

City of Sand Point Council Meeting



Workshop: Tuesday, December 9, 2014 – 2:00 p.m.

Meeting: Tuesday, December 9, 2014 – 7:00 p.m.

CALL TO ORDER

ROLL CALL

CALL TO ORDER

CITY OF SAND POINT

(packet available on website www.sandpointak.com)



MAYOR

Mayor Glen Gardner Jr. - Office Exp. 2017

COUNCIL MEMBERS

Danny Cumberlidge	Seat A - Exp. 2016
Allan Starnes	Seat B - Exp. 2017
Shirley Brown	Seat C - Exp. 2016
Jack Foster Jr.	Seat D - Exp. 2017
Marita Gundersen	Seat E - Exp. 2015
Rayette McGlashan	Seat F - Exp. 2015

SAND POINT CITY COUNCIL MEETING AGENDA CITY CHAMBERS

Regular Meeting

Tuesday, December 9, 2014 7:00 pm

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

CERTIFICATION OF ELECTION/OATH OF OFFICE

CONSENT AGENDA:

1. Minutes: Minutes of Regular Meeting on October 14, 2014

REPORTS:

1. Finance Officer
2. Administrator
3. DPS Director
4. Fire Chief
5. Public Works Director
6. Harbor Master
7. Student Representative

HEARINGS, ORDINANCES AND RESOLUTIONS:

1. Ordinance 2014-10: Amending the FY15 Budget to Increase Legal Expenditures – 2nd Reading
2. Ordinance 2014-11: Amending the Vicious Dogs Code – 2nd Reading

OLD BUSINESS:

1. BDO Audit and Financial Statements
2. Resolve Marine Group Flotation Payment, Part II

NEW BUSINESS:

1. Class of 2018 Donation Letter
2. Building Permit: Unga Corporation
3. Building Permit: Bruce Foster Jr.
4. Police Department Fees for Service Schedule

PUBLIC COMMENTS

EXECUTIVE SESSION

COUNCIL COMMENTS

ADJOURNMENT

THERE IS A WORKSHOP FOR THIS MEETING AT 2 P.M. – SAME DAY IN CITY CHAMBERS

POSTED 12/03/14

SAND POINT CITY COUNCIL
Regular Meeting Minutes

Tuesday, October 14, 2014

CALL TO ORDER:

The regular meeting of the Sand Point City Council was held Tuesday, October 14, 2014, in the Sand Point Council Chambers. Mayor Martin Gundersen called the meeting to order at 7:07 p.m.

ROLL CALL:

Martin Gundersen	Mayor	Present
Danny Cumberlidge	Seat A	Present
Allan Starnes	Seat B	Present
Shirley Brown	Seat C	Present
Jack Foster Jr.	Seat D	Present
Marita Gundersen	Seat E	Present
Rayette McGlashan	Seat F	Present

A quorum was established.

Staff in attendance:

Andy Varner, Administrator
Shannon Sommer, City Clerk
Krista Galvin, Finance Officer
John Lucking, Jr., Chief of Police
David Stokes, Public Works Director

APPROVAL OF AGENDA:

Mayor Martin Gundersen made a motion to approve the agenda.

MOTION: Councilperson Danny Cumberlidge made a motion to approve the agenda with the addition of #7. Student Representative under Reports, move Executive Session under Public Comments as well as Resolution 14-06 and Ordinance 2014-10, under Old Business, table Harbor Master Assistant Job Description until December's meeting, and add under New Business #5. QAP Paving Proposal and #6. Cancer Fund Raiser Donation Request.

SECOND: Councilperson Rayette McGlashan seconded the motion.

VOTE: Motion passed unanimously.

Mayor Gundersen made a presentation to the Council and public.

CERTIFICATION OF ELECTIONS:

City Clerk, Shannon Sommer, read the election results for the General Election held on October 14, 2014. For Mayor, Glen Gardner Jr. received 96 votes, William Cumberlidge received 55 votes, Paul Gronholdt received 40 votes, Dennis McGlashan Jr. received 14 votes, Lorna Osterback received 4 votes, and there were 4 write-ins and 1 blank. For Seat B, Allan Starnes received 195 votes, there were 11 write-ins, and 13 blank. For Seat D, Jack Foster Jr. received 190 votes, there were 13 write-ins, and 10 blank. Followed by the statement, "I, Shannon Sommer, Election Supervisor, hereby certify that the above election results of the City of Sand Point's General Election held on October 14, 2014, have been correctly tabulated."

MOTION: Councilperson Shirley Brown made a motion to approve the Certification of Elections.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

OATH OF OFFICE:

Glen Gardner Jr. took Oath of Office for Mayor, a 3-year term.
Allan Starnes took Oath of Office for Seat B, a 3-year term.
Jack Foster Jr. took Oath of Office for Seat D, a 3-year term.

Mayor Gardner took over as Chair of the meeting and expressed his thanks to outgoing Mayor Gundersen for his three years of public service.

APPROVAL OF CONSENT AGENDA:

1. Minutes of September 9, 2014 Regular Meeting Minutes
Mayor Glen Gardner Jr. requested a motion to approve the consent agenda.
MOTION: Councilperson Shirley Brown made a motion to approve the consent agenda.
SECOND: Councilperson Marita Gundersen seconded the motion.
VOTE: Motion passed unanimously.

REPORTS:

Finance Officer- Krista Galvin

Finance Officer Krista Galvin reported that as of August 2014, we received \$48,575.15 in Raw Fish Tax, \$88,033.11 in Sales Tax and the bank balance is \$3,160,269.09. She included an expenditure and revenue guideline, check detail register and handout of the donation list.

Administrator - Andy Varner

Elections

Administrator Andy Varner thanked Martin for the time they spent working together, congratulated Councilperson Jack Foster Jr. and Councilperson Allan Starnes for re-election, and to the new Mayor, and to the election staff and judges on a job well done.

Sand Point Road Rehabilitation

The road has been paved for a month now. Public Works Director Stokes and his crew did a great job helping QAP. Public Works Director Stokes will discuss more on the matter during his report.

Dock Replacement

The City will choose one of three alternative designs from PND and submit to the legislature before the end of October.

Small Boat Harbor Rehabilitation Project

To be compliant with the State of Alaska Department of Labor, the City has received a one year grace period to be up to code with the breakers and pedestals in the harbor. The Mayor, City Attorney and he have been negotiating with URS and R&M about the billet issue.

Substance Abuse

He has been working with Jennifer Harrison with EAT's and explored an option in Anchorage, similar to what might work, for the proposed halfway house in Sand Point.

Playground

66 tons of material for the playground was shipped in two shipments on Coastal Transportation, which was grant funded and 50% of the shipping cost was donated by Coastal Transportation.

NPFMC

He attended the North Pacific Fishery Management Council meetings.

November City Council Meeting

He will attend a Construction Law class on Veterans Day.

Council agreed there will be no November meeting and move on to December's meeting.

Department of Public Safety - Chief John Lucking, Jr.

Police Chief John Lucking, Jr. thanked *** and Martin Gundersen for the time they spent working together. Police Chief Lucking reported there is statistical information included in his report. He has continued to work with the Department of Corrections about improving the holding facility and was recommended to include the expenses in the 2016 budget for the project. He has been communicating with EAT's about EMS. They have been spending some time at the school. There is a new part-time fire boat operator.

Mayor Gardner commented if there are monies charged for an EMS call it will be returned back to EMS.

Public Works Department - Dave Stokes

Public Works Director Dave Stokes reported they worked with QAP, moved the crusher to the shop, started ditching along the asphalt roads, moved 7 cars/trucks to the landfill and swept roads.

Water & Sewer

They covered the Nagai lift station with gravel, pumped out all lift stations, fixed the electrical conduit on the B&C gangway, insulated vaults at the harbor, put a new water valve outside Dale Pedersen's house, fixed a water leak at the Fish & Game warehouse and fixed a plugged sewer main at Trident Seafoods.

Land Fill

They cleaned around dumpsters and replaced the actuator on the garbage truck.

Recycle Center

They had 3 tubs of glass to be taken to the landfill.

Fire Department

Public Works Director Stokes reported he used the fire truck to fill water at the shop.

Harbor Master - Richard Kochuten Sr.

Mayor Gardner stated Harbor Master Richard Kochuten, Sr. report was in the packet.

Student Representative – Colten Mack

Student Representative Colten Mack reported the school's student council includes Dantezza Pangilinan as President, he is Vice-President, Madison Thompson is Secretary/Treasurer, and Marieana Larsen is Social Chair. Glen Krause is 12th grade Representative, Chloe Gardner is 11th grade Representative, Naomi Krause is 10th grade Representative, Justina Parami is 9th grade Representative, Brittany Gardner is 8th grade representative and Logan Thompson is 7th grade Representative. Mr. Poage is their advisor and they meet in his office every Monday. They started off the school year with the goal to install spirit in the school. The executive board divided Dantezza to attend School Board meetings, Madison Thompson to attend ASC meetings and him to attend City Council meetings. They are putting signs on student's lockers for the sports they play. The Cross Country and the Jr. High Basketball teams had a pep assembly went well. Madison and he will attend AASG's fall conference in Wasilla October 30, 2014 through November 1, 2014. They started a Staff Recognition award, the recipient receives a certificate and treats for their appreciation, they chose Raynelle Gardner for the first award. They started compiling all activity sheets so schedules don't overlap, and will post on a board in front of the office. Red Ribbon Week will start October 23, 2014. They will start hang pictures around the school for example, sports and positive thoughts. The Cross Country District meet was in King Cove, for the girls, Chloe Gardner came in 1st place, Dantezza Pangilinan came in 2nd place and Peyton

Kuzakin came in 3rd. For the boys, he came in 1st place; Ethan Mack came in 11th place and Michael Herndon came in 3rd place. During the State meet, he came in 88th place, Chloe placed 41st and Dantezza placed 93rd.

HEARINGS, ORDINANCES, AND RESOLUTIONS:

1. Resolution 14-06: Authorizing Grievance Representation and Investigation Personnel

MOTION: Councilperson Jack Foster Jr. made a motion to adopt Resolution 14-06.

SECOND: Councilperson Shirley Brown seconded the motion.

VOTE: Motion passed unanimously.

2. Ordinance 2014-10: Amending the FY15 Budget to Increase Legal Expenditures – 1st Reading

MOTION: Councilperson Shirley Brown made a motion to put Ordinance 2014-10: Amending the FY15 Budget to Increase Legal Expenditures on the floor for 1st Reading.

SECOND: Councilperson Rayette McGlashan seconded the motion.

VOTE: Motion passed unanimously.

3. Ordinance 2014-11: Amending the Vicious Dogs Code - 1st Reading

MOTION: Councilperson Shirley Brown made a motion to put Ordinance 2014-11: Amending the Vicious Dogs Code on the floor for 1st Reading.

SECOND: Councilperson Jack Foster Jr. seconded the motion.

VOTE: Motion passed unanimously.

OLD BUSINESS: None.

NEW BUSINESS:

1. QTT Donation Request

MOTION: Councilperson Marita Gundersen made a motion to donate the same amount as last year, \$750.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed

2. 2015 Lease Renewals

MOTION: Councilperson Shirley Brown made a motion to approve the 2015 Lease Renewals.

SECOND: Councilperson Rayette McGlashan seconded the motion.

VOTE: Motion passed unanimously.

3. Christmas Bonuses

MOTION: Councilperson Marita Gundersen made a motion to approve the Christmas Bonuses 2014 starting at \$75 and \$25 per additional year and a cap of \$500.

SECOND: Councilperson Allan Starnes seconded the motion.

VOTE: Motion passed unanimously.

4. Mark Hickey Lobbying Contract Renewal

MOTION: Councilperson Shirley Brown made a motion to approve the Mark Hickey Lobbying Contract Renewal.

SECOND: Councilperson Jack Foster Jr. seconded the motion.

VOTE: Motion passed unanimously

5. QAP Paving Proposal

Public Works Director Stokes explained the cons of not having a paved floor in the City shop, a drainage system, and asphalt versus cement flooring. Council discussed the quick decision they would need to make, DEC requirements, and catch basins.

MOTION: Councilperson Rayette McGlashan made a motion for the Mayor to negotiate the QAP Paving Proposal and the amount of the project not to exceed \$48,000.

SECOND: Councilperson Jack Foster Jr. seconded the motion.

VOTE: Motion passed unanimously.

6. Cancer Fund Raiser Donation Request

MOTION: Councilperson Rayette McGlashan made a motion to donate a Boat Haul-out not to exceed 58' to the Cancer Fund Raiser.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

PUBLIC COMMENTS:

Joanna McCullum played a video of vicious dog attacks. Raymond Nutt expressed his opinion for not trusting pit bulls. Debra Gundersen expressed her opinion of discrimination against a certain breed of dogs and she felt the City already has a good ordinance against vicious dogs. Melanie Rotter expressed her experience with the pit bull breed.

EXECUTIVE SESSION:

MOTION: Councilperson Danny Cumberlidge made a motion to move into Executive Session for discussions of pending or threatened lawsuits in which the city has an interest.

SECOND: Councilperson Allan Starnes seconded the motion.

MOTION: Councilperson Danny Cumberlidge made a motion to move out of Executive Session.

SECOND: Councilperson Jack Foster Jr. seconded the motion.

No action taken.

COUNCIL COMMENTS:

Councilperson Foster reminded the public and council to keep bigger dogs in mind regarding Ordinance 2014-11, and thanked Martin Gundersen for his term of Mayor. Councilperson Starnes expressed his concern for the vicious dog ban and the enforcement that needs to take place. Councilperson McGlashan wanted the deadline for donations and other agenda items to be met by the Wednesday BEFORE the Council meeting. Councilperson Cumberlidge welcomed Mayor Gardner.

ADJOURNMENT

MOTION: Councilperson Shirley Brown made a motion to adjourn.

SECOND: Councilperson Rayette McGlashan seconded the motion.

The meeting adjourned at 9:27 PM.

Glen Gardner Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

REPORTS

FINANCE OFFICER

**City of Sand Point
Raw Fish Tax Revenue**

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
June	83,738.35	89,371.73	217,340.55	July	98,195.23	156,655.84	121,976.31
July	66,700.34	128,368.96	139,818.08	August	68,242.04	137,107.36	48,575.15
August	47,508.96	78,457.48	117,033.81	September	71,393.24	53,307.44	64,362.76
September	37,286.18	80,983.80	79,043.91	October	74,240.08	41,610.64	32,213.32
October	43,372.78	46,603.74	74,929.24	November	5,675.98	22,386.53	-
November	11,430.85	8,421.65	10,518.19	December	1,305.30	5,337.01	-
December	106.26	6.03	92.61	January	39,379.85	43,650.07	-
January	23,074.95	70,721.63	61,025.94	February	33,190.81	53,363.98	-
February	46,534.36	91,693.11	80,458.14	March	78,691.30	65,073.23	-
March	63,330.92	79,640.86	103,148.90	April	24,930.11	36,514.38	-
April	33,548.59	25,898.74	29,908.61	May	16,846.94	21,292.12	-
May	44,056.75	59,813.76	26,019.65	June	129,015.93	64,462.43	-
Total	500,689.29	759,981.49	939,337.63		641,106.81	700,761.03	267,127.54

Sales Tax Revenue

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
June	69,401.30	73,942.45	96,304.83	July	101,206.98	82,934.73	104,161.56
July	73,865.38	76,586.24	98,121.00	August	76,571.79	73,136.15	88,102.14
August	58,298.67	59,031.08	77,436.07	September	194,900.07	75,647.72	116,409.17
September	55,753.91	66,560.56	89,882.29	October	85,720.47	69,251.83	80,892.09
October	53,344.13	55,806.67	93,787.49	November	90,575.50	46,816.20	-
November	35,246.04	37,712.73	34,431.36	December	44,723.29	52,116.25	-
December	43,600.69	46,246.45	59,315.91	January	62,428.48	80,977.40	-
January	54,916.11	51,438.40	72,690.48	February	57,547.22	84,035.36	-
February	56,707.52	66,045.08	68,392.21	March	75,307.36	126,325.95	-
March	62,502.76	109,345.24	83,181.02	April	65,117.67	86,407.71	-
April	60,564.66	59,248.18	72,659.25	May	58,775.64	70,189.92	-
May	48,743.68	50,158.53	56,084.05	June	80,381.46	98,758.26	-
Total	672,944.85	752,121.61	902,285.96		993,255.93	946,597.48	389,564.96
				TDX Fines		(150,000.00)	
						796,597.48	

City of Sand Point
Bank Balance

Date

Bank	Account Number	Balance	
		10/31/2014	Date
Key Bank	50-20-500-0025757	2,778,105.16	
Wells Fargo - General	4121344139	166,798.86	
Wells Fargo - Bingo Fund	4121344147	184,242.23	
Wells Fargo - Silver Salmon Fund	4121344154	5,049.09	

CITY OF SAND POINT
***Expenditure Guideline-No Enc Sum©**

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Current Period: OCTOBER 14-15

	14-15 YTD Budget	14-15 YTD Amt	OCTOBER MTD Amt	14-15 YTD Balance	% of YTD
GENERAL FUND					
LEGISLATIVE	\$150,600.00	\$44,165.84	\$16,610.52	\$106,434.16	29.33%
ADMINISTRATION	\$1,082,908.00	\$378,292.76	\$61,483.41	\$704,615.24	34.93%
PARKS AND RECREATION	\$41,179.00	\$9,059.30	\$2,040.88	\$32,119.70	22.00%
ANIMAL CONTROL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
PUBLIC SAFETY	\$666,250.00	\$162,337.39	\$36,261.63	\$503,912.61	24.37%
PUBLIC WORKS	\$631,289.00	\$207,187.35	\$45,713.53	\$424,101.65	32.82%
FACILITIES	\$453,968.00	\$74,523.68	\$18,763.61	\$379,444.32	16.42%
TRANSFER PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total GENERAL FUND</i>	<u>\$3,026,194.00</u>	<u>\$875,566.32</u>	<u>\$180,873.58</u>	<u>\$2,150,627.68</u>	<u>28.93%</u>
BINGO FUND					
ADMINISTRATION	\$497,404.00	\$205,319.49	\$70,471.39	\$292,084.51	41.28%
<i>Total BINGO FUND</i>	<u>\$497,404.00</u>	<u>\$205,319.49</u>	<u>\$70,471.39</u>	<u>\$292,084.51</u>	<u>41.28%</u>
SILVER SALMON DERBY					
FIRE	\$25,750.00	\$16,352.94	\$248.09	\$9,397.06	63.51%
<i>Total SILVER SALMON DERBY</i>	<u>\$25,750.00</u>	<u>\$16,352.94</u>	<u>\$248.09</u>	<u>\$9,397.06</u>	<u>63.51%</u>
CLINIC OPERATIONS/MAINTENANCE					
ADMINISTRATION	\$32,777.00	\$31,971.00	\$0.00	\$806.00	97.54%
<i>Total CLINIC OPERATIONS/MAINTENANCE</i>	<u>\$32,777.00</u>	<u>\$31,971.00</u>	<u>\$0.00</u>	<u>\$806.00</u>	<u>97.54%</u>
WATER/SEWER OPERATIONS					
WATER/SEWER	\$357,803.00	\$75,955.92	\$18,414.62	\$281,847.08	21.23%
<i>Total WATER/SEWER OPERATIONS</i>	<u>\$357,803.00</u>	<u>\$75,955.92</u>	<u>\$18,414.62</u>	<u>\$281,847.08</u>	<u>21.23%</u>
HARBOR/PORT OPERATIONS					
HARBOR	\$496,500.00	\$220,050.00	\$67,964.79	\$276,450.00	44.32%
<i>Total HARBOR/PORT OPERATIONS</i>	<u>\$496,500.00</u>	<u>\$220,050.00</u>	<u>\$67,964.79</u>	<u>\$276,450.00</u>	<u>44.32%</u>
REFUSE COLLECTION					
PUBLIC WORKS	\$154,179.00	\$52,179.68	\$10,456.35	\$101,999.32	33.84%
<i>Total REFUSE COLLECTION</i>	<u>\$154,179.00</u>	<u>\$52,179.68</u>	<u>\$10,456.35</u>	<u>\$101,999.32</u>	<u>33.84%</u>
SCHOOL LOOP ROAD & PAVING PROJ					
ADMINISTRATION	\$2,574,000.00	\$19,196.44	\$6,017.52	\$2,554,803.56	0.75%
<i>Total SCHOOL LOOP ROAD & PAVING PROJ</i>	<u>\$2,574,000.00</u>	<u>\$19,196.44</u>	<u>\$6,017.52</u>	<u>\$2,554,803.56</u>	<u>0.75%</u>
SCHOOL LOOP ROAD/CITY OF SP					
ADMINISTRATION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total SCHOOL LOOP ROAD/CITY OF SP</i>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
SCHOOL LOOP ROAD/CSP					
ADMINISTRATION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total SCHOOL LOOP ROAD/CSP</i>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
HARBOR CONSTRUCTION					
HARBOR	\$0.00	\$359,918.54	\$0.00	-\$359,918.54	0.00%
<i>Total HARBOR CONSTRUCTION</i>	<u>\$0.00</u>	<u>\$359,918.54</u>	<u>\$0.00</u>	<u>-\$359,918.54</u>	<u>0.00%</u>
Report Total	\$7,164,607.00	\$1,856,510.33	\$354,446.34	\$5,308,096.67	25.91%

CITY OF SAND POINT
***Revenue Guideline-Alt Code©**

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Current Period: OCTOBER 14-15

		14-15	14-15	OCTOBER	14-15	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
GENERAL FUND						
Active	R 01-022 AK MUNICI LEAGUE INVES	\$0.00	\$84.36	\$22.80	-\$84.36	0.00%
Active	R 01-051 TRANSFER FROM	\$490,267.00	\$0.00	\$0.00	\$490,267.00	0.00%
Active	R 01-200 INTEREST/RESTRICTED	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
Active	R 01-202 FINES AND PENALTYS	\$1,000.00	\$20.11	\$0.00	\$979.89	2.01%
Active	R 01-203 OTHER REVENUE	\$40,000.00	\$45,819.06	\$5,312.56	-\$5,819.06	114.55%
Active	R 01-205 4% SALES TAX	\$900,000.00	\$407,431.13	\$116,409.17	\$492,568.87	45.27%
Active	R 01-213 RAW FISH TAX	\$800,000.00	\$299,376.65	\$64,362.76	\$500,623.35	37.42%
Active	R 01-214 FINE-LATE SALES TAX	\$1,000.00	\$119.96	\$19.04	\$880.04	12.00%
Active	R 01-217 7% B & B Tax	\$15,000.00	\$7,218.28	\$705.67	\$7,781.72	48.12%
Active	R 01-225 PAYMENT IN LIEU OF TAX	\$150,000.00	\$0.00	\$0.00	\$150,000.00	0.00%
Active	R 01-226 EVENT COSTS	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	R 01-227 ACO REGISTRATION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-229 EASTER EGG HUNT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-230 DONATIONS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-232 EMS FUND	\$0.00	\$2,000.00	\$0.00	-\$2,000.00	0.00%
Active	R 01-233 BUSINESS LIC. FEE	\$2,500.00	\$275.00	\$100.00	\$2,225.00	11.00%
Active	R 01-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-236 SAND POINT SWEATSHIR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-238 ANCHORAGE OFFICE	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	R 01-239 AEB FY12 COMMUNITY GR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-250 STATE REVENUE SHARIN	\$143,876.00	\$144,641.00	\$0.00	-\$765.00	100.53%
Active	R 01-254 STATE OF ALASKA/DCED	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-256 REVENUE--STATE OF ALA	\$7,500.00	\$0.00	\$0.00	\$7,500.00	0.00%
Active	R 01-257 REVENUE--FEDERAL GOV	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-260 STATE BUSINESS LICENS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE PROCESSORS TAX	\$45,000.00	\$0.00	\$0.00	\$45,000.00	0.00%
Active	R 01-266 ExT FISH TAX SHARING	\$260,000.00	\$0.00	\$0.00	\$260,000.00	0.00%
Active	R 01-285 EQUIPMENT RENTAL	\$15,000.00	\$11,574.85	\$2,069.85	\$3,425.15	77.17%
Active	R 01-291 BUILDING RENTALS	\$125,000.00	\$52,828.75	\$16,942.00	\$72,171.25	42.26%
Active	R 01-293 LIBRARY GRANT	\$10,500.00	\$0.00	\$0.00	\$10,500.00	0.00%
Active	R 01-297 POLICE MISC REVENUE	\$1,000.00	\$435.00	\$315.00	\$565.00	43.50%
Active	R 01-298 EMS MISC REVENUE	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
Active	R 01-302 SCHOOL LOOP ROAD CON	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-809 DMVA-DHS&EM - KSDP GR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$3,033,143.00	\$971,824.15	\$206,258.85	\$2,061,318.85	32.04%
	Total GENERAL FUND	\$3,033,143.00	\$971,824.15	\$206,258.85	\$2,061,318.85	32.04%
BINGO FUND						
Active	R 02-051 TRANSFER FROM	\$42,104.00	\$0.00	\$0.00	\$42,104.00	0.00%
Active	R 02-202 FINES AND PENALTYS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-294 BINGO REVENUE	\$45,000.00	\$10,943.25	\$4,539.25	\$34,056.75	24.32%
Active	R 02-295 PULL TAB REVENUE	\$410,000.00	\$217,416.00	\$75,179.00	\$192,584.00	53.03%
Active	R 02-490 DEPRECIATION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-861 BINGO SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-863 CONCESSIONS	\$300.00	\$66.00	\$0.00	\$234.00	22.00%
	Total	\$497,404.00	\$228,425.25	\$79,718.25	\$268,978.75	45.92%
	Total BINGO FUND	\$497,404.00	\$228,425.25	\$79,718.25	\$268,978.75	45.92%
SILVER SALMON DERBY						

