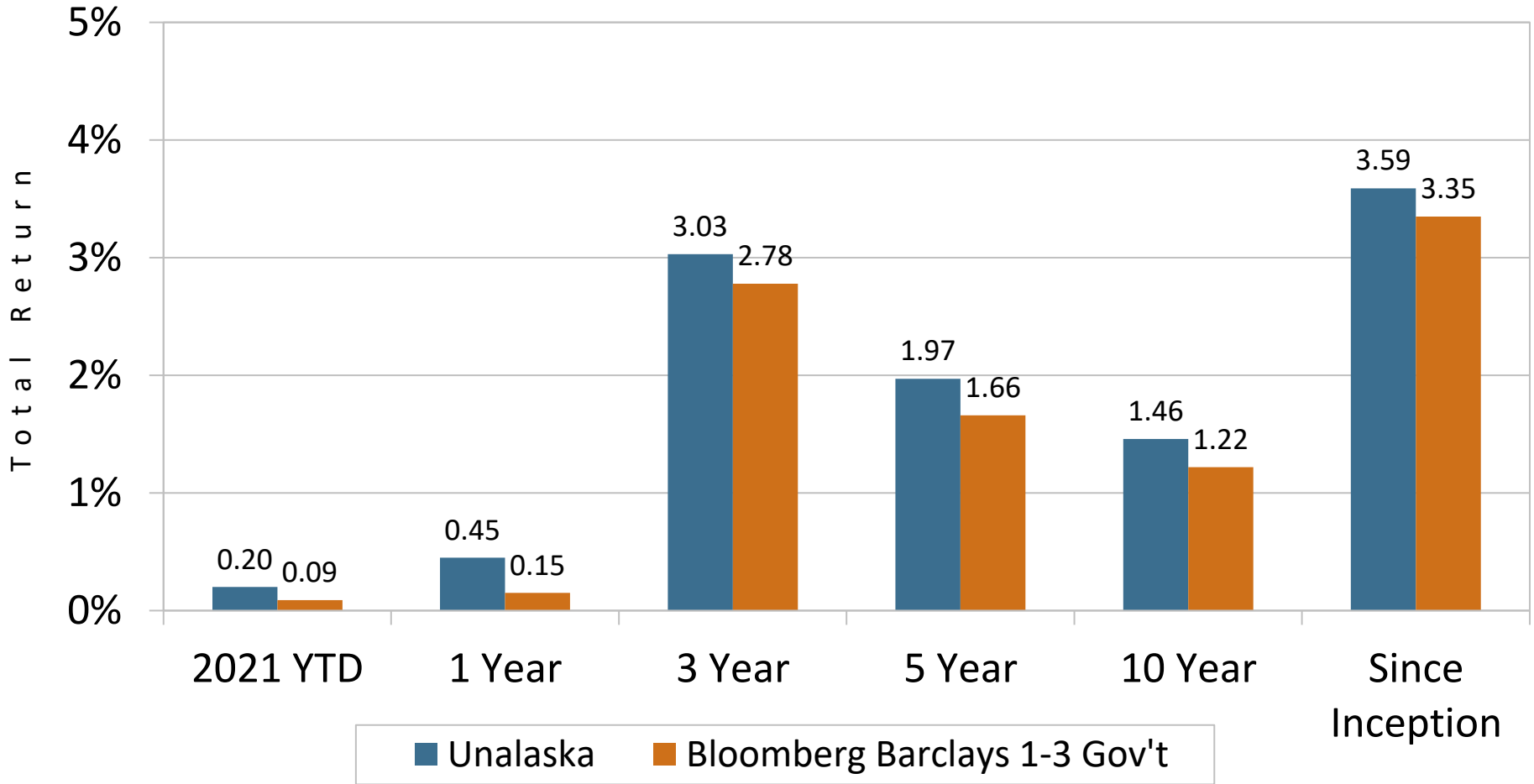
- If the Council chooses to pursue one of the options, APCM will assist the City to prepare for the new strategy, including:
 - Drafting new investment policy statements
 - Opening new accounts as necessary
 - Funds transfers
- Once all of the new accounts, policies, and necessary Code changes are in place, APCM will implement the new strategic plan.



Appendix

Account Performance as of July 31, 2021

City of Unalaska

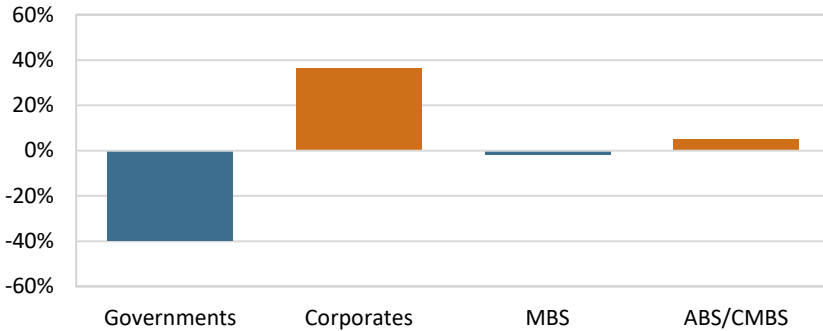


Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on June 30, 1995. Benchmark is the Bloomberg Barclays 1-3 Year Government Index.

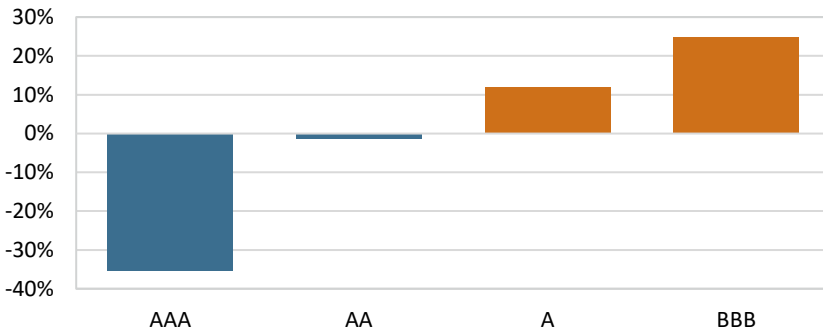
U.S. Fixed Income Positioning as of August 31, 2021

City of Unalaska

Sector Under/Overweight



Quality Under/Overweight



Bond Sector Comparison

	Unalaska	Bloomberg Barclays 1-3
Treasuries	55.8%	95.5%
Corporates	36.7%	0.1%
Agencies	2.4%	4.4%
ABS/CMBS	5.1%	0.0%
Total	100%	100%

Quality Comparison

	Unalaska	Bloomberg Barclays 1-3
AAA	60.8%	96.1%
AA	2.4%	3.9%
A	11.9%	0.0%
BBB	24.9%	0.0%
Total	100%	100%

Source: Bloomberg

Funds Utilized For Implementation

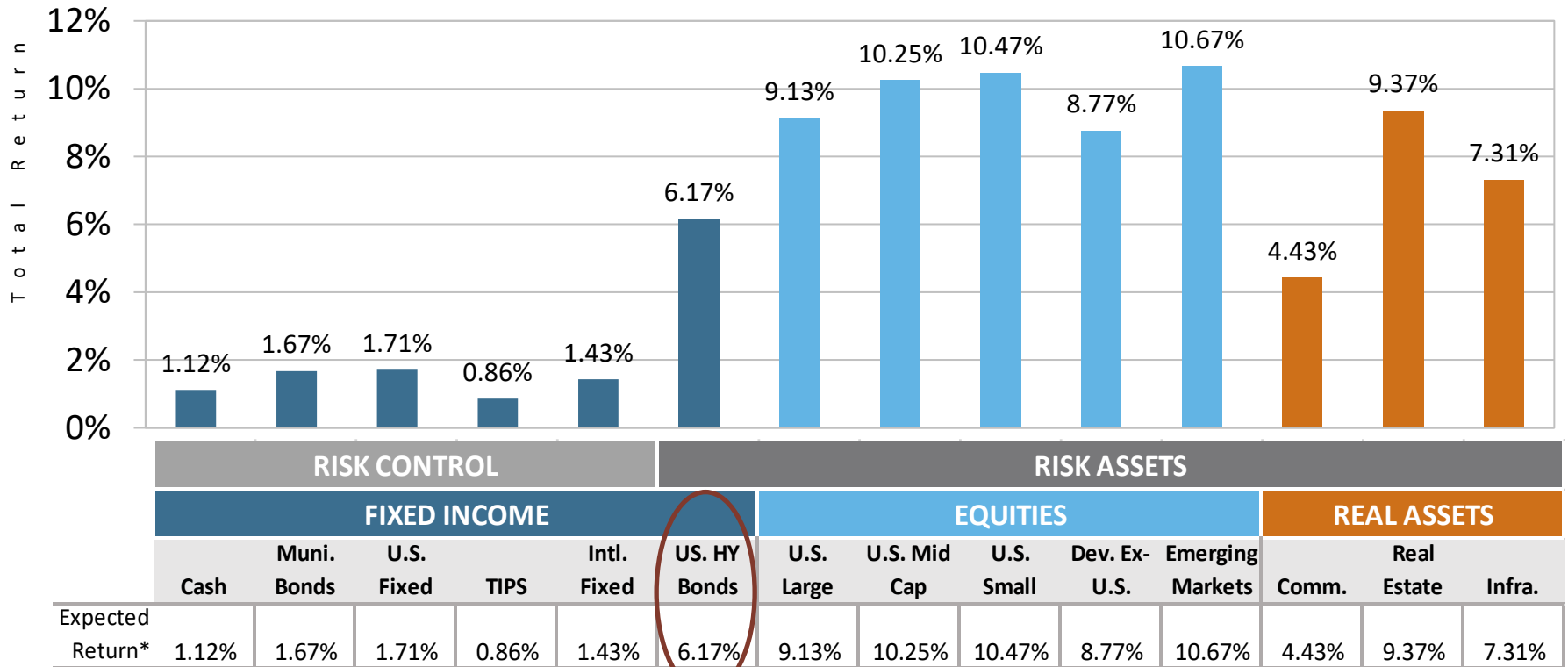
Asset Class	Ticker	Core Holding	Expense Ratio
Large Cap Equity	SPY	SPDR S&P 500 ETF Trust	0.10%
Mid Cap Equity	IJH	iShares Core S&P Mid-Cap ETF	0.05%
Small Cap Equity	IJR	iShares Core S&P Small-Cap ETF	0.06%
International Equity	IEFA	iShares Core MSCI EAFE ETF	0.07%
Emerging Markets Equity	IEMG	iShares Core MSCI Emerging Markets ETF	0.11%
REITs	BBRE	JPMorgan BetaBuilders MSCI U.S. REIT ETF	0.11%
Infrastructure	NFRA	FlexShares STOXX Global Broad Infrastructure Index Fund	0.47%
Commodities	CMDY	iShares Bloomberg Roll Select Commodity Strategy ETF	0.28%
Alternative Beta	BIMBX	BlackRock Systematic Multi-Strategy Fund	0.98%
	QAI	IQ Hedge Multi-Strategy Tracker ETF	0.79%
U.S. Fixed Income	BND	Vanguard Total Bond Market ETF	0.04%
U.S. 1-5 Year Gov/Credit	BSV	Vanguard Short-Term Bond ETF	0.05%
U.S. Corporate High Yield	VWEAX	Vanguard High-Yield Corporate Fund	0.13%
TIPS	VTIP	Vanguard Short-Term Inflation-Protected ETF	0.05%
International Fixed Income	BNDX	Vanguard Total International Bond ETF	0.08%
Cash			

The Case for High Yield Fixed Income

Accept, Prepare, Adapt

High yield bonds are issued by corporations with ratings below BBB- or Baa3 by established credit rating agencies.

In a company's capital structure, debt securities rank ahead of equity securities, so if a company was unable to pay all of their obligations and/or the valuation of the company dramatically declines, the **debt securities are paid back first** and are the first to capture any remaining value in the company before anything is allocated to the equity (preferred and common) holders.



* CMAAs are 10-year projected returns and do not represent actual returns.

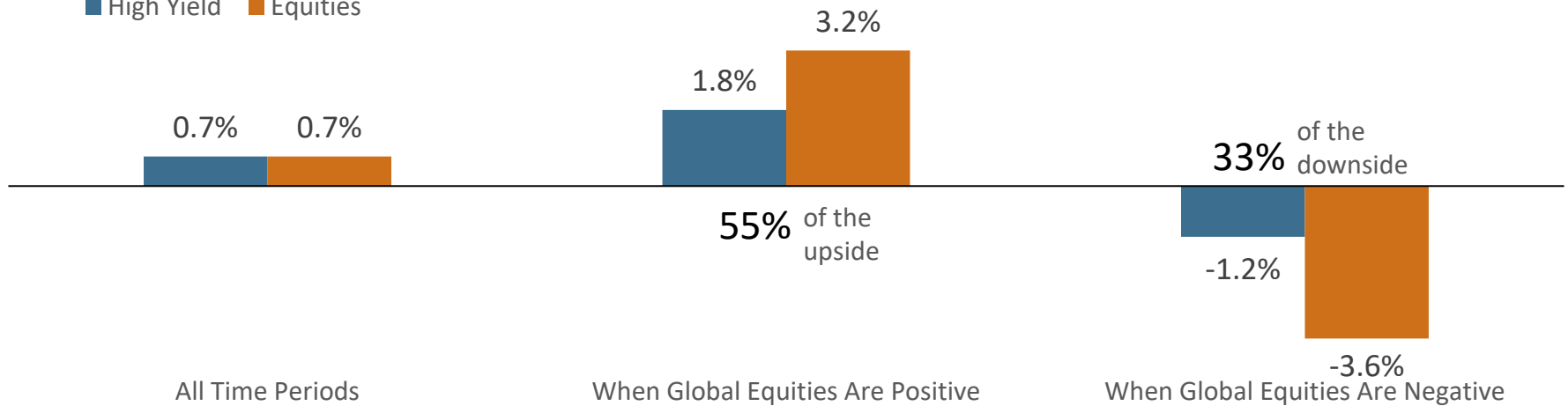
The Case for High Yield Fixed Income

Accept, Prepare, Adapt

An allocation to high yield has provided investors with upside participation in positive risk environments and downside protection in negative risk environments.

Average Monthly Return

■ High Yield ■ Equities



- Since 1993, high yield has averaged a 0.7% monthly return; this is similar to global equities but with less volatility and less downside risk.

- High yield's asymmetric return profile – 55% of the upside with only 33% of the downside – makes it an attractive addition to a fully diversified multi-asset portfolio.

Source: Northern Trust Global Asset Allocation, Bloomberg. Data from 1/29/1993 to 5/29/2020. Global equities = MSCI ACWI; Global high yield = Bloomberg Barclays Global High Yield Index.

Diversifying Benefits of Alternative Beta

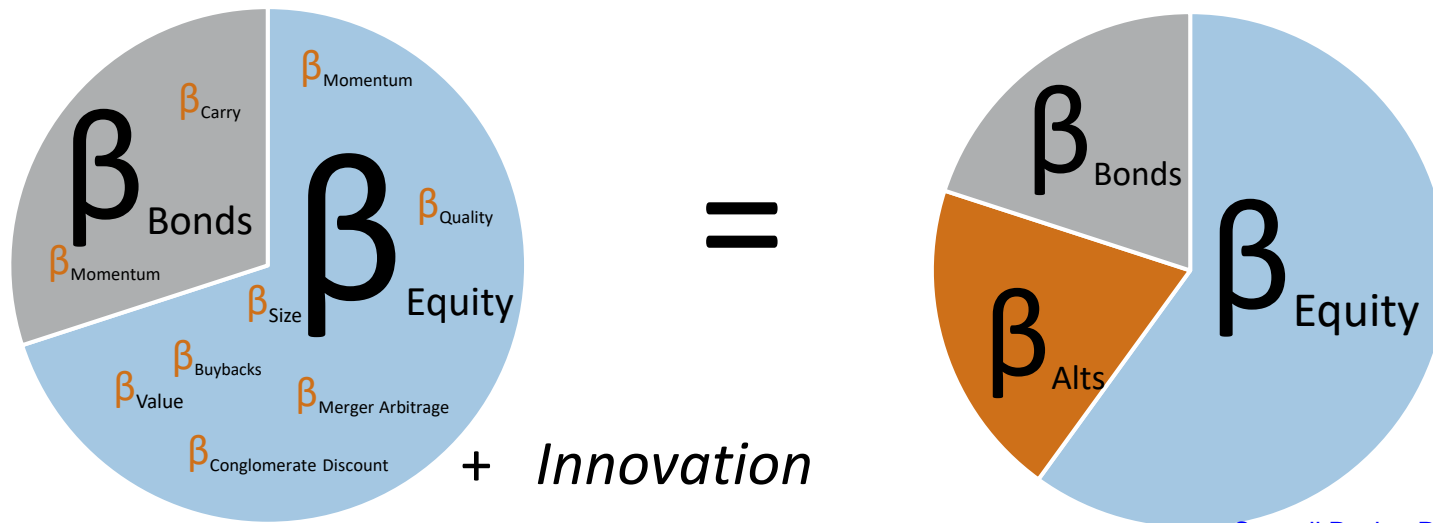
Accept, Prepare, Adapt

Alternative beta captures sources of return that exist, but are not emphasized, in traditional stock and bond portfolios.

The **industry's broader understanding of sources of return** now allow these strategies to be accessed in a quantitative, systematic manner that **does not require a specific manager's subjective judgment**.

These **alternative sources of returns can further diversify a stock and bond portfolio**, but all require complex trading strategies.

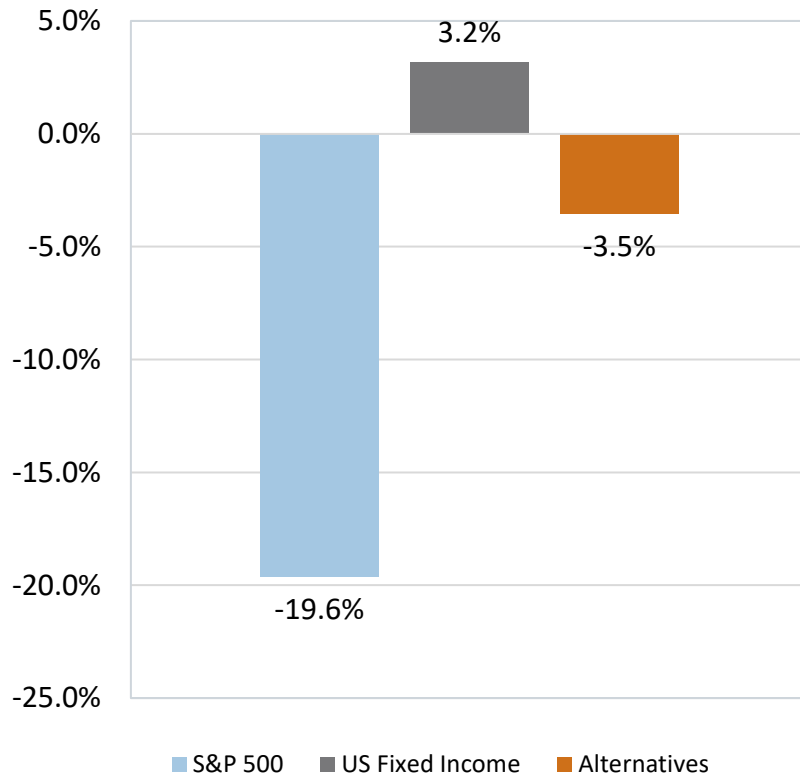
The risks associated with these trading strategies **require proper risk management and controls**.



Diversifying Benefits of Alternative Beta

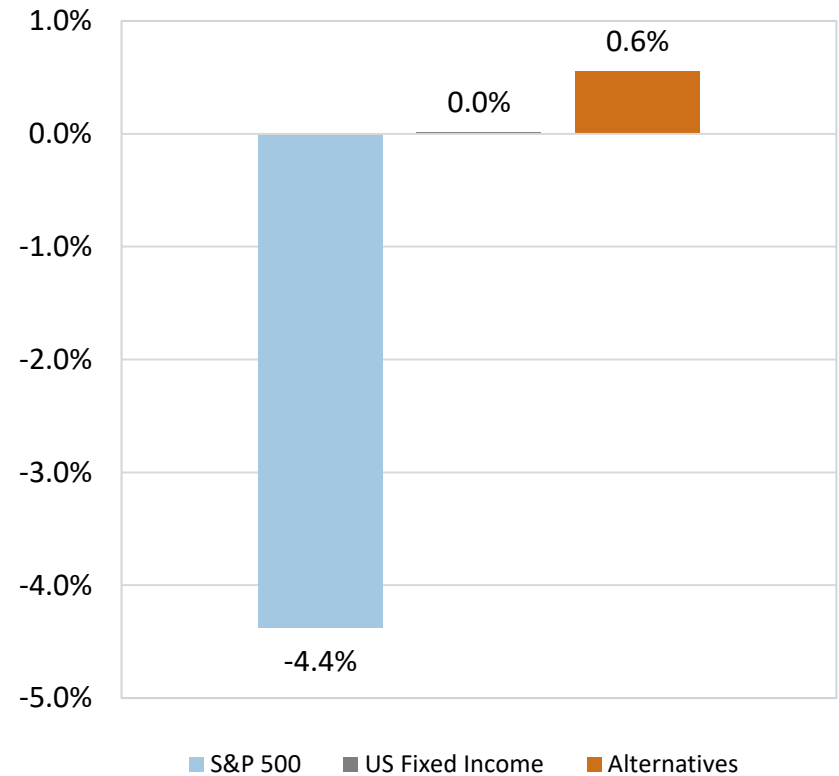
Accept, Prepare, Adapt

Manage Equity Volatility
First Quarter 2020 COVID Crisis



Source: Bloomberg from December 31, 2019 to March 31, 2020.
Alternatives represented by a portfolio of 75% BIMBX 25% QAI.

Diversify Stocks and Bonds
Calendar Year 2018



Source: Bloomberg from December 31, 2017 to December 31, 2018.
Alternatives represented by a portfolio of 75% BIMBX 25% QAI.

Disclosures

Important Assumptions

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

Important Legal Information

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

Other Influences on Rates of Return

Investment management fees: Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

Taxes: Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

Inflation: Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

Limitations Inherent in Model Results

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: William Homka, Planning Director
Through: Erin Reinders City Manager
Date: September 14, 2021
Re: Haystack Antenna Lease Update

SUMMARY: At its meeting on July 27, 2021 City Council approved a directive to the City Manager, which stated *“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.”* This is an update to the existing situation on Haystack, including: lease holders, towers/users, rents/income to the city, and a site/location summary. The directive is attached to this report as [Exhibit 1](#). Staff will present a PowerPoint presentation at the September 14, 2021 meeting to further illustrate information herein.

PREVIOUS COUNCIL ACTION:

- Resolution 1987-91 A resolution establishing an agreement with Channel 8 for the use of city property for the purpose of using a communications receiver for an FM station.

- Resolution 1994-54 A resolution approving the City Manager signing a lease for a portion of Tract C Haystack Hill Subdivision with Bristol Bay Cellular Partnership for use as a communication site.

- Resolution 2003-45 A resolution of the Unalaska City Council authorizing the City Manager to sign a 20-year lease with Alaska Wireless for antenna space on Haystack Hill.

