

# City of Sand Point Council Meeting



**Workshop: Tuesday, February 10, 2015 – 2:00 p.m.**

**Meeting: Tuesday, February 10, 2015 – 7:00 p.m.**

# CALL TO ORDER

# ROLL CALL

# CITY OF SAND POINT

(packet will be available on website February 6, 2015 [www.sandpointak.com](http://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, February 10, 2015 7:00 pm

#### CALL TO ORDER

#### ROLL CALL

#### APPROVAL OF AGENDA

#### CONSENT AGENDA:

1. Minutes: Minutes of Regular Meeting on January 13, 2015

#### 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 2015-02: Marijuana Possession and Definitions
2. Resolution 15-05: Water and Sewer Projects
3. Resolution 15-06: Revenue Sharing

#### OLD BUSINESS:

1. City Building Roof
2. Maintenance Vehicle

#### NEW BUSINESS

1. QTT Donation Request
2. Equipment Rental Rates
3. Health Plan – Medical Waiver
4. SWAMC Conference

#### PUBLIC COMMENTS

#### EXECUTIVE SESSION

#### COUNCIL COMMENTS

#### ADJOURNMENT

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

POSTED 02/04/15

**SAND POINT CITY COUNCIL**  
Regular Meeting Minutes

**Tuesday, January 13, 2015**

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**CALL TO ORDER:**

The regular meeting of the Sand Point City Council was held Tuesday, January 13, 2015, in the Sand Point Council Chambers. Mayor Glen Gardner Jr. called the meeting to order at 7:05 p.m.

**ROLL CALL:**

Glen Gardner Jr.	Mayor	Present
Danny Cumberlidge	Seat A	Absent - Excused
Allan Starnes	Seat B	Present
Shirley Brown	Seat C	Present
Jack Foster Jr.	Seat D	Absent - Excused
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 - Absent - Excused  
John Lucking Jr., Police Chief - Absent - Excused  
David Stokes, Public Works Director  
Richard Kochuten Sr., Harbor Master  
Allen Hill, Water/Sewer Director

**APPROVAL OF AGENDA:**

Mayor Glen Gardner Jr. made a motion to approve the agenda.  
MOTION: Councilperson Shirley Brown made a motion to adopt the agenda.  
SECOND: Councilperson Allan Starnes seconded the motion.  
VOTE: Motion passed unanimously.

**APPROVAL OF CONSENT AGENDA:**

1. Minutes of December 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 with the correction on page 4 under New Business.  
SECOND: Councilperson Rayette McGlashan seconded the motion.  
VOTE: Motion passed unanimously.

**REPORTS:**

Finance Officer- Krista Galvin  
Finance Officer Krista Gavin's report is in the packet.

Administrator - Andy Varner

Dock Replacement  
He spoke with Mark Hickey; the City may still have to match some monies.

AEA-PCE Community Facilities

Under FYI there is a letter stating we were approved for the first 3 community facility (CF) applications that we submitted to the Alaska Energy Authority for PCE reimbursement. There are still 10 applications pending.

Dept. of Public Safety/EMS

He spoke with EAT's Executive Director Jennifer Harrison and they are still working with their legal team to formalize an ambulance reimbursement MOA with the City.

Website

He and City Clerk Shannon Sommer have been working on the City's new website [www.sandpointak.com](http://www.sandpointak.com), and are making more accessible. He encouraged everyone to visit the site.

Leave

He will be visiting family January 30-February 5.

Invite

The City sent an invite to Senator Walker's schedule for him to do a joint trip between King Cove and Sand Point, when he goes to look at their road.

Department of Public Safety - Chief John Lucking Jr.

Police Chief John Lucking, Jr. report is in the packet.

Public Works Director – David Stokes

Public Works Director David Stokes reported he just returned, they have a full crew, waiting on parts to arrive to work on a broken down Dump Truck, and they are doing a lot of grading on the harbor road.

Fire Department

He fixed a couple dead batteries in the Fire Truck and is expecting the 2015 certificates.

Harbor Master - Richard Kochuten Sr.

Harbor Master Richard Kochuten, Sr. reported everything is quiet and they are maintaining and repairing equipment. Building Maintenance Kenneth Spjut has been working in the harbor house putting new flooring in. He is waiting on word from the Travelift inspector when he will be arriving in Sand Point for an inspection. The harbor crew plans on working on the city dock soon, weather permitting.

Mayor Gardner stated Building Maintenance Spjut will be remodeling the bathrooms in the harbor house this spring.

Student Representative – Colten Mack

Student Representative Colten Mack was not available due to playing Basketball in the Trident Tip Off Tournament.