CITY OF SAND POINT
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Current Period: OCTOBER 14-15

		14-15	14-15	OCTOBER	14-15	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
Active	R 03-004 SILVER SALMON DERBY	\$22,000.00	\$5,180.00	\$5,180.00	\$16,820.00	23.55%
Active	R 03-230 DONATIONS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$22,000.00	\$5,180.00	\$5,180.00	\$16,820.00	23.55%
	Total SILVER SALMON DERBY	\$22,000.00	\$5,180.00	\$5,180.00	\$16,820.00	23.55%
CLINIC OPERATIONS/MAINTENANCE						
Active	R 10-257 REVENUE--FEDERAL GOV	\$32,777.00	\$10,925.56	\$2,731.39	\$21,851.44	33.33%
Active	R 10-576 FUEL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$32,777.00	\$10,925.56	\$2,731.39	\$21,851.44	33.33%
	Total CLINIC OPERATIONS/MAINTENANCE	\$32,777.00	\$10,925.56	\$2,731.39	\$21,851.44	33.33%
CITY DOCK WAREHOUSE/DEC						
Active	R 13-256 REVENUE--STATE OF ALA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total CITY DOCK WAREHOUSE/DEC	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
WASTEWATER UPGRADE/DEC						
Active	R 14-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 14-256 REVENUE--STATE OF ALA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total WASTEWATER UPGRADE/DEC	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
AIEDA/ENERGY EFFIECIENCY GRANT						
Active	R 23-256 REVENUE--STATE OF ALA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total AIEDA/ENERGY EFFIECIENCY GRANT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
WATER/SEWER OPERATIONS						
Active	R 61-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 61-052 TRANSFER TO	\$174,303.00	\$0.00	\$0.00	\$174,303.00	0.00%
Active	R 61-202 FINES AND PENALTYS	\$3,500.00	\$662.33	\$253.47	\$2,837.67	18.92%
Active	R 61-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 61-206 WATER/SEWER REVENUE	\$180,000.00	\$61,414.89	\$17,524.48	\$118,585.11	34.12%
Active	R 61-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$357,803.00	\$62,077.22	\$17,777.95	\$295,725.78	17.35%
	Total WATER/SEWER OPERATIONS	\$357,803.00	\$62,077.22	\$17,777.95	\$295,725.78	17.35%
HARBOR/PORT OPERATIONS						
Active	R 62-027 A/R AEB WATERLINE EXT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-080 BUILDINGS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-201 INTEREST	\$3,000.00	\$2,202.06	\$192.95	\$797.94	73.40%
Active	R 62-203 OTHER REVENUE	\$0.00	\$10,500.00	\$10,500.00	-\$10,500.00	0.00%
Active	R 62-210 HARBOR/MOORAGE	\$200,000.00	\$106,344.69	\$53,745.91	\$93,655.31	53.17%
Active	R 62-211 HARBOR/TRAVELLIFT	\$90,000.00	\$36,714.48	\$7,401.19	\$53,285.52	40.79%
Active	R 62-212 BOAT HARBOR/RENTS	\$60,000.00	\$29,181.40	\$12,250.00	\$30,818.60	48.64%
Active	R 62-215 HARBOR/WHARFAGE	\$60,000.00	\$8,080.22	\$1,129.60	\$51,919.78	13.47%
Active	R 62-219 HARBOR ELEC SERVICE F	\$0.00	\$245.00	\$245.00	-\$245.00	0.00%
Active	R 62-220 HARBOR/ELEC DEPOSIT	\$0.00	\$700.00	\$700.00	-\$700.00	0.00%
Active	R 62-221 HARBOR/VAN STORAGE	\$18,000.00	\$11,029.61	\$9,114.45	\$6,970.39	61.28%
Active	R 62-222 HARBOR/STALL ELECTRIC	\$20,000.00	\$1,254.48	\$1,254.48	\$18,745.52	6.27%

CITY OF SAND POINT
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Current Period: OCTOBER 14-15

		14-15	14-15	OCTOBER	14-15	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
Active	R 62-223 HARBOR/ELECTRICITY	\$5,000.00	\$157.89	\$0.00	\$4,842.11	3.16%
Active	R 62-224 GEARSHED LOCKER REN	\$13,000.00	\$650.00	\$0.00	\$12,350.00	5.00%
Active	R 62-228 CITY/SNOPAC LOCKERS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-237 HARBOR STORAGE	\$2,500.00	\$1,057.70	\$426.50	\$1,442.30	42.31%
Active	R 62-258 REVENUE--ALEUTIANS EA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-285 EQUIPMENT RENTAL	\$25,000.00	\$8,384.53	\$981.13	\$16,615.47	33.54%
Active	R 62-299 GAIN/LOSS DISPOSITION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	<u>\$496,500.00</u>	<u>\$216,502.06</u>	<u>\$97,941.21</u>	<u>\$279,997.94</u>	<u>43.61%</u>
	Total HARBOR/PORT OPERATIONS	\$496,500.00	\$216,502.06	\$97,941.21	\$279,997.94	43.61%
REFUSE COLLECTION						
Active	R 65-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 65-052 TRANSFER TO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 65-202 FINES AND PENALTYS	\$1,600.00	\$404.67	\$158.41	\$1,195.33	25.29%
Active	R 65-204 REFUSE COLLECTION	\$140,000.00	\$46,913.08	\$12,932.62	\$93,086.92	33.51%
Active	R 65-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	<u>\$141,600.00</u>	<u>\$47,317.75</u>	<u>\$13,091.03</u>	<u>\$94,282.25</u>	<u>33.42%</u>
	Total REFUSE COLLECTION	\$141,600.00	\$47,317.75	\$13,091.03	\$94,282.25	33.42%
SCHOOL LOOP ROAD/DC						
Active	R 68-257 REVENUE--FEDERAL GOV	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
	Total SCHOOL LOOP ROAD/DC	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SCHOOL LOOP ROAD & PAVING PROJ						
Active	R 70-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 70-256 REVENUE--STATE OF ALA	\$74,000.00	\$0.00	\$0.00	\$74,000.00	0.00%
Active	R 70-261 TRIDENT SEAFOODS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 70-262 STATE OF ALASKA/SAND	\$2,500,000.00	\$70,824.50	\$19,196.44	\$2,429,175.50	2.83%
	Total	<u>\$2,574,000.00</u>	<u>\$70,824.50</u>	<u>\$19,196.44</u>	<u>\$2,503,175.50</u>	<u>2.75%</u>
	Total SCHOOL LOOP ROAD & PAVING PROJ	\$2,574,000.00	\$70,824.50	\$19,196.44	\$2,503,175.50	2.75%
SCHOOL LOOP ROAD/CITY OF SP						
Active	R 71-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
	Total SCHOOL LOOP ROAD/CITY OF SP	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SCHOOL LOOP ROAD/CSP						
Active	R 78-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
	Total SCHOOL LOOP ROAD/CSP	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
HARBOR CONSTRUCTION						
Active	R 79-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 79-255 OBLIGATION BOND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 79-256 REVENUE--STATE OF ALA	\$0.00	\$498,471.66	\$0.00	-\$498,471.66	0.00%
Active	R 79-258 REVENUE--ALEUTIANS EA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 79-263 ALEUTIANS EAST BOROU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 79-264 CITY OF SAND POINT DES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	<u>\$0.00</u>	<u>\$498,471.66</u>	<u>\$0.00</u>	<u>-\$498,471.66</u>	<u>0.00%</u>

CITY OF SAND POINT
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Current Period: OCTOBER 14-15

	14-15 YTD Budget	14-15 YTD Amt	OCTOBER MTD Amt	14-15 YTD Balance	% of YTD
Total HARBOR CONSTRUCTION	\$0.00	\$498,471.66	\$0.00	-\$498,471.66	0.00%
Report Total	\$7,155,227.00	\$2,111,548.15	\$441,895.12	\$5,043,678.85	29.51%

CITY OF SAND POINT

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***Fund Summary -
Budget to Actual©**

OCTOBER 14-15

	14-15 YTD Budget	OCTOBER MTD Amount	14-15 YTD Amount	14-15 YTD Balance	14-15 % YTD Budget
FUND 01 GENERAL FUND					
Revenue	\$3,033,143.00	\$206,258.85	\$971,824.15	\$2,061,318.85	32.04%
Expenditure	\$3,026,194.00	\$180,873.58	\$875,566.32	\$2,150,627.68	28.93%
		\$25,385.27	\$96,257.83		
FUND 02 BINGO FUND					
Revenue	\$497,404.00	\$79,718.25	\$228,425.25	\$268,978.75	45.92%
Expenditure	\$497,404.00	\$70,471.39	\$205,319.49	\$292,084.51	41.28%
		\$9,246.86	\$23,105.76		
FUND 03 SILVER SALMON DERBY					
Revenue	\$22,000.00	\$5,180.00	\$5,180.00	\$16,820.00	23.55%
Expenditure	\$25,750.00	\$248.09	\$16,352.94	\$9,397.06	63.51%
		\$4,931.91	-\$11,172.94		
FUND 10 CLINIC OPERATIONS/MAINTENANCE					
Revenue	\$32,777.00	\$2,731.39	\$10,925.56	\$21,851.44	33.33%
Expenditure	\$32,777.00	\$0.00	\$31,971.00	\$806.00	97.54%
		\$2,731.39	-\$21,045.44		
FUND 13 CITY DOCK WAREHOUSE/DEC					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
FUND 14 WASTEWATER UPGRADE/DEC					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
FUND 23 AIEDA/ENERGY EFFIECIENCY GRANT					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
FUND 61 WATER/SEWER OPERATIONS					
Revenue	\$357,803.00	\$17,777.95	\$62,077.22	\$295,725.78	17.35%
Expenditure	\$357,803.00	\$18,414.62	\$75,955.92	\$281,847.08	21.23%
		-\$636.67	-\$13,878.70		
FUND 62 HARBOR/PORT OPERATIONS					
Revenue	\$496,500.00	\$97,941.21	\$216,502.06	\$279,997.94	43.61%
Expenditure	\$496,500.00	\$67,964.79	\$220,050.00	\$276,450.00	44.32%
		\$29,976.42	-\$3,547.94		
FUND 65 REFUSE COLLECTION					
Revenue	\$141,600.00	\$13,091.03	\$47,317.75	\$94,282.25	33.42%
Expenditure	\$154,179.00	\$10,456.35	\$52,179.68	\$101,999.32	33.84%
		\$2,634.68	-\$4,861.93		
FUND 68 SCHOOL LOOP ROAD/DC					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		

CITY OF SAND POINT

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***Fund Summary -
Budget to Actual©**

OCTOBER 14-15

	14-15	OCTOBER	14-15	14-15	14-15
	YTD Budget	MTD Amount	YTD Amount	YTD Balance	% YTD Budget
FUND 70 SCHOOL LOOP ROAD & PAVING PROJ					
Revenue	\$2,574,000.00	\$19,196.44	\$70,824.50	\$2,503,175.50	2.75%
Expenditure	\$2,574,000.00	\$6,017.52	\$19,196.44	\$2,554,803.56	0.75%
		<u>\$13,178.92</u>	<u>\$51,628.06</u>		
FUND 79 HARBOR CONSTRUCTION					
Revenue	\$0.00	\$0.00	\$498,471.66	-\$498,471.66	0.00%
Expenditure	\$0.00	\$0.00	\$359,918.54	-\$359,918.54	0.00%
		<u>\$0.00</u>	<u>\$138,553.12</u>		
Report Total		<u>\$87,448.78</u>	<u>\$255,037.82</u>		

TO: Mayor Gardner
City Council Members

FROM: Andy Varner
City Administrator

DATE: December 3, 2014

SUBJ: Monthly Report for December 2014

Listed below are updates on some of the issues since the last written report:

SAND POINT ROAD REHABILITATION

- QAP has been paid and we received \$2.5M from the State in a one-time payment request for that work (see FYI). I've also requested the full grant amount from the State for the leftover School Loop Road funding. The \$200,000 AEB contribution approved by the Assembly will not arrive until January at the earliest, based on their budget amendment timeline.
- Here are the totals of Revenue and Expenditures for the project, as of December 1:

Expenditure		Revenue	
QAP	\$2,812,910	State (2 grants)	\$2,685,942
HDR	\$124,547	Trident	\$100,000
City	\$50,000	AEB	\$200,000
Total	\$2,987,457	Total	\$2,985,942

DOCK REPLACEMENT

- We settled on a pile-supported dock replacement as the preferred alternative for the preliminary design study. The concept is very similar to the existing structure, but 20 feet longer. PND Engineers finished up the report and a lobbying brochure (see FYI) that will be used to gain support of the project. This is obviously a tough time for the capital budget but the strategy will be to make this a Federal project rather than rely solely on State funds. DOT Commissioner Kemp was a big proponent of our project and having him on board in the Walker Administration, as least for now, is a positive thing. Just as I was writing this the new Tustumena replacement report came out, and at a projected 330 feet the dock would be able to handle that vessel comfortably (the Kennicott is closer to 380 feet, and current Tusty less than 300 feet).

SMALL BOAT HARBOR REHABILITATION PROJECT

- The Mayor, City Attorney, and I continued to correspond and negotiate with URS and R&M over getting compensation over the billets issue. We have requested a total of \$98,825 in damages between them, with \$58,000 from R&M as construction administrator and \$40,000 from URS as designer. The response from R&M is due December 15.
- All contracts are paid save the remaining money (\$57,874) owed to Magone-Resolve for extra flotation work, an agenda item this month.

MARINE EXPO (AKA BOAT SHOW)

- Mayor Gardner and I attended the Boat Show in Seattle and in addition to featuring the renovated Sand Point Harbors to all the passersby, it was a great chance to talk with the other harbor communities such as Homer, Seward, and Petersburg that are dealing with issues similar to ours, such as the electrical issue. We also met with Trident and Peter Pan management, as well as Coastal Transportation.

AML-AMMA

- Due to the short week because of the Boat Show, I was only able to make it to the AML-Manager's Association meetings. This was still a couple of helpful days as I got to pick the brain of some fellow managers and administrators and learn more about some of the bigger issues facing communities. There was a lot of talk about the budget impacts of \$70 oil. One of the big takeaways was the presentation on the liability of community jails and holding facilities, and it's something we can work on. There was also quite a bit of talk about Comprehensive Plans, and it made me go back and review ours. Sand Point's is still pretty relevant after 10 years but I think it would be a good exercise in the next year to update it and see what can be checked off and what needs to be pursued more.

AEA- PCE COMMUNITY FACILITIES

- You can see in FYI that we were approved for the first 3 community facility (CF) applications that I submitted to the Alaska Energy Authority for PCE reimbursement. The reimbursements will go all the way back to July 1, 2013 and should start showing up on our TDX bills within the next couple months. I also submitted 10 applications for other facilities and their status is pending.

AUDIT

- BDO finished up the audit draft and we signed off approval of it last week. There were no material deficiencies to report and Krista and Irina did a great job of pulling the documents together to make for a quick and efficient report. I plan to post the financial statements on the City website soon, www.sandpointak.com.

WATER/SEWER PROJECTS

- I had a good meeting last week with DEC Water Division about applying for loans and grants next year to improve our systems. I'll work with Allen and the Mayor on identifying our top capital needs in that department and use that as the approach for pursuing funding. With our population now just a smidgen over 1,000 it actually diminishes our grant amount (from an 85/15% grant/match split to 70/30%) but I still want to apply for these funds and score the best we can. More work early next year.

SUBSTANCE ABUSE

- We talked about the Oxford House model last meeting and EAT submitted a proposal to the State for grant funding for a pilot project house in Sand Point. I shared the concept with Trident and Peter Pan while in Seattle and the EAT Director is going to follow up with them regarding interest in helping with the match portion of a grant, if awarded.

DEPT of PUBLIC SAFETY / EMS

- The Chief, Mayor and I worked with EAT on determining if the City can charge for ambulance service, which is typical in many communities across Alaska. We decided it is appropriate, and the charge can be based partly on recommended Medicaid rates of transportation, and partly on EAT's sliding fee scale when no insurance is available. Since the clinic is used to billing and working with insurance providers, they are doing the work of putting that proposal together and getting the billing in place. The thought is that any monies collected through this can go back into EMS training, stipends, and other tools and incentives to recruit and improve the EMS squad capabilities.



JOHN H. LUCKING, JR
CHIEF OF POLICE

SAND POINT DEPARTMENT of PUBLIC SAFETY

Post Office Box 423
Sand Point, Alaska 99661
EMAIL: sppd@arctic.net



TEL: (907)383-3700
FAX:(907)383-5496

MEMORANDUM

To: Honorable Glenn Gardner, Mayor, City of Sand Point
Andy Varner, City Administrator, City of Sand Point
Mr. Danny Cumberlandidge, City Councilperson, City of Sand Point
Mr. Allan Starnes, City Councilperson, City of Sand Point
Ms. Shirley Brown, City Councilperson, City of Sand Point
Mr. Jack Foster Jr, City Councilperson, City of Sand Point
Ms. Marita Gundersen, City Councilperson, City of Sand Point
Ms. Rayette McGlashan, City Councilperson, City of Sand Point

From: John H. Lucking, Jr., Director of Public Safety

Date: December 4th, 2014

Ref: Department of Public Safety's Monthly Report for October & November 2014

Police Department

Director of Public Safety/ Chief of Police/ Emergency Manager

- John H. Lucking, Jr.

Police Officers

- Michael Livingston , Police Sergeant (absent)
- Aaron Spencer, Police Officer
- Eric Tupper, Police Officer
- Open recruitment is ongoing for an officer position

Administrative Assistant

- Denise Mobeck/Day Dispatcher

Dispatchers

- Alfred 'Jesse' Pesterkoff, 911 Dispatcher.
- Christine Nielsen, 911 Dispatcher.

Police Division Activity

OCTOBER 2014:

13 cases were generated in October 2014

- 1 Felony Assault
- 1 Assault
- 1 MICS
- 2 Title 47
- 2 Criminal Mischief
- 2 DWLS
- 2 Deaths
- 2 DUI's

There were 7 persons jailed

- 2 DUI
- 2 DWLS
- 1 Criminal Mischief
- 2 Title 47 hold

There were 63 emergency calls to 911

- 27 were miss dials, hang ups or pocket dials
- 14 MOC requests
- 1 disorderly conduct
- 6 ambulance calls
 - 5 call outs
 - 1 patient assist to/from airport for medevac needs
- 5 criminal mischief reports
- 1 harassment / 1 repeat call
- 3 calls for 1 suicidal person
- 2 drunken disturbances
- 1 noise disturbance
- 1 misc
- 2 officer assistance- misc

Officer Calls for Service

- 1 taking police report
- 1 misc
- 1 intoxicated taken in to station for Title 47 hold
- 1 unattended death assistance

Other Officer Activity

- 2 bar or lounge check
- 1 probation check
- 1 taking criminal complaint
- 1 transport intoxicated minor to station
- 6 assists with ambulance or clinic needs
- 1 transport prisoner to airport
- 1 transporting deceased to airport

9 traffic stops

- 2 warning running a stop sign
- 2 citations for no brake lights
- 1 citation for no brake or tail lights
- 1 unknown
- 1 warning driving with no lights
- 1 citation driving with no lights
- 1 4-wheeler driving without tail lights, brake lights and no license

NOVEMBER 2014:

6 cases were generated in November 2014

- 1 probation check
- 1 property damage
- 1 vehicle accident
- 1 probation violation DWLR
- 1 DV Assault
- 1 DUI

There were 2 persons jailed

- 1 DUI
- 1 domestic violence assault

There were 35 emergency calls to 911

- 15 were miss dials, hang ups or pocket dials
- 6 MOC requests
- 4 Ambulance calls
 - 2 call outs
 - 2 patients assists to/from airport for medevac
- 1 possible break in at school
- 1 runway light damage
- 2 notifications of Pavlof erupting
- 1 welfare check
- 3 noise disturbance
- 1 domestic violence call
- 1 officer assistance- misc

Officer Calls for Service

- 1 fire at rock quarry
- 2 misc- consumer complaint

Other Officer Activity

- 1 accident investigation
- 2 probation check
- 1 DV assault investigation
- 1 probation violation- impounded vehicle
- 1 civil officer standby
- 2 assists with ambulance or clinic
- 2 paper service
- 1 notification regarding court
- 1 assistance with ambulance to medevac

7 traffic stops

- 6 warning for speed
- 1 driving without tail lights or brake lights

EMS Division

Chief of EMS Division:

- Vacant, Administrative duties being fulfilled by DPS office staff.

Responses:

Ambulance responses and activity are included in the statistics appearing above under Police Activity.

Other Activities:

Over the months of October and November the Department has worked on formally scheduling EMS volunteers for weekly call schedules. This is intended to assure that an available pool of responders is at the ready when emergency calls come in. In addition, a radio inventory and systems check has been undertaken to assure for good communications between volunteers and dispatchers.

Planning for training has also seen a time investment during October and November. Currently Susan Shoemaker of Eastern Aleutians Tribes, and former EMS Chief for the City, is scheduled to teach an Emergency Trauma Training (ETT) certification course and an Emergency Medical Training (EMT) certification course during the month of December. With these trainings, we have great hope to add volunteers to our ambulance service and broaden the pool of available responders.

Fire Division

Chief of Fire Division:

- Vacant

Activity:

November saw the departure of Fire Chief David Stokes. With that, responsibility for response and equipment maintenance falls on the Public Safety Director/Police Chief. After receiving no applicants for the posted and well advertised position, planning is ongoing as to how we will fill the responsibilities of this needed position.

City shop personnel, who are most familiar with the City's firefighting equipment, and who have had appropriate training, continue to be on call to respond to emergency events.

The City fire boat Rainmaker continues to be staffed by and tended to by volunteer Alan Starnes. Additional operators are currently being developed to broaden the pool of potential vessel operators.

Robert E Galovin Small Boat Harbor

The first phase of the new harbor was complete in November with a float and electricity, it is ready for use, I don't know when the second phase will be started on however. The harbor crew has been busy putting barriers around the electrical panels and transformers in and around the new harbor to keep the general public safe should they slide into one of them. Caution should be taken while driving near the Sealand vans as the road is pretty narrow in that area.

The harbor would like to thank the Pauloff Harbor Tribe for ordering all the Kids Don't Float Life Vests and signs; they are an item that is well used and appreciated by all. Once again thank you.

We still collect quite a few used batteries, they are sent out to be recycled on a regular basis, and you can keep bringing them down to the harbor and put them at the same location as always. All we ask is that you handle the batteries with care so they don't get cracked or broken, please leave the caps on them.