- Resolution 2005-3 A resolution of the Unalaska City Council authorizing the City Manager to sign a 20-year lease with the Department of Transportation, Federal Aviation Administration for antenna space on Haystack Hill.

- Resolution 2006-38 A resolution of the Unalaska City Council authorizing the City Manager to amend the existing lease with Alaska Wireless for antenna space on Haystack Hill.

- Resolution 2014-78 A resolution of the Unalaska City Council approving a lease agreement for a term of 20-years between the City of Unalaska and TelAlaska Cellular for a portion of Lot 1, Needle Subdivision.

Several leases have been approved for periods of time ranging between 20 and 30 years. City Council typically reviews leases in durations of five-years and grants authorization to the City Manager to enter into such leases. Four leases to telecom companies have terms expiring anywhere between 2 and 18 years from now. A fifth is not a lease but a perpetual non-expiring, indenture (easement) that originated in 1971 and has no termination date. Mutual agreements

also exist for leases between the City and other government and educational organizations that serve public purposes. These yield little or no direct income. The current lease agreements atop Haystack are attached to this report as [Exhibit 3](#).

BACKGROUND: Atop Haystack there are 9 communication towers situated on City of Unalaska owned land. The City owns one tower; three are owned by telecom companies including TelAlaska, Alaska Wireless (GCI), Alascom (AT&T), three are owned/operated by KUCB, and three are owned by Federal Aviation Administration (FAA). Haystack's height, visibility, and location make it an optimal site to locate telecommunication towers, facilities and equipment. Most of the community's-built environment has line of sight visual to Haystack which helps send and receive signals that support a range of communication needs. However, the hilltop is also confined by steep slopes that are not conducive to construction including communication towers.

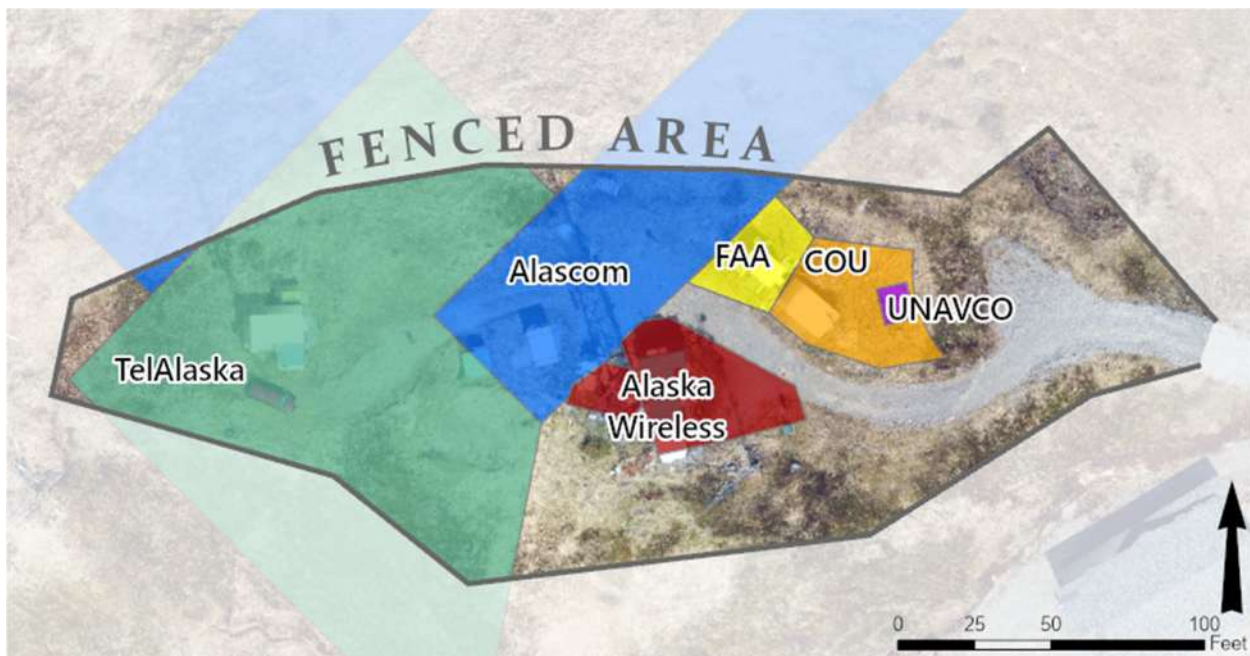


FIGURE 1: HAYSTACK LEASES

Figure 1 shows the 'Fenced Area' atop Haystack and the lease areas that range in size. Within the fenced area, TelAlaska has the largest lease (11,662 sq. ft.), Alaska Wireless (1,937 sq. ft.) and the FAA has 679 sq. ft. OptimERA affixed equipment to a KUCB tower sometime in the recent past. KUCB is subleasing part of a site leased to Alaska Wireless (GCI), and OptimERA is leasing from KUCB. The City has no record of the subleases, which is a requirement per all of its tower leases. Neither organization currently pays the city for area. KUCB has had towers on Haystack since 1987 when Council approved Resolution 1987-91.

City tower lease rates were inexpensive prior to 2014 when TelAlaska's 20 year Haystack lease was up for renewal. In preparing the new lease the City requested the Appraisal Company of Alaska help update its lease rates. A September 13, 2014 letter to Erin Reinders, Planning Director, Mike Renfro explained he researched lease rates for communication towers in other Alaska communities and found monthly rates between \$800 in rural areas to \$1,200 in urban areas. In the letter, attached as [Exhibit 2](#) to this report, Renfro recommended the City use a minimum lease rate of \$800 per month for a tower or cell site lease. As it was, the city established a lease rate "based upon the market value of the larger parcel per square foot times the area

leased.” However the size of the lease areas are much larger than they needed to be, are not uniform, thus the wide variety of cost per square foot in earlier tower leases.

City Council approved a new 20 year tower lease for TelAlaska via Resolution 2014-78 on September 25, 2014. The lease rate was approved at \$900 per month for \$10,800 annually. The lease will generate \$216,000 over the 20 year lease period which ends in 2034. With the exception of TelAlaska’s lease, other Haystack leases are set to expire in 2022 and 2023. The City’s leases provide a termination clause for the lessees but not for the City. Staff is discussing this issue with the City Attorney along with future plans for tower access/leasing on Haystack. Staff will present the options available to the City at a future City Council meeting.

DISCUSSION: The matter of leasing tower & utility space on Haystack has been an issue for many years. Since at least 2017 the Planning Department has attempted to evaluate the situation in response to OptimERA’s application for leasable area. In general, Haystack was developed in a manner not keeping with best planning and development practices. For example, there are many parcels that are not situated on actual public road frontage, but instead use other private parcels to get to their land. The street approved as ‘access’ is still a ‘paper’ street, meaning it was drawn on the subdivision plans but never constructed.

Another example of a poor development issue can be seen when reviewing how water and sewer reach some of the parcels. In some locations private owner(s) installed their water and sewer lines before the street was publicly dedicated. Now, instead of the city having jurisdiction over the lines, private parties own their individual utility lines and will need to excavate the public street(s) whenever and wherever maintenance is necessary on the private lines.

There is also the matter of excavating private property to the limits of parcel boundaries. Currently no city code protects adjoining property owners from suddenly having a cliff at the edge of their property line if/when a neighbor decides to excavate their property and maximize the parcel’s buildable area. Nor are there any requirements in place for any fencing, retaining walls, etc. Thus, Haystack’s development history has created a succession of potential problems and tower leases are just one of them.

The City’s tower is essential in providing wireless connectivity to all of its telecom services as well as various utility equipment. The City’s SCADA (Supervisory Control and Data Acquisition) system is one example. SCADA is a computer-based system for gathering and analyzing real-time data to monitor and control equipment that deals with critical and time-sensitive issues such as the electric, water and wastewater distribution systems. Public Safety also has equipment on the tower to provide for communications throughout the community. **Figure 2** is a screenshot from Information Services (IS) that indicates the connectivity to the numerous systems from the Haystack tower. It is anticipated that much of the city connectivity will change from a wireless service to a more reliable fiber optic service due to a CMMP project now underway.

The Planning Department has assembled a team to assist with evaluating the existing situation as well as to make recommendations to City Council about the future possibilities on Haystack with regard to the telecommunications issues. Other city departments include: City Clerk, Finance, Administration, and Information Services. The City Attorney’s office is also involved and Planning has reached out to an Anchorage title company for help with researching parcel information and anything pertinent that may be recorded or affect the land uses. A contract has yet to be awarded to a title company but is anticipated soon.



FIGURE 2: CITY HAYSTACK TOWER - WIRELESS NETWORK

Several aspects of the Haystack / Tower leasing situation are still being studied. The first step has been completed, which was to review the existing leases for terms, rates and ownership. For example, several of the communications companies have changed ownership and names over the course of 20 years. Moving forward, City Council's July 2021 directive is actually two-fold: terminate communications leases on Haystack, and work to upgrade and allow equal access to facilities for communications on Haystack with new leases.

Staff's plan is to determine the most financially prudent option(s) available to the city for ending/terminating existing leases, and to present options for future leasing atop Haystack that will facilitate co-location of facilities equally in terms of access and lease rates. The City team is preparing information that it will present to City Council as soon as possible. Since the issues involve city owned real estate, the options will more than likely necessitate an Executive Session to provide opportunities for City Council to ask relevant questions that may or may not have further financial and legal implications to the City.

Council has discussed the idea of a single Haystack tower. Ownership, maintenance, access, liability and other issues all need to be vetted by whomever will own the tower. Speaking with the City's Information Services, Unalaska's existing tower lacks any formal maintenance agreement. The responsibility is currently shared among Information Services, Public Safety and Facilities Maintenance. If the City were to own the tower and lease equipment space to private entities, it would need a more efficient program/approach for tower management. For example, the city must be prepared to address any liabilities incurred by lessees due to service interruptions caused to the tower for a variety of reasons.

ALTERNATIVES: Alternatives include creating new leases for the telecom companies, adjusting lease areas and rates per square foot, and making room for more / new companies to lease areas for communication towers on Haystack. Other ideas that have been discussed include removing

all but one tower and requiring co-location for everyone, or constructing a new, larger tower that can facilitate co-location. This all depends on the capacity and future needs of tower lessors.

FINANCIAL IMPLICATIONS: To be determined

LEGAL: Under review

STAFF RECOMMENDATION: NA

PROPOSED MOTION: NA

CITY MANAGER COMMENTS: Thanks to the Planning Department for working to address this Directive. As Bil outlines in this memo, staff will continue our efforts with help of a title company. Once there is a greater understanding the parcel information, we will prepare another update for Council with refined alternatives for further Council discussion.

ATTACHMENTS:

[Exhibit 1](#) – City Manager Directive July 27, 2021

[Exhibit 2](#) – Appraisal Company of Alaska letter dated September 14, 2014

[Exhibit 3](#) – Current lease & easement documents atop Haystack

EXHIBIT 1: JULY 27, 2021 CITY MANAGER DIRECTIVE

UNALASKA CITY COUNCIL DIRECTIVE TO CITY MANAGER

DATE: 7/27/21

TOPIC: HAYSMEK COMMUNICATIONS SITE

MOTION: MOVE TO DIRECT THE CITY MANAGER TO

START THE PROCESS TO TERMINATE LEASES ON
HAYSMEK FOR COMMUNICATIONS AND WORK TO UPGRADE
AND ALLOW EQUITABLE ACCESS TO FACILITIES FOR COMMUNICATIONS
ON HAYSMEK WITH NEW LEASES

MOTION BY: DEANIS ROBINSON

SECONDED BY: TITOM BELL

VOTE: 6 YES 0 NO

Notes if any:



COUNCIL MEMBER SIGNATURE

This form is utilized in order to provide clear guidance as to the intent of the Council Directive
Forward completed form to the City Clerk

EXHIBIT 2: 2014 Market Valuation – Tower Leases

Fax
(907) 563-1368

Telephone
(907) 562-2424

Appraisal Company of Alaska LLC

3940 ARCTIC BOULEVARD, SUITE 103
ANCHORAGE, ALASKA 99503
office@appraisalalaska.com
EIN#26-2071908

September 13, 2014

Erin Renders, Planning Director
City of Unalaska
P.O. Box 610
Unalaska, AK 99685

RE: Tower and Cell Site Leases

Dear Ms. Reinders:

In the past we have leased these sites based upon the market value of the larger parcel per square foot times the area leased. After research in the market throughout the state I believe this method equates to a below market rate for tower and cell site leases. In talking to other telecommunication companies the lease rates for tower and cell sites range from \$800 to \$1200 per month. These rates are not dependent on size but the amount of revenue that can be generated from the site. The higher rates are for towers in densely populated urban areas. The lower end of the range is for sites with less usage.

It would be my recommendation that we set a minimum lease rate of \$800 per month for a tower or cell site lease. Very large sites would trend to the upper end of the range. Again I would recommend that the leases be reviewed every five years at the maximum.

I know that this methodology is different than what has been done in the past, but these sites are unique in the market place and we should follow the market for valuing them. I will be in Unalaska the 25th or 26th for a week, weather and airline tickets cooperating if you have additional questions.

Sincerely,



Michael C. Renfro
Contract Assessor
City of Unalaska

EXHIBIT 3: HAYSTACK LEASES

INDEX

Exhibit Page	Title	Description
1	Resolution 87-91	A resolution establishing an agreement with Channel 8 for the use of city property for the purpose of using a communications receiver for an FM station
2	Alascom Easement	December 7, 1993 letter from Cynthia Karwowski, Alascom to Scott Diener, Planning Department regarding the Easement Deed for Haystack Hill
8		December 10, 1993 letter from Cynthia Karwowski, Alascom to John Bishop, Planning Department regarding non-objection to erecting a tower on Haystack in Alascom's easement
10	Alaska Wireless Lease Agreement	July 11, 2003 lease agreement between Alaska Wireless Communications LLC and the City of Unalaska
23	Alaska Wireless Lease Amendment 1	February 21, 2006 amending lease agreement between Alaska Wireless Communications LLC and the City of Unalaska
25	Alaska Wireless Lease Amendment 2	August 28, 2006 amending lease agreement between Alaska Wireless Communications LLC and the City of Unalaska
32	US Dept. of Transportation Lease	September 1, 2004 land lease off airport
42	TelAlaska Lease	October 14, 2014 lease renewal between TelAlaska Cellular and the City of Unalaska
54	UNAVCO Inc. Lease	November 11, 2017 lease agreement between UNAVCO Inc. and the City of Unalaska

EXHIBIT 3

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 87-91

A RESOLUTION ESTABLISHING AN AGREEMENT WITH CHANNEL 8 FOR THE USE OF CITY PROPERTY FOR THE PURPOSE OF USING A COMMUNICATIONS RECEIVER FOR AN FM STATION.

WHEREAS: Channel 8 has received a grant from the State of Alaska for the purchase of equipment for an FM radio station, and

WHEREAS: Channel 8 is in need of space to utilize this equipment, and

WHEREAS: The City of Unalaska has available space on Haystack Hill which could be used for the placement of a communications receiver for an FM station.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Unalaska authorizes an agreement with Channel 8 for use of space of City property on Haystack Hill for the purpose of utilizing a communications receiver.

PASSED AND APPROVED THIS 10th DAY OF December, 1987 BY THE CITY COUNCIL OF THE CITY OF UNALASKA, ALASKA.

Stephanie Madsen
Stephanie Madsen
Council President

Judy Mayhew
Judy Mayhew
City Clerk

received
12-10-93



December 7, 1993

Scott Diener
Planning Department
City of Unalaska
P. O. Box 610
Unalaska, AK 99685

Dear Scott:

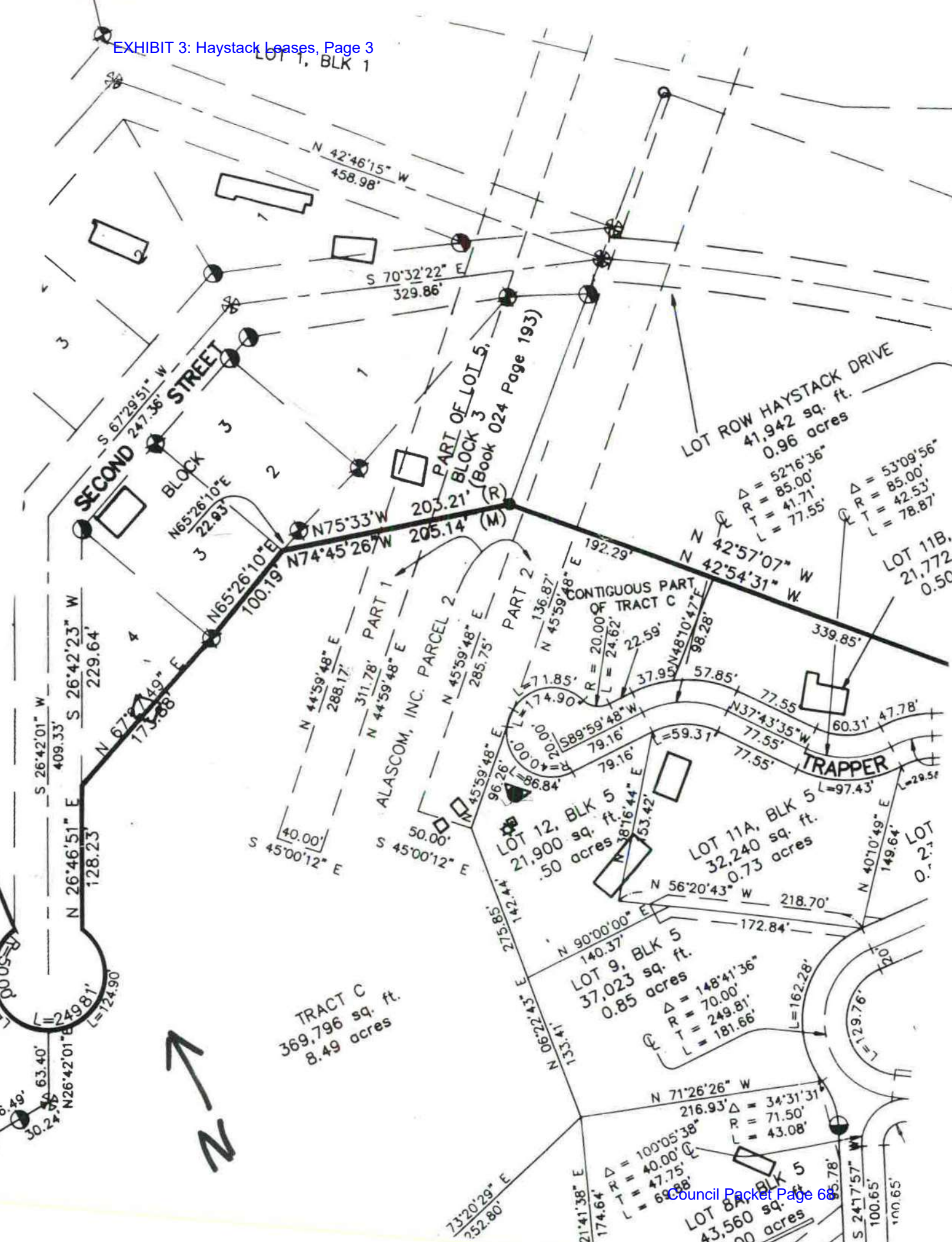
Per our conversation, I am sending you a follow up copy of the fax I sent of Alascom's Easement Deed for Haystack Hill, Unalaska. Alascom is interested in the ownership of the land at this site and what the possibilities and/or guidelines are if Alascom wants to expand the area of the Easement Deed.

If possible Alascom would like to have an updated copy of the plot plan for this site. If available, please send it by return mail to 210 E. Bluff Road, Anchorage, AK 99501-1100.

Please call me at your earliest convenience with any information you find out about these subjects. I can be reached at (907) 264-7345.

Thank you

Cynthia Karwowski
Associate Real Estate Specialist



DEED

THIS INDENTURE, made and entered into by and between the UNITED STATES OF AMERICA, acting through the Secretary of the Air Force under and pursuant to the powers and authority contained in the Alaska Communications Disposal Act approved November 14, 1967 (81 Stat. 441-444) (40 USC 771-792), and the delegation of authority to the Secretary of the Air Force from the Deputy Secretary of Defense dated October 25, 1968, and the redelegation of authority from the Secretary of the Air Force to the Deputy for Transportation and Communications dated June 25, 1970, Party of the First Part, and ECA Alaska Communications, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Alaska and duly authorized to do business in the State of Alaska, with principal office located at Anchorage, Alaska, Party of the Second Part:

WITNESSETH:

WHEREAS, the President has approved the transfer of the facilities conveyed by this deed; and

WHEREAS, the Secretary of the Interior has consented to the transfer of the interests in public land, conveyed by this deed; and

WHEREAS, under and pursuant to the delegation of authority cited above, the Secretary of the Air Force has determined that the United States does not need to retain the property involved in the transfer for national defense purposes; the transfer is in the public interest; the person to whom the transfer is made is prepared and qualified to provide, without interruption, the communication service involved in the transfer; and the long-line communication facilities will not directly or indirectly be owned, operated or controlled by a person who would legally be disqualified by subsection 310(a) of the Communication Act of 1934, as amended, from holding a radio station license; and

WHEREAS, the said Party of the Second Part has obtained the requisite licenses and certificates of convenience and necessity to operate interstate and intrastate commercial communications in Alaska from the appropriate Governmental regulatory bodies; and

WHEREAS, all the requirements of Title II of the said Alaska Communications Disposal Act have been met in connection with the real estate and interest therein conveyed by this deed; and

WHEREAS, under and pursuant to the provisions of the Act and delegations cited above the Party of the First Part and the Party of the Second Part did enter into a contract dated December 31, 1969 for the sale and transfer of the Government-owned long-line communication facilities in the State of Alaska as defined in said Act, which contract fixes and imposes the obligations of the parties relative thereto;

NOW THEREFORE, in consideration of the payment of the sum of One Hundred Three Thousand Seven Hundred Two - - - - - Dollars (\$103,702.00)

under said contract and assumption by the Party of the Second Part of all other obligations fixed and imposed by said contract, the Party of the First Part does hereby convey, remise, release, and assign, without warranty, unto the Party of the Second Part, its successors and assigns, the real estate and interests in real estate, except any mineral rights therein, lying, situate and being within the Aleutian Island Recording District, Third Judicial District, State of Alaska, and described on Exhibit A, attached to and made a part hereof, subject to the exceptions and limitations set forth therein.

TO HAVE AND TO HOLD the herein described property, together with all the privileges and appurtenances thereto belonging unto the Party of the Second Part, its successors and assigns, forever; subject to existing easements for public roads and highways, for public utilities, for railroads and for pipelines.

IN WITNESS WHEREOF, the Party of the First Part has caused these presents to be executed in its name by authority of the Secretary of the Air Force and the seal of the Department of the Air Force to be hereunto affixed. This conveyance is effective 12:01 a.m., Alaska Standard Time, 10 January 1971.