**HEARINGS, ORDINANCES, AND RESOLUTIONS:**

1. Ordinance 2015-10: Public Smoking – 1<sup>st</sup> Reading

MOTION: No Councilperson made a motion to put Ordinance 2015-01: Public Smoking on the floor for 1<sup>st</sup> reading. Therefore, no action taken.

2. Resolution 15-01: City Dock

MOTION: Councilperson Rayette McGlashan made a motion to adopt Resolution 15-01: City Dock.

SECOND: Councilperson Shirley Brown seconded the motion.

VOTE: Motion passed unanimously.

3. Resolution 15-02: Health Care Insurance

Resolution postponed until February's Agenda.

4. Resolution 15-03: Opposed AINMS

MOTION: Councilperson Shirley Brown made a motion to adopt Resolution 15-03: Opposed AINMS.

SECOND: Councilperson Allan Starnes seconded the motion.

VOTE: Motion passed unanimously.

5. Resolution 15-04: Shared Fisheries

MOTION: Councilperson Rayette McGlashan made a motion to put to adopt Resolution 15-04: Shared Fisheries.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

**OLD BUSINESS: None.**

**NEW BUSINESS:**

1. City Building Roof

Mayor Gardner will contact council members with quotes.

2. Maintenance Vehicle

Mayor Gardner will work with Public Works Director Stokes and contact council members with quotes.

3. Equipment Rental Rates

Equipment Rental Rates postponed until February's Agenda.

**PUBLIC COMMENTS:**

Water & Sewer Supervisor Allen Hill introduced Brad Blackstone with Alaska Native Tribal Health Consortium (ANTHC), and Steve Evavold with DEC. Mr. Blackstone introduced himself and began talking about that Sand Point was picked for funding for a Sewer Enhancement Program. The City's sewer outfall line has broken off several years ago and this project will propose a new line. They have a design and construction staff with they can bring to communities but he explained the City may want to administer the grant funds and do a RFP, he will leave it up to the Council for that option and they are there to serve the community the best they can. Mr. Evavold introduced himself and stated he has been working with Water & Sewer Supervisor Hill thru email, phone, etc. He explained the plant needs updates; he will help out as much as he can. Administrator Varner asked Mr. Evavold what the time frame looks like, Mr. Evavold responded they are looking at a time frame of 2016.

**COUNCIL COMMENTS:**

Councilperson Shirley Brown asked where the recycling dumpsters were now located. Public Works Director Stokes replied they have been moved to the back of the recycling center and teen center.

**ADJOURNMENT:**

MOTION: Councilperson Rayette McGlashan made a motion to adjourn.

SECOND: Councilperson Shirley Brown seconded the motion.

The meeting adjourned at 7:43 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	7,214.11
November	11,430.85	8,421.65	10,518.19	December	1,305.30	5,337.01	372.97
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	-
<b>Total</b>	<b>500,689.29</b>	<b>759,981.49</b>	<b>939,337.63</b>		<b>641,106.81</b>	<b>700,761.03</b>	<b>274,714.62</b>

**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	112,966.81
September	55,753.91	66,560.56	89,882.29	October	85,720.47	69,251.83	81,163.42
October	53,344.13	55,806.67	93,787.49	November	90,575.50	46,816.20	43,535.59
November	35,246.04	37,712.73	34,431.36	December	44,723.29	52,116.25	36,898.10
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	-
<b>Total</b>	<b>672,944.85</b>	<b>752,121.61</b>	<b>902,285.96</b>		<b>993,255.93</b>	<b>946,597.48</b>	<b>466,827.62</b>
				TDX Fines		(150,000.00)	
						796,597.48	

City of Sand Point  
Bank Balance

Date

Bank	Account Number	Balance	
		12/31/2014	Date
Key Bank	50-20-500-0025757	2,465,240.42	
Wells Fargo - General	4121344139	234,048.46	
Wells Fargo - Bingo Fund	4121344147	205,163.51	
Wells Fargo - Silver Salmon Fund	4121344154	16,842.09	

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

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Current Period: DECEMBER 14-15