As you can see the city is in the process of putting new lights in the harbor, they are LED lights and are supposed to cut down on energy use. They are a good light as per the Harbor night crew.

**STUDENT
REPRESENTATIVE**

HEARINGS, ORDINANCES AND RESOLUTIONS

City of Sand Point



ORDINANCE 2014-10

AN ORDINANCE OF THE CITY OF SAND POINT, ALASKA, AMENDING THE
OPERATING BUDGET FOR FY-2015.

BE IT ORDAINED BY THE SAND POINT CITY COUNCIL:

SECTION 1. Classification: This is a non-code ordinance.

SECTION 2. Effective Date: This Ordinance becomes effective upon adoption.

SECTION 3. Severability: The terms, provisions and sections of this ordinance are severable.

SECTION 4. Content: The operating budget of the Sand Point City Council is adopted and amended as follows:

BUDGET SUMMARY:

Amend the FY-2015 Budget to *increase* the **Administration-Legal Services** line item from \$15,000 to \$55,000.

<u>FUND</u>	<u>EXPENDITURES</u>	<u>AMENDED</u>
General Fund	\$ 3,029,394	\$ 3,069,394

**PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF
THE SAND POINT CITY COUNCIL this day of , 2014.**

ATTEST:

Mayor

Shannon Sommer, City Clerk

Introduction and 1st Reading October 14, 2014
2nd Reading and Adoption December 9, 2014

City of Sand Point



ORDINANCE 2014-11

AN ORDINANCE AMENDING CHAPTER 12.10 OF THE SAND POINT MUNICIPAL CODE TO ADOPT A NEW SECTION 12.10.100 DETERMINING CERTAIN DOG BREEDS VICIOUS AND AMENDING 12.10.040

WHEREAS, a Center for Disease Control study determined pit-bull type dogs are responsible for 27% of dog-bite related fatalities where breed information is known;

WHEREAS, in a five year study, over half of all children treated for dog bites where the breed was known were bitten by pit bull terriers;

WHEREAS, attacks by pit bulls are associated with higher morbidity rates, higher hospital charges, and a higher risk of death than are attacks by other breeds of dogs; and

WHEREAS, Section 12.10.040 requires clarification;

NOW BE IT ORDAINED BY THE CITY COUNCIL OF SAND POINT, ALASKA:

Section 1. This is a code ordinance.

Section 2. Amendment of Section 12.10.040. Section 12.10.040 of the Sand Point Municipal Code is hereby amended to read as follows [new language is underlined, deletions are in brackets]:

§ 12.10.040. VICIOUS DOGS.

(a) Any dog, licensed or unlicensed, that the Enforcement Officer has, in the reasonable exercise of judgment, determined to be vicious, or is deemed conclusively vicious under § 12.10.100 of this code, shall be destroyed by the Enforcement Officer. If a vicious dog poses an imminent threat of harm to a person or property, the dog may be destroyed to prevent such harm from occurring without notice to the owner. In other cases, the Enforcement Officer will [, if the owner can be identified,] give the owner of the dog notice and an opportunity to be heard [proper] prior to destruction of the dog.

(b) No person may own, possess, or keep a vicious dog in the city.

Introduction and 1st Reading October 14, 2014
2nd Reading and Adoption December 9, 2014

(c) If the owner is identifiable, the Enforcement Officer shall provide notice to the owner at least 72 hours prior to the time set for destruction of the dog. This notice may be given via written electronic communication, left at the owner's residence in a conspicuous place, or provided to the owner in person. If the owner is not identifiable, the Enforcement Officer shall, at least 24 hours prior to the time set for destruction of the dog, post a written notice containing a photograph of the dog at the post office or on the city's website. All notices shall identify the time set for destruction of the dog, state that the owner may request a hearing prior to the scheduled destruction, and how the owner can request a hearing.

(d) The hearing shall be held within the 48 hours following receipt of the request, excluding weekends or holidays. The hearing shall be before the mayor, chief of police, city administrator, or Enforcement Officer.

Section 3. Amendment of Chapter 12.10. Chapter 12.10 of the Sand Point Municipal Code is hereby amended by adoption of a new Section 12.10.100, titled Certain Breeds Vicious, to read as follows:

§ 12.10.100. CERTAIN BREEDS VICIOUS.

(a) Dogs described in subsection (b) of this section are conclusively vicious dogs as that term is used in § 12.10 of this code and for the purposes of § 12.10.040 of this code.

(b) Vicious dogs include:

1. The bull terrier breed of dog;
2. Staffordshire bull terrier breed of dog;
3. The American pit bull terrier breed of dog;
4. The American Staffordshire terrier breed of dog;
5. The American Bully breed of dog;
5. Dogs of mixed breed that are partially of the above breeds or breeds other than those listed which breed or mixed breed is known as pit bulls or pit bull terriers;
6. Any dog which has the appearance and characteristics of being predominantly of the breeds identified above or a combination of any of these breeds.

(c) A dog is considered to be of a breed or a mix of that breed if it displays those distinguishing characteristics that substantially conform to the standards established by the American Kennel Club or United Kennel Club for that breed. An identification using the above standards shall create a rebuttable presumption that a dog is of that breed or partially of that breed.

(d) The registration of a dog at any time in any jurisdiction as of any breed listed above, or a mixed breed including those breeds, shall constitute conclusive evidence that the dog is of that breed.

(e) Other evidence may be used to determine that the dog is of a breed identified in subsection (b), including statements by the dog's owner that it is of such a breed.

(f) Any dog lawfully licensed under § 12.10 of this code on or before October 31, 2014 is excluded from subsection (b) of this section.

Section 4. **Effective Date.** This ordinance shall be effective immediately.

ENACTED THIS ____ day of _____, 2014.

CITY OF SAND POINT

MAYOR

ATTEST:

Shannon Sommer

OLD BUSINESS

**BDO AUDIT AND
FINANCIAL STATEMENTS**

AUDIT WRAP-UP

June 30, 2014



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., the City Council) and, if appropriate, City management and is not intended and should not be used by anyone other than these specified parties.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.





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3601 C Street, Suite 600
Anchorage, AK 99503

December 3, 2014

Members of the Council
City of Sand Point
Sand Point, Alaska

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. Our audit planning document dated September 2, 2014 outlined our plan for the audit of the financial statements of the City of Sand Point (the City) as of and for the year ended June 30, 2014. That document included a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the City's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the City. Feel free to contact us to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

Discussion Outline

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Exhibit A8

Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended June 30, 2014. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our engagement planning document dated September 2, 2014.
- We issued an unmodified opinion on the financial statements.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of City personnel throughout the course of our work.

Results of Our Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES, AND SIGNIFICANT UNUSUAL TRANSACTIONS

The following summarizes the more significant required communications related to our audit concerning the City's accounting practices, policies, estimates, and significant unusual transactions:

The City's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- The City did not adopt any new GASB pronouncements in 2014.
- There were no major changes in significant accounting policies and practices during 2014.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Overall, the City has very few significant accounting estimates. The most significant estimates are disclosed below:

Significant accounting estimates include:

Collectability of outstanding receivable from granting agencies - Receivables from granting agencies are considered by management to be 100% collectible. Customer accounts receivable (Water, sewer, harbor, etc.) are reviewed by management periodically to determine a reasonable amount of allowance, based on known factors, past history, and age of the outstanding amount.

- Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimate in 2014.
- We did not identify any significant or unusual transactions, or any transactions for which there was a lack of authoritative guidance.

CORRECTED AND UNCORRECTED MISSTATEMENTS

We proposed 8 adjustments to the financial statements. All journal entries are attached to this document.

In addition, there were two reclassification entries. Reclassification entries have no effect on fund balance. To our knowledge, there are no uncorrected misstatements.

Results of Our Audit, continued

OTHER COMMUNICATIONS

The following items represent required audit communications:

1. Qualitative aspects of significant accounting policies and practices
 - We concur with the City's interpretation and application of generally accepted accounting principles and practices derived from the standards set by the Governmental Accounting Standards Board (GASB).
2. Our conclusions regarding significant accounting estimates
 - The nature of the City's operations reduces the need for numerous significant estimates within the accounting records. See comment about estimates above. We believe the City's estimates are reasonable in the circumstances.
3. Financial statement disclosures
 - To our knowledge all necessary disclosures have been included in the footnotes to the financial statements.
4. Alternative accounting treatments
 - We did not identify any accounting treatments that did not comply with generally accepted accounting principles and standards set by GASB.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the City’s internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our reports on internal control are included in the state single audit section of the City’s financial statements.

We reported one significant deficiency in connection with the State Single Audit.

Independence Communication

Our engagement letter to you dated September 2, 2014 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.

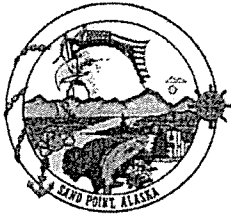
Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified as part of our Audit Planning.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the City's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the City's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Representations requested from management	Please refer to the attached management representation letter.

Exhibit A

- Representation Letter is attached
- Adjusting journal entries are attached



City of Sand Point, Alaska

December 3, 2014

BDO USA, LLP

3601 C Street, Suite 600

Anchorage, AK 99503

Ladies and gentlemen:

We are providing this letter in connection with your audits of the financial statements of the City of Sand Point, Alaska (the City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2014 and for the period then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in financial position, and, where applicable, cash flows of the City in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 2, 2014, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We have included all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (3) The financial statements include all assets and liabilities under the entity's control.
- (4) We have made available to you all:
 - (a) Financial records and related data, and all audit or relevant monitoring reports, if any, received from funding sources, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) Minutes of the meetings of directors and committees of directors that were held from June 30, 2013 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or schedule of state financial assistance. All financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit (as listed in attachment A - "Schedule of Audit Adjustments") have been corrected. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying supporting evidence from our files and confirm our responsibility for the decision to correct them.
- (7) In regards to the assistance in drafting financial statements and the schedule of state assistance performed by you, we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.
- (8) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud. We have disclosed to you the results of our

assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have no knowledge of any:

- (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or other professionals.
- (9) We have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you have reported to us.
- (10) We have a process to track the status of audit findings and recommendations.
- (11) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives, and whether related recommendations have been implemented.
- (12) We have provided views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- (13) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
- (14) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
- (a) The identity of related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (c) All derivative instruments and any embedded derivative instruments that require bifurcation.

- (d) Guarantees, whether written or oral, under which the City is contingently liable.
 - (e) Significant estimates and material concentrations known to management that are required to be disclosed. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances.
 - (f) The effects of all known actual or possible litigation, claims, assessments, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed.
 - (g) Commitments, such as:
 - Major fixed asset purchase agreements;
 - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
 - Deferred compensation, bonuses, pensions plans, or severance pay; or
 - Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;
 - (h) Joint ventures or other participations, the detailed transactions of which are not carried on our books.
 - (i) Foreign currency transactions gains or losses, as well as translation of foreign currency financial statements.
 - (j) Environmental clean-up obligations.
 - (k) For closure and post-closure care costs associated with operation of the municipal solid waste landfill.
 - (l) Participation in a public entity risk pool.
- (15) There are no:
- (a) Violations or possible violations of budget ordinances, laws, and regulations (including those pertaining to adopting, approving, and amending budgets), and provisions of contracts and grant agreements (including the failure to file reports required by regulatory bodies (e.g., EPA, OCC, FDIC, DOL, Medicare, U.S. Customs Service, HIPAA, IRS, Dept. of Commerce, state and municipal authorities) when the effects of failing to

file could be material to the financial statements) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

- (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.
 - (c) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- (16) Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
 - (17) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 - (18) We have complied with all aspects of contractual agreements, including debt covenants, which would have a material effect on the financial statements in the event of noncompliance.
 - (19) No discussions have taken place with your firm's personnel regarding employment with the City.
 - (20) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
 - (21) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
 - (22) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
 - (23) The financial statements properly classify all funds and activities.
 - (24) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
 - (25) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - (26) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

- (27) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- (28) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- (29) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- (30) We have appropriately disclosed the THE CITY's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- (31) With respect to federal and state award programs:
 - (a) We specifically represent that we did not spend in excess of \$500,000 in federal financial assistance and therefore, we did not meet the threshold for a federal single audit.
 - (b) We are responsible for understanding and complying with, and have complied with, the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits including requirements relating to the preparation of the Schedule of State Financial Assistance (SSFA).
 - (c) We have identified and disclosed to you all of our government programs and related activities subject to the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and included in the SSFA expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - (d) We acknowledge our responsibility for presenting schedule of state financial assistance in accordance with the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and we believe the SSFA, including its form and content, are fairly presented in accordance with the Circular and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The methods of measurement and presentation of the SSFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SSFA.
 - (e) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements considered to have a direct and material effect on each federal and state program.

- (f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides a reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies (including material weaknesses) in internal control over compliance as reported in the schedule of findings and questioned costs.
- (g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relating to each major federal and state program.
- (h) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- (i) We have complied, in all material respects, with the direct and material compliance requirements, including when applicable, those set forth in the State of Alaska Audit Guide and Compliance Supplement for State Single Audits relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of state awards, including the results of other audits or program reviews.
- (j) We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- (k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal and external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- (l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-187, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- (m) We have disclosed to you our interpretations of compliance requirements that have varying interpretations, if any.
- (n) We have made available to you all documentation related to compliance with the direct and material requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.

- (o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - (p) There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - (q) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards and the schedule of state financial assistance.
 - (r) The copies of federal and state program financial reports provided you are true copies of the reports submitted or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
 - (s) We have charged costs to federal and state awards in accordance with applicable cost principles.
 - (t) We are also responsible for preparing and implementing a corrective action plan for each audit finding.
- (32) We acknowledge our responsibility for the presentation of the required supplementary information, and the required supplementary information is measured and presented in accordance with prescribed guidelines.

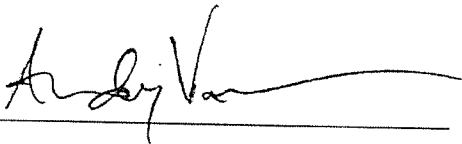
The methods of measurement or presentation have not changed from those used in the prior period

- (33) We acknowledge our responsibility for the presentation of the schedule of state financial assistance and the combining and individual fund financial statements and schedules in accordance with the State of Alaska Audit Guide and Compliance Supplement for State Single Audits and accounting principles generally accepted in the United States of America, and we believe the schedule of state financial assistance and the combining and individual fund financial statements and schedules, including their form and content, are fairly presented in accordance with the State of Alaska Audit Guide and Compliance Supplement for State Single Audits and accounting principles generally accepted in the United States of America. The methods of measurement and presentation have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- (34) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.

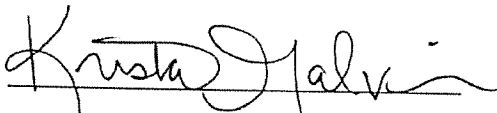
- If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
- We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
- We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
- Our web site, which contains the electronic financial statements, will advise the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, which would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Very truly yours,



Andy Varner, City Administrator



Krista Galvin, Finance Officer

Following: ATTACHMENT A - SCHEDULE OF AUDIT ADJUSTMENTS

CITY OF SAND POINT
Year End: June 30, 2014
Adjusting Journal Entries
Date: 7/1/2013 To 6/30/2014

AJES

Number	Date	Name	Account No	Debit	Credit
Net Income (Loss) Before Adjustments					6,634,396.81
AJE 1	6/30/2014	Accounts Receivable	61-000-000-036 61	4,567.78	
AJE 1	6/30/2014	ALLOWANCE FOR DOUBTFUL ACC	61-000-000-039 61	54,927.34	
AJE 1	6/30/2014	203 OTHER REVENUE	61-000-000-203 61		59,495.12
AJE 1	6/30/2014	Accounts Receivable	62-000-000-036 62		4,567.78
AJE 1	6/30/2014	ALLOWANCE FOR DOUBTFUL ACC	62-000-000-039 62		54,927.34
AJE 1	6/30/2014	OTHER REVENUE	62-000-000-203 62	59,495.12	
To adjust AR balances and AR Allowance accounts to correct funds. And adjust the Due to/from				118,990.24	118,990.24
AJE 2	6/30/2014	SB 46 PERS Relief	01-000-000-235 01		110,942.07
AJE 2	6/30/2014	FRINGE	01-100-000-350 01	4,109.61	
AJE 2	6/30/2014	FRINGE	01-200-000-350 01	37,872.24	
AJE 2	6/30/2014	FRINGE	01-250-000-350 01	3,073.56	
AJE 2	6/30/2014	FRINGE	01-275-000-350 01	1,066.50	
AJE 2	6/30/2014	FRINGE	01-300-010-350 01	32,784.34	
AJE 2	6/30/2014	FRINGE	01-500-000-350 01	23,023.32	
AJE 2	6/30/2014	FRINGE	01-800-000-350 01	9,012.50	
AJE 2	6/30/2014	SB 46 PERS Relief	02-000-000-235 02		5,505.60
AJE 2	6/30/2014	FRINGE	02-200-000-350 02	5,505.60	
AJE 2	6/30/2014	SB 46 PERS Relief	61-100-000-235 61		10,803.21
AJE 2	6/30/2014	FRINGE	61-700-000-350 61	10,803.21	
AJE 2	6/30/2014	SB 46 PERS Relief	62-100-000-235 62		32,530.99
AJE 2	6/30/2014	FRINGE	62-600-000-350 62	32,530.99	
AJE 2	6/30/2014	SB 46 PERS Relief	65-100-000-235 65		9,854.61
AJE 2	6/30/2014	FRINGE	65-500-000-350 65	9,854.61	
To record PERS on-behalf revenue and expense				169,636.48	169,636.48
AJE 3	6/30/2014	SALES TAX RECEIVABLE	01-000-000-066 01	22,053.86	
AJE 3	6/30/2014	SALES TAX RECEIVABLE	01-000-000-066 01		42.96
AJE 3	6/30/2014	4% SALES TAX	01-000-000-205 01		18,174.60
AJE 3	6/30/2014	7% B & B Tax	01-000-000-217 01		3,836.30
To book sales tax revenue and receivable for payments received subsequent to year end.				22,053.86	22,053.86
AJE 4	6/30/2014	P/D-IRS LEVY	01-000-000-118 01		12.27
AJE 4	6/30/2014	PAYROLL - SOCIAL SECURITY	01-000-000-119 01		3,008.03
AJE 4	6/30/2014	P/D DEF COMP	01-000-000-121 01		2,627.69
AJE 4	6/30/2014	PAYROLL - LIFE INS.	01-000-000-123 01		2,945.02
AJE 4	6/30/2014	PD ER FUEL	01-000-000-127 01	450.00	
AJE 4	6/30/2014	SALARIES	01-200-000-300 01	4,071.00	
AJE 4	6/30/2014	SALARIES	01-500-000-300 01	4,072.01	

CITY OF SAND POINT
Year End: June 30, 2014
Adjusting Journal Entries
Date: 7/1/2013 To 6/30/2014

AJES-1

Number	Date	Name	Account No	Debit	Credit
		Clear up payroll accounts		8,593.01	8,593.01
AJE 5	6/30/2014	OTHER REVENUE	62-000-000-203 62		101,045.00
AJE 5	6/30/2014	Loss on disposal of capital asset	62-600-000-999 62	101,045.00	
		move loss on disposal out of revenue accounts.		101,045.00	101,045.00
AJE 6	6/30/2014	Accrued Interest Payalbe	62-000-000-152 62		40,193.00
AJE 6	6/30/2014	BOND REPAYMENT	62-600-000-553 62	40,193.00	
		Record accrued interest on harbor bonds.		40,193.00	40,193.00
AJE 8	6/30/2014	GENERAL FUND/WELLS FARGO	01-000-000-002 01		253,839.00
AJE 8	6/30/2014	GENERAL FUND/WELLS FARGO	01-000-000-002 01	203,408.00	
AJE 8	6/30/2014	ADVANCE TO OTHER FUNDS	01-000-000-056 01		203,408.00
AJE 8	6/30/2014	052 TRANSFER TO	01-200-000-052 01	253,839.00	
AJE 8	6/30/2014	052 TRANSFER TO	61-000-000-052 61		203,408.00
AJE 8	6/30/2014	ADVANCE FROM OTHER FUNDS	61-000-000-058 61	101,046.24	
AJE 8	6/30/2014	Advance from Other Funds	61-000-000-ADV 61	102,361.76	
AJE 8	6/30/2014	GENERAL FUND/WELLS FARGO	65-000-000-002 65	50,431.00	
AJE 8	6/30/2014	051 TRANSFER FROM	65-000-000-051 65		50,431.00
		To book budgeted transfers.		711,086.00	711,086.00
AJE 9	6/30/2014	WORK IN PROGRESS	62-000-000-083 62	148,015.00	
AJE 9	6/30/2014	BOND REPAYMENT	62-600-000-553 62		148,015.00
		Capitalize construction period interest		148,015.00	148,015.00
PBC 1	6/30/2014	CHECKING ACCOUNT/CASH	01-000-000-001 01		14,722.22
PBC 1	6/30/2014	GENERAL FUND/WELLS FARGO	01-000-000-002 01	85,434.95	
PBC 1	6/30/2014	GENERAL FUND/WELLS FARGO	01-000-000-002 01		70,712.73
PBC 1	6/30/2014	DUE TO/FROM OTHER FUNDS	01-000-000-055 01		85,434.95
PBC 1	6/30/2014	OTHER REVENUE	01-000-000-203 01	14,722.22	
PBC 1	6/30/2014	OTHER REVENUE	01-000-000-203 01	70,712.73	
PBC 1	6/30/2014	052 TRANSFER TO	02-000-000-052 02		
PBC 1	6/30/2014	DUE TO/FROM OTHER FUNDS	02-000-000-055 02		
PBC 1	6/30/2014	ACCRUED LEAVE	62-000-000-049 62		7,432.21
PBC 1	6/30/2014	FRINGE	62-600-000-350 62	7,432.21	
PBC 1	6/30/2014	GENERAL FUND/WELLS FARGO	79-000-000-002 79		1,000,000.00
PBC 1	6/30/2014	REVENUE--ALEUTIANS EAST BOR	79-000-000-258 79	1,000,000.00	

CITY OF SAND POINT
Year End: June 30, 2014
Adjusting Journal Entries
Date: 7/1/2013 To 6/30/2014

AJES-2

Number	Date	Name	Account No	Debit	Credit
		To record Irina's adjusted entries			
				1,178,302.11	1,178,302.11
				2,497,914.70	2,497,914.70



City of Sand Point, Alaska

Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Single Audit Reports
Year Ended June 30, 2014

City of Sand Point, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information and Single Audit Reports
Year Ended June 30, 2014

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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and City Council
City of Sand Point, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sand Point, Alaska, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Sand Point's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sand Point, Alaska, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit for the year ended June 30, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Sand Point's basic financial statements. The accompanying Schedule of State Financial Assistance and the combining and individual fund financial statements and schedules listed in the table of contents for the year ended June 30, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of State Financial Assistance is required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole for the year ended June 30, 2014.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Sand Point as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated February 20, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the June 30, 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, on our consideration of City of Sand Point's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sand Point's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
December 3, 2014

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Basic Financial Statements

City of Sand Point, Alaska
Statement of Net Position

<i>June 30, 2014</i>	Govern- mental Activities	Business- type Activities	Total
Assets			
Cash and investments	\$ 2,245,221	\$ 605,527	\$ 2,850,748
Accounts receivable, net	252,322	540,145	792,467
Prepays	29,731	-	29,731
Restricted cash	-	100,000	100,000
Internal balances	1,200,108	(1,200,108)	-
Investment in Southwest Governments, LLC	271,525	-	271,525
Capital assets not being depreciated	-	10,095,929	10,095,929
Other capital assets, net of accumulated depreciation	7,065,211	3,889,386	10,954,597
Total Assets	\$ 11,064,118	\$ 14,030,879	\$ 25,094,997
Liabilities and Net Position			
Liabilities			
Accounts payable	\$ 55,727	\$ 158,362	\$ 214,089
Accrued liabilities	10,569	95	10,664
Unearned revenue	1,950	-	1,950
Accrued interest payable	-	40,193	40,193
Noncurrent Liabilities			
Due within one year:			
Accrued leave	31,374	23,358	54,732
Bonds payable	-	60,000	60,000
Due in more than one year:			
Landfill closure costs payable	-	93,100	93,100
Bonds payable, net of current portion	-	2,500,000	2,500,000
Bond premium, net of accumulated amortization	-	397,748	397,748
Total Liabilities	99,620	3,272,856	3,372,476
Net Position			
Net investment in capital assets	7,065,211	11,027,567	18,092,778
Unrestricted (deficit)	3,899,287	(269,544)	3,629,743
Total Net Position	10,964,498	10,758,023	21,722,521
Total Liabilities and Net Position	\$ 11,064,118	\$ 14,030,879	\$ 25,094,997