THE UNITED STATES OF AMERICA

By *John W. Perry*
JOHN W. PERRY

Deputy for Transportation and Communications
Office Assistant Secretary of the Air Force
(Installations and Logistics)

A C K N O W L E D G M E N T

STATE OF VIRGINIA)
) ss.
County of Arlington)

On this 8th day of January 1971, before me, *Carroll Samuel*, a Notary Public in and for the State of Virginia personally appeared JOHN W. PERRY to me personally known, who, being by me duly sworn, did say that he is Deputy for Transportation and Communications, Office Assistant Secretary of the Air Force (Installations and Logistics), and that the seal affixed to the within instrument is the seal of the Department of the Air Force, and that the within instrument was signed and sealed on behalf of the United States of America by authority of law, and said JOHN W. PERRY acknowledged the execution of the within instrument to be the free act and deed of the United States of America.

Given under my hand and seal the day, month and year first above written.

Carroll Samuel
Notary Public in and for the State of Virginia
Residing at: *Richmond, Va.*
My commission expires: *Jan. 29, 1971*

EXHIBIT A

ALEUTIAN ISLAND RECORDING DISTRICT, THIRD JUDICIAL DISTRICT
STATE OF ALASKA

UNALASKA ACS COMMUNICATION STATION

Parcel 1 *Unalaska*

A fee simple estate in and to a parcel of land located on Unalaska Island; being a portion of United States Survey No. 2567; said parcel being described as follows:

COMMENCING at U.S.L.M. No. 1945, which has a latitude of 53°52' N. and a longitude of 166°32' W.; thence North 20°13' East, a distance of 1,693.56 feet to the 1-2 line of said Survey; thence on said line North 44°42' East, a distance of 44.56 feet to the TRUE POINT OF BEGINNING; thence leaving said line North 43°00'20" West, a distance of 262.00 feet, more or less, to the 9-10 line of said Survey; thence on the boundary lines of said Survey, North 48°32' East, a distance of 39.70 feet to Corner No. 9; thence South 41°28' East, a distance of 50.16 feet to Corner No. 8; thence North 48°32' East, a distance of 102.30 feet to Corner No. 7; thence North 41°28' West, a distance of 68.86 feet; thence leaving said boundary lines North 48°32' East, a distance of 89.15 feet, more or less, to the 5-4 line of said Survey; thence on the boundary line of said Survey South 35°48' East, a distance of 211.53 feet to Corner No. 4; thence South 47°42' West, a distance of 114.84 feet to Corner No. 3; thence South 42°18' East, a distance of 68.64 feet to Corner No. 2; thence South 44°42' West, a distance of 90.04 feet, more or less, to said POINT OF BEGINNING.

94.04

The parcel of land above-described contains 1.03 acres, more or less.

Parcel 2 - *Haystack Hill*

A perpetual easement for antennas, as constructed; located on Unalaska Island, lying within two parcels of land being described in two parts as follows:

PART I

BEGINNING at Corner No. 10 of United States Survey No. 2567; thence South 45°00' West, a distance of 899.00 feet; thence South 45°00' East, a distance of 40.00 feet; thence North 45°00' East, a distance of 890.00 feet; thence North 48°32' East, a distance of 67.22 feet; thence North 43°00'20" West, a distance of 40.00 feet, more or less, to the 10-9 boundary line of said Survey; thence on said line, South 48°32' East, a distance of 67.22 feet to said Corner No. 10 and the POINT OF BEGINNING.

PART 2 *Unalaska*

COMMENCING at Corner No. 10 of United States Survey No. 2567; thence North 48°32' East, a distance of 67.22 feet; thence South 43°00'20" East, a distance of 122.00 feet to the TRUE POINT OF BEGINNING; thence South 46°00' West, a distance of 900.00 feet; thence South 45°00' East, a distance of 50.00 feet; thence North 46°00' East, a distance of 900.00 feet; thence North 43°00'20" West, a distance of 50.00 feet to the said POINT OF BEGINNING.

The two parcels of land above-described contain 1.99 acres, more or less.

Parcel 3 *Haystack Hill*

A perpetual easement for the operation and maintenance of a sewer line, as constructed; located on Unalaska Island, lying within a parcel

NOTE: FROM COMMUNITY - DO NOT DO THE EASEMENT FROM CENTER OF COUNCIL PACKET PAGE 71

of land being 50.00 feet wide; lying 25.00 feet on each side of the following described centerline:

COMMENCING at Corner No. 4 of United States Survey No. 2567; thence on the boundary line thereof North 35°48' West, a distance of 28.00 feet to the TRUE POINT OF BEGINNING; thence leaving said line North 48°12' East, a distance of 35.00 feet, more or less, to the lower, low tideline of Iliuliuk Bay.

The parcel of land above-described contains 0.02 of an acre, more or less.

SUBJECT to the terms and conditions of State of Alaska, Department of Natural Resources, Division of Lands, Right of Way Permit No. 32104 dated 2 February 1966.

Alascom, Inc. / 210 E. Bluff Rd. / P.O. Box 196607 / Anchorage, Alaska 99519-6607 / Tel 907-264-7000

December 10, 1993

John Bishop
Director of Planning
City of Unalaska
P.O. Box 610
Unalaska, AK 99685



Subject: Haystack Hill, Unalaska.

Dear John:

The purpose of this letter is to request your non objection to the installation of a communication tower on Alascom's Easement at Haystack Hill, Unalaska. Bristol Bay Cellular Partnership proposes to erect a 80' self supporting tower on Alascom's communication's easement parcel #2. Bristol Bay Cellular wishes to bring Mobil phone service to the community of Unalaska. Once this tower is installed, Alascom will remove the existing antennas from Alascom's tower and install them on Bristol Bay's new tower. Once this has taken place Alascom will dissemble and remove the old tower.

Attached is a drawing of the proposed site for the tower. Bristol Bay will also require a shelter to house its equipment. Alascom has no space available for their equipment.

If you have any questions or concerns, please call me at (907) 264-7345 or Jim Wickes at (907) 264-7343.

As owner of Tract C at Haystack Hill, please indicate the city's concurrence by signing this letter and returning it to the letterhead address or by fax (907) 264-7710. Your concurrence relates only to the city's position as landowner and not in its role as zoning and building code regulator.

Sincerely,

A handwritten signature in cursive script that reads 'Cynthia Karwowski'.

Cynthia Karwowski
Associate Real Estate Specialist

Acceptance:

On behalf of the City of Unalaska owner of Tract C at Haystack Hill, I do not object to this proposed tower and shelter described above.

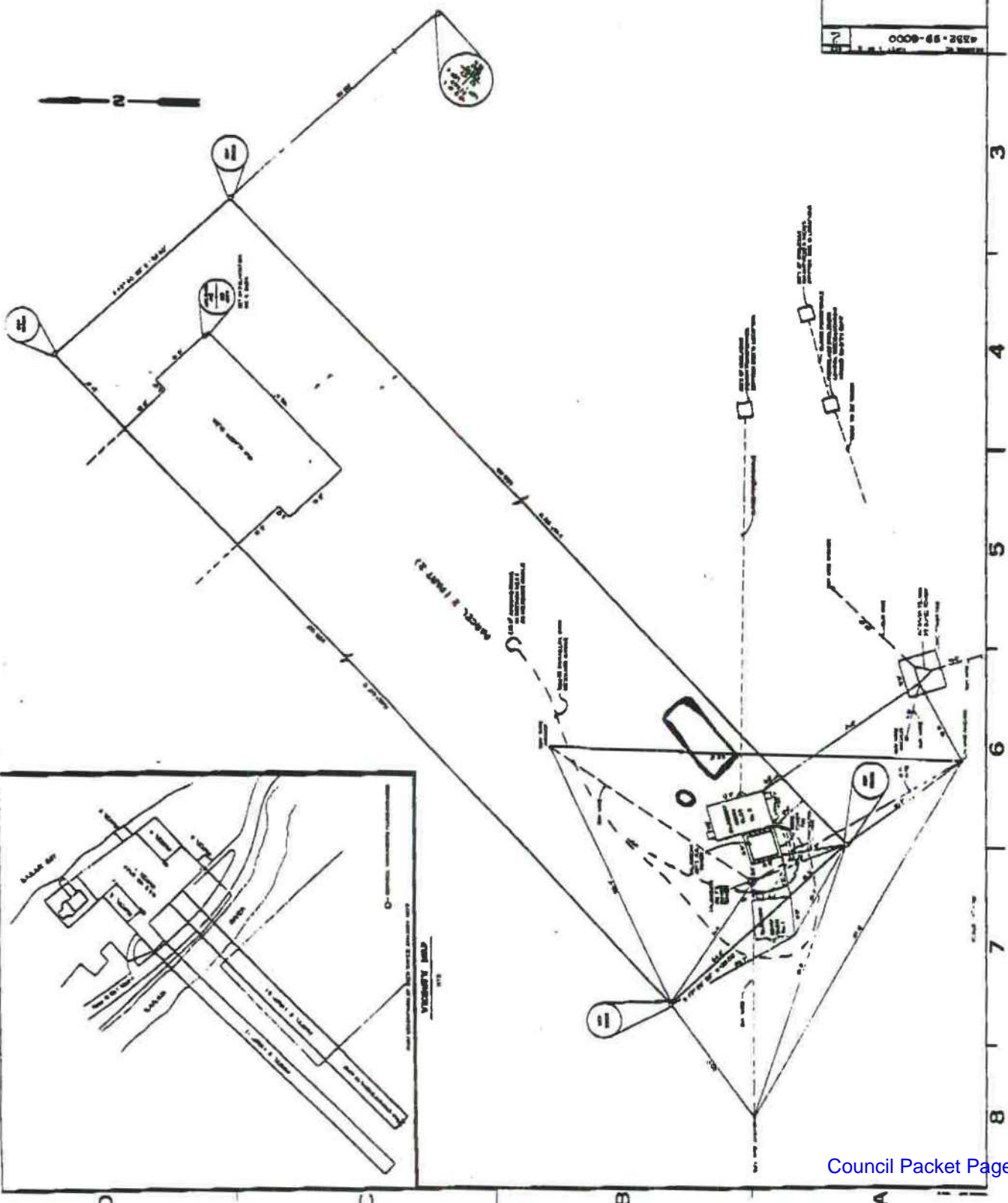
By: _____ Date: _____
John Bishop, Director of Planning

EXHIBIT 3: Haystack Leases, Page 9

EXHIBIT "A" Lease Agreement 93-034-4362 SP

SITE PLAN

NO. OF SHEETS	1
SHEET NO.	1
DATE	12/10/93
PROJECT NO.	4362-99-800
SCALE	AS SHOWN
DESIGNED BY	
CHECKED BY	
APPROVED BY	
DATE	



LEASE AGREEMENT

This Lease Agreement is made and entered into this 11th day of July 2003, between the City of Unalaska, a first-class Alaska municipal corporation ("Lessor"), whose address is P.O. Box 610, Unalaska, Alaska 99685, and Alaska Wireless Communications, LLC an Alaskan corporation ("Lessee"), whose address is P.O. Box 920721, Dutch Harbor, Alaska .99692.

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

- I. Leased Parcel: The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following parcel of land (collectively "Parcel") located within Needle Subdivision, Plat File No. 95-32, City of Unalaska, Aleutian Islands Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

A plan view of the Parcel and mete and bounds description is attached as Exhibit A, which shows the leased parcel and the location within Needle Subdivision.

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

1. Term: The term of this Lease shall be for a period of 20 year(s) commencing on the 11th day of July, 2003 and ending on the 10th day of July, 2023 unless sooner terminated as herein provided.

2. Rent: The Lessee shall pay to the Lessor ("Rent") in the amount of One Thousand, one hundred thirty-nine dollars and sixty-nine (\$1,139.69) per year, in advance, on January 1 of each year.

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

- (a) Commencing at the end of the fifth (5th) year of the term, and continuing at the end of every five (5) years thereafter the Rent shall be adjusted upward or downward in an equal amount to the percentage of change in the assessed unimproved value of Lessee's leasehold interest in the Parcel from the assessed unimproved value determined by the City Assessor for the tax year in which the last adjustment to Rent has

been made. For example, assuming Lessee's leasehold interest in the Parcel had an unimproved assessed value of \$100.00 during the tax year in which the last adjustment to Rent had been made and an assessed unimproved value of \$150.00 five (5) years later, the Rent due for the following five (5) years would be increased fifty percent (50%) from the rent paid during the previous five (5) years.

4. Payment of Rent: Rent payments shall be made payable to the City of Unalaska and delivered to the City of Unalaska Finance Department, P.O. Box 610, Unalaska, Alaska 99685, or to any other address which Lessor may designate in writing.

5. Interest on Delinquent Payments: All unpaid rents and fees shall accrue interest at the rate of ten and one-half per cent (10.5%) per annum beginning thirty (30) days after payment is due.

6. Performance Bond: Lessee shall at the time the lease period begins, provide a performance bond to Lessor based upon five percent (5%) of the estimated value of new improvements or the appraised value of existing improvements or \$5,000 whichever is greater.

(a) The Lessee shall within 60 days of completion of any new improvements including, but not limited to, structural improvements, towers, and equipment, file with the Lessor adequate and reasonable documentation of such improvements, setting forth all applicable costs and quantities. Within 30 days of providing Lessor such documentation, Lessee shall provide Lessor with an adjusted performance bond.

7. Use of Parcel: The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution and sanitation control. The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate itself and its improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent or suppress pollution of the ground, surface water, air, or land, and to prevent erosion or destruction of the land.

(a) Lessee may use the Parcel for any lawful purpose in connection with its telecommunication operations or any business purpose of Alaska Wireless Communications, LLC

(1) All equipment on the Parcel, including, but not limited to, antennas placed on the Parcel shall not interfere with other equipment which is

located on or about the same general site.

(2) All antennas and equipment shall be grounded to meet the National Electrical Code (NEC). The antenna/equipment facilities wind support guide lines shall include anti-reflective insulators as to prevent any Electro Magnetic Interference (EMI) with any other equipment on or about the site. The lessee will investigate any and all interference reports sent in written form. The Lessee will maintain technical support to correct any and all reports of interference by the Lessee's equipment. The Lessee will install any equipment necessary to filter, tune, and isolate any interference developed by the installed equipment.

(3) All towers shall be designed to prevent the climbing of the tower by the general public.

8. Quiet Enjoyment: Lessor covenants and agrees that Lessee, upon performance of all of Lessee's obligations under this Lease, shall lawfully, quietly and exclusively hold, occupy and enjoy the Parcel during the term of this Lease without disturbance by Lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, provided, however, that Lessor expressly reserves the right, without compensation or adjustment of rentals to Lessee, to grant surface, underground or overhead easements or rights-of-way for public improvements and purposes in or upon the Parcel if the exercise of this right will not unreasonably interfere with Lessee's improvements and use of the Parcel.

9. Alterations And Improvements: Upon receiving written permission from Lessor, Lessee may make alterations, additions and improvements to the Parcel, at Lessee's sole cost and expense. Lessor's consent shall not be unreasonably withheld. Lessee shall remove all improvements and personal property of Lessee from the Parcel at the end of the Lease term and the Parcel shall be restored to the condition prevailing on the effective date of this Lease.

10. Title To Improvements. All buildings, structures, fixtures and permanent improvements placed or attached on or about the Parcel by Lessee shall remain the property of Lessee until such time as the expiration or termination of this Agreement.

11. Removal Of Improvements And Chattels After Termination:

(a) Lessee shall, within three (3) months after termination of this Agreement, remove all improvements and chattels from the Parcel provided that Lessor first determines that such removal will not cause injury or damage to the Parcel or seriously impair its redisposal.

(b) If any improvements or chattels having an appraised value exceeding \$20,000.00 as determined by the Lessor, are not removed from the Parcel within the time allowed, they shall, upon thirty (30) days prior written notice to Lessee, be sold at public auction under the direction of Lessor.

(c) Any chattels or improvements having a total appraised value of \$20,000.00 or less, as determined by the Lessor, and which are authorized for removal by Lessor but are not removed within the time allowed, shall become the absolute property of the Lessor.

(d) Lessee shall reimburse Lessor for damages to the Parcel caused by the removal of fixtures and improvements.

12. Encumbrance of Parcel: The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's reversionary interest in the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld; and any such act or omission, without the prior written consent of the Lessor, shall be voidable by the Lessor.

13. Assignment of Lease and Sublease of Parcel: The Lessee may not assign this Lease or sublet the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld. No assignment of this Lease shall be approved until the assignee agrees to be subject to and governed by the provisions of this Lease in the same manner as the original Lessee to the extent that they may be applicable to the sublease except for the payment of Rent and other monetary obligations. No such assignment or sublease will be effective until approved by the Lessor in writing or shall annul the Lessee's obligation to pay the rent herein required for the full term of this Lease. Except as permitted by the Lessor, no subdivision of the Lessee's leasehold interest, including any exposed airspace thereon, shall occur.

14. Denial of Warranty Regarding Conditions: The Lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the natural, social, economic, or environmental conditions of the Parcel, including, without limitation, the soil, water and drainage conditions, natural or artificial hazards, and the profitability or fitness of the Parcel for any use.

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

15. Agreement to Terms of Lease: The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors, successors in interest and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants and conditions contained herein.

16. Utilities and Services: Lessee shall, at its expense, procure and timely pay for all services and utilities and hook-ups therefor which are necessary or appropriate for its operation or use of the Parcel.

17. Easements: Lessor reserves the right to make grants to third parties or reserve to the Lessor easements through, on or above the Parcel for the purpose of providing water, sewer or electric services to the Parcel or to adjacent properties, or for the purpose of providing reasonable public access to public waters, provided that no such easement or may be granted or reserved which unreasonably interferes with the Lessee's use of the Parcel.

18. Access: The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.

19. Valid Existing Rights: This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land of record on the date of execution of this Lease.

20. Inspection: The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance by the Lessee of the covenants and conditions of this Lease and for the performance of other lawful requirements.

21. Acquisition of Rights or Interests: Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.

22. Environmental Indemnification: If any hazardous substances are released or discharged on or from the Parcel to, on or about the Parcel or other properties, including, but not limited to, the surface or subsurface waters adjacent to the Parcel during the term of this Agreement, Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, but not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restorative work required by any

federal or state agency due to the presence of hazardous substances in the soil or groundwater on or under the Parcel or other affected properties, whether such losses arise during or after the term of this Agreement, but only to the extent that such release or discharge is not caused by the fault of Lessor or its agents, representatives, contractors or employees.

23. Hazardous Substances: Lessor represents and warrants to Lessee that, to the best of its information, knowledge and belief, no hazardous substances have been released, discharged or spilled on the Parcel; however, Lessor does not represent, warrant or guarantee that this is necessarily the case. Otherwise, Lessor has made no express or implied representations or warranties to Lessee with respect to the release, discharge or spillage of any hazardous substances in, on or about the Parcel. Lessee hereby releases and discharges Lessor, its affiliates and all of their respective past, present and future officials, employees, agents, attorneys, insurers and representatives, with prejudice, from any and all claims, obligations or liabilities which have arisen, resulted from or are based upon, or may in the future arise out of, result from or be based upon, in whole or in part, the past release, discharge or spill of any hazardous substances or other environmental pollution in, on or about the Parcel, regardless of whether such claim, obligation or liability, or the type or extent thereof, is now known or foreseeable; provided, however, that such release and discharge shall be inapplicable to claims, obligations and liabilities that are based upon a material breach of the representations and warranties made by Lessor in this Section.

24. Definition of Hazardous Substance: Hazardous substance, as such term is used in this Agreement, includes: (a) (1) crude oil, (2) petroleum, (3) diesel fuel, (4) marine fuel, (5) heating oil, (6) gasoline, (7) motor oil, (8) kerosene, (9) aviation fuel, (10) other petroleum products, additions and derivatives, (11) urea formaldehyde foam insulation, (12) asbestos, and (13) polychlorinated biphenyls; and (b) any other (1) pollutant, (2) contaminant or (3) toxic, flammable, explosive, radioactive, noxious, hazardous, extremely hazardous, dangerous or potentially dangerous waste, material or substance, the response to which or the remediation or removal of which is required, or the manufacture, preparation, production, use, maintenance, treatment, storage, transfer, disposal, handling, processing or ownership of which is restricted, prohibited, regulated or penalized by any federal or state law or regulation as now or hereafter in effect.

25. Erosion Prevention: Lessee shall prevent unwarranted erosion of the Parcel that is caused by Lessee's use or occupancy of the Parcel. Any such erosion shall be repaired in a manner satisfactory to Lessor at Lessee's sole expense.

26. Waiver or Forbearance: The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease.

No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, or the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease, nor destroy or in any manner or impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

27. Bankruptcy: In the event Lessee becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Lessee's interest under this Lease, Lessor shall have the right to declare this lease in default.

28. Breach and Remedies:

(a) Time is of the essence of this Lease. If the Lessee shall materially breach any of the terms, covenants, conditions or stipulations contained in this Lease or attached hereto which are applicable to it, and said breach shall not be completely cured within 60 days after written notice of such breach has been served by the Lessor upon the Lessee and each holder of a security interest in the Lessee's interest under this Lease that has notified the Lessor of such security interest, the Lessee shall be subject to such legal rights and remedies as the Lessor shall have available to it under applicable law, including, but not limited to, the termination of this Lease; provided, however, that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lessee may be in material breach of this Lease. In the event that this Lease is terminated by the Lessor for a material breach by the Lessee of this Lease, all rents paid by the Lessee shall be forfeited to and retained by the Lessor, not as a penalty, but as liquidated damages for such breach. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to such termination.

(b) If the Lessee fails to completely cure a material breach of this Lease by it within the time allowed in (a) of this paragraph, any holder of a security interest in the Lessee's interest under this Lease who has notified the Lessor such security interest may cure or remedy such breach if the breach can be cured by the payment of money or, if this cannot be done, by performing, or undertaking in writing to perform, the Lessee's obligations which are the subject of such breach that are capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of

this paragraph, or within any additional period, which the Lessor may allow for good cause.

(c) In the event that this Lease is terminated, or in the event that the Parcel is abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or reenter and take possession of such Parcel and without liability for any damage there for, remove all persons and personal properties therefrom, either by summary proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

29. Indemnification: To the fullest extent allowed by law, Lessee shall defend indemnify and hold harmless Lessor from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims arising out of or in connection with the use or occupancy of the Parcel by Lessee or by any other person holding under Lessee from any accident or fire on the Parcel and from any nuisances made or suffered thereon; and from any failure by Lessee to keep the Parcel in a safe and lawful condition except to the extent that such claims or demands are caused by the fault of Lessor or its agents, representatives, employees or contractors.

30. Surrender of Leasehold: Upon the expiration or sooner termination of this Lease, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel. In the event that Lessee remains in possession of the Parcel after the expiration of this Agreement with Lessor's permission, Lessee shall be deemed to be occupying the Parcel as a month-to-month tenant, subject to all of the terms and conditions of this Agreement and the law, to the extent that they may be applicable to a month-to-month tenant.

31. Required Insurance: The following insurance coverage is required to be furnished by the Lessee and is subject to annual review and adjustment by the Lessor, who may require reasonable increases in such coverage based on increased risks. Proof of the following coverage must be shown prior to execution of this Lease.

The insurance policies must be written by a company or companies that are on the Alaska Division of Insurance's "admitted list" or "surplus lines insurance list". The broker/agent must be licensed to do business in the State and, if surplus lines insurance is provided, the broker must have a surplus broker license.