	14-15 YTD Budget	14-15 YTD Amt	DECEMBER MTD Amt	14-15 YTD Balance	% of YTD
<b>GENERAL FUND</b>					
LEGISLATIVE	\$150,600.00	\$70,465.08	\$11,125.65	\$80,134.92	46.79%
ADMINISTRATION	\$1,082,908.00	\$485,188.83	\$62,469.05	\$597,719.17	44.80%
PARKS AND RECREATION	\$41,179.00	\$13,795.13	\$2,828.37	\$27,383.87	33.50%
ANIMAL CONTROL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
PUBLIC SAFETY	\$666,250.00	\$227,517.87	\$31,663.61	\$438,732.13	34.15%
PUBLIC WORKS	\$631,289.00	\$301,409.30	\$37,833.23	\$329,879.70	47.75%
FACILITIES	\$453,968.00	\$150,114.73	\$14,689.38	\$303,853.27	33.07%
TRANSFER PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total GENERAL FUND</i>	<u>\$3,026,194.00</u>	<u>\$1,248,490.94</u>	<u>\$160,609.29</u>	<u>\$1,777,703.06</u>	41.26%
<b>BINGO FUND</b>					
ADMINISTRATION	\$497,404.00	\$269,712.75	\$36,141.22	\$227,691.25	54.22%
<i>Total BINGO FUND</i>	<u>\$497,404.00</u>	<u>\$269,712.75</u>	<u>\$36,141.22</u>	<u>\$227,691.25</u>	54.22%
<b>SILVER SALMON DERBY</b>					
FIRE	\$25,750.00	\$16,352.94	\$0.00	\$9,397.06	63.51%
<i>Total SILVER SALMON DERBY</i>	<u>\$25,750.00</u>	<u>\$16,352.94</u>	<u>\$0.00</u>	<u>\$9,397.06</u>	63.51%
<b>CLINIC OPERATIONS/MAINTENANCE</b>					
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>	97.54%
<b>WATER/SEWER OPERATIONS</b>					
WATER/SEWER	\$357,803.00	\$105,562.09	\$15,032.25	\$252,240.91	29.50%
<i>Total WATER/SEWER OPERATIONS</i>	<u>\$357,803.00</u>	<u>\$105,562.09</u>	<u>\$15,032.25</u>	<u>\$252,240.91</u>	29.50%
<b>HARBOR/PORT OPERATIONS</b>					
HARBOR	\$496,500.00	\$320,208.07	\$42,033.32	\$176,291.93	64.49%
<i>Total HARBOR/PORT OPERATIONS</i>	<u>\$496,500.00</u>	<u>\$320,208.07</u>	<u>\$42,033.32</u>	<u>\$176,291.93</u>	64.49%
<b>REFUSE COLLECTION</b>					
PUBLIC WORKS	\$154,179.00	\$79,238.35	\$12,610.87	\$74,940.65	51.39%
<i>Total REFUSE COLLECTION</i>	<u>\$154,179.00</u>	<u>\$79,238.35</u>	<u>\$12,610.87</u>	<u>\$74,940.65</u>	51.39%
<b>SCHOOL LOOP ROAD &amp; PAVING PROJ</b>					
ADMINISTRATION	\$2,574,000.00	\$2,886,318.19	\$13,341.95	-\$312,318.19	112.13%
<i>Total SCHOOL LOOP ROAD &amp; PAVING PROJ</i>	<u>\$2,574,000.00</u>	<u>\$2,886,318.19</u>	<u>\$13,341.95</u>	<u>-\$312,318.19</u>	112.13%
<b>SCHOOL LOOP ROAD/CITY OF SP</b>					
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>	0.00%
<b>SCHOOL LOOP ROAD/CSP</b>					
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>	0.00%
<b>HARBOR CONSTRUCTION</b>					
HARBOR	\$0.00	\$469,045.64	\$57,874.10	-\$469,045.64	0.00%
<i>Total HARBOR CONSTRUCTION</i>	<u>\$0.00</u>	<u>\$469,045.64</u>	<u>\$57,874.10</u>	<u>-\$469,045.64</u>	0.00%
<b>Report Total</b>	<u>\$7,164,607.00</u>	<u>\$5,426,899.97</u>	<u>\$337,643.00</u>	<u>\$1,737,707.03</u>	75.75%

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

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Current Period: DECEMBER 14-15