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Statement of Activities

Year Ended June 30, 2014	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Govern- mental Activities	Business- type Activities	Total
Functions							
Governmental activities:							
General government	\$ 1,280,220	\$ 67,006	\$ 53,774	\$ -	\$ (1,159,440)	\$ -	\$ (1,159,440)
Parks and recreation	36,193	-	3,074	-	(33,119)	-	(33,119)
Public safety	590,900	-	36,203	-	(554,697)	-	(554,697)
Public works	862,872	172,678	33,102	51,628	(605,464)	-	(605,464)
Health clinic	24,271	33,654	-	-	9,383	-	9,383
Community development	43,223	22,040	-	-	(21,183)	-	(21,183)
Total governmental activities	2,837,679	295,378	126,153	51,628	(2,364,520)	-	(2,364,520)
Business-type activities:							
Bingo	563,391	594,418	5,506	-	-	36,533	36,533
Boat harbor	783,949	603,938	32,531	5,862,722	-	5,715,242	5,715,242
Refuse collection	285,011	142,950	9,855	-	-	(132,206)	(132,206)
Water and sewer	447,115	197,012	10,803	-	-	(239,300)	(239,300)
Total business-type activities	2,079,466	1,538,318	58,695	5,862,722	-	5,380,269	5,380,269
Total	\$ 4,917,145	\$ 1,833,696	\$ 184,848	\$ 5,914,350	(2,364,520)	5,380,269	3,015,749
General Revenues							
Taxes:							
Sales taxes					953,363	-	953,363
Local raw fish taxes					715,745	-	715,745
Accommodation taxes					21,509	-	21,509
Payment in lieu of taxes					150,000	-	150,000
Grants and entitlements not restricted to a specific purpose					499,757	-	499,757
Transfers					(253,839)	253,839	-
Total General Revenues and Transfers					2,086,535	253,839	2,340,374
Change in net position					(277,985)	5,634,108	5,356,123
Beginning net position					11,242,483	5,123,915	16,366,398
Ending net position					\$ 10,964,498	\$ 10,758,023	\$ 21,722,521

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Governmental Funds

Balance Sheet

<i>June 30, 2014</i>	<u>Major Fund</u> General	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 1,698,445	\$ 546,776	\$ 2,245,221
Receivables:			
Sales tax	104,812	-	104,812
Fish tax	64,463	-	64,463
Other	28,688	54,359	83,047
Prepays	29,731	-	29,731
Investment in Southwest Governments, LLC	271,525	-	271,525
Advance to other funds	1,200,108	-	1,200,108
Total Assets	\$ 3,397,772	\$ 601,135	\$ 3,998,907
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 23,756	\$ 31,971	\$ 55,727
Unearned revenue	1,950	-	1,950
Accrued liabilities	10,569	-	10,569
Total Liabilities	36,275	31,971	68,246
Fund Balances			
Nonspendable:			
Prepaid items	29,731	-	29,731
Investment in Southwest Governments, LLC	271,525	-	271,525
Advance to other funds	1,200,108	-	1,200,108
Assigned:			
Next year's budget	490,267	-	490,267
Silver Salmon Derby	-	14,120	14,120
Clinic	-	85,929	85,929
Capital projects	-	469,115	469,115
Unassigned	1,369,866	-	1,369,866
Total Fund Balances	3,361,497	569,164	3,930,661
Total Liabilities and Fund Balances	\$ 3,397,772	\$ 601,135	\$ 3,998,907

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position

June 30, 2014

Total fund balances for governmental funds		\$ 3,930,661
<p>Total net position reported for governmental activities in the Statement of Net Position is different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:</p>		
Buildings	\$ 8,590,637	
Improvements other than buildings	1,535,736	
Equipment and vehicles	1,973,301	
<hr/>		
Total capital assets	12,099,674	
Accumulated depreciation	(5,034,463)	
<hr/>		
Total capital assets, net		7,065,211
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.</p>		
This liability consists of accrued leave.		(31,374)
<hr/>		
Total Net Position of Governmental Activities		\$ 10,964,498

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2014</i>	<u>Major Fund</u>	Nonmajor Funds	Total Governmental Funds
	General		
Revenues			
Taxes	\$ 1,690,617	\$ -	\$ 1,690,617
State of Alaska	590,498	51,628	642,126
Federal government	6,212	33,654	39,866
Other revenues	418,884	22,040	440,924
Total Revenues	2,706,211	107,322	2,813,533
Expenditures			
Current:			
General government	976,785	-	976,785
Parks and recreation	32,515	-	32,515
Public safety	547,941	-	547,941
Public works	866,453	-	866,453
Health clinic	-	24,271	24,271
Community development	-	30,994	30,994
Capital outlay	-	51,628	51,628
Total Expenditures	2,423,694	106,893	2,530,587
Excess of revenues over expenditures	282,517	429	282,946
Other financing uses - transfers out	(253,839)	-	(253,839)
Net change in fund balances	28,678	429	29,107
Beginning fund balances	3,332,819	568,735	3,901,554
Ending fund balances	\$ 3,361,497	\$ 569,164	\$ 3,930,661

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities

Year Ended June 30, 2014

Net change in fund balances - total governmental funds	\$	29,107
<p>The change in net position reported for governmental activities in the Statement of Activities is different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$581,293) and loss on disposal of capital assets (\$1,169) exceeded capital outlays (\$224,108) in the current year.</p>		
		(358,354)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Decrease in accrued leave		51,262
Change in Net Position of Governmental Activities	\$	(277,985)

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Enterprise Funds
Statement of Net Position

June 30, 2014	Major Funds				Total Enterprise Funds
	Bingo	Boat Harbor	Refuse Collection	Water and Sewer	
Assets					
Current Assets					
Cash and investments	\$ 146,499	\$ 50,649	\$ 408,379	\$ -	\$ 605,527
Accounts receivable, net	-	496,705	23,051	20,389	540,145
Total Current Assets	146,499	547,354	431,430	20,389	1,145,672
Restricted Cash - capital projects	-	100,000	-	-	100,000
Capital Assets					
Buildings and improvements	-	321,752	19,400	4,572,242	4,913,394
Equipment and vehicles	14,541	613,642	498,629	177,509	1,304,321
Sanitary landfill	-	-	1,996,889	-	1,996,889
Construction in progress	-	10,095,929	-	-	10,095,929
Less accumulated depreciation	(13,548)	(497,710)	(1,547,630)	(2,266,330)	(4,325,218)
Net Capital Assets	993	10,533,613	967,288	2,483,421	13,985,315
Total Assets	\$ 147,492	\$ 11,180,967	\$ 1,398,718	\$ 2,503,810	\$ 15,230,987
Liabilities and Net Position					
Liabilities					
Current Liabilities					
Accounts payable	\$ 479	\$ 146,642	\$ 1,046	\$ 10,195	\$ 158,362
Accrued leave	-	18,549	4,085	724	23,358
Accrued payroll	95	-	-	-	95
Accrued interest payable	-	40,193	-	-	40,193
Current portion of bonds payable	-	60,000	-	-	60,000
Total Current Liabilities	574	265,384	5,131	10,919	282,008
Long Term Liabilities					
Advance from other funds	312,340	-	-	887,768	1,200,108
Bonds payable, net of current portion	-	2,500,000	-	-	2,500,000
Bond premium, net	-	397,748	-	-	397,748
Landfill closure costs payable	-	-	93,100	-	93,100
Total Liabilities	312,914	3,163,132	98,231	898,687	4,472,964
Net Position					
Net investment in capital assets	993	7,575,865	967,288	2,483,421	11,027,567
Unrestricted (deficit)	(166,415)	441,970	333,199	(878,298)	(269,544)
Total Net Position (Deficit)	(165,422)	8,017,835	1,300,487	1,605,123	10,758,023
Total Liabilities and Net Position	\$ 147,492	\$ 11,180,967	\$ 1,398,718	\$ 2,503,810	\$ 15,230,987

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Enterprise Funds

Statement of Revenues, Expenses and Changes in Net Position (Deficit)

Year Ended June 30, 2014	Major Funds				Total Enterprise Funds
	Bingo	Boat Harbor	Refuse Collection	Water and Sewer	
Operating Revenues - charges for services	\$ 594,418	\$ 603,938	\$ 142,950	\$ 197,012	\$ 1,538,318
Operating Expenses					
Salaries and benefits	60,046	462,175	142,795	132,632	797,648
Services and supplies	502,261	153,800	45,808	171,553	873,422
Depreciation	1,084	66,929	96,408	142,930	307,351
Total Operating Expenses	563,391	682,904	285,011	447,115	1,978,421
Operating income (loss)	31,027	(78,966)	(142,061)	(250,103)	(440,103)
Nonoperating Revenues (Expenses)					
State PERS relief	5,506	32,531	9,855	10,803	58,695
Loss on disposal of capital asset	-	(101,045)	-	-	(101,045)
Net Nonoperating Revenues (Expenses)	5,506	(68,514)	9,855	10,803	(42,350)
Income (loss) before capital contributions and transfers	36,533	(147,480)	(132,206)	(239,300)	(482,453)
Capital contributions	-	5,862,722	-	-	5,862,722
Transfers in	-	-	50,431	203,408	253,839
Change in net position	36,533	5,715,242	(81,775)	(35,892)	5,634,108
Beginning net position (deficit)	(201,955)	2,302,593	1,382,262	1,641,015	5,123,915
Ending net position (deficit)	\$ (165,422)	\$ 8,017,835	\$ 1,300,487	\$ 1,605,123	\$ 10,758,023

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Enterprise Funds
Statement of Cash Flows

Year Ended June 30, 2014	Major Funds				Total Enterprise Funds
	Bingo	Boat Harbor	Refuse Collection	Water and Sewer	
Cash Flows from (for) Operating Activities					
Receipts from customers	\$ 594,418	\$ 669,401	\$ 152,429	\$ 202,980	\$ 1,619,228
Payments for goods and services	(501,782)	(388,566)	(36,198)	(169,060)	(1,095,606)
Payments for salaries and benefits	(56,180)	(422,212)	(130,134)	(125,463)	(733,989)
Net cash flows from (for) operating activities	36,456	(141,377)	(13,903)	(91,543)	(210,367)
Cash Flows from (for) Noncapital Financing Activities					
Transfer from General Fund	-	-	50,431	203,408	253,839
Decrease in advances from other funds	(24,579)	-	-	(101,046)	(125,625)
Net cash flows from (for) noncapital financing activities	(24,579)	-	50,431	102,362	128,214
Cash Flows for Capital and Related Financing Activities					
Additions to capital assets	-	(6,730,073)	(7,400)	(10,819)	(6,748,292)
Principal paid on long-term debt	-	(55,000)	-	-	(55,000)
Interest paid on long-term debt	-	(124,396)	-	-	(124,396)
Capital contributions received	-	4,949,457	-	-	4,949,457
Net cash flows for capital and related financing activities	-	(1,960,012)	(7,400)	(10,819)	(1,978,231)
Net increase (decrease) in cash and investments	11,877	(2,101,389)	29,128	-	(2,060,384)
Beginning cash and investments	134,622	2,252,038	379,251	-	2,765,911
Ending cash and investments	\$ 146,499	\$ 150,649	\$ 408,379	\$ -	\$ 705,527
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities					
Operating loss	\$ 31,027	\$ (78,966)	\$ (142,061)	\$ (250,103)	\$ (440,103)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:					
Depreciation	1,084	66,929	96,408	142,930	307,351
Noncash expense - PERS relief	5,506	32,531	9,855	10,803	58,695
(Increase) decrease in assets -					
Accounts receivable (net)	-	65,463	9,479	5,968	80,910
Increase (decrease) in liabilities:					
Accounts payable	479	(234,766)	300	2,493	(231,494)
Accrued leave	(616)	7,432	2,806	(3,634)	5,988
Accrued payroll	(1,024)	-	-	-	(1,024)
Landfill closure costs payable	-	-	9,310	-	9,310
Net Cash Flows from (for) Operating Activities	\$ 36,456	\$ (141,377)	\$ (13,903)	\$ (91,543)	\$ (210,367)

See accompanying notes to basic financial statements.

City of Sand Point, Alaska

Notes to Basic Financial Statements

June 30, 2014

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Sand Point was incorporated in 1966 and has operated as a first-class city since 1978 under a council/mayor form of government. The City provides a full range of services to its citizens including, but not limited to, public safety, streets, health and social services, water and sewer, refuse collection, boat harbor, and general administration.

The basic principle used in determining the scope of the entity for financial reporting purposes is the exercise of oversight responsibility over other governmental units by the City's elected officials. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. No other entities exist for which the City has oversight responsibility.

The accounting policies of City of Sand Point conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

Government-Wide and Fund Financial Statements

Government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed, but statements distinguish governmental activities from business-type activities which are generally financed in whole or in part with fees charged to external customers. The statement of activities reports expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and proprietary funds are reported in separate columns with composite columns for nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements report using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

City of Sand Point, Alaska

Notes to Basic Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only to the extent they have matured.

Major revenue sources susceptible to accrual include charges for services, intergovernmental revenues and investment income. In general, other revenues are recognized when received.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes, investment income, and State and federal entitlement revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Major Funds

The City reports the following major governmental funds:

General Fund - Reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

The City reports the following major proprietary funds:

Bingo Enterprise Fund - to account for gaming activities.

Boat Harbor Enterprise Fund - to account for activities of the boat harbor.

Refuse Collection Enterprise Fund - to account for refuse collection.

Water and Sewer Enterprise Fund - to account for water and sewer utilities.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the City considers all cash and investments to be cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

City of Sand Point, Alaska

Notes to Basic Financial Statements

Receivables and Payables

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." Long-term loans between funds are classified as "advances to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

At the governmental fund financial reporting level, an "advance receivable" is offset by nonspendable fund balance to indicate that it is not available for general appropriation.

Capital Assets

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded.

Estimated useful lives in years for depreciable assets are as follows:

	Years
Buildings	20-40
Machinery	5-10
Vehicles	5-10
Infrastructure assets	50

Compensated Absences

It is the City's policy to allow employees to accumulate earned but unused annual leave. Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Unearned Revenue

Amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met are recorded as unearned revenue.

Long-term Debt

In government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Governmental fund financial statements recognize proceeds of debt and premiums as other financing sources of the current period.

City of Sand Point, Alaska

Notes to Basic Financial Statements

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Use of Estimates

Preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect amounts reported in these financial statements. Accordingly, actual results could differ from those estimates.

Budgetary Accounting

The annual City operating budget is prepared by management in the spring preceding the fiscal year to which it relates. The budget is submitted to the City Council for review and approval. Legal enactment of the budget is obtained through passage of a City ordinance. Amendments to the budget can occur any time during the fiscal year through City Council action.

City of Sand Point, Alaska

Notes to Basic Financial Statements

Grants and Other Intergovernmental Revenues

In applying the measurable and available concept to grants and intergovernmental revenues, legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered "earned"; therefore, revenues are recognized based on expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

2. Cash and Investments

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of June 30, 2014.

	Totals
Deposit accounts and cash on hand	\$ 612,963
Pooled investment	2,337,785
	<hr/> \$ 2,950,748 <hr/>
	Totals
Cash and investments	\$ 2,850,748
Restricted cash	100,000
	<hr/> \$ 2,950,748 <hr/>

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. At June 30, 2014, \$250,000 of the City's bank deposits were insured by the Federal Deposit Insurance Corporation. The remaining balance of deposits were uninsured and uncollateralized. The Pooled Investment (AMLIP, see below) is not subject to custodial credit risk.

Investments

Municipal code allows the City to invest in the following items:

- a) Cash reserves of other public entities
- b) Alaska Municipal League Investment Pool

Pooled investments are invested with the Alaska Municipal League Investment Pool, Inc. (AMLIP). The AMLIP is an external investment pool which is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is approximately equal to fair value.

City of Sand Point, Alaska

Notes to Basic Financial Statements

Southwest Governments, LLC

The City holds a 20% interest in Southwest Governments, LLC, a company that owns and rents an office building in Anchorage, Alaska. At June 30, 2014, the City's investment in the LLC was \$271,525. This investment is considered noncurrent, and accordingly, an equal amount of fund balance of the General Fund is shown as nonspendable. In 2014, the City recorded \$47,619 in dividend and investment earnings related to this item, which is included in other revenue.

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City of Sand Point, Alaska

Notes to Basic Financial Statements

3. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities				
<i>Capital assets not being depreciated -</i>				
Construction in progress	\$ -	\$ 51,628	\$ 51,628	\$ -
<i>Capital assets being depreciated:</i>				
Buildings	8,590,637	-	-	8,590,637
Improvements other than buildings	1,403,041	132,695	-	1,535,736
Equipment and vehicles	1,894,397	91,413	12,509	1,973,301
Total assets being depreciated	11,888,075	224,108	12,509	12,099,674
Less accumulated depreciation for:				
Buildings	3,051,236	429,532	-	3,480,768
Improvement other than buildings	61,326	14,403	-	75,729
Equipment and vehicles	1,351,948	137,358	11,340	1,477,966
Total accumulated depreciation	4,464,510	581,293	11,340	5,034,463
Total capital assets being depreciated, net	7,423,565	(357,185)	1,169	7,065,211
Governmental Activity Capital Assets, Net				
	\$ 7,423,565	\$ (305,557)	\$ 52,797	\$ 7,065,211
Business-Type Activities				
<i>Capital assets not being depreciated -</i>				
Construction in progress	\$ 3,215,740	\$ 6,880,189	\$ -	\$ 10,095,929
<i>Capital assets being depreciated</i>				
Buildings and improvements	5,082,688	7,400	176,694	4,913,394
Equipment and vehicles	1,355,294	26,942	77,915	1,304,321
Landfill	1,996,889	-	-	1,996,889
Total assets being depreciated	8,434,871	34,342	254,609	8,214,604
Less accumulated depreciation for:				
Buildings and improvements	2,147,089	144,232	57,426	2,233,895
Equipment and vehicles	945,269	100,716	77,914	968,071
Landfill	1,060,849	62,403	-	1,123,252
Total accumulated depreciation	4,153,207	307,351	135,340	4,325,218
Total capital assets being depreciated, net	4,281,664	(273,009)	119,269	3,889,386
Business-Type Activity Capital Assets, Net				
	\$ 7,497,404	\$ 6,607,180	\$ 119,269	\$ 13,985,315

City of Sand Point, Alaska

Notes to Basic Financial Statements

In 2014, the Harbor fund capitalized \$148,015 in construction period interest.

Depreciation expense was charged to the functions as follows for the year ended June 30, 2014:

Governmental Activities	
General government	\$ 413,560
Parks and recreation	5,540
Public safety	75,565
Public works	74,399
Community development	12,229
<hr/>	
Total Depreciation Expense - Governmental Activities	\$ 581,293
<hr/>	
Business Type Activities	
Bingo	\$ 1,084
Boat harbor	66,929
Refuse collection	96,408
Water and sewer	142,930
<hr/>	
Total Depreciation Expense - Business-Type Activities	\$ 307,351

4. Long-Term Debt

General Obligation Bonds

The City of Sand Point issued general obligation bonds for the expansion of the Small Boat Harbor. The general obligation bonds pledge the full faith and credit of the City. Bonds in the amount of \$2,615,000 were issued on March 12, 2013.

All of the bonds outstanding are held by the Alaska Municipal Bond Bank Authority. This State of Alaska agency purchases bonds from municipalities within the State, while simultaneously selling its own bonds to third parties in order to fund the bond purchases.

Bonds currently outstanding are as follows:

Business-Type Activities	Interest Rates	Outstanding Balance
<hr/>		
Small boat harbor - \$2,615,000, 2013 Series One general obligation bonds, due in annual principal payments of \$60,000 to \$175,000 through 2038	2%-5%	\$ 2,560,000
<hr/>		

City of Sand Point, Alaska

Notes to Basic Financial Statements

Debt service requirements to maturity for the general obligation bonds are as follows:

Business-Type Activities

<i>Fiscal Year</i>	Principal	Interest
2015	\$ 60,000	\$ 120,580
2016	65,000	118,180
2017	65,000	115,580
2018	70,000	112,980
2019	70,000	110,180
2020-2024	410,000	502,000
2025-2029	525,000	396,900
2030-2034	650,000	254,770
2034-2038	645,000	82,750
Total	\$ 2,560,000	\$ 1,813,920

Changes in long term liabilities for the year ended June 30, 2014 follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental Activities					
Compensated absences	\$ 82,636	\$ 39,477	\$ 90,739	\$ 31,374	\$ 31,374

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Business-type Activities					
General obligation bonds	\$ 2,615,000	\$ -	\$ 55,000	\$ 2,560,000	\$ 60,000
Bond premium	414,322	-	16,574	397,748	16,573
Landfill closure liability	83,790	9,310	-	93,100	-
Accrued leave	17,370	17,518	11,530	23,358	23,358
Total Business-Type Activities	\$ 3,130,482	\$ 26,828	\$ 83,104	\$ 3,074,206	\$ 99,931

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City of Sand Point, Alaska

Notes to Basic Financial Statements

5. Fund Balances

Fund balances, reported for the individual major fund, and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints at June 30, 2014:

	General Fund	Nonmajor Funds	Totals
Nonspendable:			
Prepaid items	\$ 29,731	\$ -	\$ 29,731
Investment in Southwest Governments, LLC	271,525	-	271,525
Advance to other funds	1,200,108	-	1,200,108
Total nonspendable	1,501,364	-	1,501,364
Assigned:			
Next year's budget	490,267	-	490,267
Silver Salmon Derby	-	14,120	14,120
Clinic	-	85,929	85,929
Capital projects	-	469,115	469,115
Total assigned	490,267	569,164	1,059,431
Unassigned	1,369,866	-	1,369,866
Total Fund Balances	\$ 3,361,497	\$ 569,164	\$ 3,930,661

6. Interfund Balances

A schedule of interfund balances and transfers for the year ended June 30, 2014, follows:

Advance to Other Funds

Advances from the General Fund to the	
Water and Sewer Enterprise Fund for capital and operating costs	\$ 887,768
Bingo Enterprise Fund for operations	312,340
Total Advances to Other Funds	\$ 1,200,108

Transfers

Transfer from the General Fund to the	
Refuse Collection Enterprise Fund for operating expenses	\$ 50,431
Water and Sewer Enterprise Fund for operating expenses	203,408
Total Transfers to Other Funds	\$ 253,839

City of Sand Point, Alaska

Notes to Basic Financial Statements

7. Defined Benefit Pension Plan

The City participates in the Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, Alaska 99811-0203

Conversion to Cost Sharing

In April 2008, the Alaska Legislature passed legislation which converted the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers.

That same year, the State of Alaska passed additional legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (3.29% for pension and 4.21% for healthcare).

Employer and Other Contribution Rates

There are three contribution rates associated with the pension and healthcare contributions and related liabilities:

Contractual Rate: This is the required funding rate for participating employers. The contractual rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate includes all PERS participating wages, including those wages attributable to employees in the defined contribution plan.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined to calculate annual funding requirements of the Plan, without regard to the statutory rate cap. There are no constraints or restrictions on the actuarial cost method or other assumptions used in this valuation, other than those established and agreed to by the ARM Board.

City of Sand Point, Alaska

Notes to Basic Financial Statements

Current legislation provides that the State of Alaska will contribute the difference between the ARM Board adopted rate and the contractual (statutory) rate. These additional contributions are recognized by each employer as an on-behalf payment and are reflected as revenue and expense/expenditures within the financial statements.