(a) Comprehensive (Commercial) General Liability Insurance. Such insurance must have coverage limits of not less than \$1,000,000 combined single limits

per occurrence and not less than two million dollars (\$2,000,000) aggregate limits and shall include Parcel operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

The policies evidencing such coverage shall contain, or be endorsed to contain, the following provisions:

(1) The Lessor, its officers, its agents and its employees are to be covered as additional insureds with respect to liability arising out of use of the Parcel or operations of the Lessee with respect to the Parcel.

(2) The Lessee's insurance coverage shall be primary insurance with respect to the Lessor, its officers, agents, and employees. Any insurance or self insurance maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute to it.

(3) Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit brought except with the respect to the limits of insurer's liability.

(4) That, as respects the interests of Lessor, such insurance shall (A) not be invalidated by any action or neglect of any person other than Lessor and (B) insure Lessor regardless of any misrepresentation, breach or non-observance of any warranty, declaration or condition contained in any applications by Lessee for, or policy evidencing, such insurance; and

(5) That no such insurance shall be canceled or materially changed as respects the interests of Lessor on less than thirty days prior written notice to Lessor;

(b) Workers' Compensation and the Employer's Liability Coverage. The Lessee shall be covered with workers compensation insurance and employer's liability insurance in the required statutory amounts.

32. Notices: All notices, required or permitted under this Lease shall be personally delivered or sent by certified mail, postage prepaid, to the parties at the following addresses:

To Lessor: City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685

To Lessee: Alaska Wireless Communications, LLC
P. O. Box 920721
Dutch Harbor, Alaska 99692

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if personally delivered or sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Lessee's interest in the Lease has properly given notice of its security interest in the Lease to the Lessor.

33. Integration and Modification: This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.

34. Amendments: This Lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

35. Severability of Clauses of Lease Agreement: If any clause, or provision, herein contained, shall be adjudged to be invalid or unenforceable, it shall not affect the validity or enforceability of any other clause or provision of this Lease or give any cause of action in favor of either party as against the other.

36. Applicable Law: This Lease shall be governed by the laws of the State of Alaska. The venue for any dispute between the parties shall lie exclusively with the courts for the Third Judicial District for the State of Alaska at Anchorage, or, alternatively, with the United States District Court for the District of Alaska at Anchorage, unless a nonwaivable federal or Alaska law should require to the contrary.

37. Effective Date: This Lease shall not be effective until and unless approved by the City Council of Lessor and the Board of Directors of Lessee. This Lease shall become effective upon the occurrence of the last such approval.

IN WITNESS WHEREOF the Lessor and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the terms, conditions and provisions herein contained or attached, which on the Lessor's or the Lessee's respective parts are to be kept, observed and performed.

LESSEE: Alaska Wireless Communications, LLC

By: M.B.H.

Its: President

LESSOR: CITY OF UNALASKA,
a first-class Alaska municipal corporation

By: [Signature]

Its: City Manager

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 9th day of July, 2003, by Mark B. Hoel, the president of Alaska Wireless Communications, LLC, on behalf of the corporation.



[Signature]
NOTARY PUBLIC in and for Alaska
My Commission Expires: 10/5/04

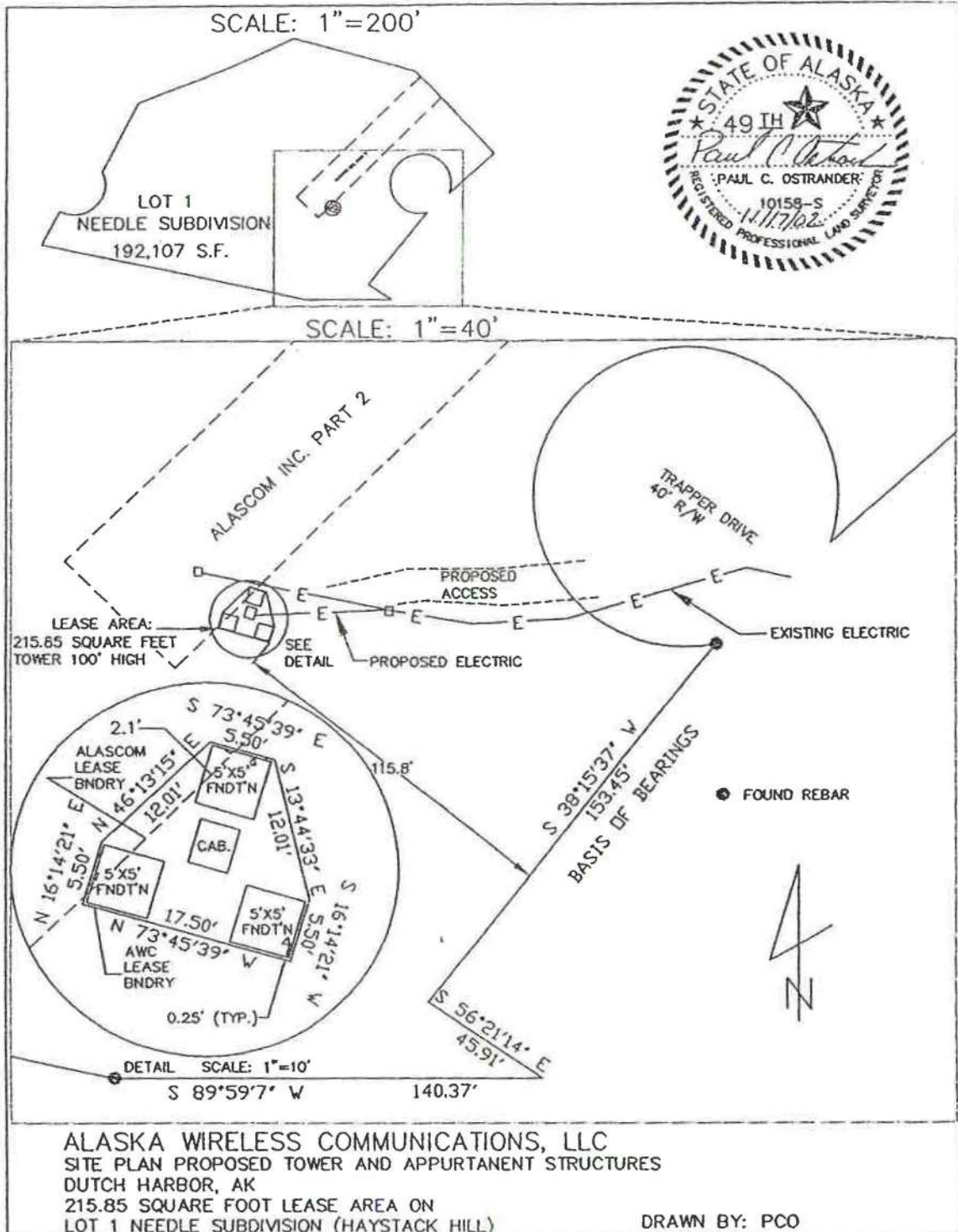
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 11th day of July, 2003, by [Signature], the City Manager of the City of Unalaska, a first-class Alaska municipal corporation, on behalf of the City.



[Signature]
NOTARY PUBLIC in and for Alaska
My Commission Expires: 10/11/04

ATTACHMENT 'F'



ALASKA WIRELESS COMMUNICATIONS, LLC
METES AND BOUNDS DESCRIPTION OF LEASE BOUNDARY
CITY OF UNALASKA PROPERTY
UNALASKA, AK

The following is a description of the lease boundary for a cellular tower and appurtenant structures on Lot 1 Needle Subdivision, atop Haystack Hill, in Dutch Harbor, Alaska. This property will be leased to Alaska Wireless Communications, LLC from the City of Unalaska for purposes of constructing and maintaining the above-referenced cellular tower and the appurtenant structures.

Beginning at a 5/8" rebar capped with a yellow plastic cap stamped TNH, found at the angle point of the west boundary of said lot at the intersection of two property boundaries one bearing S 77-43-06 E 436.67' and the other bearing S 89-59-07 W 140.37',
Thence; N 12-24-31 E, 155.10' to the POB of this description, Corner 1 of said lease boundary,
Thence; N 16-14-21 E, 5.50' to Corner 2 of said lease boundary,
Thence; N 46-13-15 E, 12.01' to Corner 3 of said lease boundary,
Thence; S 73-45-39 E, 5.50' to Corner 4 of said lease boundary,
Thence; S 13-44-33 E, 12.01' to Corner 4 of said lease boundary,
Thence; S 16-14-21 W, 5.50' to Corner 5 of said lease boundary,
Thence; N 73-45-39 W, 17.50' to the P.O.B, Corner 1 of said lease boundary,

Containing 215.85 Square feet more or less.

Basis of bearings for the above description is from City of Unalaska provided lease drawing of Lot 1 Needle Subdivision. Bearing used for basis on above-referenced drawing is N 74-45-26 W along the northerly boundary of said Lot 1.

LEASE AGREEMENT AMENDMENT

This agreement made on this 21st day of February 2006 between the City of Unalaska, a first-class Alaska municipal corporation ("Lessor"), whose address is P.O. Box 610, Unalaska, AK 99685 and Alaska Wireless Communications, LLC an Alaskan corporation ("Lessee"), whose address is P.O. Box 920721, Dutch Harbor, AK 99692, amends the Lease Agreement dated July 11, 2003 and entered into by the Lessor and Lessee by adding the following new sections, and by making the amendments referenced therein:

38. Tsunami Warning Siren: Lessee shall permit Lessor to use Lessee's tower on the Leased Parcel (described in "I" of the first page of the Lease Agreement) ("the Haystack Hill site") for Lessor's Tsunami Warning Siren.

39. Term: Lessor's permission to use the Lessee's tower expires on the same day as the lease of the Haystack Hill site as set forth in Section 1 of the Lease Agreement.

40. Permit Fee: Lessor shall compensate Lessee for use of the tower for Lessor's Tsunami Warning Siren in an amount equal to the rent, and future adjustment thereto, provided for under Sections 2 and 3 of the Lease Agreement. It is the intent of the parties that Lessor's compensation for use of the tower shall be offset by Lessee's annual rental amount for the Haystack Hill site. Sections 2 and 4 of the Lease Agreement are amended accordingly such that Lessee shall no longer be obligated to make an annual rental payment to the Lessor for the term of the Lease. This amendment to the Lease Agreement does not in any way require Lessor to refund any prepaid rent.

41. Access: Lessor shall have reasonable access to Lessee's tower.

42. Notice Respecting Towers: Except in the case of an emergency, 72 hours prior to accessing the tower for repairs, maintenance, improvements, tests, or adjustments which may affect the other party's equipment on the tower, notice shall be given by telephone as follows: to Lessor at the Department of Public Safety 907-581-1233, to Lessee at Alaska Wireless 907-581-5071. In the event of an emergency, notice shall be given as soon as possible, but not more than 24 hours after the tower has been accessed. For the purposes of this section, an emergency includes any manner of problem with the Lessee's communication equipment or Lessor's Tsunami warning siren that arises unexpectedly and which interferes with or disrupts the communication equipment or the effectiveness of the Tsunami siren to give warning in the event of an anticipated or actual Tsunami.

By signing below we agree to modify and amend the July 11, 2003 Lease Agreement with the additional terms set forth above and as provided for in Section 34 of that agreement:

LESSEE: Alaska Wireless Communications, LLC

By: MBL M. HORNE

Its: PRESIDENT

LESSOR: City of Unalaska, a first-class Alaska Municipal Corporation

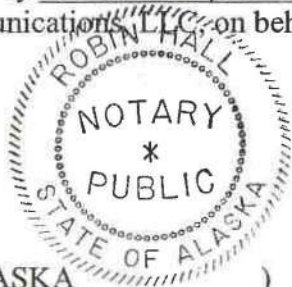
By: [Signature]

Its: City Manager

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT)

ss.

The foregoing instrument was acknowledged before me this 15th day of Feb, 2006 by Mark Horne the President of Alaska Wireless Communications, LLC on behalf of the LLC.

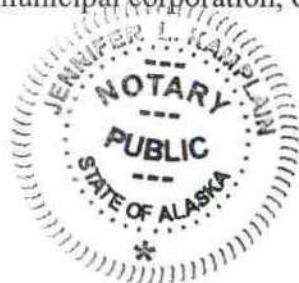


[Signature]
NOTARY PUBLIC in and for Alaska
My Commission Expires: 11-24-07

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT)

ss.

The foregoing instrument was acknowledged before me this 21st day of February, 2006 by Chris Hoduck the City Manager of the City of Unalaska, a first-class Alaska municipal corporation, on behalf of the City.



[Signature]
NOTARY PUBLIC in and for Alaska
My Commission Expires: 10/5/08

SECOND LEASE AGREEMENT AMENDMENT

This agreement made on this 28th day of August, 2006 between the City of Unalaska, a first-class Alaska municipal corporation (“Lessor”), whose address is P.O. Box 610, Unalaska, AK 99685 and Alaska Wireless Communications, LLC an Alaskan corporation (“Lessee”), whose address is P.O. Box 920721, Dutch Harbor, AK 99692, is the second amendment to the Lease Agreement dated July 11, 2003 and entered into by the Lessor and Lessee. The First Lease Agreement Amendment was made on February 21, 2006.

The Lease Agreement as already amended is further amended as follows:

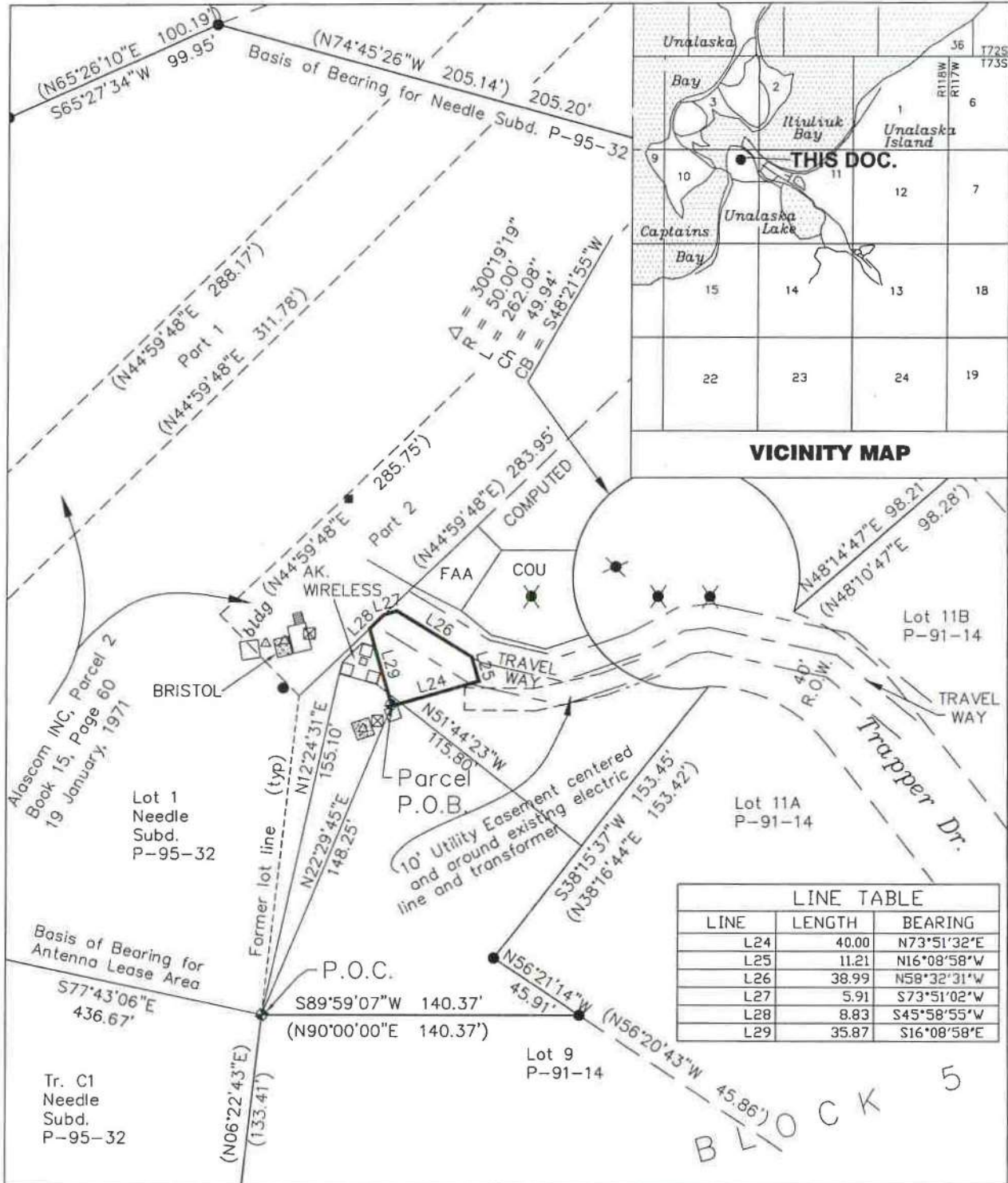
1. The description of the Leased Parcel in “I.” on page 1 of the Lease Agreement is amended to include an additional 1,205.65 square feet as shown on the plan view attached to this amendment as exhibit A and the metes and bounds description attached as exhibit B. With the leased area added by this amendment the Leased Parcel encompasses a total of 1421.50 square feet.

2. Section 2 of the Lease Agreement is amended to read as follows: Rent: The Lessee shall pay to the Lessor (“Rent”) in the amount of ONE THOUSAND, SIX HUNDRED TWENTY ONE AND 95/1000 DOLLARS (\$1,621.95) per year, in advance, on January 1 of each year. Of this Rent, ONE THOUSAND ONE HUNDRED THIRTY NINE AND 69/100 DOLLARS (\$1,139.69) is offset by the Permit Fee as described in Section 40 added to the Lease Agreement in the First Lease Agreement Amendment. This leaves FOUR HUNDRED AND EIGHTY TWO AND 26/1000 DOLLARS (\$482.26) Lessee is required to remit to Lessor annually. The Rent Lessee is required to remit to Lessor shall be pro-rated for the year that this amendment is entered into and is payable 30 days after this amendment becomes effective.

3. The FOUR HUNDRED AND EIGHTY TWO AND 26/1000 DOLLARS (\$482.26) Lessee is required to remit to Lessor shall be adjusted pursuant to Sections 3 and 4 of the Lease Agreement notwithstanding Section 40 added in the First Lease Agreement Amendment.

There are no other changes made to the Lease Agreement or the First Lease Agreement Amendment.

By signing below we agree to modify and amend the July 11, 2003 Lease Agreement with the additional terms set forth above and as provided for in Section 34 of that agreement:



VICINITY MAP

LINE TABLE		
LINE	LENGTH	BEARING
L24	40.00	N73°51'32"E
L25	11.21	N16°08'58"W
L26	38.99	N58°32'31"W
L27	5.91	S73°51'02"W
L28	8.83	S45°58'55"W
L29	35.87	S16°08'58"E

Exhibit 'A'



CITY OF UNALASKA Department of Planning P.O. Box 610 Unalaska, AK 99685	SCALE: N.T.S
	AK_Wireless_tower & lease_3.dwg
Alaska Wireless Original Tower Location from Lease Agreement with Proposed 1,205.65 SF Lease Parcel (To Allow Room For Travelway)	DWG BY: R. Glorso
	DATE: 8/8/2006
	PLOT AT: 1

Exhibit B

Beginning at a 5/8" rebar capped with a yellow plastic cap stamped TNH, found at the angle point of the west boundary of said lot at the intersection of two property boundaries one bearing S77°43'06"E a distance of 436.67 feet; and the other bearing S89°59'07"W a distance of 140.37 feet; said point being the Point of Commencement;

Thence N22°29'45"E a distance of 148.25 feet to the Point of Beginning;

Thence N73°51'32"E a distance of 40.00 feet (line 24);

Thence N16°08'58"W a distance of 11.21 feet (line 25);

Thence N58°32'31"W a distance of 38.99 feet (line 26);

Thence S73°51'02"W a distance of 5.91 feet (line 27);

Thence S45°58'55"W a distance of 8.83 feet (line 28);

Thence S16°08'58"E a distance of 35.87 feet (line 29) to the Point of Beginning;

Said lease parcel containing 1,205.65 square feet, more or less.

**Metes and Bounds Description for a Proposed Lease Parcel to Include
an Allowance for the Current Travelway**

Beginning at a 5/8" rebar capped with a yellow plastic cap stamped TNH, found at the angle point of the west boundary of said lot at the intersection of two property boundaries one bearing S77°43'06"E a distance of 436.67 feet; and the other bearing S89°59'07"W a distance of 140.37 feet; said point being the Point of Commencement;

Thence N22°29'45"E a distance of 148.25 feet to the Point of Beginning;

Thence N73°51'32"E a distance of 40.00 feet (line 24);

Thence N16°08'58"W a distance of 11.21 feet (line 25);

Thence N58°32'31"W a distance of 38.99 feet (line 26);

Thence S73°51'02"W a distance of 5.91 feet (line 27);

Thence S45°58'55"W a distance of 8.83 feet (line 28);

Thence S16°08'58"E a distance of 35.87 feet (line 29) to the Point of Beginning;

Said lease parcel containing 1,205.65 square feet, more or less.

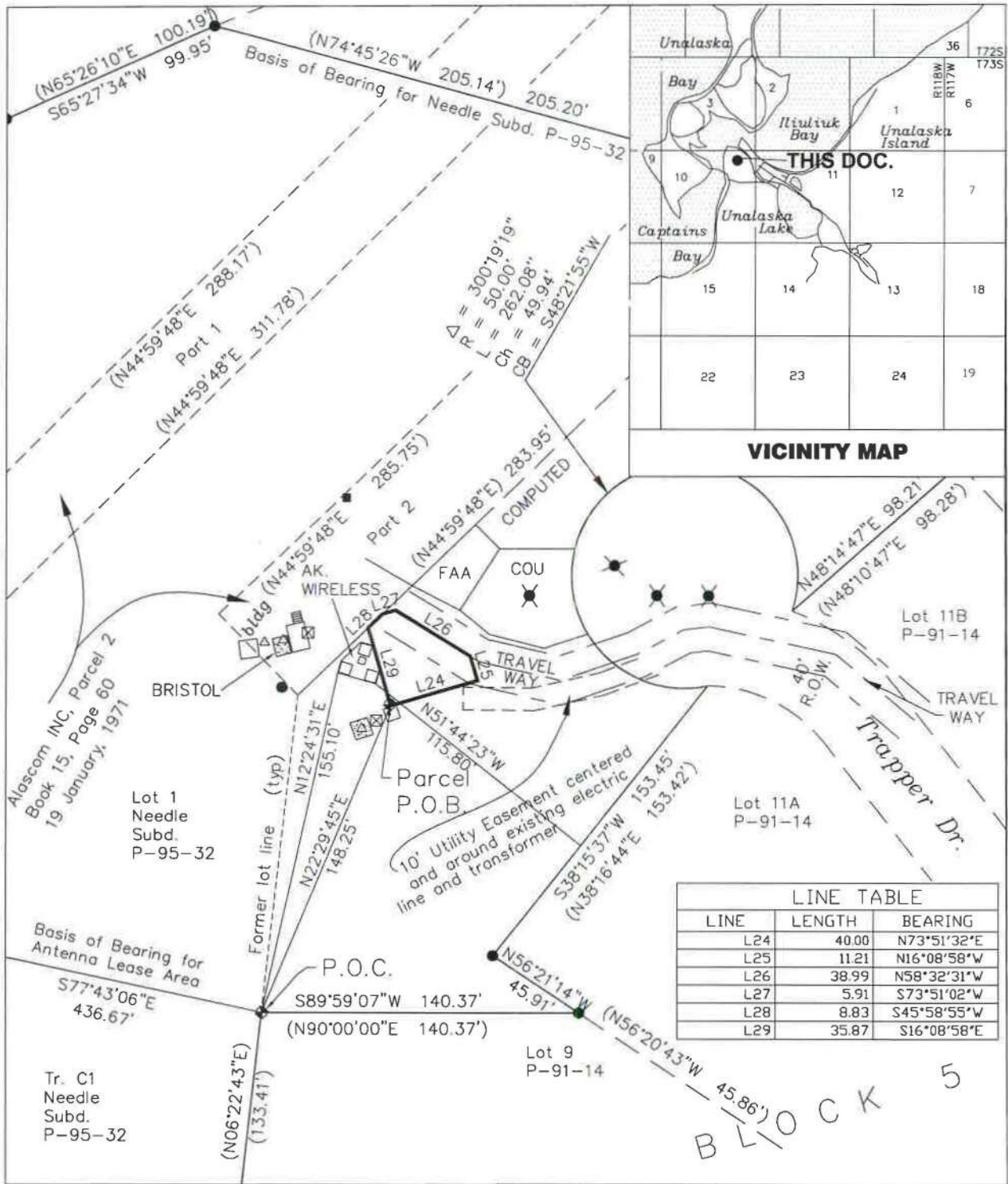


Exhibit 'A'



CITY OF UNALASKA Department of Planning P.O. Box 610 Unalaska, AK 99685	SCALE: N.T.S
	AK_Wireless_tower & lease_3.dwg
Alaska Wireless Original Tower Location from Lease Agreement with Proposed 1,205.65 SF Lease Parcel (To Allow Room For Travelway)	DWG BY: R. Glorso
	DATE: 8/8/2006
	PLOT AT: 1

TRACT NAME: PROPOSED LEASE PARCEL
EXHIBIT 3: Haystack Leases Page 31

DESCRIPTION: ALL TRACTS MAY
DISTANCE UNITS: Feet

POINT OF BEGINNING: N=454.50000', E=532.50000'

TYPE	DIRECTION	DISTANCE	NORTHING	EASTING	DESCRIPTION
LINE	N 73°51'32" E	40.00'	465.62016'	570.92320'	
LINE	N 16°08'58" W	11.21'	476.38781'	567.80521'	
LINE	N 58°32'31" W	38.99'	496.73568'	534.54586'	
LINE	S 73°51'02" W	5.91'	495.09185'	528.86907'	
LINE	S 45°58'55" W	8.83'	488.95602'	522.51924'	
LINE	S 16°08'58" E	35.87'	454.50147'	532.49625'	

Area: 1,205.65 Sq. Feet, 0.028 Acres (Un-balanced)

Perimeter: 140.81'

Closing line: S 68°37'51" E, 0.00'

Error in closure: 1:34964

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

LAND LEASE OFF AIRPORT

Lease No: DTFAAL-04-L-00008

Geographical Location: Unalaska, Alaska

THIS LEASE is hereby entered into by the City of Unalaska whose address is P.O. Box 610, Unalaska, Alaska, 99685 hereinafter referred to as the Lessor and the United States of America, herein after referred to as the Government. This lease shall become effective when it is fully executed by all parties. The terms and provisions of this lease, and the conditions herein, bind the Lessor and the Lessor's heirs, executors, administrators, successors, and assigns.

WITNESSETH: The parties hereto, for the consideration hereinafter mentioned covenant and agree as follows:

1. PREMISES (AUG-02):

The Lessor hereby leases to the Government the following described property, located within protracted Section 10, T. 73 S., R 118 W., Seward Meridian, Unalaska, Aleutian Island Recording District, herein after referred to as the premises, viz:

LEGAL DESCRIPTION

Haystack Hill RCO Tract

Proceed N 06° 22' 43" E, a distance of 142.44 feet more or less, to the most southerly corner of Parcel 2, Part 2;
thence N 45° 59' 48" E, a distance of 70.01 feet along the most southerly line of said parcel to a point, said point being the True Point of Beginning for this description;
thence along said line N 45° 59' 48" E, a distance of 38.94 feet to a point;

thence S 45° 00' 12" E, a distance of 15.12 feet to a point;
thence S 32° 41' 44" W, a distance of 32.42 feet to a point;
thence N 62° 44' 28" W, a distance of 23.84 feet to the True Point of Beginning.

Containing approximately 679 square feet, more or less, as shown on the attached drawing (marked as Exhibit A) made a part hereof.

Together with a right-of-way for ingress to and egress from the premises; a right-of-way for establishing and maintaining an underground line or underground lines for extending electric power and/or telecommunication lines to the premises; and a right-of-way for subsurface power, communication and/or water lines to the premises; all rights-of-way to be over said lands and adjoining lands of the Lessor, and unless herein described otherwise, to be by routes reasonably determined to be the most convenient to the Government.

A. And the right of grading, conditioning, and installing drainage facilities, and seeding the soil of the premises, and the removal of all obstructions from the premises which may constitute a hindrance to the establishment and maintenance of Government facilities.

B. And the right to make alterations, attach fixtures, and erect additions, structures, or signs, in or upon the premises hereby leased, which alterations, fixtures, additions, structures or signs so placed in or upon, or attached to the said premises shall be and remain the property of the Government.

2. TERM (AUG-02):

To have and to hold, for the term commencing on September 1, 2004 and continuing through September 30, 2024 inclusive.

3. CONSIDERATION:

The Government shall pay the Lessor for the premises for and in consideration of \$270.10 annually, in arrears, lawful money of the United States of America, in hand paid, the receipt of which is hereby acknowledged for the term set forth in Article 2 above, and without cost for each annual renewal exercised by the Government hereafter.

4. CANCELLATION (AUG-02):

The Government may terminate this lease, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination

is in the best interest of the Government. The RECO shall terminate by delivering to the lessor a written notice specifying the effective date of the termination. The termination notice shall be delivered by registered mail, return receipt requested and mailed at least 30 days before the effective termination date.

5. ELECTRONIC FUNDS TRANSFER (EFT) PAYMENT (NOV-97):

Payments by the Government under this contract will be made by electronic funds transfer (EFT). At the option of the Government payments may be made by check or other means. When payment is made by EFT, the Government may, at its option, also forward the associated payment information by electronic transfer. EFT refers to funds transfer and information transfer.

The Government is not required to make any payment under this contract until after receipt, by the Contracting Officer of the correct EFT payment information. However, in the event the lessor certifies in writing to the Contracting Officer that the lessor does not have an account with a financial institution or an authorized payment agent, payment may be made by other than EFT.

Prior to the first payment under this contract, the lessor (vendor) shall provide the information required to make contract payment by EFT, directly to the Government payment office named in this contract. A single bank or financial agent must be designated, capable of receiving and processing the electronic funds transfer using the method below. In the event that the EFT information changes, the contractor shall be responsible for providing the changed information to the designated payment office. The lessor shall pay all fees and charges for receipt and processing of EFTs.

The Government will make payments by EFT through an Automated Clearing House (ACH). However, the Federal Reserve Wire Transfer System may be used at the Government's option. The attached form "Vendor/Miscellaneous Payment Information Form" must have the sections "Payee/Company Information" and "Financial Institution Information" completed prior to award. Do not complete the Vendor/Miscellaneous Payment Information Form until instructed to do so.

The Lessor agrees that the lessor's bank or financial agent may notify the Government of a change to the routing transit number, contractor account number, or account type.

6. QUIET ENJOYMENT (OCT-96):

The Lessor warrants that they have good and valid title to the

premises, and rights of ingress and egress, and warrants and covenants to defend the Government's use and enjoyment of said premises against third party claims.

7. NOTIFICATION OF CHANGE IN LAND TITLE (AUG-02):

If the Lessor sells or otherwise conveys to another party or parties any interest in the aforesaid land, rights of way thereto, and any areas affecting said demised premises, they shall notify the Government, in writing, of any such transfer or conveyance affecting the demised premises within 30 calendar days after completion of the "change in property rights". Concurrent with the written notification, the Lessor shall provide the Government copies of the legal document(s) (acceptable to local authorities) for transferring and or conveying the property rights.

8. SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (OCT-96):

The Government agrees, in consideration of the warranties herein expressed, that this lease is subject and subordinate to any and all recorded deeds of trust, mortgages, and other security instruments now or hereafter imposed upon the premises, so long as such subordination shall not interfere with any right of the Government under this lease. It is mutually agreed that this subordination shall be self operative and that no further instrument shall be required to effect said subordination.

In the event of any sale of the premises, or any portion thereof, or any such transfer of ownership, by foreclosure of the lien of any such security instrument, or deed provided in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, successor, assigns, or transferee. The succeeding owner will be deemed to have assumed all rights and obligations of the Lessor under this lease, establishing direct privity of estate and contract between the Government and said purchasers/transferees with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided that such

transferees shall promptly provide, following such sale or transfer, appropriate documentation deemed necessary by the Real Estate Contracting Officer, and shall promptly execute any instrument, or other writings, as shall be deemed necessary to document the change in ownership.

9. NOTICES (OCT-96):

All notices/correspondence shall be in writing, reference the lease number, and be addressed as follows:

TO LESSOR:

The City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685

TO GOVERNMENT:

Federal Aviation Administration
Acquisition and Real Estate Branch
222 W. 7th Avenue, #14
Anchorage, Alaska 99513-7587

10. PROTEST AND DISPUTES (OCT-96)

All contract disputes arising under or related to this contract or protests concerning awards of contracts shall be resolved under this clause, and through the Federal Aviation Administration (FAA) Dispute Resolution System. Judicial review, where available, will be in accordance with 49 U.S.C.46110 and shall apply only to final agency decisions. The decision of the FAA shall be considered a final agency decision only after a Lessor or Offeror has exhausted their administrative remedies for resolving a contract dispute under the FAA Dispute Resolution System. Protests must be filed with the Office of Dispute Resolution within 5 calendar days of the date that the protester was aware, or should reasonably have been aware, of the agency action or inaction, which forms the basis of the protest. Unless otherwise stated in this contract, a dispute by the Lessor against the government shall be submitted to the Real Estate Contracting Officer within 1 year after the accrual of the contract dispute. Information relating to submitting a protest or dispute will be provided by the Contracting Officer upon request.

11. ANTI-KICKBACK (OCT-96):

The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States Government or in the contract price charged by a subcontractor to a prime contractor or higher tier subcontractor.

is in the best interest of the Government. The RECO shall terminate by delivering to the lessor a written notice specifying the effective date of the termination. The termination notice shall be delivered by registered mail, return receipt requested and mailed at least 30 days before the effective termination date.

5. ELECTRONIC FUNDS TRANSFER (EFT) PAYMENT (NOV-97):

Payments by the Government under this contract will be made by electronic funds transfer (EFT). At the option of the Government payments may be made by check or other means. When payment is made by EFT, the Government may, at its option, also forward the associated payment information by electronic transfer. EFT refers to funds transfer and information transfer.

The Government is not required to make any payment under this contract until after receipt, by the Contracting Officer of the correct EFT payment information. However, in the event the lessor certifies in writing to the Contracting Officer that the lessor does not have an account with a financial institution or an authorized payment agent, payment may be made by other than EFT.

Prior to the first payment under this contract, the lessor (vendor) shall provide the information required to make contract payment by EFT, directly to the Government payment office named in this contract. A single bank or financial agent must be designated, capable of receiving and processing the electronic funds transfer using the method below. In the event that the EFT information changes, the contractor shall be responsible for providing the changed information to the designated payment office. The lessor shall pay all fees and charges for receipt and processing of EFTs.

The Government will make payments by EFT through an Automated Clearing House (ACH). However, the Federal Reserve Wire Transfer System may be used at the Government's option. The attached form "Vendor/Miscellaneous Payment Information Form" must have the sections "Payee/Company Information" and "Financial Institution Information" completed prior to award. Do not complete the Vendor/Miscellaneous Payment Information Form until instructed to do so.

The Lessor agrees that the lessor's bank or financial agent may notify the Government of a change to the routing transit number, contractor account number, or account type.

6. QUIET ENJOYMENT (OCT-96):

The Lessor warrants that they have good and valid title to the

15. OFFICIALS NOT TO BENEFIT (OCT-96):

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

16. RESTORATION (OCT-96):

The Government shall surrender possession of the premises upon the date of expiration or termination of this lease. If the Lessor provides written notice, prior to the date of expiration or termination, requesting restoration of the premises, the Government at its option shall within 180 days after such expiration or termination, or within such additional time as may be mutually agreed upon, either:

(a) Restore the premises to as good condition as that existing at the time of the Government's initial entry upon the premises under this lease or any preceding lease (changes to the premises in accordance with paragraph 1(a), 1(b) and 1(c) above, ordinary wear and tear, damage by natural elements and by circumstances over which the Government has no control, excepted) or,

(b) Make an equitable adjustment in the lease amount for the cost of such restoration of the premises or the diminution of the value of the premises if unrestored, whichever is less. Should a mutually acceptable settlement be made hereunder, the parties shall enter into a supplemental agreement hereto effecting such agreement.
(10/96)

17. EXAMINATION OF RECORDS (AUG-02):

The Comptroller General of the United States, the Administrator of FAA or a duly authorized representative from either shall, until 3 years after final payment under this contract have access to and the right to examine any of the Lessor's directly pertinent books, documents, paper, or other records involving transactions related to this contract.

18. LEASE SUCCESSION (AUG-02): This lease supersedes Lease No. DTFA04-99-L-17937 and all other previous agreements between the parties for the leased property described in this document.

19. **SIGNATURE BLOCK (AUG 02):**

IN WITNESS WHEREOF, the parties hereto have signed their names:

LESSOR:

_____ Date: _____
(Signature)

(Official Title)

State of Alaska)
Third Judicial District) ss.

THIS IS TO CERTIFY that on this ____ day of _____ 2004, before me a Notary Public in and for the State of Alaska, personally appeared _____, known to me to be the identical individual described in and who executed the foregoing instrument, as the City of Unalaska representative which executed the above and foregoing instrument; who on oath stated that he/she as duly authorized to execute said instrument on behalf of said corporation; who acknowledged to me that he/she the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for Alaska
My Commission Expires: _____

(seal)

UNITED STATES OF AMERICA:

_____ Date: _____

(Signature)
Nora Braman-Knox

Real Estate Contracting Officer
(Official Title)

United States Federal Aviation Administration Acknowledgement

State of Alaska)
) ss.
Third Judicial District)

THIS IS TO CERTIFY that on this ____ day of _____ 2004, before me a Notary Public in and for the State of Alaska, personally appeared Nora Braman-Knox, known to me to be the identical individual described in and who executed the foregoing instrument, as the Real Estate Contracting Officer for the **United States: Federal Aviation Administration**, and acknowledged to me that she signed and sealed the same in the name of and for and on behalf of said **United States Federal Aviation Administration**, freely and voluntarily and with authority to do so for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for Alaska
My Commission Expires: _____

(seal)

DTFAAL-04-L-00008
Page 10 of 10

LEASE AGREEMENT

This Lease Agreement is made and entered into this 14th day of October 2014, between the City of Unalaska, a first-class Alaska municipal corporation ("Lessor"), whose address is P.O. Box 610, Unalaska, Alaska 99685, and TelAlaska Cellular, Inc., an Alaskan corporation ("Lessee"), whose address is 201 E. 56th Avenue, Anchorage, AK 99518.

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

Leased Parcel: The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following parcel of land (collectively "Parcel") located within, Plat File No. 95-32, City of Unalaska, Aleutian Islands Recording District, Third Judicial District, State of Alaska, more particularly described as follows, with the right of vehicular access to and from the Premises across Tract C and Lot 1, Needle Subdivision:

From the northwestern most corner lot corner of Lot 9, Block 5, Haystack Hill Subdivision, P-91-14 and the same point as shown on Needle Subdivision, thence heading N 06 22 43 E, 142.44 feet to a point being the True Beginning of the bounded area of lease; Thence heading S 06 22 43 W, 120 feet, then turning N 45 00 12 W, 186 feet, then turning N 44 39 48 E, 155 feet, then turning S 45 00 12 E, 70 feet, then turning S 45 59 48 W, 55 feet, then turning S 45 00 12 E a distance of 50 feet to the point of True Beginning, comprising 19,150 square feet.

A plan view of the Premises is attached as Exhibit A which shows the leased parcel and the location in Needle Subdivision.

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

1. **Term:** The term of this Lease shall be for a period of 20 year(s) commencing on the October 14, 2014 and ending on December 31, 2034 unless sooner terminated as herein provided.

Early Termination by Lessee: Lessee shall have the option to terminate this lease at any time prior to the expiration of the initial term subject to the following conditions:

1. TelAlaska Lease Agreement

(a) Lessee shall give Lessor written notice of its intent to so terminate this lease no less than ninety (90) days prior to the date of termination; and

(b) Lessee shall pay a termination fee to Lessor equal to one year's rent at the then-existing rental rate.

2. Rent: The Lessee shall pay to the Lessor ("Rent") in the amount of Ten Thousand Eight Hundred Dollars (\$10,800) per year, in advance, on January 1 of each year, based on the market rate for tower and cell site leases as determined by the City Assessor.

3. Adjustments to Rent: Commencing at the end of the fifth (5th) year of the term, and continuing at the end of every five (5) years thereafter the Rent shall be adjusted upward or downward, but not less than Nine Thousand Six Hundred Dollars (\$9,600), in accordance with the market rate for tower and cell site leases as determined by the City Assessor.

4. Payment of Rent: Rent payments shall be made payable to the City of Unalaska and delivered to the City of Unalaska Finance Department, P.O. Box 610, Unalaska, Alaska 99685, or to any other address which Lessor may designate in writing.

5. Interest on Delinquent Payments: All unpaid rents and fees shall accrue interest at the rate of ten and one-half per cent (10.5%) per annum beginning thirty (30) days after payment is due.

6. Use of Parcel: The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution and sanitation control. The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate itself and its improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent or suppress pollution of the ground, surface water, air, or land, and to prevent erosion or destruction of the land.

(a) Lessee may use the Parcel for any lawful purpose in connection with its telecommunication operations or any business purpose of TelAlaska Cellular Inc.

(1) All equipment on the Parcel, including, but not limited to, antennas placed on the Parcel shall not interfere with other equipment which is located on or about the same general site.

(2) All antennas and equipment shall be grounded to meet the National Electrical Code (NEC). The antenna/equipment facilities wind support guide lines shall include anti-reflective insulators as to prevent any Electro Magnetic Interference (EMI) with any other equipment on or about the site. The lessee will investigate any and all interference reports sent in written form. The Lessee will maintain technical support to correct any and all reports of interference by the Lessee's equipment. The Lessee will install any equipment necessary to

filter, tune, and isolate any interference developed by the installed equipment.

(3) All towers shall be designed to prevent the climbing of the tower by the general public.

7. Quiet Enjoyment: Lessor covenants and agrees that Lessee, upon performance of all of Lessee's obligations under this Lease, shall lawfully, quietly and exclusively hold, occupy and enjoy the Parcel during the term of this Lease without disturbance by Lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, provided, however, that Lessor expressly reserves the right, without compensation or adjustment of rentals to Lessee, to grant surface, underground or overhead easements or rights-of-way for public improvements and purposes in or upon the Parcel if the exercise of this right will not unreasonably interfere with Lessee's improvements and use of the Parcel.

8. Alterations And Improvements: Upon receiving written permission from Lessor, Lessee may make alterations, additions and improvements to the Parcel, at Lessee's sole cost and expense. Lessor's consent shall not be unreasonably withheld. Lessee shall remove all improvements and personal property of Lessee from the Parcel at the end of the Lease term and the Parcel shall be restored to the condition prevailing on the effective date of this Lease.

9. Title To Improvements. All buildings, structures, fixtures and permanent improvements placed or attached on or about the Parcel by Lessee shall remain the property of Lessee until such time as the expiration or termination of this Agreement.

10. Removal Of Improvements And Chattels After Termination:

(a) Lessee shall, within three (3) months after termination of this Agreement, remove all improvements and chattels from the Parcel provided that Lessor first determines that such removal will not cause injury or damage to the Parcel or seriously impair its redisposal.

(b) If any improvements or chattels having an appraised value exceeding \$20,000.00 as determined by the Lessor, are not removed from the Parcel within the time allowed, they shall, upon thirty (30) days prior written notice to Lessee, be sold at public auction under the direction of Lessor.

(c) Any chattels or improvements having a total appraised value of \$20,000.00 or less, as determined by the Lessor, and which are authorized for removal by Lessor but are not removed within the time allowed, shall become the absolute property of the Lessor.

(d) Lessee shall reimburse Lessor for damages to the Parcel caused by the removal of fixtures and improvements.

11. Encumbrance of Parcel: The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's reversionary interest in the Parcel, without the prior written consent

of the Lessor, which shall not be unreasonably withheld; and any such act or omission, without the prior written consent of the Lessor, shall be voidable by the Lessor.

12. Assignment of Lease and Sublease of Parcel: The Lessee may not assign this Lease or sublet the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld. No assignment of this Lease shall be approved until the assignee agrees to be subject to and governed by the provisions of this Lease in the same manner as the original Lessee to the extent that they may be applicable to the sublease except for the payment of Rent and other monetary obligations. No such assignment or sublease will be effective until approved by the Lessor in writing or shall annul the Lessee's obligation to pay the rent herein required for the full term of this Lease. Except as permitted by the Lessor, no subdivision of the Lessee's leasehold interest, including any exposed airspace thereon, shall occur.

13. Denial of Warranty Regarding Conditions: The Lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the natural, social, economic, or environmental conditions of the Parcel, including, without limitation, the soil, water and drainage conditions, natural or artificial hazards, and the profitability or fitness of the Parcel for any use.

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

14. Agreement to Terms of Lease: The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors, successors in interest and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants and conditions contained herein.

15. Utilities and Services: Lessee shall, at its expense, procure and timely pay for all services and utilities and hook-ups therefor which are necessary or appropriate for its operation or use of the Parcel.

16. Easements: Lessor reserves the right to make grants to third parties or reserve to the Lessor easements through, on or above the Parcel for the purpose of providing water, sewer or electric services to the Parcel or to adjacent properties, or for the purpose of providing reasonable public access to public waters, provided that no such easement or may be granted or reserved which unreasonably interferes with the Lessee's use of the Parcel.

17. Access: The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.

18. Valid Existing Rights: This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land of record on the date of execution of this Lease.

19. Inspection: The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance by the Lessee of the covenants and conditions of this Lease and for the performance of other lawful requirements.