GASB 43 Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For FY14, the rate uses an 8.00% pension discount rate and a 5.41% healthcare discount rate. Additionally, the GASB 43 rate disregards all future Medicare Part D payments.

The GASB 43 rate differs significantly from the ARM Board adopted rate as a direct result of differences in the actuarial valuation methodology and assumptions.

Contribution rates for the year ended June 30, 2014 were determined as part of the June 30, 2011 actuarial valuation and are as follows:

	Contractual Rate	ARM Board Adopted Rate	GASB 43 Rate
Pension	10.64%	18.38%	27.94%
Postemployment healthcare	11.36%	17.30%	52.55%
Total contribution rate	22.00%	35.68%	80.49%

Annual Pension and Postemployment Healthcare Cost

The City is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 13.68% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, this contribution is considered an on-behalf payment and is recorded as revenue and expense/expenditures in these financial statements. However, because the City is not statutorily obligated for these payments, the State's contributions, in the amounts of \$169,637, 168,475, and 123,389 for 2014, 2013, and 2012, respectively, have been excluded from pension and OPEB cost as shown below.

<i>Year ended June 30,</i>	Required Pension Contribution	Required OPEB Contribution	Total Required Contribution	City Contributions	Required Contribution Percentage
2014	\$ 197,626	\$ 58,581	\$ 256,207	\$ 256,207	100%
2013	87,826	111,986	199,812	199,812	100%
2012	57,211	69,668	126,879	126,879	100%

City of Sand Point, Alaska

Notes to Basic Financial Statements

8. Defined Contribution Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. The Plan is administered by the State of Alaska, Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan.

Employee Contribution Rates

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rates

For the year ended June 30, 2014, the City was required to contribute the following amounts based on covered salary:

<i>June 30, 2014</i>	Other Tier IV	Police/Fire Tier IV
Individual account	5.00%	5.00%
Retiree medical plan	0.48%	0.48%
Occupational death and disability benefits	0.20%	1.14%
	5.68%	6.62%

In addition, the employer must contribute to the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2013, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,897 per year for each full-time employee, and \$1.22 per hour for part-time employees.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The City and employee contributions to PERS including the HRA contribution for the year ended June 30, 2014 were \$58,581 and \$47,351, respectively.

9. Landfill Closure and Postclosure Liability

The City operates a local landfill. State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, generally accepted accounting principles require that the City report a portion of these closure and postclosure care costs each period based on landfill capacity used as of each balance sheet date.

City of Sand Point, Alaska

Notes to Basic Financial Statements

The City has estimated the closure and post closure costs to be \$242,060 with an estimated remaining life through 2030. At June 30, 2014, the City has recognized \$93,100 of this liability on the statement of net position, an increase of \$9,310 from the prior year. The City will recognize the remaining estimated cost of closure and post closure care of \$148,960 as the remaining expected usage is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The remaining life of the landfill is estimated to be approximately 16 years.

At June 30, 2014 the City has not committed or assigned any fund balance to fund the cost of closure and post closure monitoring, nor have any assets been restricted for this purpose.

10. Risk Management

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees.

The City is a member of Alaska Public Entity Insurance (APEI), a governmental insurance pool. APEI provides the City coverage for property, including building and contents, automobiles, mobile equipment, data processing equipment and boiler and machinery; casualty, including general liability, public officials and employees liability, law enforcement professional liability, auto liability and employee benefit liability; workers' compensation, including employers liability; and commercial blanket bond. The City maintains supplemental marine insurance and firefighters group accident coverage with insurance companies placed through APEI. The City has no coverage for potential losses from environmental damages.

APEI is a public entity risk pool organized to share risks among its members. Its bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's deposit contribution in comparison to the aggregate deposit contributions of all members. There were no supplemental assessments made during the year ended June 30, 2014.

11. Contingencies

Grants

The City has received grants which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grant. Management believes that such disallowances for grants, if any, would not be material.

City of Sand Point, Alaska

Notes to Basic Financial Statements

12. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that GASB Statement 68 will result in the biggest reporting change. Actual impacts have not yet been determined:

GASB 68 - Accounting and Financial Reporting for Pensions - Effective for year-end June 30, 2015 - This statement changes the reporting and disclosure requirements for governments that participate in pension plans. This statement modifies the participating employer side reporting in connection with the Plan side reporting at GASB 67.

GASB 69 - Government Combinations and Disposals of Government Operations - Effective for year-end June 30, 2015 - This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

GASB 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - Effective for year-end June 30, 2015 - This statement is a companion to GASB Statement 68 and clarifies treatment of contributions made by a contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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Required Supplementary Information

City of Sand Point, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 1,569,500	\$ 1,602,000	\$ 1,690,617	\$ 88,617
State of Alaska	478,977	484,194	590,498	106,304
Federal government	7,500	10,293	6,212	(4,081)
Other revenues	205,000	371,000	418,884	47,884
Total Revenues	2,260,977	2,467,487	2,706,211	238,724
Expenditures - Current				
General government	791,919	838,266	976,785	(138,519)
Parks and recreation	39,659	39,659	32,515	7,144
Public safety	595,369	578,783	547,941	30,842
Public works	1,033,123	1,023,623	866,453	157,170
Total Expenditures	2,460,070	2,480,331	2,423,694	56,637
Excess of revenues over (under) expenditures	(199,093)	(12,844)	282,517	295,361
Other financing uses - transfers out	-	(253,839)	(253,839)	-
Net change in fund balance	<u>\$ (199,093)</u>	<u>\$ (266,683)</u>	28,678	<u>\$ 295,361</u>
Beginning fund balance			<u>3,332,819</u>	
Ending fund balance			<u>\$ 3,361,497</u>	

Supplementary Information

City of Sand Point, Alaska

General Fund
Balance Sheet

<i>June 30,</i>	2014	2013
Assets		
Cash and investments	\$ 1,698,445	\$ 1,654,874
Receivables:		
Sales tax	104,812	85,023
Fish tax	64,463	116,735
Other	28,688	13,611
Prepays	29,731	-
Investment in Southwest Governments, LLC	271,525	280,063
Due from other funds	-	336,919
Advance to other funds	1,200,108	988,814
Total Assets	\$ 3,397,772	\$ 3,476,039
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 23,756	\$ 94,468
Unearned revenue	1,950	1,950
Accrued liabilities	10,569	46,802
Total Liabilities	36,275	143,220
Fund Balance		
Nonspendable:		
Prepaid items	29,731	-
Investment in Southwest Governments, LLC	271,525	280,063
Advance to other funds	1,200,108	988,814
Assigned - next year's budget	490,267	-
Unassigned	1,369,866	2,063,942
Total Fund Balance	3,361,497	3,332,819
Total Liabilities and Fund Balance	\$ 3,397,772	\$ 3,476,039

City of Sand Point, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30,</i>	2014			2013
	Final Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Sales taxes	\$ 787,000	\$ 953,363	\$ 166,363	\$ 1,110,351
Local raw fish taxes	800,000	715,745	(84,255)	570,554
Accommodation taxes	15,000	21,509	6,509	7,216
Total taxes	1,602,000	1,690,617	88,617	1,688,121
State of Alaska:				
Shared fisheries and raw fish tax	-	-	-	337,198
Fish resource landing tax	328,918	326,324	(2,594)	76,195
Library grants	7,799	7,799	-	6,500
State revenue sharing	142,477	142,933	456	210,829
State PERS relief	-	110,942	110,942	186,294
State liquor licenses	5,000	2,500	(2,500)	-
Total State of Alaska	484,194	590,498	106,304	817,016
Federal Government:				
Public library assistance passed through State	2,793	2,793	-	-
Emergency management grants	7,500	3,419	(4,081)	8,695
Total Federal Government	10,293	6,212	(4,081)	8,695
Investment income	-	-	-	18,590
Other Revenues:				
Payment in lieu of taxes - local sources	150,000	150,000	-	-
Building rental	125,000	150,168	25,168	139,526
Equipment rental	25,000	22,510	(2,490)	20,446
Business licenses	2,000	2,475	475	2,375
EMS fund	2,000	2,000	-	7,690
Sweatshirt sales	-	25	25	1,105
Anchorage office	20,000	28,000	8,000	-
Local donation	-	1,200	1,200	5,350
Other	47,000	62,506	15,506	65,142
Total other revenues	371,000	418,884	47,884	241,634
Total Revenues	2,467,487	2,706,211	238,724	2,774,056

City of Sand Point, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30,</i>	2014			2013
	Final Budget	Actual	Variance	Actual
Expenditures				
General government:				
Legislative:				
Salaries	\$ 36,000	\$ 36,125	\$ (125)	\$ 37,600
Fringe benefits	95,749	92,072	3,677	81,245
Travel and per diem	10,000	9,356	644	15,547
Dues and fees	3,000	3,957	(957)	7,287
Total legislative	144,749	141,510	3,239	141,679
Administration:				
Salaries	267,032	338,704	(71,672)	255,410
Contractual services	10,000	18,625	(8,625)	18,657
Fringe benefits	78,938	126,434	(47,496)	119,712
Travel and per diem	25,000	27,012	(2,012)	30,045
Telephone	14,000	14,932	(932)	12,556
Postage	6,000	6,513	(513)	6,764
Supplies	7,500	10,068	(2,568)	16,000
Equipment	15,000	19,174	(4,174)	23,029
Equipment maintenance	4,000	6,805	(2,805)	-
Dues and fees	3,000	13,831	(10,831)	5,548
Anchorage office	7,500	9,368	(1,868)	-
Sales tax audit	10,000	-	10,000	-
Audit	40,000	36,086	3,914	36,036
Legal	15,000	16,399	(1,399)	23,815
Insurance	137,500	137,545	(45)	17,086
Bank service charges	12,000	11,381	619	7,610
Fuel	500	1,408	(908)	564
Freight/speed paks	3,000	2,879	121	3,747
Elections	2,000	976	1,024	1,688
Employee expense	500	-	500	-
Donations	20,000	13,408	6,592	13,097
Hospitality	3,000	3,159	(159)	3,881
Library	4,047	5,962	(1,915)	2,716
Event costs	8,000	10,780	(2,780)	-
Other	-	3,826	(3,826)	17,695
Total administration	693,517	835,275	(141,758)	615,656
Total general government	838,266	976,785	(138,519)	757,335

City of Sand Point, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30,</i>	2014			2013
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Parks and recreation:				
Salaries	\$ 36,346	\$ 27,018	\$ 9,328	\$ 27,034
Fringe benefits	3,313	5,497	(2,184)	7,541
Supplies	-	-	-	43,749
Donations	-	-	-	5,000
Total parks and recreation	39,659	32,515	7,144	83,324
Public safety:				
Police:				
Salaries	277,973	267,208	10,765	292,036
911 dispatchers	20,000	23,236	(3,236)	25,694
Fringe benefits	98,180	113,543	(15,363)	139,835
Travel and per diem	15,000	6,113	8,887	17,354
Telephone	8,500	8,724	(224)	7,925
Supplies	5,000	3,428	1,572	5,054
Police dog	2,500	413	2,087	965
Equipment	35,000	33,344	1,656	5,368
Equipment maintenance	8,500	6,021	2,479	6,475
Dues and fees	2,500	1,181	1,319	2,816
Fuel	20,000	10,928	9,072	20,044
Freight/speed paks	500	715	(215)	2,289
Relocation costs	4,000	1,602	2,398	11,244
Total police	497,653	476,456	21,197	537,099
Emergency services:				
Volunteer stipend	7,500	6,650	850	8,550
Contractual	5,000	6,225	(1,225)	6,000
Travel and per diem	500	365	135	-
Telephone	3,000	3,439	(439)	-
Supplies	2,000	489	1,511	-
Equipment	4,000	3,502	498	-
Equipment maintenance	2,500	645	1,855	-
Equipment fuel	1,000	186	814	-
Dues and fees	750	-	750	-
Utilities	500	-	500	-
Freight	500	200	300	-
Total emergency services	27,250	21,701	5,549	14,550

City of Sand Point, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30,</i>	2014			2013
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Public safety, continued:				
Fire:				
Salaries	\$ 21,362	\$ 20,980	\$ 382	\$ -
Fringe	3,018	7,971	(4,953)	-
Telephone	1,000	677	323	3,862
Fireboat	1,500	269	1,231	-
Supplies	2,500	297	2,203	2,244
Equipment	2,500	1,425	1,075	2,563
Equipment maintenance	2,500	275	2,225	-
Equipment fuel	1,000	363	637	272
Dues and fees	500	-	500	-
Utilities	3,500	3,671	(171)	5,553
Freight	500	676	(176)	-
Total fire	39,880	36,604	3,276	14,494
Animal control:				
Salaries	10,000	9,375	625	14,255
Fringe benefits	1,000	1,921	(921)	4,678
Travel and per diem	500	-	500	2,952
Supplies	500	13	487	2,581
Equipment	500	-	500	396
Equipment maintenance	500	135	365	-
Utilities	500	-	500	-
Fuel	-	1,736	(1,736)	1,209
Freight	500	-	500	185
Total animal control	14,000	13,180	820	26,256
Total public safety	578,783	547,941	30,842	592,399
Public works:				
General:				
Salaries	266,861	206,456	60,405	292,742
Contractual	10,000	-	10,000	-
Fringe benefits	126,104	141,880	(15,776)	176,924
Travel and per diem	2,500	4,095	(1,595)	2,302
Telephone	2,000	2,868	(868)	2,749
Supplies	20,000	12,717	7,283	16,306
Equipment	55,000	24,612	30,388	32,913
Equipment maintenance	50,000	66,603	(16,603)	56,923
Equipment fuel	15,000	20,045	(5,045)	21,951
Dues and fees	1,000	84	916	570
Street lights	15,000	12,407	2,593	15,167
Utilities	1,500	-	1,500	-
Fuel	15,000	27,037	(12,037)	18,949
Repairs	5,000	-	5,000	-
Freight/speed paks	10,000	7,028	2,972	14,114
Total general	594,965	525,832	69,133	651,610

City of Sand Point, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30,</i>	2014			2013
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Public works, continued:				
Facilities:				
Salaries	\$ 116,268	\$ 79,223	\$ 37,045	\$ 87,331
Fringe benefits	47,890	44,584	3,306	58,205
Municipal building:				
Supplies	8,000	11,164	(3,164)	8,088
Equipment	1,000	833	167	6,453
Equipment maintenance	2,500	3,270	(770)	-
Dues and fees	1,500	94	1,406	1,140
Utilities	10,000	7,845	2,155	9,329
Fuel	50,000	43,289	6,711	58,253
Repairs	75,000	44,865	30,135	88,891
Boardwalk repairs	10,000	-	10,000	-
Freight/speed paks	15,000	7,211	7,789	14,567
City houses:				
Supplies	3,500	450	3,050	19
Equipment	1,500	2,310	(810)	4,081
Hamik rental	10,000	6,000	4,000	-
Fuel	15,000	14,083	917	15,306
Repairs	13,000	3,755	9,245	8,766
Freight/speed paks	3,500	78	3,422	-
Utilities	5,000	597	4,403	-
RATNET building - utilities	500	412	88	607
Clinic facility:				
Supplies	1,000	222	778	180
Repairs	7,500	38,257	(30,757)	3,351
Fuel	-	-	-	7,276
Freight	1,000	76	924	53
4-plex:				
Supplies	1,000	151	849	190
Equipment	1,000	1,260	(260)	-
Utilities	3,000	2,071	929	2,608
Fuel	15,000	11,866	3,134	13,505
Repairs	1,000	1,784	(784)	364
Teen center:				
Utilities	2,500	3,955	(1,455)	3,737
Fuel	4,000	4,701	(701)	4,543
Repairs	2,500	6,215	(3,715)	-
<hr/>				
Total facilities	428,658	340,621	88,037	396,843
<hr/>				
Total public works	1,023,623	866,453	157,170	1,048,453

City of Sand Point, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30,</i>	2014			2013
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Total Expenditures	\$ 2,480,331	\$ 2,423,694	\$ 56,637	\$ 2,481,511
Excess of revenues over (under) expenditures	(12,844)	282,517	295,361	292,545
Other financing uses - transfers out	(253,839)	(253,839)	-	(100,000)
Net change in fund balance	<u>\$ (266,683)</u>	28,678	<u>\$ 295,361</u>	192,545
Beginning fund balance		<u>3,332,819</u>		<u>3,140,274</u>
Ending fund balance		<u>\$ 3,361,497</u>		<u>\$ 3,332,819</u>

City of Sand Point, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

	<u>Special Revenue Funds</u>		<u>Capital Project Fund</u>	Total Nonmajor Governmental Funds
	Silver Salmon Derby	Clinic Operations	School Loop	
<i>June 30, 2014</i>				
Assets				
Cash and investments	\$ 14,120	\$ 115,169	\$ 417,487	\$ 546,776
Accounts receivable	-	2,731	51,628	54,359
Total Assets	\$ 14,120	\$ 117,900	\$ 469,115	\$ 601,135
Liabilities and Fund Balances				
Liabilities - accounts payable	\$ -	\$ 31,971	\$ -	\$ 31,971
Fund Balances				
Assigned:				
Silver Salmon Derby	14,120	-	-	14,120
School Loop	-	-	469,115	469,115
Clinic	-	85,929	-	85,929
Total Fund Balances	14,120	85,929	469,115	569,164
Total Liabilities and Fund Balances	\$ 14,120	\$ 117,900	\$ 469,115	\$ 601,135

City of Sand Point, Alaska
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue Funds		Capital Project Fund	Total Nonmajor Govern- mental Funds
	Silver		School Loop	
	Salmon Derby	Clinic Operations		
<i>Year Ended June 30, 2014</i>				
Revenues				
Federal government	\$ -	\$ 33,654	\$ -	\$ 33,654
State of Alaska	-	-	51,628	51,628
Other revenues	22,040	-	-	22,040
Total Revenues	22,040	33,654	51,628	107,322
Expenditures				
Health clinic	-	24,271	-	24,271
Community development	30,994	-	-	30,994
Capital outlay	-	-	51,628	51,628
Total Expenditures	30,994	24,271	51,628	106,893
Net change in fund balances	(8,954)	9,383	-	429
Beginning fund balances	23,074	76,546	469,115	568,735
Ending fund balances	\$ 14,120	\$ 85,929	\$ 469,115	\$ 569,164

City of Sand Point, Alaska
Bingo Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2014	2013
Assets		
Current Assets - cash and investments	\$ 146,499	\$ 134,622
Capital Assets		
Equipment and vehicles	14,541	14,541
Less accumulated depreciation	(13,548)	(12,464)
Net Capital Assets	993	2,077
Total Assets	\$ 147,492	\$ 136,699
Liabilities and Net Position (Deficit)		
Liabilities		
Accrued leave	\$ -	\$ 616
Accrued payroll	95	1,119
Accounts payable	479	-
Advances from other funds	312,340	336,919
Total Liabilities	312,914	338,654
Net Position (Deficit)		
Investment in capital assets	993	2,077
Unrestricted (deficit)	(166,415)	(204,032)
Total Net Position (Deficit)	(165,422)	(201,955)
Total Liabilities and Net Position (Deficit)	\$ 147,492	\$ 136,699

City of Sand Point, Alaska
Bingo Enterprise Fund
Statement of Revenues, Expenses and Changes in Deficit

<i>Year Ended June 30,</i>	2014	2013
Operating Revenues		
Pull tab revenue	\$ 551,647	\$ 530,253
Bingo revenue	41,899	55,270
Concessions	641	1,782
Other	231	-
Total Operating Revenues	594,418	587,305
Operating Expenses		
Salaries and benefits	60,046	100,774
Travel and per diem	2,942	-
Telephone	1,217	1,238
Supplies	1,426	458
Depreciation	1,084	2,908
Concessions	-	1,552
Dues and fees	3,500	808
Bank service charges	2,383	3,521
Freight/speed paks	226	125
Pizes and payouts	474,963	473,908
Pull tab tax	4,596	3,331
Pull tab purchases	11,008	10,455
Total Operating Expenses	563,391	599,078
Operating income (loss)	31,027	(11,773)
Nonoperating Revenues - State PERS relief	5,506	12,154
Change in net position	36,533	381
Beginning deficit	(201,955)	(202,336)
Ending deficit	\$ (165,422)	\$ (201,955)

City of Sand Point, Alaska
Bingo Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2014	2013
Cash Flows from Operating Activities		
Receipts from customers	\$ 594,418	\$ 587,305
Payments for goods and services	(501,782)	(495,396)
Payments for salaries and benefits	(56,180)	(88,004)
Net cash flows from operating activities	36,456	3,905
Cash Flows for Noncapital Financing Activities		
Decrease in advances from other funds	(24,579)	(4,023)
Net increase (decrease) in cash and investments	11,877	(118)
Beginning cash and investments	134,622	134,740
Ending cash and investments	\$ 146,499	\$ 134,622
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating income (loss)	\$ 31,027	\$ (11,773)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:		
Depreciation	1,084	2,908
Noncash expense - PERS relief	5,506	12,154
Increase (decrease) in liabilities:		
Accrued leave	(616)	(503)
Accrued payroll	(1,024)	1,119
Accounts payable	479	-
Net Cash Flows from Operating Activities	\$ 36,456	\$ 3,905

City of Sand Point, Alaska

Boat Harbor Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2014	2013
Assets		
Current Assets		
Cash and investments	\$ 50,649	\$ 1,282,586
Grants and contracts receivable	459,233	1,000,000
Accounts receivable, net of allowance of \$96,822 (\$78,091 in 2013)	37,472	102,935
Total Current Assets	547,354	2,385,521
Restricted Cash - capital projects	100,000	969,452
Capital Assets		
Building and floats	321,752	498,446
Equipment and vehicles	613,642	636,262
Construction in progress	10,095,929	3,215,740
Less accumulated depreciation	(497,710)	(526,949)
Net Capital Assets	10,533,613	3,823,499
Total Assets	\$ 11,180,967	\$ 7,178,472
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 146,642	\$ 1,381,408
Accrued leave	18,549	11,117
Accrued interest payable	40,193	-
Current portion of bonds payable	60,000	55,000
Unearned revenue	-	454,032
Total Current Liabilities	265,384	1,901,557
Long-term Liabilities		
Bonds payable, net of current portion	2,500,000	2,560,000
Bond premium, net of accumulated amortization	397,748	414,322
Total Liabilities	3,163,132	4,875,879
Net Position		
Net investment in capital assets	7,575,865	1,763,629
Unrestricted	441,970	538,964
Total Net Position	8,017,835	2,302,593
Total Liabilities and Net Position	\$ 11,180,967	\$ 7,178,472

City of Sand Point, Alaska
Boat Harbor Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2014	2013
Operating Revenues		
Moorage	\$ 172,199	\$ 253,901
Travel lift	82,444	84,725
Wharfage	75,608	49,318
Van storage	19,512	17,548
Electricity	5,525	4,451
Penalties and interest	5,352	4,131
Rents	109,815	123,572
Other	133,483	9,372
Total Operating Revenues	603,938	547,018
Operating Expenses		
Salaries and benefits	462,175	439,556
Contractual	33,280	5,236
Travel and per diem	3,125	2,633
Telephone	3,437	3,046
Supplies	9,878	7,574
Depreciation	66,929	66,526
Equipment and equipment maintenance	18,835	26,207
Dues and fees	249	240
Utilities	40,176	16,491
Fuel	17,624	15,936
Repairs	18,387	2,820
Freight/speed paks	4,040	2,294
Other	4,769	-
Total Operating Expenses	682,904	588,559
Operating loss	(78,966)	(41,541)
Nonoperating Revenues (Expenses)		
State PERS relief	32,531	48,459
Loss on disposal of capital asset	(101,045)	-
Interest expense	-	(7,940)
Net Nonoperating Revenues (Expenses)	(68,514)	40,519
Loss before capital contributions and transfers	(147,480)	(1,022)
Capital contributions	5,862,722	1,000,000
Transfer in	-	100,000
Change in net position	5,715,242	1,098,978
Beginning net position	2,302,593	1,203,615
Ending net position	\$ 8,017,835	\$ 2,302,593