20. Acquisition of Rights or Interests: Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.

21. Environmental Indemnification: If any hazardous substances are released or discharged on or from the Parcel to, on or about the Parcel or other properties, including, but not limited to, the surface or subsurface waters adjacent to the Parcel during the term of this Agreement, Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, but not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restorative work required by any federal or state agency due to the presence of hazardous substances in the soil or groundwater on or under the Parcel or other affected properties, whether such losses arise during or after the term of this Agreement, but only to the extent that such release or discharge is not caused by the fault of Lessor or its agents, representatives, contractors or employees.

22. Hazardous Substances: Lessor represents and warrants to Lessee that, to the best of its information, knowledge and belief, no hazardous substances have been released, discharged or spilled on the Parcel; however, Lessor does not represent, warrant or guarantee that this is necessarily the case. Otherwise, Lessor has made no express or implied representations or warranties to Lessee with respect to the release, discharge or spillage of any hazardous substances in, on or about the Parcel. Lessee hereby releases and discharges Lessor, its affiliates and all of their respective past, present and future officials, employees, agents, attorneys, insurers and representatives, with prejudice, from any and all claims, obligations or liabilities which have arisen, resulted from or are based upon, or may in the future arise out of, result from or be based upon, in whole or in part, the past release, discharge or spill of any hazardous substances or other environmental pollution in, on or about the Parcel, regardless of whether such claim, obligation or liability, or the type or extent thereof, is now known or foreseeable; provided, however, that such release and discharge shall be inapplicable to claims, obligations and liabilities that are based upon a material breach of the representations and warranties made by Lessor in this Section.

23. Definition of Hazardous Substance: Hazardous substance, as such term is used in this Agreement, includes: (a) (1) crude oil, (2) petroleum, (3) diesel fuel, (4) marine fuel, (5) heating oil, (6) gasoline, (7) motor oil, (8) kerosene, (9) aviation fuel, (10) other petroleum products, additions and derivatives, (11) urea formaldehyde foam insulation, (12) asbestos, and (13) polychlorinated biphenyls; and (b) any other (1) pollutant, (2) contaminant or (3) toxic, flammable, explosive, radioactive, noxious, hazardous, extremely hazardous, dangerous or potentially dangerous waste, material or substance, the response to which or the remediation or removal of which is required, or the manufacture, preparation, production, use, maintenance, treatment, storage, transfer, disposal, handling, processing or ownership of which is restricted, prohibited, regulated or penalized by any federal or state law or regulation as now or hereafter in effect.

24. Erosion Prevention: Lessee shall prevent unwarranted erosion of the Parcel that is caused by Lessee's use or occupancy of the Parcel. Any such erosion shall be repaired in a manner satisfactory to Lessor at Lessee's sole expense.

25. Waiver or Forbearance: The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, or the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease, nor destroy or in any manner or impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

26. Bankruptcy: In the event Lessee becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Lessee's interest under this Lease, Lessor shall have the right to declare this lease in default.

27. Breach and Remedies:

(a) Time is of the essence of this Lease. If the Lessee shall materially breach any of the terms, covenants, conditions or stipulations contained in this Lease or attached hereto which are applicable to it, and said breach shall not be completely cured within 60 days after written notice of such breach has been served by the Lessor upon the Lessee and each holder of a security interest in the Lessee's interest under this Lease that has notified the Lessor of such security interest, the Lessee shall be subject to such legal rights and remedies as the Lessor shall have available to it under applicable law, including, but not limited to, the termination of this Lease; provided, however, that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lessee may be in material breach of this Lease. In the event that this Lease is terminated by the Lessor for a material breach by the Lessee of this Lease, all rents paid by the Lessee shall be forfeited to and retained by the Lessor, not as a penalty, but as liquidated damages for such breach. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to such termination.

(b) If the Lessee fails to completely cure a material breach of this Lease by it within the time allowed in (a) of this paragraph, any holder of a security interest in the Lessee's interest under this Lease who has notified the Lessor such security interest may cure or remedy such breach if the breach can be cured by the payment of money or, if this cannot be done, by performing, or undertaking in writing to perform, the Lessee's obligations which are the subject of such breach that are capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this paragraph, or within any additional period, which the Lessor may allow for good cause.

(c) In the event that this Lease is terminated, or in the event that the Parcel is abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or reenter and take possession of such Parcel and without liability for any damage there for, remove all persons and personal properties therefrom, either by summary

proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

28. Indemnification: To the fullest extent allowed by law, Lessee shall defend indemnify and hold harmless Lessor from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims arising out of or in connection with the use or occupancy of the Parcel by Lessee or by any other person holding under Lessee from any accident or fire on the Parcel and from any nuisances made or suffered thereon; and from any failure by Lessee to keep the Parcel in a safe and lawful condition except to the extent that such claims or demands are caused by the fault of Lessor or its agents, representatives, employees or contractors.

29. Surrender of Leasehold: Upon the expiration or sooner termination of this Lease, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel. In the event that Lessee remains in possession of the Parcel after the expiration of this Agreement with Lessor's permission, Lessee shall be deemed to be occupying the Parcel as a month-to-month tenant, subject to all of the terms and conditions of this Agreement and the law, to the extent that they may be applicable to a month-to-month tenant.

30. Required Insurance: The following insurance coverage is required to be furnished by the Lessee and is subject to annual review and adjustment by the Lessor, who may require reasonable increases in such coverage based on increased risks. Proof of the following coverage must be shown prior to execution of this Lease.

The insurance policies must be written by a company or companies that are on the Alaska Division of Insurance's "admitted list" or "surplus lines insurance list". The broker/agent must be licensed to do business in the State and, if surplus lines insurance is provided, the broker must have a surplus broker license.

(a) Comprehensive (Commercial) General Liability Insurance. Such insurance must have coverage limits of not less than \$1,000,000 combined single limits per occurrence and not less than two million dollars (\$2,000,000) aggregate limits and shall include Parcel operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

The policies evidencing such coverage shall contain, or be endorsed to contain, the following provisions:

(1) The Lessor, its officers, its agents and its employees are to be covered as additional insureds with respect to liability arising out of use of the Parcel or operations of the Lessee with respect to the Parcel.

(2) The Lessee's insurance coverage shall be primary insurance with respect to the Lessor, its officers, agents, and employees. Any insurance or self insurance maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute to it.

(3) Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit brought except with the respect to the limits of insurer's liability.

(4) That, as respects the interests of Lessor, such insurance shall (A) not be invalidated by any action or neglect of any person other than Lessor and (B) insure Lessor regardless of any misrepresentation, breach or non-observance of any warranty, declaration or condition contained in any applications by Lessee for, or policy evidencing, such insurance; and

(5) That no such insurance shall be canceled or materially changed as respects the interests of Lessor on less than thirty days prior written notice to Lessor;

(b) Workers' Compensation and the Employer's Liability Coverage. The Lessee shall be covered with workers compensation insurance and employer's liability insurance in the required statutory amounts.

31. Notices: All notices required or permitted under this Lease shall be personally delivered or sent by certified mail, postage prepaid, to the parties at the following addresses:

If to Lessee:

Dave Goggins, General Manager
TelAlaska Cellular Inc.
201 E. 56th Avenue
Anchorage, AK 99518

If to Lessor:

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

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if personally delivered or sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Lessee's interest in the Lease has properly given notice of its security interest in the Lease to the Lessor.

32. Integration and Modification: This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.

33. Amendments: This Lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

34. Severability of Clauses of Lease Agreement: If any clause, or provision, herein contained, shall be adjudged to be invalid or unenforceable, it shall not affect the validity or enforceability of any other clause or provision of this Lease or give any cause of action in favor of either party as against the other.

35. Applicable Law: This Lease shall be governed by the laws of the State of Alaska. The venue for any dispute between the parties shall lie exclusively with the courts for the Third Judicial District for the State of Alaska at Anchorage, or, alternatively, with the United States District Court for the District of Alaska at Anchorage, unless a nonwaivable federal or Alaska law should require to the contrary.

36. Effective Date: This Lease shall not be effective until and unless approved by the City Council of Lessor and the Board of Directors of Lessee. This Lease shall become effective upon the occurrence of the last such approval.

EFFECTIVE DATE: October 14, 2014.

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this lease to be duly executed as of the date first written above.

LESSEE: TelAlaska Cellular Inc.

Dated: 10-4-14

BY [Signature]
Dave Goggins, General Manager

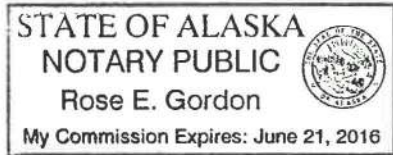
STATE OF Alaska)

) ss.

Third Judicial District)

The foregoing instrument was acknowledged before me this 4 day of October, 2014 by Dave Goggins, General Manager of TelAlaska Cellular, Inc. of Anchorage, Alaska, on behalf of the corporation.

[Signature]



Notary Public, State of ~~Washington~~ Alaska

My Commission expires June 21, 2016

LESSOR: CITY OF UNALASKA

Dated: 10/14/14

BY [Signature]
Chris Hladick, City Manager
Patrick Jordan, Acting City Manager

STATE OF ALASKA)

) ss.

Third Judicial District)

The foregoing instrument was acknowledged before me this 14 day of October 2014, by Patrick Jordan, Acting City Manager for the City of Unalaska, a First Class Alaska Municipal Corporation, on behalf of the City of Unalaska.

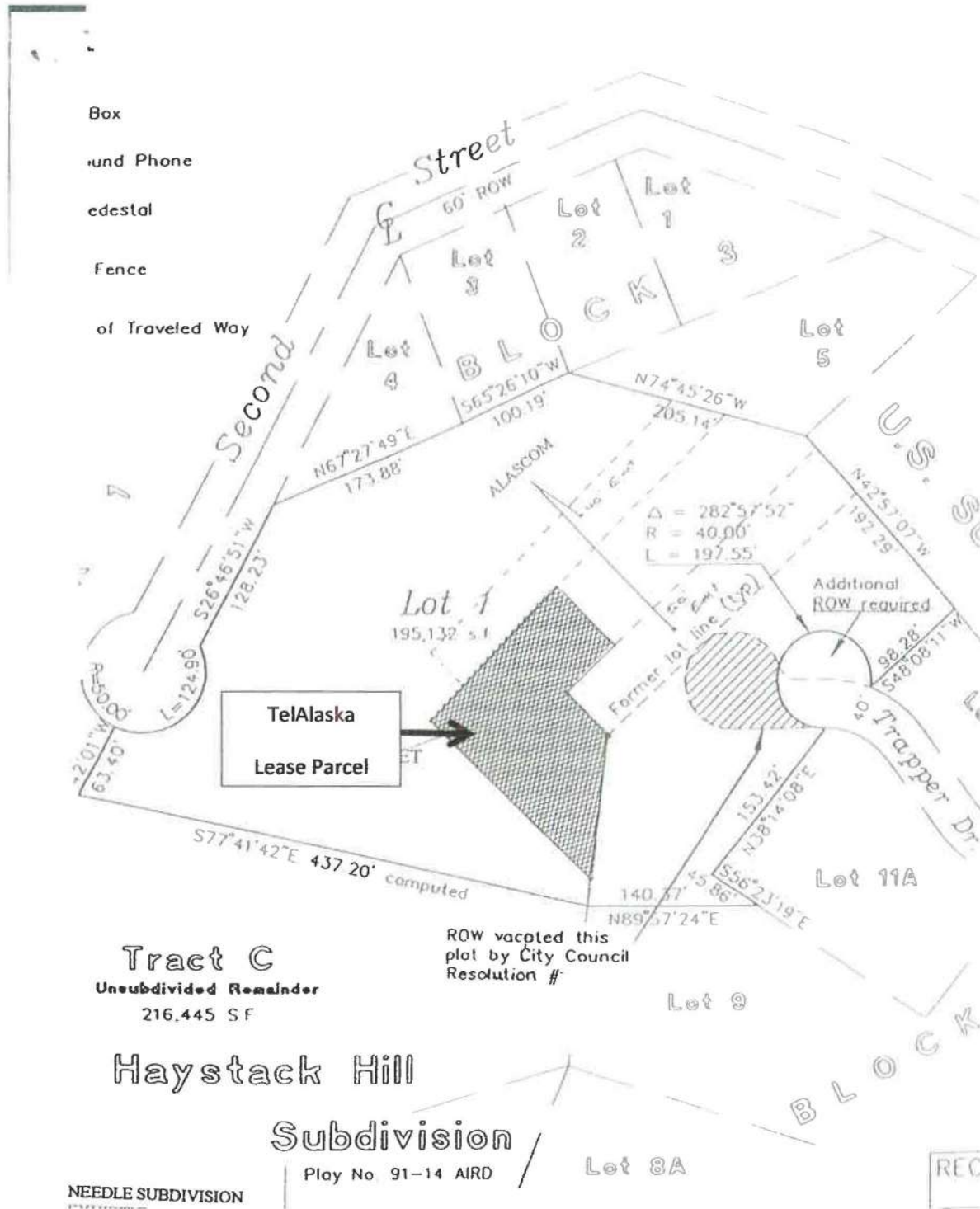
[Signature]



Notary Public, State of Alaska

My Commission expires March 6, 2016

Exhibit A



11 TelAlaska Lease Agreement

After recording in the Aleutian Islands Recording District, return to:

City of Unalaska
Attn: Department of Planning
P. O. Box 610
Unalaska, Alaska 99685

12 TelAlaska Lease Agreement

UNAVCO Lease
June 19, 2017 – June 19, 2022

LEASE AGREEMENT

This Lease Agreement is made and entered into this 11th day of November 2017, between the City of Unalaska, a first-class Alaska municipal corporation ("Lessor"), whose address is P.O. Box 610, Unalaska, Alaska 99685, and UNAVCO, Inc. ("Lessee"), whose address is 6350 Nautilus Drive, Boulder CO 80301.

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

Leased Parcel: The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following parcel of land (collectively "Parcel") located within a portion of Lot 1, Needle Subdivision, Plat File No. 95-32, City of Unalaska, Aleutian Islands Recording District, Third Judicial District, State of Alaska, more particularly described as shown in the shaded area of Exhibit A.

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

1. Term: The term of this Lease shall be for a period of 5 year(s) commencing on the 19th day of June, 2017 and ending on the 19th day of June, 2022, unless sooner terminated as herein provided.

2. Rent: The Lessee and Lessor agree to the following terms for exchange of services, to be considered 'rent':

- a. Lessor shall provide lessee, free of charge, electrical power for the GPS Station and associated hardware not to exceed 180 kWh per year.
- b. Lessee shall pay for electrical power used in excess of 180 kWh per year.
- c. Lessee shall provide Lessor access to the RTK signal generated by Lessee's equipment, free of charge.

3. Use of Parcel: The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances, and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution or sanitation control. The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate itself and its improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances, and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent or suppress pollution of the ground, surface water, air, or land, and to prevent erosion or destruction of the land.

- a. Lessee may use the Parcel for any lawful purpose in connection with its one GPS Station and associated hardware.
 - i. All equipment on the Parcel shall not interfere with other equipment which is located on or about the same general site.
 - ii. All equipment shall be grounded to meet the National Electric Code (NEC). The antenna/equipment facilities wind support guide lines shall include anti-

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- reflective insulators as to prevent any Electromagnetic Interference (EMI) with any other equipment on or about the site. The Lessee will investigate any and all interference reports sent in written form. The Lessee will maintain technical support to correct any and all reports of interference by the Lessee's equipment. The Lessee will install any equipment necessary to filter, tune, and isolate any interference developed by the installed equipment.
- iii. All towers shall be designed to prevent the climbing of the towers by the general public.
4. Quiet Enjoyment. Lessor covenants and agrees that Lessee, upon performance of all of Lessee's obligations under this Lease, shall lawfully, quietly, and exclusively hold, occupy, and enjoy the Parcel during the term of this Lease without disturbance by Lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, provided, however, that Lessor expressly reserves the right, without compensation or adjustment of rentals to Lessee, to grant surface, underground, or overhead easements or rights-of-way for public improvements and purposes in or upon the Parcel if the exercise of this right will not unreasonably interfere with Lessee's improvements and use of the Parcel.
5. Alterations and Improvements: Upon receiving written permission from Lessor, Lessee may make alterations, additions and improvements to the Parcel, at Lessee's sole cost and expense. Lessor's consent shall not be unreasonably withheld. Lessee shall remove all improvements and personal property of Lessee from the Parcel at the end of the Lease term and the Parcel shall be restored to the condition prevailing on the effective date of this Lease.
6. Title To Improvements. All buildings, structures, fixtures and permanent improvements placed or attached on or about the Parcel by Lessee shall remain the property of Lessee until such time as the expiration or termination of this Agreement.
7. Removal Of Improvements And Chattels After Termination:
- (a) Lessee shall, within three (3) months after termination of this Agreement, remove all improvements and chattels from the Parcel provided that Lessor first determines that such removal will not cause injury or damage to the Parcel or seriously impair its redisposal.
- (b) If any improvements or chattels having an appraised value exceeding \$20,000.00 as determined by the Lessor, are not removed from the Parcel within the time allowed, they shall, upon thirty (30) days prior written notice to Lessee, be sold at public auction under the direction of Lessor.
- (c) Any chattels or improvements having a total appraised value of \$20,000.00 or less, as determined by the Lessor, and which are authorized for removal by Lessor but are not removed within the time allowed, shall become the absolute property of the Lessor.
- (d) Lessee shall reimburse Lessor for damages to the Parcel caused by the removal of fixtures and improvements.
8. Encumbrance of Parcel: The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's reversionary interest in the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld; and any such act or omission, without the prior written consent of the Lessor, shall be voidable by the Lessor.
9. Assignment of Lease and Sublease of Parcel: The Lessee may not assign this Lease or sublet the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld. No assignment of this Lease shall be approved until the assignee agrees to be subject to

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and governed by the provisions of this Lease in the same manner as the original Lessee to the extent that they may be applicable to the sublease except for the payment of Rent and other monetary obligations. No such assignment or sublease will be effective until approved by the Lessor in writing or shall annul the Lessee's obligation to pay the rent herein required for the full term of this Lease. Except as permitted by the Lessor, no subdivision of the Lessee's leasehold interest, including any exposed airspace thereon, shall occur.

10. Denial of Warranty Regarding Conditions: The Lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the natural, social, economic, or environmental conditions of the Parcel, including, without limitation, the soil, water and drainage conditions, natural or artificial hazards, and the profitability or fitness of the Parcel for any use. Lessee represents and warrants that it has independently inspected the Parcel and made all tests, investigations and observations necessary to satisfy itself of the condition of the Parcel. Lessee shall and is relying solely on such independent inspection, tests, investigations and observations in making this Agreement. Lessee accepts and shall be responsible for any risk of harm to any person and property, including but not limited to, employees of Lessee, from any latent defects in the Parcel.

11. Agreement to Terms of Lease: The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors, successors in interest and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants and conditions contained herein.

12. Utilities and Services: Lessee shall, at its expense, procure and timely pay for all services and utilities and hook-ups therefore which are necessary or appropriate for its operation or use of the Parcel.

13. Easements: Lessor reserves the right to make grants to third parties or reserve to the Lessor easements through, on or above the Parcel for the purpose of providing water, sewer or electric services to the Parcel or to adjacent properties, or for the purpose of providing reasonable public access to public waters, provided that no such easement or may be granted or reserved which unreasonably interferes with the Lessee's use of the Parcel.

14. Access: The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.

15. Valid Existing Rights: This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land of record on the date of execution of this Lease.

16. Inspection: The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance by the Lessee of the covenants and conditions of this Lease and for the performance of other lawful requirements.

17. Acquisition of Rights or Interests: Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.

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18. Environmental Indemnification: If any hazardous substances are released or discharged on or from the Parcel to, on or about the Parcel or other properties, including, but not limited to, the surface or subsurface waters adjacent to the Parcel during the term of this Agreement, Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, but not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restorative work required by any federal or state agency due to the presence of hazardous substances in the soil or groundwater on or under the Parcel or other affected properties, whether such losses arise during or after the term of this Agreement, but only to the extent that such release or discharge is not caused by the fault of Lessor or its agents, representatives, contractors or employees.

19. Hazardous Substances: Lessor represents and warrants to Lessee that, to the best of its information, knowledge and belief, no hazardous substances have been released, discharged or spilled on the Parcel; however, Lessor does not represent, warrant or guarantee that this is necessarily the case. Otherwise, Lessor has made no express or implied representations or warranties to Lessee with respect to the release, discharge or spillage of any hazardous substances in, on or about the Parcel. Lessee hereby releases and discharges Lessor, its affiliates and all of their respective past, present and future officials, employees, agents, attorneys, insurers and representatives, with prejudice, from any and all claims, obligations or liabilities which have arisen, resulted from or are based upon, or may in the future arise out of, result from or be based upon, in whole or in part, the past release, discharge or spill of any hazardous substances or other environmental pollution in, on or about the Parcel, regardless of whether such claim, obligation or liability, or the type or extent thereof, is now known or foreseeable; provided, however, that such release and discharge shall be inapplicable to claims, obligations and liabilities that are based upon a material breach of the representations and warranties made by Lessor in this Section.

20. Definition of Hazardous Substance: Hazardous substance, as such term is used in this Agreement, includes: (a) (1) crude oil, (2) petroleum, (3) diesel fuel, (4) marine fuel, (5) heating oil, (6) gasoline, (7) motor oil, (8) kerosene, (9) aviation fuel, (10) other petroleum products, additions and derivatives, (11) urea formaldehyde foam insulation, (12) asbestos, and (13) polychlorinated biphenyls; and (b) any other (1) pollutant, (2) contaminant or (3) toxic, flammable, explosive, radioactive, noxious, hazardous, extremely hazardous, dangerous or potentially dangerous waste, material or substance, the response to which or the remediation or removal of which is required, or the manufacture, preparation, production, use, maintenance, treatment, storage, transfer, disposal, handling, processing or ownership of which is restricted, prohibited, regulated or penalized by any federal or state law or regulation as now or hereafter in effect.

21. Erosion Prevention: Lessee shall prevent unwarranted erosion of the Parcel that is caused by Lessee's use or occupancy of the Parcel. Any such erosion shall be repaired in a manner satisfactory to Lessor at Lessee's sole expense.

22. Waiver or Forbearance: The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, or the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease, nor destroy or in any manner or

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impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

23. Bankruptcy: In the event Lessee becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Lessee's interest under this Lease, Lessor shall have the right to declare this Lease in default.

24. Breach and Remedies:

(a) Time is of the essence of this Lease. If the Lessee shall materially breach any of the terms, covenants, conditions or stipulations contained in this Lease or attached hereto which are applicable to it, and said breach shall not be completely cured within 60 days after written notice of such breach has been served by the Lessor upon the Lessee and each holder of a security interest in the Lessee's interest under this Lease that has notified the Lessor of such security interest, the Lessee shall be subject to such legal rights and remedies as the Lessor shall have available to it under applicable law, including, but not limited to, the termination of this Lease; provided, however, that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lessee may be in material breach of this Lease. In the event that this Lease is terminated by the Lessor for a material breach by the Lessee of this Lease, all rents paid by the Lessee shall be forfeited to and retained by the Lessor, not as a penalty, but as liquidated damages for such breach. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to such termination.

(b) If the Lessee fails to completely cure a material breach of this Lease by it within the time allowed in (a) of this paragraph, any holder of a security interest in the Lessee's interest under this Lease who has notified the Lessor such security interest may cure or remedy such breach if the breach can be cured by the payment of money or, if this cannot be done, by performing, or undertaking in writing to perform, the Lessee's obligations which are the subject of such breach that are capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this paragraph, or within any additional period, which the Lessor may allow for good cause.

(c) In the event that this Lease is terminated, or in the event that the Parcel are abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or reenter and take possession of such Parcel and without liability for any damage there for, remove all persons and personal properties therefrom, either by summary proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

25. Indemnification: To the fullest extent allowed by law, Lessee shall defend indemnify and hold harmless Lessor from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims arising out of or in connection with the use or occupancy of the Parcel by Lessee or by any other person holding under Lessee from any accident or fire on the Parcel and from any nuisances made or suffered thereon; and from any failure by Lessee to keep the Parcel in a safe and lawful condition except to the extent

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that such claims or demands are caused by the fault of Lessor or its agents, representatives, employees or contractors.

26. Surrender of Leasehold: Upon the expiration or sooner termination of this Lease, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel. In the event that Lessee remains in possession of the Parcel after the expiration of this Agreement with Lessor's permission, Lessee shall be deemed to be occupying the Parcel as a month-to-month tenant, subject to all of the terms and conditions of this Agreement and the law, to the extent that they may be applicable to a month-to-month tenant.

27. Required Insurance: The following insurance coverage is required to be furnished by the Lessee and is subject to annual review and adjustment by the Lessor, who may require reasonable increases in such coverage based on increased risks. Proof of the following coverage must be shown prior to execution of this Lease.

The insurance policies must be written by a company or companies that are on the Alaska Division of Insurance's "admitted list" or "surplus lines insurance list". The broker/agent must be licensed to do business in the State and, if surplus lines insurance is provided, the broker must have a surplus broker license.

(a) Comprehensive (Commercial) General Liability Insurance. Such insurance must have coverage limits of not less than \$1,000,000 combined single limits per occurrence and not less than two million dollars (\$2,000,000) aggregate limits and shall include Parcel operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

The policies evidencing such coverage shall contain, or be endorsed to contain, the following provisions:

(1) The Lessor, its officers, its agents and its employees are to be covered as additional insureds with respect to liability arising out of use of the Parcel or operations of the Lessee with respect to the Parcel.

(2) The Lessee's insurance coverage shall be primary insurance with respect to the Lessor, its officers, agents, and employees. Any insurance or self insurance maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute to it.

(3) Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit brought except with the respect to the limits of insurer's liability.

(4) That, as respects the interests of Lessor, such insurance shall (A) not be invalidated by any action or neglect of any person other than Lessor and (B) insure Lessor regardless of any misrepresentation, breach or non-observance of any warranty, declaration or condition contained in any applications by Lessee for, or policy evidencing, such insurance; and

(5) That no such insurance shall be canceled or materially changed as respects the interests of Lessor on less than thirty days prior written notice to Lessor;

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(b) Workers' Compensation and the Employer's Liability Coverage. The Lessee shall be covered with workers compensation insurance and employer's liability insurance in the required statutory amounts.

28. Notices: All notices required or permitted under this Lease shall be personally delivered or sent by certified mail, postage prepaid, to the parties at the following addresses:

To Lessor: City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685

To Lessee: UNAVCO, Inc.
6350 Nautilus Drive
Boulder, CO 80301

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if personally delivered or sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Lessee's interest in the Lease has properly given notice of its security interest in the Lease to the Lessor.

29. Integration and Modification: This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.

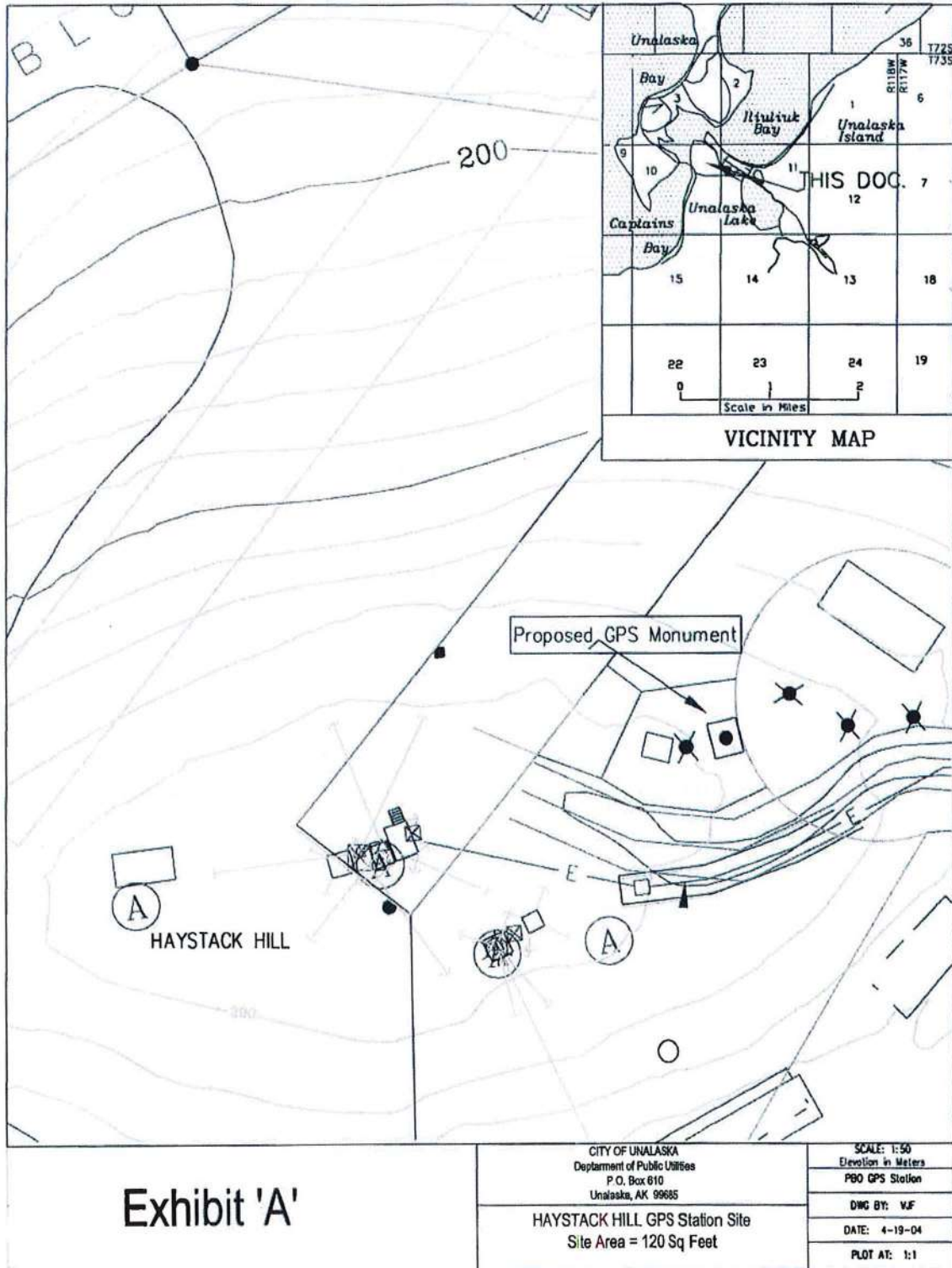
30. Amendments: This Lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

31. Severability of Clauses of Lease Agreement: If any clause, or provision, herein contained, shall be adjudged to be invalid or unenforceable, it shall not affect the validity or enforceability of any other clause or provision of this Lease or give any cause of action in favor of either party as against the other.

32. Applicable Law: This Lease shall be governed by the laws of the State of Alaska. The venue for any dispute between the parties shall lie exclusively with the courts for the Third Judicial District for the State of Alaska at Anchorage, or, alternatively, with the United States District Court for the District of Alaska at Anchorage, unless a nonwaivable federal or Alaska law should require to the contrary.

33. Effective Date: This Lease shall not be effective until and unless approved by the City Council of Lessor as required and the Board of Directors of Lessee. This Lease shall become effective upon the occurrence of the last such approval.

IN WITNESS WHEREOF the Lessor and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the terms, conditions and provisions herein contained or attached, which on the Lessor's or the Lessee's respective parts are to be kept, observed and performed.



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: September 14, 2021
Re: Mission and Goals/Focus Areas

SUMMARY: Department Directors, the Mayor and Council Members participated in Strategic Planning Sessions the week of August 9, 2021 with facilitator Karen Kirk. The session for Directors was August 9-11; and the session for Mayor and Council was August 12-13. Council now needs to identify how to roll out the Mission Statement and to refine the identified goals. Tonight, we will begin the discussion.

PREVIOUS COUNCIL ACTION: The Mayor and Council performed a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats); developed an organizational mission statement; and identified areas of focus and goals. No formal action was taken at that time. The facilitator provided a final report summarizing the process, outcomes and next steps.

BACKGROUND: Below is an overview of the agreed upon mission statement and goals/focus areas.

Mission Statement

Mayor and Council agreed to the following mission statement: **“To provide a sustainable quality of life through excellent stewardship of government.”**

Goals and Focus Areas

The following is a list of the goals and focus areas identified by Mayor and Council, as listed in the final report. The number included indicates how many individuals identified the item as a priority (four or five members were present at any given time). The Facilitator also noted that Mayor and Council prioritized goals with the observation that some goals may not need higher prioritization because they could be addressed relatively easily.

- (4) **Capitalize on Tri-lateral Agreement** - Look for partnering opportunities (i.e.: Tri and City and Clinic work together for Imaging Center); Potential key to unlocking housing challenge
- (3) **Develop an Artic Port** - Improve / promote standing as a Port town
- (3) **Identify what City currently does for Housing in City** - and identify what can be done (i.e.: Cost for utilities; Identify land that could be developed; Identify what we can do to promote more housing)
- (2) **Identify EMS deficiencies** - and develop a plan/process to address/correct (i.e.: Communication and coordination on King Air crash/ Life Med; Tsunami warnings – ensure all residents know where to go; Review capabilities of Fire Dept)

- (1) **Establish orientation/training workshop for new council members** - (i.e.: Explain Roles and Responsibilities of a council member; and what's going on within the City - major projects discussion) or (at least) an S.O.P for new council members
- (1) **Air transportation** - (i.e.: Need more carriers into Dutch Harbor; Expansion of airport)
- (1) **Financial security** - ensure we maintain principal base and invest ... use interest for: special projects; general fund; endowment (?)
- Establish annual or biannual **workshop for city management and council to focus on citywide needs assessment**
- **Housing** - Evaluate (within) city owned housing and develop solutions
- **Natural Resources** - Geothermal focus (alternate economic driver)

Other Identified Goals for Consideration

Mayor and Council identified the following goals during the City Manager performance evaluation that are appropriate to be discussed in this context. Some overlap with what was discussed and identified in the Strategic Planning session, but one in particular seems to be in addition to what was discussed more recently. Given the complexity of this one item, it should be folded into this discussion as well.

- ✓ **Seek power use agreement with industry** (this is related to the “Natural Resources – Geothermal Focus” topic identified above)
- ✓ **Continue Tri-lateral committee involvement** (this is related to the “Capitalize on Tri-lateral Agreement” topic identified above)
- ✓ **Provide city with calendar for rainy day fund use to complete fiscal sustainability plan** (this is related to the “Financial security” topic identified above)
- **Study on City Wide inefficiency to get corrective actions** (this is in addition to what is identified in the Strategic Planning Session and requires additional discussion at this time)

DISCUSSION: The Facilitator’s report outlines the next steps, which is what brings us here today. Now is the time for Council to work with each other and the City Manager to identify how to roll-out the mission statement and to refine the identified goals.

Mission Statement

Council has decided on the mission statement itself. Ideas on how to rollout the mission statement include both internal and external representation, specifically:

- Council Resolution adopting the following mission statement, **“To provide a sustainable quality of life through excellent stewardship of government.”**
- Displaying the statement on buildings; on walls; on city vehicles; on mouse pads; on magnetic strips for computers or desk tops; on business cards; on email signature lines, on website; etc.
- Including the statement on agendas; in meetings; in hiring process; in training process; in performance reviews; in goal setting and planning sessions; etc.

Based on the Council direction, the next step would be for the Directors and I to meet, discuss Council's direction, and develop the action plan for this rollout.

Goals and Focus Areas

Council has now identified numerous goals and focus areas. It is unclear how much consensus there is for every single one of these, so it would be helpful to work together and gauge that at this time. Additionally, many of the items listed need additional specifics. I have listed Council's goals and focus areas below, along with some notes and questions. Council discussion tonight, and the feedback received will help us refine these goals and focus areas. Continued discussion in a future meeting will be necessary for several items.

1. **Capitalize on Tri-lateral Agreement - Continue Tri-lateral Committee involvement -** Look for partnering opportunities (i.e.: Tri and City and Clinic work together for Imaging Center); Potential key to unlocking housing challenge

Initial CM Notes:

- a. Received 4 stickers at the Strategic Planning Session
 - b. Combined with a Goal identified in CM Evaluation
 - c. Is there a specific goal related to this, or is the aim to continue efforts on strengthening this relationship and collaboration?
 - d. Is Council seeking direct action by City Staff? What might that look like?
2. **Develop an Artic Port -** Improve / promote standing as a Port town

Initial CM Notes:

- a. Received 3 stickers at the Strategic Planning Session
 - b. Is there a specific goal related to this, or is this a focus area?
 - c. Is Council seeking direct action by City Staff? What might that look like?
3. **Identify what City currently does for Housing in City -** and identify what can be done (i.e.: Cost for utilities; Identify land that could be developed; Identify what we can do to promote more housing)

Initial CM Notes:

- a. Received 3 stickers at the Strategic Planning Session
 - b. This related to another goal/focus area identified in the Strategic Planning Session. Does Council see this as the first step before looking at the related housing item?
 - c. When would Council like to see this information?
4. **Identify EMS deficiencies -** and develop a plan/process to address/correct (i.e.: Communication and coordination on King Air crash/ Life Med; Tsunami warnings – ensure all residents know where to go; Review capabilities of Fire Dept)

Initial CM Notes:

- a. Received 2 stickers at the Strategic Planning Session
- b. Is there still consensus to work toward accomplishing this item?
- c. Is the focus here on Fire/EMS only, or the coordination between DPS and Fire/EMS and/or Ports?
- d. Could the area of focus here be defined as Emergency Preparedness and Response?
- e. Does Council have a timeframe in mind?

5. **Establish orientation/training workshop for new council members** - (i.e.: Explain Roles and Responsibilities of a council member; and what's going on within the City - major projects discussion) or (at least) an S.O.P for new council members

Initial CM Notes:

- a. Received 1 sticker at the Strategic Planning Session
- b. Is there still consensus to work toward accomplishing this item?
- c. Does Council have a timeframe in mind?

6. **Air transportation** - (i.e.: Need more carriers into Dutch Harbor; Expansion of airport)

Initial CM Notes:

- a. Received 1 sticker at the Strategic Planning Session
- b. Is there still consensus to work toward accomplishing this item?
- c. Is there a specific goal related to this, or is the aim to continue efforts to improve air travel?
- d. Is Council seeing this as a legislative priority, or is Council seeking direct action by City Staff? If action is desired, what might this entail?

7. **Financial security - Provide city with calendar for rainy day fund use to complete fiscal sustainability plan** - ensure we maintain principal base and invest ... use interest for: special projects; general fund; endowment (?)

Initial CM Notes:

- a. Received 1 sticker at the Strategic Planning Session
- b. Combined with a Goal identified in CM Evaluation
- c. Is there a specific goal related to this, or is the aim to continue efforts to assist with financial security and sustainability?
- d. Is the primary goal to "Provide city with calendar for rainy day fund use"? If so, does the Council have a timeframe in mind?
- e. The work sessions with Alaska Permanent Capital Management may help Council identify specific goals and associated timeframes.

8. Establish annual or biannual **workshop for city management and council to focus on citywide needs assessment**

Initial CM Notes:

- a. Received no stickers at the Strategic Planning Session
- b. Is there still consensus to work toward accomplish this item, or was this an item that Council liked and thought could be relatively easily addressed?
- c. Does Council have a timeframe in mind?
- d. What might this entail? Does Council desire an annual strategic planning session, or something different, as part of this item?
- e. Does Council envision this as part of an annual process – to discuss budget requests, and/or to identify goals for the coming year?

9. **Housing** - Evaluate (within) city owned housing and develop solutions

Initial CM Notes:

- a. Received no stickers at the Strategic Planning Session

- b. This related to another goal/focus area identified in the Strategic Planning Session. Does Council see this as the second step after looking at that related housing item?
- c. Is there still consensus to work toward accomplish this item?
- d. When would Council like to see this information?
- e. Seeking clarification here. Is the focus city owned employee housing?

10. Natural Resources - Seek power use agreement with industry Geothermal focus (alternate economic driver)

Initial CM Notes:

- a. Received no stickers at the Strategic Planning Session
- b. Combined with a Goal identified in CM Evaluation
- c. Is there a specific goal related to this, or is the aim to continue efforts to support the Geothermal Project and implement the PPA?
- d. Is the primary goal to “Seek power use agreement with industry”? If so, does the Council have a timeframe in mind? And, what is the measurement regarding this goal?

11. Study on City Wide inefficiency to get corrective actions

Initial CM Notes:

- a. This was a Goal identified in CM Evaluation, but not brought up in the Strategic Planning Session
- b. Is this still a priority goal for Council?
- c. How much money is Council planning on investing in this study? The price will dictate the depth /detail of the study.
- d. Does Council have a timeframe in mind? This too may dictate the depth /detail of the study.
- e. What action does the Council intend to take with the results? This will help to identify and define type, focus depth and detail of the study.
- f. What is Council most interested in understanding?
 - i. Determine what City ‘should’ look like today (based on a city, say with similar size and scope of Unalaska - functions, staffing numbers, processes, policies)
 - ii. Determine what the City currently looks like (identify what is needed and necessary, identify inefficiencies and cost saving recommendations)
 - iii. Determine what the City needs to look like in the future (based on current economic/societal trends; determine what is needed/necessary for future)
 - iv. Some combination of the above concepts.
 - v. One of the above concepts but focus in a specific division, process, program, or department.

Once we all have a solid understanding of Council’s goals and focus areas, we can work together to further define what success looks like for these items, how that will be measured, timelines, the necessary resources and achievability. These discussions will require Council’s guidance with input from staff, as this information is more identifiable in some items than in others. After all that is completed and clearly defined, I will work with Directors to discuss how to implement Council’s focus areas / goals.

STAFF RECOMMENDATION: Staff has no recommendation at this time. Staff is providing this memo and the attached documents to continue the strategic planning process.

PROPOSED MOTION: No formal motion is required at this time.

CITY MANAGERS COMMENTS: The feedback and direction provided in this work session will assist as we continue discussion in future meetings (now tentatively planned for September 28).

ATTACHMENTS:

- City of Unalaska – City Council August 2021 Planning Retreat Report



**City of Unalaska – City Council
August 2021 Planning Retreat Report**

Session Focus: Approve a mission statement and identify focus areas / goals for FY 2022

- Note: Typical planning sessions occur between November and February
- This session was originally scheduled for: April 9, 10, 2020
 - Then was rescheduled for: November 12, 13, 2020
 - Then was rescheduled for: February 25, 26 2021

Dates: August 12, 13 2021

Participants:

- Vincent Tutiakoff – Mayor
- Thomas Bell – Council Member
- Shari Coleman – Council Member
- Daneen Looby – Council Member
- Dennis Robinson – Council Member
- Alejandro Tungul – Council Member
- Erin Reinders – City Manager
- JR Pearson – Assistant City Manager
- Marjorie Veeder – City Clerk

Agenda / Overview

- I. Introduction / Parameters p. 2
- II. SWOT Assessment p. 3
- III. Mission Statement p. 5
- IV. Focus Areas / Goals for FY 2022 p. 6
- V. Next Steps p. 9



What follows is an overview of outcomes from the City Council Planning Retreat in August 2021

I. Introduction / Parameters

- Opening comments included clarity of roles and session parameters
 - Session parameters (used to keep participants respectfully task focused)
 - Solution oriented / Big picture focus
 - Open minded
 - Accountable (no conflicts of interest)
 - Respectful
 - Speaking frame (used to clarify why someone is speaking)
 - Explain or give status
 - Propose new idea
 - Clarify / ask a question
 - Challenge / disagree with
 - Confirm / agree with



II. SWOT Assessment

- **Objective:** Identify where the City of Unalaska is today and look to the future, to ensure focus areas/ goals are on track
- **Process:**
 - Council members received top prioritized SWOT results from Directors discussion
 - The following chart represents the results from the prioritized **SWOT Assessment**, conducted by **Directors**. Please note: The number in () to the right of the bullet point indicates how many Directors (out of 8) prioritized this item.