City of Sand Point, Alaska
Boat Harbor Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2014	2013
Cash Flows for Operating Activities		
Receipts from customers	\$ 669,401	\$ 413,849
Payments for goods and services	(388,566)	(68,353)
Payments for salaries and benefits	(422,212)	(390,483)
Net cash flows for operating activities	(141,377)	(44,987)
Cash Flows from (for) Capital and Related Financing Activities		
Proceeds from bond issuance	-	3,021,382
Transfers In	-	100,000
Principal paid on long-term debt	(55,000)	-
Interest paid on long-term debt (capitalized)	(124,396)	-
Additions to capital assets	(6,730,073)	(1,804,415)
Capital contributions received	4,949,457	454,032
Net cash flows from (for) capital and related financing activities	(1,960,012)	1,770,999
Net increase (decrease) in cash and investments	(2,101,389)	1,726,012
Beginning cash and investments	2,252,038	526,026
Ending cash and investments	\$ 150,649	\$ 2,252,038
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities:		
Operating loss	\$ (78,966)	\$ (41,541)
Adjustments to reconcile operating loss to net cash flows form (for) by operating activities:		
Depreciation	66,929	66,526
Noncash expense - PERS relief	32,531	48,459
Increase in assets -		
accounts receivable (net)	65,463	(52,638)
Increase (decrease) in liabilities		
Accounts payable	(234,766)	14,124
Accrued leave	7,432	614
Unearned revenue	-	(80,531)
Net Cash Flows for Operating Activities	\$ (141,377)	\$ (44,987)

City of Sand Point, Alaska
Refuse Collection Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2014	2013
Assets		
Current Assets		
Cash and investments	\$ 408,379	\$ 379,251
Accounts receivable, net of allowance of \$21,233 (\$9,245 in 2013)	23,051	32,530
Total Current Assets	431,430	411,781
Capital Assets		
Buildings	19,400	12,000
Equipment and vehicles	498,629	502,610
Sanitary landfill	1,996,889	1,996,889
Less accumulated depreciation	(1,547,630)	(1,455,203)
Net Capital Assets	967,288	1,056,296
Total Assets	\$ 1,398,718	\$ 1,468,077
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,046	\$ 746
Accrued leave	4,085	1,279
Total Current Liabilities	5,131	2,025
Landfill closure costs payable	93,100	83,790
Total Liabilities	98,231	85,815
Net Position		
Investment in capital assets	967,288	1,056,296
Unrestricted	333,199	325,966
Total Net Position	1,300,487	1,382,262
Total Liabilities and Net Position	\$ 1,398,718	\$ 1,468,077

City of Sand Point, Alaska
Refuse Collection Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2014	2013
Operating Revenues - user charges	\$ 142,950	\$ 148,112
Operating Expenses		
Salaries and benefits	142,795	145,534
Supplies	2,042	2,231
Equipment and equipment maintenance	12,407	29,315
Dues and fees	11,739	1,185
Utilities	4,033	4,909
Fuel	4,353	3,623
Repairs	-	499
Freight/speed paks	1,924	5,407
Landfill closure expense	9,310	9,310
Depreciation	96,408	96,408
Total Operating Expenses	285,011	298,421
Operating loss	(142,061)	(150,309)
Nonoperating Revenues - State PERS relief	9,855	16,437
Loss before transfers	(132,206)	(133,872)
Transfers in	50,431	-
Change in net position	(81,775)	(133,872)
Beginning net position	1,382,262	1,516,134
Ending net position	\$ 1,300,487	\$ 1,382,262

City of Sand Point, Alaska
Refuse Collection Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2014	2013
Cash Flows for Operating Activities		
Receipts from customers	\$ 152,429	\$ 145,314
Payments for goods and services	(36,198)	(47,248)
Payments for salaries and benefits	(130,134)	(131,410)
Net cash flows for operating activities	(13,903)	(33,344)
Cash Flows from Noncapital investing Activities		
Transfers in	50,431	-
Cash Flows for Capital and Related Financing Activities		
Additions to capital assets	(7,400)	(9,227)
Net increase (decrease) in cash and investments	29,128	(42,571)
Beginning cash and investments	379,251	421,822
Ending cash and investments	\$ 408,379	\$ 379,251
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$ (142,061)	\$ (150,309)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Depreciation	96,408	96,408
Noncash expense - PERS relief	9,855	16,437
(Increase) decrease in assets -		
Accounts receivable (net)	9,479	(2,798)
Increase (decrease) in liabilities		
Accounts payable	300	(79)
Accrued leave	2,806	(2,313)
Landfill closure costs payable	9,310	9,310
Net Cash Flows for Operating Activities	\$ (13,903)	\$ (33,344)

City of Sand Point, Alaska
Water and Sewer Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2014	2013
Assets		
Current Assets		
Accounts receivable, net of allowance of \$24,932 (\$15,813 in 2013)	\$ 20,389	\$ 26,357
Capital Assets		
Buildings and improvements	4,572,242	4,572,242
Equipment and vehicles	177,509	201,881
Less accumulated depreciation	(2,266,330)	(2,158,591)
Net Capital Assets	2,483,421	2,615,532
Total Assets	\$ 2,503,810	\$ 2,641,889
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 10,195	\$ 7,702
Accrued leave	724	4,358
Total Current Liabilities	10,919	12,060
Advance from other funds	887,768	988,814
Total Liabilities	898,687	1,000,874
Net Position		
Investment in capital assets	2,483,421	2,615,532
Unrestricted (deficit)	(878,298)	(974,517)
Total Net Position	1,605,123	1,641,015
Total Liabilities and Net Position	\$ 2,503,810	\$ 2,641,889

City of Sand Point, Alaska
Water and Sewer Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2014	2013
Operating Revenues - user charges	\$ 197,012	\$ 182,498
Operating Expenses		
Salaries and benefits	132,632	152,920
Travel and per diem	2,780	12,665
Telephone	4,550	4,413
Supplies	15,976	20,758
Equipment and equipment maintenance	29,802	39,643
Dues and fees	6,214	7,050
Utilities	71,165	133,688
Fuel	29,562	36,515
Repairs	2,543	3,464
Freight/speed paks	8,961	10,760
Depreciation	142,930	141,667
Total Operating Expenses	447,115	563,543
Operating loss	(250,103)	(381,045)
Nonoperating Revenues - State PERS relief	10,803	17,312
Loss before transfer	(239,300)	(363,733)
Transfers in	203,408	-
Change in net position	(35,892)	(363,733)
Beginning net position	1,641,015	2,004,748
Ending net position	\$ 1,605,123	\$ 1,641,015

City of Sand Point, Alaska
Water and Sewer Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2014	2013
Cash Flows for Operating Activities		
Receipts from customers	\$ 202,980	\$ 190,161
Payments for goods and services	(169,060)	(270,469)
Payments for salaries and benefits	(125,463)	(134,040)
Net cash flows for operating activities	(91,543)	(214,348)
Cash Flows from Noncapital Financing Activities		
Transfer from General Fund	203,408	-
Increase (decrease) in advance from other funds	(101,046)	253,586
Net cash flows from noncapital financing activities	102,362	253,586
Cash Flows for Capital and Related Financing Activities		
Additions to capital assets	(10,819)	(39,238)
Net increase in cash and investments	-	-
Beginning cash and investments	-	-
Ending cash and investments	\$ -	\$ -
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$ (250,103)	\$ (381,045)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Depreciation	142,930	141,667
Noncash expense - PERS relief	10,803	17,312
(Increase) decrease in assets -		
Accounts receivable (net)	5,968	7,663
Increase (decrease) in liabilities:		
Accounts payable	2,493	(1,513)
Accrued leave	(3,634)	1,568
Net Cash Flows for Operating Activities	\$ (91,543)	\$ (214,348)

City of Sand Point, Alaska
Schedule of State Financial Assistance
Year Ended June 30, 2014

Name of Grant	Grant Number	Grant Award	State Expenditures
Department of Transportation and Public Facilities			
*Sand Point Small Boat Harbor Renovation Project	12-HG-002	\$ 5,000,000	<u>\$ 4,862,722</u>
Department of Commerce, Community, and Economic Development			
*FY14 State Revenue Sharing	N/A	142,933	142,933
School Loop Road Reconstruction Phase I	09-DC-525	1,000,000	51,628
Fisheries Resource Landing Tax	2013	28,636	28,636
Fisheries Resource Landing Tax	2014	42,405	<u>42,405</u>
Total Department of Commerce, Community, and Economic Development			<u>265,602</u>
Department of Education and Early Development			
Public Library Assistance grant	N/A	6,600	6,600
Early Literacy grant	N/A	1,199	<u>1,199</u>
Total Department of Education and Early Development			<u>7,799</u>
Department of Revenue			
*Raw fish tax	2013	255,282	255,282
Liquor license refunds	N/A	2,500	<u>2,500</u>
Total Department of Revenue			<u>257,782</u>
Department of Administration			
*PERS on behalf	N/A	169,637	<u>169,637</u>
Total State Financial Assistance			<u>\$ 5,563,542</u>

*Major Program

Note 1: Basis of Presentation

The Schedule of State Financial Assistance includes the state grant activity of City of Sand Point and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

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Single Audit Section



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and City Council
City of Sand Point, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sand Point, Alaska, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Sand Point's basic financial statements, and have issued our report thereon dated December 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Sand Point's internal control over financial reporting (internal control) of the financial statement to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Sand Point's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Sand Point's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Sand Point's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
December 3, 2014



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Independent Auditor's Report on Compliance For Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and City Council
City of Sand Point, Alaska

Report on Compliance for Each Major State Program

We have audited the City of Sand Point's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the City of Sand Point's major state programs for the year ended June 30, 2014. The City of Sand Point's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Sand Point's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City of Sand Point's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of City of Sand Point's compliance.

Opinion on Each Major State Program

In our opinion, City of Sand Point complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major state program is not modified with respect to this matter.

City of Sand Point's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Sand Point's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City of Sand Point is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Sand Point's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Sand Point's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiency in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of finding and questioned costs as item 2014-001 that we consider to be a significant deficiency.

City of Sand Point's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Sand Point's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
December 3, 2014

City of Sand Point, Alaska
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> (none reported)
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

State Financial Assistance

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> (none reported)

Type of auditor's report issued on compliance for major programs:	Unmodified
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Dollar threshold used to distinguish a state major program:	\$ 75,000
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City of Sand Point, Alaska
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

**Section II - Financial Statement Findings Required to be Reported in Accordance with
*Government Auditing Standards***

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - State Award Findings and Questioned Costs

Finding 2014-001 State revenue sharing disclosure - significant deficiency in internal control over compliance and noncompliance

Agency: Department of Commerce, Community, and Economic Development

Program: Community Revenue Sharing Program

Award Year: FY 14

Criteria: If the municipality levies and collects only a sales and use tax, the assembly shall provide a notice substantially in the form set out in AS 29.45.020. In providing this notice, the municipality shall substitute for the millage equivalency its estimate of the equivalent sales tax rate. If there is no newspaper of general circulation, the notice may be posted in at least two public places in the municipality for at least 20 days, with posting to occur not later than 45 days after the final adoption of the municipality's budget (AS 29.45.660).

Condition: The City posted the required notice of the amount of state revenue sharing, but did not post its estimate of the equivalent sales tax rate.

Questioned Costs: None noted.

Context: The City was not compliant with the relevant statutory requirements regarding taxpayer notice.

Effect: Compliance with the provisions of AS 29.45.660 is a prerequisite to receipt of municipal revenue tax resource equalization and priority revenue sharing (AS 29.45.660). Annual revenue sharing allocations could be withheld until municipal officials demonstrate that requirements are met.

Cause: Insufficiently detailed knowledge of statutory requirements related to receipt of state revenue sharing monies.

Recommendation: Post required notice as prescribed in AS 29.45.660.

Views of responsible officials and planned corrective actions: See the corrective action plan.

City of Sand Point, Alaska
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

Federal Award Findings and Questioned Costs

There was no federal single audit in FY13.

State of Alaska Award Findings and Questioned Costs

There was no state single audit in FY13.

City of Sand Point, Alaska
Corrective Action Plan
Year Ended June 30, 2014

Contact: Andrew Varner
City Administrator
907-274-7561
avarner@sandpointak.org

State Award Findings and Questioned Costs
--

Finding 2014-001	State revenue sharing disclosure - significant deficiency in internal control over compliance and noncompliance
Corrective Action	Management is aware of the regulatory disclosure and will implement a calendar reminder in conjunction with the CRS application to perform the taxpayer notice.
Expected Completion	Between the time of the CRS application and expected payment, Spring 2015.



Resolve Marine Group, Inc.
1510 S.E. 17th Street
#400
Fort Lauderdale, FL 33316

Resolve-Magone Marine Services (Alaska) Inc
Ft Lauderdale Office: (954) 764-8700
Alaska Office: (907) 581-1400

To:
City of Sand Point, Alaska
Robert E. Galovin Boat Harbor Billet Installation
Attn: Martin Gunderson
P.O. Box 249
Sand Point, AK 99661

Invoice

<u>INVOICE DATE</u>	<u>INVOICE NUMBER</u>
10/13/2014	88862
<u>Job #</u>	<u>Customer ID</u>
A1-4042	CITYSA

PHASE 210	<u>MODIFY & INSTALL OWNER-PROVIDED BILLETS AT ROBERT E. GALOVIN</u>		
	<u>SMALL BOAT HARBOR</u>		
	TOTAL PROJECT COSTING	\$	123,874.10
	LESS: PAYMENT ON INVOICE #88593	\$	(66,000.00)
	INVOICE SUBTOTAL:	\$	57,874.10
	TOTAL DUE:	\$	<u>57,874.10</u>

All Cheques should be made payable to:
Resolve Marine Group, Inc.

WIRE TRANSFER INSTRUCTIONS:
Beneficiary Financial Institution:
Paradise Bank
ABA #067015795
SWIFT Code: PAADUS31
For Credit To:
Resolve Marine Group, Inc.
Account #121000913

Payment Due Upon Receipt

PAST DUE ACCOUNTS ARE SUBJECT TO INTEREST FEES OF 1.5% PER MONTH OR ANY PART THEROF AND ALL LEGAL AND COLLECTIO

Sand Point Billet Repair - May 22-June 4, 2014

Current Date 4-Jun-14

No.	Resolve-Magone Marine Services (Alaska), Inc.	Company/ Quantity	Rate (\$)	On Hire	Current Date / Offhire	Total Days Working	Total Excluding Uplift	Premium - 25%	Total Including Uplift
Contractor's Personnel									
	Project Manager	1	\$ 1,600.00	22-May-14	27-May-14	6	\$ 9,600.00	\$ -	\$ 9,600.00
	Divers	4	\$ 1,425.00	22-May-14	04-Jun-14	14	\$ 79,800.00	\$ -	\$ 79,800.00
	Total Personnel								\$ 89,400.00
Contractor's Equipment									
	Resolve Plane (Mob/Demob Crew from Sand Point)	6	\$ 1,200.00				\$ 7,200.00	\$ -	\$ 7,200.00
	Shallow Water Dive Package	1	\$ 500.00	22-May-14	04-Jun-14	14	\$ 7,000.00	\$ -	\$ 7,000.00
	Four-Wheeler + Trailer	1	\$ 50.00	22-May-14	04-Jun-14	14	\$ 700.00	\$ -	\$ 700.00
	Foam Cutting Machine	1	\$ 200.00	26-May-14	04-Jun-14	10	\$ 2,000.00	\$ -	\$ 2,000.00
	Total Equipment								\$ 16,900.00
Out of Pocket Expenses									
Hotels									
H1	Dan Magone	Anchor Inn - Sand Point		22-May-14	26-May-14		\$ 641.25	\$ 160.31	\$ 801.56
H2	Dan Magone	Millenium Alaska / Demobing from Project		26-May-14	27-May-14		\$ 211.68	\$ 52.92	\$ 264.60
H3	Andrew McKutchen & Sam Kuzyk	Anchor Inn - Sand Point		22-May-14	25-May-14		\$ 624.00	\$ 156.00	\$ 780.00
H4	Eric Scrivner & Kevin Musante	Anchor Inn - Sand Point		26-May-14	04-Jun-14		\$ 624.00	\$ 156.00	\$ 780.00
H5	Andrew McKutchen & Sam Kuzyk	Anchor Inn - Sand Point		22-May-14	25-May-14		\$ 1,401.00	\$ 350.25	\$ 1,751.25
H6	Eric Scrivner & Kevin Musante	Anchor Inn - Sand Point		26-May-14	04-Jun-14		\$ 1,401.00	\$ 350.25	\$ 1,751.25
									\$ 6,128.66
Per Diem									
	Dan Magone		\$ 36.00	22-May-14	27-May-14	6	\$ 216.00	\$ 54.00	\$ 270.00
	Eric Scrivner		\$ 36.00	22-May-14	04-Jun-14	14	\$ 504.00	\$ 126.00	\$ 630.00
	Kevin Musante		\$ 36.00	22-May-14	04-Jun-14	14	\$ 504.00	\$ 126.00	\$ 630.00
	Sam Kuzyk		\$ 36.00	22-May-14	04-Jun-14	14	\$ 504.00	\$ 126.00	\$ 630.00
	Andrew McKutchen		\$ 36.00	22-May-14	04-Jun-14	14	\$ 504.00	\$ 126.00	\$ 630.00
									\$ 2,790.00
Other Out of Pockets / Consumables									
M1	State of Alaska DOL Project Filing Fee	1% of Contract Value					\$ 660.00	\$ -	\$ 660.00
M2	Coastal Transportation	Shipment of Equipment to Sand Point		16-May-14	16-May-14		\$ 2,606.94	\$ 651.74	\$ 3,258.68
M3	LFS Dutch Harbor	600' of 3/4 Poly Line		21-May-14	21-May-14		\$ 63.56	\$ 15.89	\$ 79.45
M4	Port Supply	Six (6) 2 Gal Containers Splash Zone		22-May-14	22-May-14		\$ 189.98	\$ 47.50	\$ 237.48
M5	Sand Point Welding	Remove/ Reposition Handles on Float Clamp		22-May-14	22-May-14		\$ 20.00	\$ 5.00	\$ 25.00
M6	Frank Varga Taxi	Travel in Sand Point		22-May-14	22-May-14		\$ 60.00	\$ 15.00	\$ 75.00
M7	Trident Seafoods Store	Fuel for Dive Compressor		22-May-14	22-May-14		\$ 28.27	\$ 7.07	\$ 35.34
M8	Trident Seafoods Store	Fuel for Dive Compressor		22-May-14	22-May-14		\$ 21.34	\$ 5.34	\$ 26.68
M9	Trident Seafoods Store	Fuel for Dive Compressor		22-May-14	22-May-14		\$ 15.90	\$ 3.98	\$ 19.88
M10	Trident Seafoods Store	Water for Crew		23-May-14	23-May-14		\$ 19.30	\$ 4.83	\$ 24.13
M11	Trident Seafoods Store	Brush Nylon / Twine / Thread End		23-May-14	23-May-14		\$ 99.26	\$ 24.82	\$ 124.08
M12	Ace Air Cargo	Shipment of 2Gal Splash Zone to Sand Point		23-May-14	23-May-14		\$ 109.57	\$ 27.39	\$ 136.96
M13	Ace Air Cargo	Shipment of Foam Cutting Machine to Sand Point		23-May-14	23-May-14		\$ 47.23	\$ 11.81	\$ 59.04
M14	Ace Air Cargo	Shipment of U/W Camera to Sand Point		24-May-14	24-May-14		\$ 40.00	\$ 10.00	\$ 50.00
M15	Alaska Commerical Co.	Bungie Cords		23-May-14	23-May-14		\$ 15.59	\$ 3.90	\$ 19.49
M16	Trident Seafoods Store	Circular Saw Blade / Paint Krylon		25-May-14	25-May-14		\$ 26.98	\$ 6.75	\$ 33.73
M17	Trident Seafoods Store	Brush Paint Chip / Tarps		26-May-14	26-May-14		\$ 33.59	\$ 8.40	\$ 41.99
M18	Trident Seafoods Store	Splash Zone / Paint Chipper		26-May-14	26-May-14		\$ 194.08	\$ 48.52	\$ 242.60

Sand Point Billet Repair - May 22-June 4, 2014

Current Date 4-Jun-14

No.	Resolve-Magone Marine Services (Alaska), Inc.	Company/ Quantity	Rate (\$)	On Hire	Current Date / Offhire	Total Days Working	Total Excluding Uplift	Premium - 25%	Total Including Uplift
M19	Trident Seafoods Store	Water for Crew		27-May-14	27-May-14		\$ 19.30	\$ 4.83	\$ 24.13
M20	Trident Seafoods Store	Fuel for Dive Compressor		30-May-14	30-May-14		\$ 44.48	\$ 11.12	\$ 55.60
M21	Ace Air Cargo	Shipment of Cutting Wire to Sand Point		28-May-14	28-May-14		\$ 165.00	\$ 41.25	\$ 206.25
M22	US Postal Service	Mail Spare Battery & Charger to Sand Point		30-May-14	30-May-14		\$ 16.95	\$ 4.24	\$ 21.19
M23	Trident Seafoods Store	600' 1/2 in. Poly Line		30-May-14	30-May-14		\$ 90.48	\$ 22.62	\$ 113.10
M24	Trident Seafoods Store	Water for Crew		31-May-14	31-May-14		\$ 19.30	\$ 4.83	\$ 24.13
M25	Alaska Commerical Co.	SD Card & Flash Drive to Provide Photos to Client		31-May-14	31-May-14		\$ 22.86	\$ 5.72	\$ 28.58
M26	Trident Seafoods Store	Motor Oil / Mixing Pail		31-May-14	31-May-14		\$ 11.26	\$ 2.82	\$ 14.08
M27	Alaska Commerical Co.	Water & Pail Grease		04-Jun-14	04-Jun-14		\$ 26.57	\$ 6.64	\$ 33.21
M28	Coastal Transportation	Return Shipment of Equipment to Dutch Harbor		27-Jun-14	27-Jun-14		\$ 2,388.56	\$ 597.14	\$ 2,985.70
									\$ 8,655.44
Total Out of Pocket Expenses									\$ 17,574.10
Summary of Expenses									
Personnel									\$ 89,400.00
Equipment									\$ 16,900.00
Out of Pocket Expenses									\$ 17,574.10
GRAND TOTAL									\$ 123,874.10

NEW BUSINESS

City of Sand Point
249 Main St.
Sand Point, AK 99661

October 25, 2014

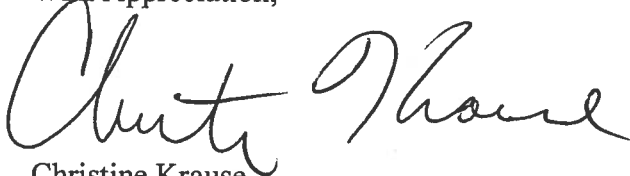
To Whom It May Concern,

As a new member to the Sand Point School and community, I have been amazed at the close relationship between the school and the larger community. There is a level of generosity from local businesses and organizations that has been unprecedented in my experience. Unfortunately, the Class of 2018 has not been as active in seeking avenues of fundraising as past classes and finds itself with some fundraising ground to make up. We need your help. I am writing to you as the class sponsor for the Sand Point Class of 2018 to ask for your assistance.

The Class of 2018 is attempting to prepare now for the future by organizing a fund raising raffle to be completed by Valentine's Day. With this looming date in mind, I have been directed to request a donation from you of a Samsung Galaxy 5 to the Class of 2018 raffle. Please know, the students are appreciative of your consideration and are active participants in this endeavor.

Thank you for your continued support.

With Appreciation,



Christine Krause
Class of 2018 Sponsor
Sand Point School
PO Box 269
Sand Point, AK 99661
(907)750-0528

City of Sand Point
PO Box 249
Sand Point, AK 99661 (907) 383-2696

Building Permit Application

Owner/Applicant: Unga Corporation

Address: Box 254, Sand Point, Alaska 99661 (Red Cove Road)

Unga Corporation
Are you the owner? _____
(If answer is no, you must attach a title/quick deed with application.)