Today	Tomorrow
<p><u>Strengths:</u></p> <ul style="list-style-type: none"> • (8) Financial security (reserves, well-funded) • (6) Professional leadership in city management and staff • (4) Natural resources 	<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> • (7) Tourism (Birding; Native culture; National Geographic; WWII; Whale watching; Cruise ships; Deadliest Catch) • (6) Capitalize on our strong financial portfolio • (5) Geographic location (ie: shipping; deeper entrance channel) • (4) Improve economic development partnerships (an, not the, example: Tri-lateral agreement) • (4) Improved internet connectivity
<p><u>Weaknesses/ Concerns:</u></p> <ul style="list-style-type: none"> • (6) Internet connectivity (need technical solutions) • (5) Lack of economic foresight (an, not the ex: single source economy) • (5) Need a respectful and mutually trusting relationship between council and city management / staff • (4) Remote location 	<p><u>Threats / Concerns:</u></p> <ul style="list-style-type: none"> • (6) PPA (including but not limited to: timing of projects; ability to sell additional power; impacts to customer rates) • (5) 'Kicking can down road' (slow implementation of long-range planning; delaying projects) • (4) Little opportunity for land & home ownership; Impacts of increasing rental rates

- Council members then discussed their observations regarding the City of Unalaska in each of the following categories: today's strengths and weaknesses/concerns and tomorrow's opportunities and threats/concerns
- Council members identified their top 3 areas of interest/concern in each category



• **Outcome:**

- The following are the prioritized results from the **SWOT Assessment**, for the City of Unalaska conducted by **City Council** on August 12, 2021
- *Please note: The number in () to the right of the bullet point indicates how many Council members and Mayor (out of 6) identified this item*

Today	Tomorrow
<p><u>Strengths:</u></p> <ul style="list-style-type: none"> • (5) Financial security (good portfolio from years of being conservative) • (5) Natural resources (geothermal; fish) • (4) On global stage in fish & transportation • (2) Port • (1) Remoteness (because of remoteness, better able to protect/help our community) • (1) Can support non-profits and schools through funding 	<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> • (5) Energy (ie: geothermal; marine resource development) • (4) Shipping / Arctic Port • (4) Arctic Development • (2) Tri-lateral Agreement • (2) Developments in internet communications • (1) Military presence
<p><u>Weaknesses/ Concerns:</u></p> <ul style="list-style-type: none"> • (6) Single source economy (fishery based / unreliability of...) • (6) Air transportation • (4) Lack of housing • (2) Lack internet connectivity between Unalaska and the world • Lack of communication between council and staff 	<p><u>Threats / Concerns:</u></p> <ul style="list-style-type: none"> • (5) Lack of housing (lack of opportunity for real estate; business expansion/ land hard to come-by) • (5) Single source economy • (4) Climate change • (3) Lack of air transportation • (1) PPA (concern re: sell energy that have agreed to buy) • Coordination of emergency response



III. Mission Statement

- **Objective:** To review the draft mission statement submitted by Directors and potentially edit, and then adopt a City of Unalaska mission statement
- **Process:**
 - Council members reviewed the six tools used to develop and/or refine a mission statement:
 - 1. Current or draft mission
 - Review of draft mission developed by Directors in January 2019:
To provide Unalaskans an effective government through exceptional stewardship of the public's resources
 - ***... for a fishable future!***
 - Review of draft mission developed by Directors in August 2021:
Enhancing quality of life with excellence in government services
 - 2. Definition of a mission statement:
 - Why we are here; our purpose
 - Why we do what we do
 - Aligned with values
 - Memorable, Meaningful, Unifying and Usable
 - 3. Peer examples
 - Research mission statements from cities of similar size and scope and identify what one liked and didn't like about said missions.
 - Council members did not utilize this tool
 - 4. Complimenting mission statements
 - Identify mission statements that our mission statement needs to compliment (ie: Qawalangin Tribe and Ounalashka Corp)
 - 5. Identify organizations top strengths (See SWOT p.4)
 - 6. Identify key words which define: why we are here; our purpose
 - Council members discussed and then prioritized key words
 - Council members used the above tools to refine and edit the draft mission statement (noted above in #1)
- **Outcome:**
 - Council members approved the following mission statement:
 - ***To provide a sustainable quality of life through excellent stewardship of government***
 - *Note: Council suggested if the city was interested in developing a **tag-line** that this be directed to the CVB*



IV. Focus Areas / Goals for FY 2022

- **Objective:** To identify focus areas / goals for FY 2022
- **Process:**
 - Council members reviewed three primary tools to use as a backdrop for goal discussions:
 - (1) Purpose of Goals
 - Goals need to do (at least) one of five things:
 - Achieve Vision
 - Maintain Mission
 - Uphold Values
 - Address Weakness/Concerns/Threats
 - Take Advantage of Strengths Opportunities
 - (2) Goal Qualifiers
 - Qualifiers ensure a goal will use resources effectively and make the most impact
 - Sample goal qualifiers:
 - Number of people impacted
 - Benefits to high-need area (ie: safety, health, food/water, housing, transportation, etc.)
 - Impact to budget (cost to build)
 - Cost to maintain and sustainability
 - Risks
 - (3) Goal Identification
 - When identifying a goal, ensure the following are denoted:
 - Specific, Measurable, Timeline, Resources needed, Achievable / Realistic
 - Council members individually reflected upon focus areas / goals for FY 2022



- Council members reviewed suggested focus areas /goals from Directors
- The following are the prioritized results from the suggested **focus area/goal** discussion, for the City of Unalaska conducted by **Directors** on August 11, 2021
- Please note: The number in () to the right of the bullet point, indicates how many Directors (out of 8) identified this item as a priority

- (8) **Establish orientation/training workshop for new council members** (by Jan 2022)
 - (ie: Explain Roles and Responsibilities of a council member; and 'What's going on within the City - major projects discussion)

- (6) **Refine capital project planning process**
 - Identification, qualification, prioritization of projects
 - (ie: Maintain existing; life/health/safety; operational efficiencies; federal government required; quality of life)
 - Ensure capacity to deliver
 - By end of 2022

- (4) **Update investment strategy to increase fiscal sustainability** by end of FY 2022

- (3) **Develop a boardwalk/dock for cruise ships / ferry** to include:
 - Bike rentals; Restaurant; Gift/Craft Shop by December 2023

- (2) Establish annual or biannual **workshop** for **city management and council to focus on citywide needs assessment**

- (1) **Capitalize on Tri-lateral Agreement to identify, coordinate and implement economic development opportunities and strategies**, by end of 2023

- **Establish Unalaska Economic Development Department** to promote:
 - Unalaska's economic development and
 - Unalaska as a tourism destination
 - By January 2023

- Council members then discussed their interests regarding focus areas / goals for FY 2022
 - *Note: It was noted that this focus area/ goals discussion was different than:*
 - *Goals for the City Manager or*
 - *Legislative goals*
- Council members prioritized their top 3 interests



- **Outcomes:**

- The following are the prioritized results from the **focus area/goal** discussion, for the City of Unalaska conducted by **City Council** on August 13, 2021
- Please note: The number in () to the right of the bullet point, indicates how many Council Members (out of 5) identified this item as a priority
- *Please note: Council members prioritized goals with the observation that some goals may not need higher prioritization (ie: 'Establish orientation/training workshop for new council members') as these could be 'easily' addressed*

<ul style="list-style-type: none"> • (4) Capitalize on Tri-lateral Agreement Look for partnering opportunities (ie: Tri and City and Clinic work together for Imaging Center); Potential key to unlocking housing challenge
<ul style="list-style-type: none"> • (3) Develop an Artic Port Improve / promote standing as a Port town
<ul style="list-style-type: none"> • (3) Identify what City current does for Housing in City (and identify what can be done) (ie: Cost for utilities; Identify land that could be developed; Identify what we can do to promote more housing)
<ul style="list-style-type: none"> • (2) Identify EMS deficiencies and develop a plan/process to address/correct (ie: Communication and coordination on King Air crash/ Life Med; Tsunami warnings – ensure all residents know where to go; Review capabilities of Fire Dept)
<ul style="list-style-type: none"> • (1) Establish orientation/training workshop for new council members <ul style="list-style-type: none"> ○ (ie: Explain Roles and Responsibilities of a council member; and 'What's going on within the City - major projects discussion) ○ or (at least) an S.O.P for new council members
<ul style="list-style-type: none"> • (1) Air transportation (ie: Need more carriers into Dutch Harbor; Expansion of airport)
<ul style="list-style-type: none"> • (1) Financial security – ensure we maintain principal base and invest ... use interest for: special projects; general fund; endowment (?)
<ul style="list-style-type: none"> • Establish annual or biannual workshop for city management and council to focus on citywide needs assessment
<ul style="list-style-type: none"> • Housing Evaluate (within) city owned housing and develop solutions
<ul style="list-style-type: none"> • Natural Resources Geothermal focus (alternate economic driver)

- *Please note: Many of the above goals need clearer specifics and all of the above goals need timelines*
 - *See Goal Identification on pg. 6*



V. Next Steps

• A. Mission Statement

- (Optional) Formally adopt mission statement in City Council meeting
- 1. Submit mission statement to City Manager
- 2. Council meets with City Manager to identify how to roll-out Mission
 - le:
 - Identify how to explain/language the mission statement
 - Identify external representation
 - le:
 - *On buildings; on walls; on city vehicles; on mouse pads; on magnetic strip for computer or desk top; on business cards; on website; etc.*
 - Identify internal representation
 - le:
 - *On agenda's in meetings; in hiring process; in training process; in performance reviews; in goal setting and planning sessions; etc.*
- 3. City Manager meets with Directors to discuss #2
 - Identify action plans for Mission roll-out

• B. Focus Areas / Goals FY 2022

- 1. Submit focus areas / goals to City Manager
- 2. Council and City Manager meet to potentially refine goals
 - le: Identify areas of:
 - Specifics; measurables; timelines; resources; achievability
- 3. City Manager and Directors meet to discuss how to implement focus areas / goals
 - le:
 - Identify objectives needed to meet goals
 - Identify measurement criteria (if necessary)
 - Identify action plans for objectives (who does what by when)

• C. Note on next Strategic Planning Session

- *Typically organizations conduct annual strategic planning sessions
However, this is often dependant upon the timelines that are set for each goal.
(le: If you've set goals that will take 2-3 years to complete, you may want to conduct bi-annual goal updates for the first two years after your initial planning session, and set your next strategic planning session 3 years out, from the initial planning session)*

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-60

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPOINTING JUDGES AND CLERKS FOR THE REGULAR MUNICIPAL ELECTION ON OCTOBER 5, 2021 AND JUDGES TO SERVE ON THE CANVASS COMMITTEE

WHEREAS, Unalaska City Code § 4.08.020(A) states that before each city election, the City Council shall appoint three election judges to constitute the Election Board, one who is designated the Chair and may appoint two election clerks; and

WHEREAS, Unalaska City Code § 4.04.050 states that wages for non-employee election judges and clerks shall be established by resolution of the City Council; and

WHEREAS, Unalaska City Code § 4.08.020(B) states that the City Council will serve as a canvass committee, or may appoint three judges to constitute the canvass committee, who will canvass all votes after the election judges have completed their tally.

NOW THEREFORE BE IT RESOLVED by the Unalaska City Council that the following persons are appointed judges and clerks for the October 5, 2021 General Election and shall attend at the Unalaska Precinct Polling place, namely Unalaska City Hall, at 7:30 a.m. on October 5, 2021, and shall continue until polls close at 8:00 p.m. Thereafter, the judges and clerks shall count and check all votes cast against the poll listed in the manner required by law:

ELECTION BOARD

Judges:

Marjie Veeder, Chair
Roxanna Winters
Estkarlen Magdaong

Clerks:

Minerva Fernandez
Judith Huling

BE IT FURTHER RESOLVED by the Unalaska City Council that the following persons are appointed as judges to constitute the Canvass Committee, who shall meet on Friday, October 8, 2021, at 10:00 a.m., to canvass all votes after the election judges have completed their tally:

CANVASS COMMITTEE JUDGES

Marjie Veeder, Chair
Estkarlen Magdaong
Dennis M. Robinson

BE IT FURTHER RESOLVED that non-employee election judges and clerks shall be paid fifteen dollars (\$15) per hour.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on September 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Erin Reinders, City Manager
Date: September 14, 2021
Re: Resolution 2021-60 appointing Judges and Clerks for the regular municipal election on October 5, 2021 and Judges to serve on the Canvass Committee

SUMMARY: City Code requires Council to appoint three judges and council may appoint two clerks to serve as the Election Board for the municipal election to be held on October 5, 2021; and council is to appoint three judges to serve as the canvass committee on October 8, 2021. Resolution 2021-60 accomplishes these mandates.

PREVIOUS COUNCIL ACTION: Council adopts a similar resolution for each local election.

DISCUSSION: UCO 4.08.020 requires appointment of three judges and states council may appoint two clerks to serve as the Election Board, and allows for the City Clerk to appoint additional clerks should the need arise.

Council acts as the Canvass Committee or may appoint three judges to constitute the Canvass Committee, which is the option typically taken. Traditionally, one Council member serves on the Canvass Committee and this year Dennis Robinson has agreed to serve in this capacity.

Additionally, Code was recently amended to state that Council determines the rate of pay for non-employee election workers by resolution. Code previously set an hourly rate of \$10 per hour, which hasn't been increased in at least 20 years. A survey of other Alaska municipalities shows pay ranging from \$12-\$20 per hour depending on duties. The resolution sets the hourly rate of pay at \$15 per hour. Our non-employee election workers are experienced and have served in this capacity during previous elections and the increase from \$10 per hour (which is below minimum wage in Alaska) is justified. The City Clerk feels this rate of pay is fair and reasonable and the Clerk's Department budget contains sufficient funds to cover the pay increase.

ALTERNATIVES: None.

FINANCIAL IMPLICATIONS: Pay for non-employee election workers is included in the Clerk's Office FY22 budget.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2021-60.

PROPOSED MOTION: I move to adopt Resolution 2021-60.

CITY MANAGER'S COMMENTS: The Manager concurs with the Staff Recommendation.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-61

A RESOLUTION OF THE UNALASKA CITY COUNCIL SETTING OUT COMMUNITY WIDE COVID-19 PROTECTIVE MEASURES

WHEREAS, the COVID-19 pandemic has generated a public health emergency that threatens to overwhelm the City of Unalaska health system and the economy of our community, endangering the lives and wellbeing of our citizens if gone unmanaged; and

WHEREAS, on March 15, 2020, Mayor Vincent M. Tutiakoff, Sr. declared a local emergency in the City of Unalaska, authorizing the City Manager to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 throughout the City of Unalaska; and

WHEREAS, on March 18, 2020, the Unalaska City Council passed Resolution 2020-16, declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska Remains in effect; and

WHEREAS, on November 10, 2020, the Unalaska City Council passed Resolution 2020-71, extending the local emergency declaration through June 30, 2021, to allow the City to continue to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 in the City of Unalaska; and

WHEREAS, on February 14, 2021, Governor Dunleavy issued four Health Advisories with guidance and recommendations on general safety and best practices, international and interstate travel (modified April 26, 2021), intrastate travel (modified April 26, 2021), and critical infrastructure; and

WHEREAS, the Commissioner of the State of Alaska, Department of Health and Social Services, Adam Crum, pursuant to and in accordance with the authority granted by the Alaska State Legislature in House Bill 76, Chapter No. 2, SLA 2021, declared a Public Health Emergency effective at 12:02 a.m. on May 1, 2021, which shall remain in effect until rescinded or until the federal public health emergency issued under Section 319 of the Public Health Services Act expires, whichever is sooner; and

WHEREAS, on June 22, 2021, the Unalaska City Council passed Resolution 2021-47, extending the local emergency declaration through December 31, 2021, to allow the City to continue to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 in the City of Unalaska; and

WHEREAS, local health officials have advised that protective measures are beneficial given Unalaska's remoteness and lack of road access to the mainland; and

WHEREAS, the State of Alaska has specifically recommended communities with limited health care infrastructure or high-risk populations may consider more restrictive protective measures than the State; and

WHEREAS, as of September 8, 2021, there are 93,632 cumulative known COVID-19 cases statewide; and

WHEREAS, as of September 8, 2021, there were 17 known active community COVID-19 cases in Unalaska; and

WHEREAS, the City's Emergency Response Plan was modified on September 1, 2021, after careful consideration and consultation with medical professionals and other subject matter experts; and

WHEREAS, on September 7, 2021, Unalaska's Local Risk Level went to Moderate in accordance with the updated Emergency Response Plan; and

WHEREAS, as of September 8, 2021, the Aleutians West Census Area is at 62% of residents 12 and older fully vaccinated and 74% of residents 12 and older have at least one dose of the vaccine; and

WHEREAS, COVID-19 continues to pose a threat to the health, safety, and welfare of the residents of the City; and

WHEREAS, this resolution shall have the same effect as a rule issued by the City Manager pursuant to Unalaska Code of Ordinances § 2.96.040.

NOW THEREFORE BE IT RESOLVED:

1. **State Health Advisories.** Everyone in the City of Unalaska (the City) is encouraged to follow current Health Advisories issued by the State of Alaska related to COVID-19.
 - a. For individuals, as outlined in State Health Advisory Nos. 1-3, this includes practicing social distancing and good hygiene, staying at home if sick, isolating if tested positive for COVID-19, testing before and after travel, quarantining after travel if unvaccinated, and not traveling if currently COVID-19 positive.
 - b. People traveling for critical business purposes should follow their employer's approved plan according to State Health Advisory No. 4.
 - c. Businesses identified as "essential services" or "critical infrastructure" that are recommended to submit plans or protocols to the State of Alaska under Health Advisory No. 4 or its appendices are encouraged to submit COVID-19 plans directly to the City if operating in Unalaska. The plans should be in a format substantially similar to that recommended by State Health Advisory No. 4. Such businesses may submit their plans, protocols, or relevant notifications to the City of Unalaska by email to COVID19PLANS@ci.unalaska.ak.us.
2. **Face Covering Requirement.** To help reduce the community spread of COVID-19 and to protect customers, visitors, workers and volunteers of businesses and organizations, individuals shall wear face coverings in certain situations, with limited exemptions, as outlined below. A face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A face covering may be factory-made or sewn by hand.
 - a. Individuals are required to wear face coverings in the following situations:
 - i. Employees or volunteers interacting in-person with any member of the public, customer or visitor;

- ii. Customers or visitors of any business or organization open to the public;
 - iii. While obtaining services in a healthcare facility;
 - iv. Working in or walking through indoor common areas, such as hallways, stairways, and elevators;
 - v. In any room or enclosed area of a business or organization where other people (except for members of the person's own household or residence) are present and when unable to physically distance; or
 - vi. When driving or riding in a taxi or shuttle service.
- b. The following individuals are exempt from wearing a face covering:
- i. Persons younger than two years old;
 - ii. Persons with a medical condition, mental health condition, or disability that prevents wearing a face covering. This includes persons with a medical condition for whom wearing a face covering could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a face covering without assistance;
 - iii. Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication;
 - iv. Persons who are obtaining a service involving the nose or face for which temporary removal of the face covering is necessary to perform the service, such as medical services; or
 - v. Persons who are seated at a restaurant or other establishment that offers food or beverage service, while they are eating or drinking.
- c. Business owners or operators shall post signage requiring face coverings at building entrances or vehicle doors or windows. A business owner or operator may refuse admission or service to any individual who fails to wear a face covering as required by this resolution.

3. **Reserved.**

4. **Marine Tourism.** Marine tourism includes travel to Unalaska for non-essential purposes by state ferry, a cruise ship of any kind, or private vessel. Marine tourism passengers and providers are required to adhere to resolutions, ordinances, orders of the City Manager, or any other local mandates related to public safety during the COVID-19 pandemic. Local requirements are in addition to any laws, regulations, agreements or plans that apply to travelers, vessels, or businesses through the State of Alaska, the Center for Disease Control and Prevention (CDC), or the US Department of Homeland Security.

5. **Penalties.** Violation of this resolution is punishable as a misdemeanor under Unalaska Code of Ordinances § 2.96.090 and is a Public Nuisance, subject to the remedies in Unalaska Code of Ordinances, Title 11, Chapter 8, including prosecution as a minor offense.

6. **Effective Date; Expiration.** This resolution shall be effective at noon on Wednesday, September 15, 2021, and expires at noon on Wednesday, September 29, 2021. The City Council may extend it as necessary, or the City Manager may extend it or amend it pursuant to the emergency management powers under Unalaska Code of Ordinances § 2.96, and Resolutions 2020-71 and 2021-47. This resolution repeals and replaces any other inconsistent resolution or ordinance.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on September 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: September 14, 2021
Re: Resolution 2021-61: Setting out community wide COVID-19 protective measures

SUMMARY: This resolution was developed based on past Council action. We are currently at the local Moderate Risk level. This resolution is set to expire on September 29, 2021, and focuses on requiring face coverings.

PREVIOUS COUNCIL ACTION: Since originally declaring a local state of emergency in March of 2020, now extended to December 31, 2021, City Council has responded to the local situation in the form of Resolutions setting out community wide protective measures.

BACKGROUND: Pursuant to HB 76 and the Department of Health and Human Services COVID-19 Declaration of Public Health Emergency dated April 30, 2021, the State continues to assist with testing, vaccinations, contact tracing, and taking other limited, necessary actions. The State has issued four health advisories, listed below, addressing general safety, travel and critical infrastructure, with appendices focusing on the seafood industry.

Health Advisory 1 – Recommendations to Keep Alaskans Safe – Addresses the safety measures Alaskans can take to mitigate the spread of COVID-19.

Health Advisory 2 – International and Interstate Travel – Other than prohibiting persons who are currently positive with COVID-19, the State no longer has entry or travel testing requirements. The existing airport testing infrastructure will remain in place to protect Alaskans and visitors alike, but testing is voluntary.

Health Advisory 3 – Intrastate Travel – Like Health Advisory 2, the State’s guidance regarding intrastate travel was modified April 26. It continues to permit local travel restrictions, and outlines expectations of communities for allowing travel of Critical Infrastructure personnel, as well as for community members and those traveling for critical personal needs.

Health Advisory 4 – Critical Infrastructure – The advisory provides clear guidance for Critical Infrastructure businesses operating in Alaska to protect both communities and industries. There are appendices for Seafood Processing Workers; Independent Commercial Fishing Vessels; and Independent Commercial Harvesters.

On September 1, 2021, Unified Command finalized the update to Unalaska’s COVID-19 Emergency Response Plan. Changes were necessary due to the wide availability of vaccines for COVID-19 and new information learned about the virus. There are now four levels outlining thresholds of risk associated with overwhelming medical facilities: Low, Moderate, Substantial and High Risk. Once the risk level is elevated, it will remain for two weeks, at which point the level will be reassessed. The Response Plan also identifies recommended protective measures associated with each risk level. The general purpose of the plan is to provide guidance to

individuals for their personal decision making; to organizations as they make operational decisions; and to the City Council as it considers Community Wide Protective Measures.

Based on the current number of active cases on September 8, 2021, the community is at Moderate Risk under the new Response Plan. Moderate Risk is defined as moderate levels of COVID-19 cases present in the community. Generally, this is defined as 10 - 19 cases, which are community acquired, travel acquired, and/or household acquired, with consideration for the inclusion of industry-related cases that are a part of the community or who have traveled commercially and test positive upon arrival.

DISCUSSION: In accordance with the COVID-19 Emergency Response Plan developed early on in this pandemic, and recently updated, this is the time where Council might consider measures to further limit contact with individuals outside of households in order to limit community spread.

Resolution 2021- 61 is set expire September 29, 2021 and will be revisited at the Council Meeting on September 28, 2021. This date coincides with a regularly scheduled City Council meeting. The key sections of the Resolution are outlined below.

- **State Health Advisories** - *This section remains unchanged from last week.* Everyone in the City is encouraged to follow the State's Health Advisories. This is not mandated locally.
- **Face Coverings Requirement** – *The COVID-19 Emergency Response Plan encourages face coverings in the Moderate Risk level, but Council chose to keep this mandatory in the current resolution. This section remains unchanged from Council's resolution approved last week.* Customers and visitors of businesses and organizations are required to wear a covering over their nose and mouth. Additionally, employees or volunteers of businesses and organizations are required to wear a face covering when interacting with customers or visitors and when working with each other and unable to physically distance. The Resolution details the situations where a face covering is required and the limited exemptions.
- **Marine Tourism** - *This section remains unchanged from last week.* This section provides guidance for those traveling for non-essential purposes on the state ferry, cruise ships or private vessels and clarifies that local safety protocols in this resolution apply.

If the risk level changes prior to the Council meeting, other measures may be appropriate. If it is increased to High, the Response Plan recommends requiring limits to indoor public gathering and to building capacity.

ALTERNATIVES: Council may choose to approve, amend or disapprove this resolution. The decisions on what is contained in the resolutions addressing community wide protective measures, including the expiration date, are ultimately policy decisions made by Council.

FINANCIAL IMPLICATIONS: Unknown at this time.

LEGAL: This resolution's subject matter, like all the other public health measures that Council has considered during this pandemic, was drafted in close collaboration with Sam Severin, one of our City Attorneys.

STAFF RECOMMENDATION: The City Manager recommends approval of the form of this resolution, as it has been developed based on past Council discussions, consultation with local

health officials, our attorney, and with the guidance outlined in our COVID-19 Emergency Response Plan. Council may wish to alter some of the details based on further discussion.

PROPOSED MOTION: I move to adopt Resolution 2021-61.