Legal Description:
Tract C Block 3 Lot 3 SUB. The Meadows

ZONING DISTRICT: { } R-8 { } R-10 { } R-20 { } MH-5 { } A-U
{ } C-3 { } C-4 { } H-I { } L-I { } O-P

PERMIT FOR USE { } Conditional Use { } Home Occupancy
{ } Temporary Use { } Other _____

RESIDENTIAL: { } Single Family { } Mobile Home { } Multi Family { } Light Industrial
COMMERCIAL: { } General Commercial { } Neighborhood Commercial { } Heavy Industrial

Main Dwelling will be as follows: Number of Units: _____

Height: _____ Description of Use: 16 x 16 addition to building

Setbacks: Front yard setback _____ ft. Type of Construction: { } Wood frame

Side yard setback _____ ft. { } Masonry

Backyard setback _____ ft. { } Other: _____

PROVISION FOR WATER AND SEWER: { } Attach to existing City System

****ATTACH SITE PLAN SHOWING EXISTING AND PROPOSED BUILDING, LOT SIZE, LOT COVERAGE, SETBACKS AND ALL OTHER REQUIREMENTS TO COMPLY WIT THE ZONING AND SUBDIVISION CODES.****

Applicants Signature: Amy Foster Date: 10/14/2014

THIS REQUEST IS IN ACCORDANCE WITH SECTION 13.07.020 OF THE MUNICIPAL CODE. SUBJECT TO THE BUILDING PERMIT ORDINANCE, CHAPTER 7 OF THE SAND POINT MUNICIPAL CODE

This Building Permit is: { } Approved { } Denied

By: _____ Date: _____

Title: _____ Expiration: _____

City of Sand Point
PO Box 249
Sand Point, AK 99661 (907) 383-2696

Building Permit Application

Owner/Applicant: Bruce Foster Jr

Address: Box 46 SAND Point AK 99661

Are you the owner? YES
(If answer is no, you must attach a title/quick deed with application.)

Legal Description:
Tract _____ Block _____ Lot _____ SUB. Meadows

ZONING DISTRICT: { } R-8 { } R-10 { } R-20 { } MH-5 { } A-U
 { } C-3 { } C-4 { } H-I { } L-I { } O-P

PERMIT FOR USE Conditional Use { } Home Occupancy
 { } Temporary Use { } Other Shed

RESIDENTIAL:	COMMERCIAL:
{ } Single Family	{ } General Commercial
{ } Mobile Home	{ } Neighborhood Commercial
{ } Multi Family { } Light Industrial	{ } Heavy Industrial

Main Dwelling will be as follows: Number of Units: 1

Height: 12' Description of Use: Shed

Setbacks: **Type of Construction:**
Front yard setback _____ ft. Wood frame

Side yard setback 15' ft. { } Masonry

Backyard setback _____ ft. { } Other: _____

PROVISION FOR WATER AND SEWER: { } Attach to existing City System

****ATTACH SITE PLAN SHOWING EXISTING AND PROPOSED BUILDING, LOT SIZE, LOT COVERAGE, SETBACKS AND ALL OTHER REQUIREMENTS TO COMPLY WITH THE ZONING AND SUBDIVISION CODES.****

Applicants Signature: Bruce Foster Jr Date: 10-29-14

THIS REQUEST IS IN ACCORDANCE WITH SECTION 13.07.020 OF THE MUNICIPAL CODE. SUBJECT TO THE BUILDING PERMIT ORDINANCE, CHAPTER 7 OF THE SAND POINT MUNICIPAL CODE

This Building Permit is: { } Approved { } Denied

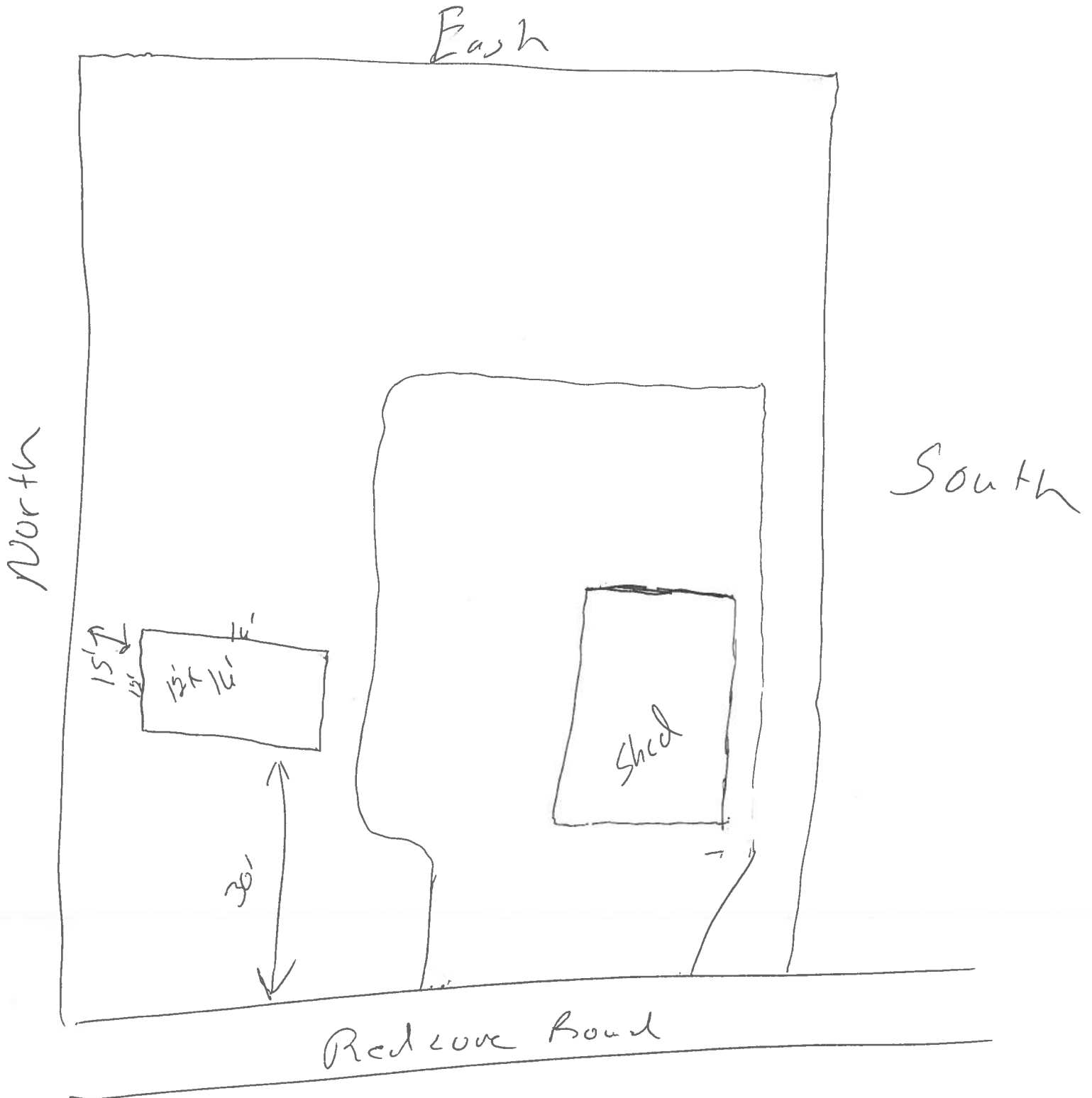
By: _____ Date: _____

Title: _____ Expiration: _____

SAND POINT POLICE DEPARTMENT FEES FOR SERVICE

Civil Process Service, served or unserved:	\$ 50.00
Vehicle Impound Fee	\$ 150.00
Daily Storage Fee	\$ 25.00
Copies of Reports:	\$.10 per page
Copy of report on CD/DVD	\$ 5.00
Finger Prints:	\$ 25.00
Dog License:	\$ 25.00 (Unaltered) \$ 10.00 (Altered)

City of Sand Point
PO Box 249
Sand Point, AK 99661 (907) 383-2696

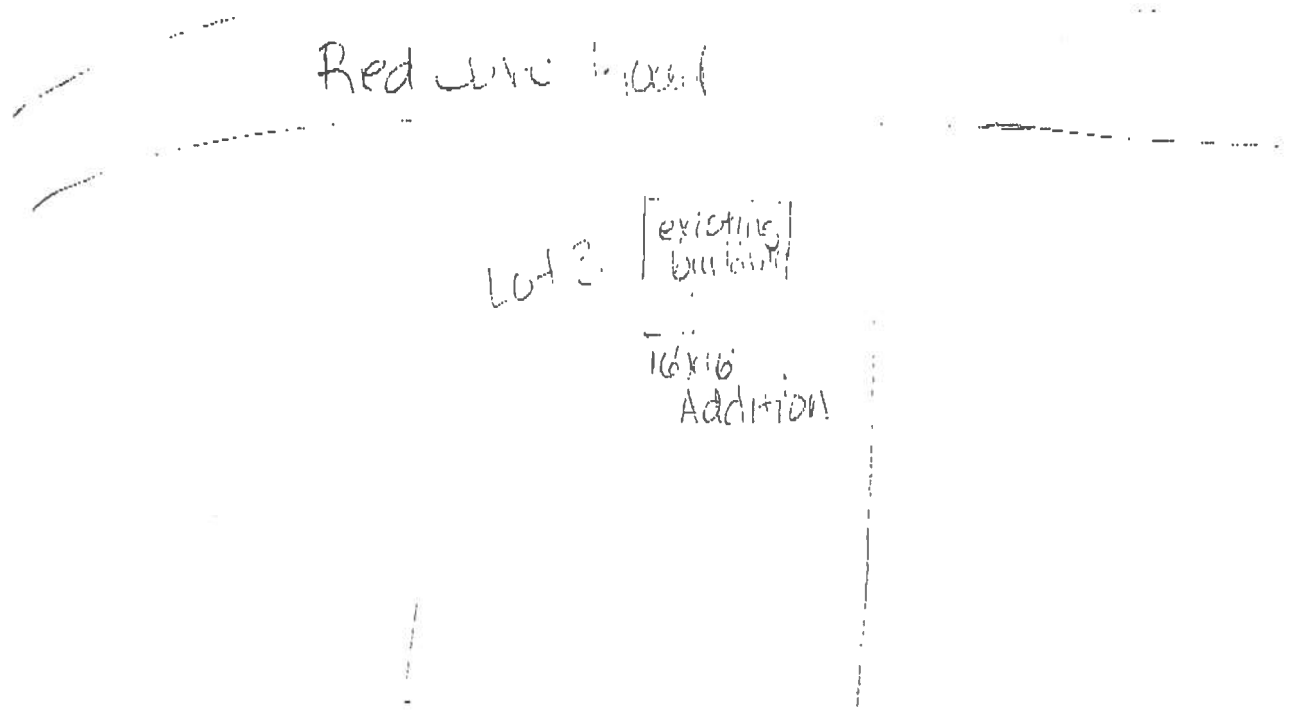


By: Capt Bruce Date: 10-29-14

Title: Owner Expiration: 10-29-15

City of Sand Point
PO Box 249
Sand Point, AK 99661 (907) 383-2696

Building Permit Application- Unga Corporaiton.
A 16 foot by 16 foot addition on the east side of the existing building. Usage- storage.



By: Amy Foster Date: 10/14/2014
 Title: _____ Expiration: _____

PUBLIC COMMENTS

EXECUTIVE SESSION

COUNCIL COMMENTS

ADJOURNMENT

FYI



November 14, 2014

City of Sand Point
249 Main Street
Sand Point, Alaska 99661

RECEIVED

NOV 18 2014

City of Sand Point

Re: Power Cost Equalization Eligibility Determination Notice

Dear Mr. Varner:

We have reviewed your request to have the account(s) listed below recognized as a community facility for PCE eligibility purposes.

<u>A/C No.</u>	<u>Customer Name</u>	<u>A/C No.</u>	<u>Customer Name</u>
017375.001	A&T Float Master Meter	0107341.001	New H ₂ O Pump Station
017370.001	B&C Float Master Meter		

These customers are eligible to receive PCE credits retroactively for eligible kWhs consumed and billed beginning with the July 2013 billing period. Please see the enclosed instruction sheet for details. The AEA is not obligated to reimburse a utility for unapproved PCE credits given to the utility's customers.

Please note that Sand Point's maximum number of eligible community facility kWhs per billing period for FY14 was 68,810. Per statute, that number is derived by multiplying the community's population by 70. Sand Point's community population was 983. This population figure was certified by the DCCED on 7/1/2013.

The utility should issue any approved credits to the customer and submit proof to this office with its November 2014 or December 2014 monthly report.¹ The utility will be reimbursed for those credits on that same report.

Again, please feel free to contact this office with any questions you may have regarding this process.

Sincerely,

Jeff Williams
PCE Program Manager
(907) 771-3046

Cc: TDX Sand Point Generating

¹ 3 AAC 107.240. Reporting and recordkeeping requirements (a) An eligible electric utility shall submit a power cost equalization report to the authority within 10 working days after the end of its billing period.



INSTRUCTIONS FOR APPROVED COMMUNITY FACILITY DETERMINATIONS

RECEIVING PCE CREDIT FOR AN APPROVED COMMUNITY FACILITY

Upon notice of approval from the Alaska Energy Authority, the utility may begin providing PCE credits beginning with the next billing cycle. The amount of credit available to the facility is subject to the kilowatt-hours consumed by the facility, the PCE reimbursement rate established by the RCA, and the community's maximum community facility kWh.

If a community exceeds the maximum available community facility kilowatt-hours, the electric utility is responsible for deciding how to allocate the allowable kilowatt-hours among the eligible community facilities.

RETROACTIVE PCE CREDIT FOR AN APPROVED COMMUNITY FACILITY

The customer may also be eligible to receive retroactive PCE credit for the approved community facility. Retroactive credits are subject to available funding as well as the maximum community facility kilowatt-hours specified in AS 42.45.110(b)(1). If funding is available, retroactive credit may be available for kilowatt-hours consumed and billed beginning with the first billing period of the earliest available funding source. Retroactive credit will only be given up to the remaining kilowatt-hours available to the community.

To receive retroactive credit for a newly approved community facility:

1. The utility should contact the Alaska Energy Authority to (1) identify the billing periods with available funding, and to (2) determine the amount of remaining kWh's available to the community for each billing period.
2. The utility should calculate the amount available for retroactive credit to the customer.
3. The utility should submit these calculations to the Alaska Energy Authority for approval **prior** to issuing any retroactive credits to the customer.
4. Once the utility's calculations have been verified, the Alaska Energy Authority will notify the utility that the retroactive credit has been authorized.
5. The utility will then credit the customer for the approved amount and submit proof of the credit given with its next PCE monthly report. (Note: The utility should show the credit as an adjustment on the customer's bill copy or statement.)
6. The utility will be reimbursed for the credits given with payment of the submitted report.

Questions regarding these instructions should be submitted to Jeff Williams at the Alaska Energy Authority, 813 West Northern Lights Blvd, Anchorage, Alaska 99503, Phone: (907) 771-3406, Email: jwilliams@aidea.org.



City of Sand Point, Alaska

November 10, 2014

The Honorable Lisa Murkowski
United States Senate
Washington, D.C. 20510

The Honorable Mark Begich
United States Senate
Washington, D.C. 20510

The Honorable Don Young
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Murkowski, Senator Begich and Representative Young:

I am writing to express our concerns regarding the possible implementation of new Clean Water Act NPDES regulations by the EPA on fishing and other small vessel routine discharges. We are asking you to either extend the existing legislative exemption for commercial fishing vessels or make the exemption permanent. Regulations like this have a detrimental effect on our fishing community and the folks who work and reside in Sand Point.

Our vessels must already comply with environmental regulations concerning oil and gas discharges and accidents. The proposed new regulations are onerous and aimed at activities that are not harmful to our waters. Washing down your deck and disposing of fish waste are routine tasks in the operation of our boats. It is unreasonable that our small boats could now be subject to permitting, reporting, and Coast Guard inspection of these activities, followed by penalties and fines that could devastate small family businesses, if found out of compliance.

We are aware that the House has passed a Coast Guard Reauthorization Bill (HR 4005) which contains a provision making the NPDES exemption permanent for commercial fishing vessels. The Senate has introduced a bi-partisan bill (S. 2094) which also makes the exemption permanent. There appears to be strong bi-partisan support for dealing with this issue and eliminating any unnecessary harm to our business operations. We thank you for your support of this legislation and respectfully request that you seek to enact it before the moratorium expires on December 19 and the new regulations go into effect.

Sincerely,

Mayor Glen Gardner, Jr.

Cc: Sand Point City Council

City of Sand Point



November 14, 2014

Brett Coburn, Chief Executive Officer
R&M Consultants, Inc
9101 Vanguard Drive
Anchorage, Alaska 99507

RE: Quality of Engineering Services

Dear Mr. Coburn:

We have reviewed your August 8 response to the City's concerns about the additional expense born by the citizens of Sand Point as a result of R&M's substandard performance of inspection on the harbor project. We are surprised R&M believes it provided adequate professional services.

When R&M solicited the City to be hired for construction administration services we were told, "R&M's inspectors will not only detect faulty construction, but will also be in a position to forestall it by recognizing the causes in advance". We were told that "R&M has an established waterfront engineering group. John Daley, PE recently joined R&M and is the engineer of record for the above referenced project".

It is precisely because R&M represented to the City that Mr. Daley was the "engineer of record" that the City decided to hire R&M to perform construction administration for this project. We specifically wanted to have the "engineer of record" on board so that any design modifications or engineering work could be quickly and efficiently coordinated without causing additional expense to the City. The City believed the representations made by R&M in response to the City's solicitation were accurate and that R&M would stand behind Mr. Daley's design since he was said to be the "engineer of record" for the project.

R&M also promised to "be responsible for ensuring that the materials and work incorporated into this facility meets the requirements of the construction contract. We will serve as the Owner's Representative and oversee the contract obligations". We were also told that R&M "will not delay the contractor unnecessarily, or interfere with the contractor's methods, unless it is evident that costly corrections can be avoided by preventing installation or completion of

Brett Coburn
November 14, 2014
Page 2 of 3

unacceptable work". The City took this to mean R&M promised to be proactive in addressing construction details as they arose during the project.

Having made these statements in its eagerness to be hired by Sand Point we are surprised R&M now claims it could not have required Pacific Pile to install additional leveling billets prior to demobilizing from the job site. We believe R&M could easily have done so in its role either as contract administrator or through Mr. Daly as the "engineer of record" for the project. This is not about directing the contractor's operations. This is about noticing an obvious problem and having it corrected in time to avoid "costly" and unnecessary mobilization expenses.

It is also about logically timing critical construction administration events like the substantial completion inspection. Your letter says R&M conducted a substantial completion inspection before leveling billets had been installed. This was not very smart. A competent construction inspector would have insisted the owner be able to find out if the finished floats on a multi-million dollar small boat harbor would be level before conducting the substantial completion inspection.

R&M's position is not consistent with Pacific Pile's understanding. They told us they would have been capable of additional billet installation using in house or subcontracted labor prior to demobilizing if only someone had asked them to do so in a timely manner. It is also not consistent with the opinion of Mr. Freas and Ms. Greer of URS who told the City "it is not clear to us why the contractor demobilized from Sand Point before this was done, inasmuch as it was a contract requirement". And we are confident this view is consistent with Alaska standards for inspection of dock projects.

Our confidence is based in part on the actual specifications for billet installation. Paragraph 2.2 of Section 06851 details requirements for supply and installation of flotation billets. It specifically required 20 flotation billets be supplied "for field adjustment and leveling of the new floats". Paragraph 3.5 states, "After initial installation and connection of stall floats, the Engineer will examine freeboard and levelness of the completed float system. Floats that are listing will require leveling by installing leveling flotation billets as directed by the Engineer"

The Engineer referenced in this paragraph was R&M who was serving as the City's contracting officer. It was R&M that examined the levelness of the completed float system and would have primary responsibility for immediately notifying Pacific Pile of the need to order and install additional billets. And R&M obviously understood that its employee, Mr. Daly, was the "engineer of record" for the project by pointing to this fact when soliciting the construction administration work for the City.

Our confidence is also based on the construction contract. This was unit price work which is always understood in the construction industry to be capable of being increased during

Brett Coburn
November 14, 2014
Page 3 of 3

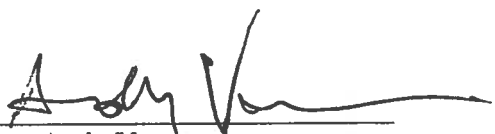
the course of performance of the contract rather than a guarantee the specified number of units will be all that is required. (See, General Conditions, Article 11.03). And Article 10.01 of the general conditions specifically authorizes R&M to recommend the City sign work change directives.

Finally, our confidence is based on R&M's actual conduct on the job. On January 24, 2014 R&M specifically instructed PPM to install billets to level floats based on R&M's observation of the status of construction ("preliminary punch list"). This was done promptly based on field observations and without requiring URS to prepare drawings showing the obvious- install flotation at the low spots. R&M was very specific in telling the contractor where to install billets. There is absolutely no difference in the facts in the field between late January and mid-February. Floats still were not level in February. There is no credible reason why R&M should not have insisted PPM install additional billets at the remaining low spots on the floats before demobilizing from the job site and prior to final inspection.

R&M's attempt to disclaim responsibility does not ring true. The City is not walking away. We had previously identified \$98,825 in additional expense resulting from R&M's poor inspection services. We believe a portion of these expenses (\$21,000) are primarily attributable to a design error for which Mr. Daley as the engineer of record will be responsible but for which the City does not look to R&M to pay. This leaves a balance of \$77,825 in additional expense. In the interest of compromise, the City believes R&M should accept responsibility for 75% of this amount or \$58,369. The City demands payment of this amount no later than December 15, 2014.

Sincerely,

CITY OF SAND POINT

By: 
Andy Varner
City Administrator

Cc: Sand Point City Council
Mayor Glen Gardner, Jr.
Brooks Chandler – City Attorney



Oxford House Pilot Project in Sand Point

Introduction

- Oxford House is a concept in recovery from drug and alcohol addiction.
- Oxford House facilities provide alcohol and drug free homes managed in a democratic and self-supporting manner.
- Oxford House, Inc. is a publicly supported, non-profit 501(c) 3 corporation. Oxford House, Inc. is an umbrella organization providing a network that connects all Oxford Houses and allocates resources to duplicate the Oxford House concept where needs arise.
- An adaptation of this successful model may offer a promising solution to sustained recovery for the people in our region suffering from drug and alcohol addiction.

Who

- Behavioral health staff members identified a need for a sober living environment to support their work in promoting drug and alcohol free lifestyles and long-term sobriety for alcohol/drug abusers in our region.
- Regional meetings to address substance abuse, such as Reclaim Alaska events; Reclaim Alaska - The Aleut Solution (a substance abuse regional summit); and The Aleut Drug & Alcohol Task Force developed a focus on development of a sober living facility as a key priority.
- Tribal leaders and Sand Point City leaders, EAT Behavioral Health and Management staff members; concerned citizens and others recently gathered to move the concept forward, enabling the pilot project proposed by this concept paper.

Where

- Pilot project facility to be located in Sand Point, AK.
- Aleutian Housing Authority offered to lease an overstock housing unit for a nominal fee during start-up.

Why

- People in recovery remain sober longer when they remain in a supportive sober/clean environment.
- EAT Behavioral Health clients report that they often return to alcohol or drug use without the support of living in a group committed to staying sober and clean.
- Oxford House reinforcement of sobriety by eviction for a first drink/drug use has been reported as the most motivational reason for remaining sober/clean.
- Current Oxford Houses in Alaska are all located in urban areas.
- The Sand Point facility could be a successful model for replication in other rural Alaskan communities.
- An Oxford House creates an island of people attempting a sober/clean lifestyle together.
- The sober/clean living environment provides support, accountability and a connection to others facing the same challenges and temptations.
- During the pilot project, the House Manager will conduct outreach efforts to establish relationships with local employers to provide second chances at local employment for residents that will continue after the pilot period.

Sustainability

- Support from existing Oxford Houses and national network.
- Successful prior residents often serve as mentors and volunteers for future residents.
- National success rate for these houses is above 80%.
- The initial House Manager will be an EAT employee and will spend a 3-6 month residency in an Oxford House in Anchorage before moving to the Oxford House in Sand Point.
- It is part of the recovery program that residents obtain employment and pay their share of the rent/utilities.
- Recurring support for EAT's Behavioral Health Department from Aleutians East Borough; State of Alaska; Southcentral Foundation and new HRSA funding for the development of a regional behavioral health and supportive services network will ensure this project's long-term financial viability and operational success.

Cost

- 5 year pilot project estimated at roughly \$1,000,000.
- Year one expense would be \$370,000.
- A budget table and narrative summary follow.

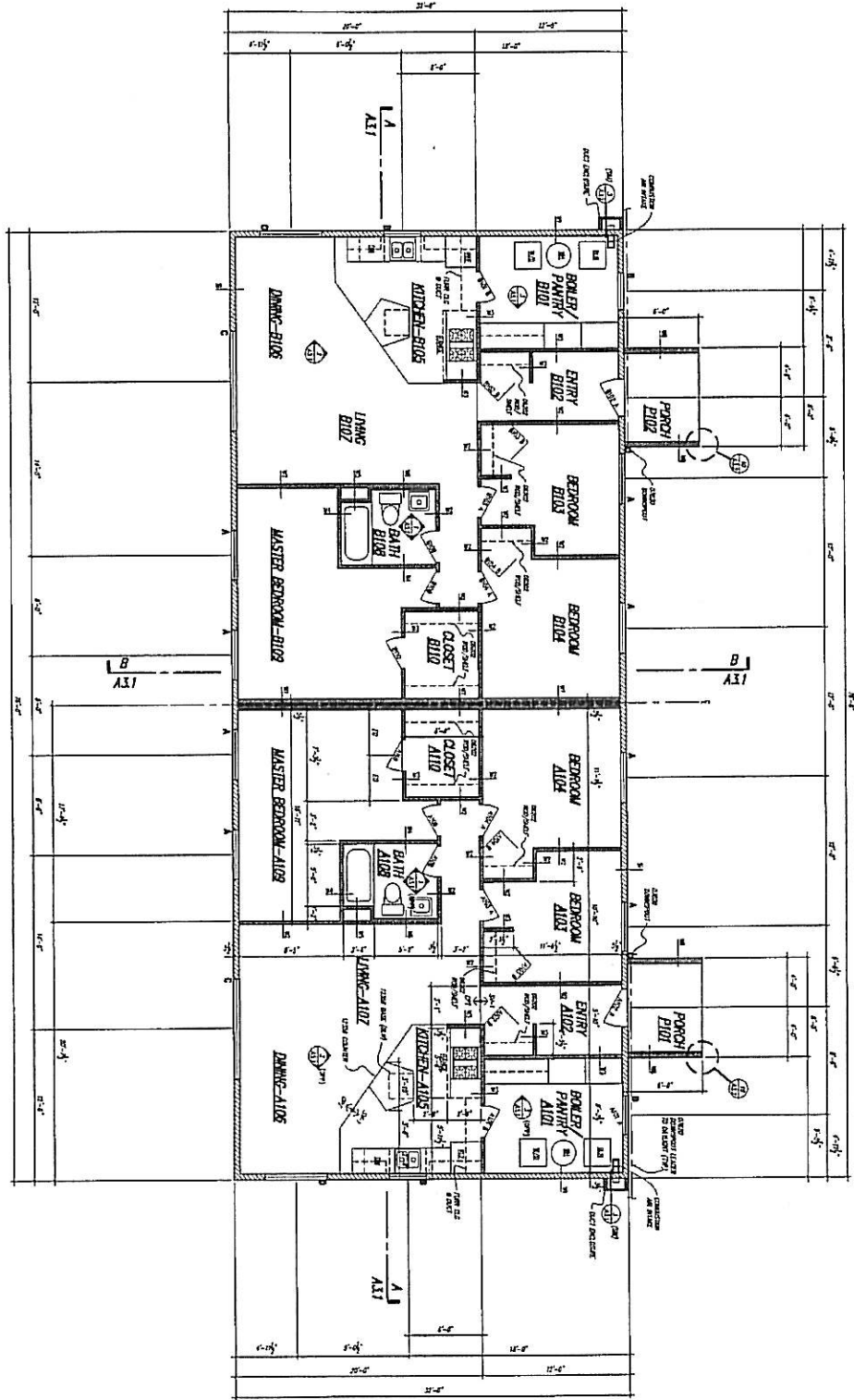
5 year Oxford House Pilot Project	
Cost Category	
Personal Services	435,500
<i>EAT Oversight</i>	<i>113,900</i>
<i>House Manager</i>	<i>321,600</i>
Travel	50,000
<i>House Manager</i>	<i>25,000</i>
<i>EAT Director</i>	<i>25,000</i>
Contracts	120,000
<i>Renovations</i>	<i>80,000</i>
<i>Consultants / Attorneys</i>	<i>40,000</i>
Supplies	19,500
<i>Office</i>	<i>7,500</i>
<i>Household</i>	<i>12,000</i>
Other	30,807
<i>Initial utilities (including fuel + aux. generator)</i>	<i>15000</i>
<i>Contingency fund</i>	<i>12000</i>
<i>Maintenance & Insurance</i>	<i>3,807</i>
TOTAL DIRECT COSTS	655,807
Indirect Costs @ 55%	344,194
TOTAL PROJECT COSTS	1,000,000

Year One Oxford House Pilot Project	
Cost Category	
Personal Services	77,050
<i>EAT Oversight (85K*.5FTE)+34%FB</i>	<i>56,950</i>
<i>House Manager (60K*.23FTE)+34%FB</i>	<i>20,100</i>
Travel	12,354
<i>EAT Director</i>	<i>8,154</i>
<i>House Manager</i>	<i>4,200</i>
Contracts	120,000
<i>Renovations</i>	<i>80,000</i>
<i>Consultants / Attorneys</i>	<i>40,000</i>
Supplies	13,000
<i>Office</i>	<i>5,000</i>
<i>Household</i>	<i>8,000</i>
Other	26,951
<i>Initial utilities (including fuel + aux. generator)</i>	<i>14000</i>
<i>Contingency fund</i>	<i>12000</i>
<i>Maintenance & Insurance</i>	<i>951</i>
TOTAL DIRECT COSTS	249,355
Indirect Costs @ 55%	120,645
TOTAL PROJECT COSTS	370,000

By the end of Year One the facility will be fully operational and ready for residents. The House Manager will be hired by the fourth quarter of Year One. Relations with Oxford House Inc. will be formalized, insurance covered, and operational legalities will be in place.

An EAT Director will provide a 0.5 FTE in Year One; 0.25 FTE Year Two; 0.15 FTE Year Three; and 0.10 FTE Year Four. The House Manager will provide a full time effort Year 2 – 5.

Travel costs include quarterly trips between Anchorage and Sand Point for the House Manager and EAT Director as well as yearly attendance of the Annual Oxford House National Convention.



FIRST FLOOR PLAN

A2.1

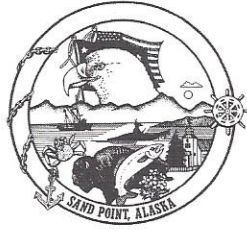


FALSE PASS-DUPLEX PROFESSIONAL HOUSING
 Aleutian Housing Authority
 FALSE PASS, ALASKA
 20 MAY 2009



CARROLL STOCKARD
 ARCHITECT
 2400 BRIDGEWAY
 ANCHORAGE, ALASKA 99503
 TELEPHONE 907-562-1111

City of Sand Point



November 14, 2014

Brett Coburn, Chief Executive Officer
R&M Consultants, Inc
9101 Vanguard Drive
Anchorage, Alaska 99507

RE: Quality of Engineering Services

Dear Mr. Coburn:

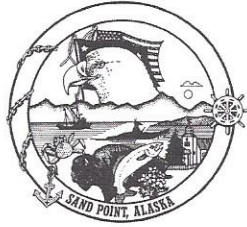
We have reviewed your August 8 response to the City's concerns about the additional expense born by the citizens of Sand Point as a result of R&M's substandard performance of inspection on the harbor project. We are surprised R&M believes it provided adequate professional services.

When R&M solicited the City to be hired for construction administration services we were told, "R&M's inspectors will not only detect faulty construction, but will also be in a position to forestall it by recognizing the causes in advance". We were told that "R&M has an established waterfront engineering group. John Daley, PE recently joined R&M and is the engineer of record for the above referenced project".

It is precisely because R&M represented to the City that Mr. Daley was the "engineer of record" that the City decided to hire R&M to perform construction administration for this project. We specifically wanted to have the "engineer of record" on board so that any design modifications or engineering work could be quickly and efficiently coordinated without causing additional expense to the City. The City believed the representations made by R&M in response to the City's solicitation were accurate and that R&M would stand behind Mr. Daley's design since he was said to be the "engineer of record" for the project.

R&M also promised to "be responsible for ensuring that the materials and work incorporated into this facility meets the requirements of the construction contract. We will serve as the Owner's Representative and oversee the contract obligations". We were also told that R&M "will not delay the contractor unnecessarily, or interfere with the contractor's methods, unless it is evident that costly corrections can be avoided by preventing installation or completion of

City of Sand Point



November 26, 2014

Ms. Rachel Spicer, Grants Administrator II
Division of Community & Regional Affairs - Grants Section
550 West 7th Avenue, Suite 1770
Anchorage, Alaska 99501-3569

RE: City of Sand Point
Grant Agreement Number: 13-GO-013
Report #7

Dear Ms. Spicer:

Attached you will find a copy of the Designated Legislative Grant Financial/Progress Report form completed and signed 11/26/14. This is the seventh (7th) report submitted. This report serves as the final report for this designated grant, and comes within 30 days of us receiving the Advance that I requested for the full \$2,500,000.

We thank you for your work on our behalf and look forward to closing out this grant. If I can provide anything further, please do not hesitate to ask.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Varner", with a long horizontal flourish extending to the right.

Andrew Varner
City Administrator

Cc: Sand Point City Council

Designated Legislative Grant Financial/Progress Report

Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs

Grantee: City of Sand Point	Grant Number: 13-GO-013
------------------------------------	--------------------------------

Project Title: **Sand Point Road Rehabilitation**

Report No: Seven (7)	Reporting Period: <input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly	From: 10/01/2014	To: 12/31/2014
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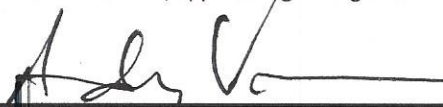
Cost Category	Authorized Budget	Grant Expenditures This Period	Total Grant Expenditures to Date	Balance of Grant Funds
Project Funds	\$2,400,000	\$2,500,000	\$0	\$0
Administration 10%	\$100,000	\$0	\$0	\$0
Total This Report	\$2,500,000	\$2,500,000	\$0	\$00

Current Advance Balance (if any)	\$0		
Total Grant Expenditures This Period	\$2,500,000	Total Grant Award	\$2,500,000
LESS Advance Recovered This Report (if any)	\$0	LESS Total Grant Expenditures to Date	\$0
NET REIMBURSEMENT TO GRANTEE	\$0	LESS Unrecovered Advance Balance	\$0
Advance Balance Remaining (if any)	\$0	TOTAL Grant Funds Remaining	\$0

Progress Report: Describe activity that supports the expenditures during the period. If no activity has taken place please provide an explanation. Identify any problems you have experienced and/or accomplishments this period. Attach additional pages if necessary.

QAP was selected as the paving contractor and they finished the job in about a week, during the month of September 2014. The job was completed according to the design specifications and the city and engineering firms are satisfied with the results of the project. Due to their short time on the ground, the city requested and was granted an Advance in the full appropriation amount of \$2,500,000, all dedicated to construction costs. This progress report serves as the final report for this project.

Grantee Certification: I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.


November 26, 2014

Authorized Signature
Date

Andrew Varner – City Administrator

Name and Title

DCCED STAFF USE:	
Encumbrance No:	
Payment Amount:	
GA Approval:	
DCCED Signature	Date

Brett Coburn
November 14, 2014
Page 2 of 3

unacceptable work". The City took this to mean R&M promised to be proactive in addressing construction details as they arose during the project.

Having made these statements in its eagerness to be hired by Sand Point we are surprised R&M now claims it could not have required Pacific Pile to install additional leveling billets prior to demobilizing from the job site. We believe R&M could easily have done so in its role either as contract administrator or through Mr. Daly as the "engineer of record" for the project. This is not about directing the contractor's operations. This is about noticing an obvious problem and having it corrected in time to avoid "costly" and unnecessary mobilization expenses.

It is also about logically timing critical construction administration events like the substantial completion inspection. Your letter says R&M conducted a substantial completion inspection before leveling billets had been installed. This was not very smart. A competent construction inspector would have insisted the owner be able to find out if the finished floats on a multi-million dollar small boat harbor would be level before conducting the substantial completion inspection.

R&M's position is not consistent with Pacific Pile's understanding. They told us they would have been capable of additional billet installation using in house or subcontracted labor prior to demobilizing if only someone had asked them to do so in a timely manner. It is also not consistent with the opinion of Mr. Freas and Ms. Greer of URS who told the City "it is not clear to us why the contractor demobilized from Sand Point before this was done, inasmuch as it was a contract requirement". And we are confident this view is consistent with Alaska standards for inspection of dock projects.

Our confidence is based in part on the actual specifications for billet installation. Paragraph 2.2 of Section 06851 details requirements for supply and installation of flotation billets. It specifically required 20 flotation billets be supplied "for field adjustment and leveling of the new floats". Paragraph 3.5 states, "After initial installation and connection of stall floats, the Engineer will examine freeboard and levelness of the completed float system. Floats that are listing will require leveling by installing leveling flotation billets as directed by the Engineer"

The Engineer referenced in this paragraph was R&M who was serving as the City's contracting officer. It was R&M that examined the levelness of the completed float system and would have primary responsibility for immediately notifying Pacific Pile of the need to order and install additional billets. And R&M obviously understood that its employee, Mr. Daly, was the "engineer of record" for the project by pointing to this fact when soliciting the construction administration work for the City.

Our confidence is also based on the construction contract. This was unit price work which is always understood in the construction industry to be capable of being increased during

Brett Coburn
November 14, 2014
Page 3 of 3

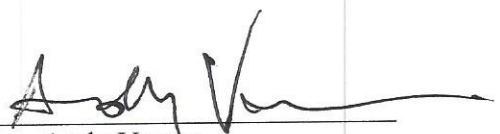
the course of performance of the contract rather than a guarantee the specified number of units will be all that is required. (See, General Conditions, Article 11.03). And Article 10.01 of the general conditions specifically authorizes R&M to recommend the City sign work change directives.

Finally, our confidence is based on R&M's actual conduct on the job. On January 24, 2014 R&M specifically instructed PPM to install billets to level floats based on R&M's observation of the status of construction ("preliminary punch list"). This was done promptly based on field observations and without requiring URS to prepare drawings showing the obvious- install flotation at the low spots. R&M was very specific in telling the contractor where to install billets. There is absolutely no difference in the facts in the field between late January and mid-February. Floats still were not level in February. There is no credible reason why R&M should not have insisted PPM install additional billets at the remaining low spots on the floats before demobilizing from the job site and prior to final inspection.

R&M's attempt to disclaim responsibility does not ring true. The City is not walking away. We had previously identified \$98,825 in additional expense resulting from R&M's poor inspection services. We believe a portion of these expenses (\$21,000) are primarily attributable to a design error for which Mr. Daley as the engineer of record will be responsible but for which the City does not look to R&M to pay. This leaves a balance of \$77,825 in additional expense. In the interest of compromise, the City believes R&M should accept responsibility for 75% of this amount or \$58,369. The City demands payment of this amount no later than December 15, 2014.

Sincerely,

CITY OF SAND POINT

By: 
Andy Varner
City Administrator

Cc: Sand Point City Council
Mayor Glen Gardner, Jr.
Brooks Chandler – City Attorney

City of Sand Point



October 28, 2014

Ms. Rachel Spicer, Grants Administrator II
Division of Community & Regional Affairs - Grants Section
550 West 7th Avenue, Suite 1770
Anchorage, Alaska 99501-3569

RE: City of Sand Point
Grant Agreement Number: 13-GO-013
Written Advance Request

Dear Ms. Spicer:

The City of Sand Point recently completed the Rehabilitation of Sand Point Road. The selected construction contractor QAP was on site for a couple weeks in September and removed the old asphalt and laid down a new mixture and fixed several portions of the sub-base. The road looks great and citizens and businesses have enjoyed the new surface. Due to the relatively short amount of time spent in the community on the project, the contractor has requested a final, one-time payment in the full contract amount. Because of the timing of their request, we just missed the opportunity to recover payment in the 3rd quarter of 2014. Therefore, I am requesting an Advance for the full amount of the grant.

A balance of \$2,500,000 remains in the grant, and QAP's contract value is for an amount over that balance. The City does not have the cash flow means to administer the grant on a cost-reimbursable basis, thus necessitating the request for an advance.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Varner", with a long horizontal flourish extending to the right.

Andrew Varner
City Administrator

Cc: Sand Point City Council

WAIVER REQUEST FOR ADVANCE PAYMENT IN EXCESS OF 20%

Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs

ORIGINAL FORMS MUST BE SUBMITTED – FAXED OR EMAILED COPIES ARE NOT ACCEPTED

Grantee: City of Sand Point	Grant Number: 13-GO-013
Project Title: Sand Point Road Rehabilitation	Grant Program: Designated Legislative-General Obligation Bond
Total Amount of Grant: \$2,500,000	Current Balance: \$2,500,000
Amount Requested (*see below): \$2,500,000	Date: 10/27/2014

(1) Check the appropriate type of request:

- Payment for goods and services prior to receipt
 - A. Up to 50% paid upon submittal of required documents listed below.
 - B. Up to 100% paid in rare situations when full funding is necessary. Required documentation must include a letter highlighting any statutes, regulations or other mitigating circumstances in addition to requirements listed below.
- Payment for received goods or rendered services (*up to full cost).

(2) Check boxes to confirm the advance is justified and the conditions under which the advance will be approved and recovered by the Department (below) have been read and understood.

- The Grantee confirms that the advance is necessary due to a lack of cash on hand to administer the grant on a cost-reimbursable basis.
- The Grantee will submit a Financial/Progress Report to recover the advanced funds within 30 days of receiving the Advance.
- The Grantee understands the conditions under which the Department will recover the advance.
 - All waivers will be at the discretion of the Department, and negotiated and approved in advance by the Department.
 - Waivers will be authorized only when, in the judgment of the Department, the grantee is unable to secure the purchases through cost reimbursable means.
 - All reporting is current and the grantee is in good standing.
 - The grantee has recovered any outstanding advances.

(3) Attach the following documentation:

- WRITTEN REQUEST explaining the need for advanced funds, *AND*
- PRIOR TO RECEIPT of payment for goods and services, attach estimate, quote, or purchase agreement for goods or services, including a complete materials list, a purchase shipment date, and a final price, *OR*
- RECEIVED GOODS AND SERVICES invoice from the vendor that includes an itemized list of the goods already shipped and received and/or services that have been rendered.

Grantee Certification: I certify that the above information is true and correct, and that expenditures will be made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature of Authorized Signer Date

Andy Varner, City Administrator

Name and Title

DCCED STAFF USE	
Encumbrance #:	_____
Payment Amount:	_____
GA Approval:	_____
	Date

DCCED Signature	Date



240 West 68th Avenue
Anchorage, Alaska 99518

Invoice No. 10163077

INVOICE

Customer

Name City of Sand Point
 Address 3380 C Street, Suite 205
 City Anchorage State AK ZIP 99503
 Phone (907) 274-7561

Misc

Date 10/28/2014
 P.O. No. _____
 Rep _____
 FOB _____

BID ITEM	DESCRIPTION	UNIT TYPE	UNIT PRICE	FINAL QUANTITY	TOTAL PRICE
202(2)	REMOVE PAVEMENT	SY	\$ 3.90	37,526.0	\$ 146,351.40
401(1)	HOTMIX ASPHALT TYPE 2, CLASS B	TN	\$ 340.00	4,874.0	\$ 1,657,160.00
401(2)	PG 58 - 34	TN	\$ 1,250.00	267.9	\$ 334,862.50
401(6)	ASPHALT PRICE ADJUSTMENT	CS	\$ 32,000.00	-	\$ -
401(10)	ASPHALT PRICE ADJUSTMENT	CS	\$ -	1.0	\$ -
639(2)	COMMERCIAL DRIVEWAY	EA	\$ 1,500.00	8.0	\$ 12,000.00
639(8)	APPROACH	EA	\$ 1,000.00	2.0	\$ 2,000.00
640(1)	MOBILIZATION	LS	\$ 250,000.00	1.0	\$ 250,000.00
640(4)	WORKER MEALS - PER DIEM	LS	\$ 230,000.00	1.0	\$ 230,000.00
641(1)	EROSION CONTROL ADMINISTRATION	LS	\$ 30,000.00	1.0	\$ 30,000.00
641(2)	TEMPORARY EROSION CONTROL	CS	\$ 100,000.00	-	\$ -
641(6)	WITHHOLDING	CS	\$ -	1.0	\$ -
641(7)	SWPPP MANAGER	LS	\$ 5,000.00	1.0	\$ 5,000.00
642(1)	SURVEY	LS	\$ 13,000.00	1.0	\$ 13,000.00
643(2)	TRAFFIC MAINTENANCE	LS	\$ 40,000.00	1.0	\$ 40,000.00
643(3)	PERMANENT CONSTRUCTION SIGNS	LS	\$ 12,000.00	1.0	\$ 12,000.00
643(15)	FLAGGING	CS	\$ 30,000.00	0.6	\$ 17,156.41
644(1)	FIELD OFFICE	LS	\$ 35,000.00	1.0	\$ 35,000.00
644(2)	FIELD LABORATORY	LS	\$ 5,000.00	-	\$ -
644(15)	NUCLEAR EQUIPMENT STORAGE	LS	\$ 4,000.00	1.0	\$ 4,000.00
T&M	EXCAVATE & REPAIR SOFT SPOTS	CS	\$ 24,379.19	1.0	\$ 24,379.19
					\$ 2,812,909.50

REMARKS:

This invoice serves as a pay request for the Sand Point Airport Road Re-Pave project, designation #228443

Thank You

September 17, 2014

Ms. Laura Young
Business Manager
URS Alaska LLC
700 "G" Street, Suite 500
Anchorage, AK 99501

Re: Sand Point Harbor Project

Dear Ms. Young:

You asked for a specific request for payment of a portion of the \$98,825 previously demanded jointly from URS and R&M by the City of Sand Point (July 25, 2014 letter). We understand URS's position it is not responsible for the increased billet installation costs incurred by Sand Point is based on the "unpredictable" nature of the amount of billets typically required in marine construction. In addition, URS believes any defect in the initial number of billets called out in the design documents could have been overcome through properly conducted contract administration by R&M's on site personnel.

The City asked for an independent informal professional review on both counts. We do not accept the URS position. The weight and placement of some components of this particular dock may not have been known with precision but the relative weights of the utility infrastructure and the preferred placement should have resulted in many more additional billets being called for in the initial design.

The URS position does not address the conflict between the specified dimensions of the billets that were ordered (both initially and after the contractor had left the site) with the cross members of the floats. This conflict is referenced in the third paragraph of the first page of Resolve Marine's July 7 letter previously provided to URS. We believe that this conflict resulted from the specified billet dimensions, not the placement of the cross members during construction. The cross members were installed in the location specified in the drawings. URS should have provided different billet dimensions.

The City believes this conflict alone resulted in 3 additional days of Resolve's time to reconfigure initially installed billets. At the Resolve day rate of \$7,000 per day this is \$21,000 in additional cost for which the City feels URS is solely responsible. This expense would likely have been incurred with the original contractor needing to custom cut the billets on site during the initial installation. This leaves a balance of additional cost of \$77,825. The City believes URS should accept responsibility for 25% of this amount or \$19,455. This results in a total request to URS for payment of \$40,455.

Ms. Laura Young
September 17, 2014
Page 2

Please advise if this is an acceptable contribution amount to the unnecessary additional expense incurred by the City as a result of both the underestimate of the number of billets required and the conflict between billet dimensions and installed cross members.

Very truly yours,

CITY OF SAND POINT

BY:

Andy Varner
City Administrator

BWC\lhf