		14-15	14-15	DECEMBER	14-15	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
<b>GENERAL FUND</b>						
Active	R 01-022 AK MUNICI LEAGUE INVES	\$0.00	\$129.12	\$21.20	-\$129.12	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	\$78,756.25	\$1,786.63	-\$38,756.25	196.89%
Active	R 01-205 4% SALES TAX	\$900,000.00	\$528,687.78	\$43,535.59	\$371,312.22	58.74%
Active	R 01-213 RAW FISH TAX	\$800,000.00	\$338,804.08	\$7,214.11	\$461,195.92	42.35%
Active	R 01-214 FINE-LATE SALES TAX	\$1,000.00	\$170.05	\$50.09	\$829.95	17.01%
Active	R 01-217 7% B & B Tax	\$15,000.00	\$10,582.46	\$666.35	\$4,417.54	70.55%
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	\$375.00	\$0.00	\$2,125.00	15.00%
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	\$241,316.26	\$0.00	\$18,683.74	92.81%
Active	R 01-285 EQUIPMENT RENTAL	\$15,000.00	\$12,474.85	\$0.00	\$2,525.15	83.17%
Active	R 01-291 BUILDING RENTALS	\$125,000.00	\$63,661.00	\$1,400.00	\$61,339.00	50.93%
Active	R 01-293 LIBRARY GRANT	\$10,500.00	\$6,650.00	\$6,650.00	\$3,850.00	63.33%
Active	R 01-297 POLICE MISC REVENUE	\$1,000.00	\$435.00	\$0.00	\$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%
	<b>Total</b>	<b>\$3,033,143.00</b>	<b>\$1,428,702.96</b>	<b>\$61,323.97</b>	<b>\$1,604,440.04</b>	<b>47.10%</b>
	<b>Total GENERAL FUND</b>	<b>\$3,033,143.00</b>	<b>\$1,428,702.96</b>	<b>\$61,323.97</b>	<b>\$1,604,440.04</b>	<b>47.10%</b>
<b>BINGO FUND</b>						
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	\$19,248.50	\$4,842.50	\$25,751.50	42.77%
Active	R 02-295 PULL TAB REVENUE	\$410,000.00	\$286,024.00	\$30,838.00	\$123,976.00	69.76%
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%
	<b>Total</b>	<b>\$497,404.00</b>	<b>\$305,338.50</b>	<b>\$35,680.50</b>	<b>\$192,065.50</b>	<b>61.39%</b>
	<b>Total BINGO FUND</b>	<b>\$497,404.00</b>	<b>\$305,338.50</b>	<b>\$35,680.50</b>	<b>\$192,065.50</b>	<b>61.39%</b>
<b>SILVER SALMON DERBY</b>						

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

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Current Period: DECEMBER 14-15

		14-15	14-15	DECEMBER	14-15	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
Active	R 03-004 SILVER SALMON DERBY	\$22,000.00	\$15,323.00	\$0.00	\$6,677.00	69.65%
Active	R 03-230 DONATIONS	\$0.00	\$1,650.00	\$0.00	-\$1,650.00	0.00%
	<b>Total</b>	<b>\$22,000.00</b>	<b>\$16,973.00</b>	<b>\$0.00</b>	<b>\$5,027.00</b>	<b>77.15%</b>
	<b>Total SILVER SALMON DERBY</b>	<b>\$22,000.00</b>	<b>\$16,973.00</b>	<b>\$0.00</b>	<b>\$5,027.00</b>	<b>77.15%</b>
<b>CLINIC OPERATIONS/MAINTENANCE</b>						
Active	R 10-257 REVENUE--FEDERAL GOV	\$32,777.00	\$16,388.34	\$2,731.39	\$16,388.66	50.00%
Active	R 10-576 FUEL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<b>\$32,777.00</b>	<b>\$16,388.34</b>	<b>\$2,731.39</b>	<b>\$16,388.66</b>	<b>50.00%</b>
	<b>Total CLINIC OPERATIONS/MAINTENANCE</b>	<b>\$32,777.00</b>	<b>\$16,388.34</b>	<b>\$2,731.39</b>	<b>\$16,388.66</b>	<b>50.00%</b>
<b>CITY DOCK WAREHOUSE/DEC</b>						
Active	R 13-256 REVENUE--STATE OF ALA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>Total CITY DOCK WAREHOUSE/DEC</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>WASTEWATER UPGRADE/DEC</b>						
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%
	<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>Total WASTEWATER UPGRADE/DEC</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>AIEDA/ENERGY EFFIECIENCY GRANT</b>						
Active	R 23-256 REVENUE--STATE OF ALA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>Total AIEDA/ENERGY EFFIECIENCY GRANT</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>WATER/SEWER OPERATIONS</b>						
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	\$861.29	\$24.57	\$2,638.71	24.61%
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	\$94,213.20	\$14,300.17	\$85,786.80	52.34%
Active	R 61-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<b>\$357,803.00</b>	<b>\$95,074.49</b>	<b>\$14,324.74</b>	<b>\$262,728.51</b>	<b>26.57%</b>
	<b>Total WATER/SEWER OPERATIONS</b>	<b>\$357,803.00</b>	<b>\$95,074.49</b>	<b>\$14,324.74</b>	<b>\$262,728.51</b>	<b>26.57%</b>
<b>HARBOR/PORT OPERATIONS</b>						
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	\$3,077.73	\$704.60	-\$77.73	102.59%
Active	R 62-203 OTHER REVENUE	\$0.00	\$10,500.00	\$0.00	-\$10,500.00	0.00%
Active	R 62-210 HARBOR/MOORAGE	\$200,000.00	\$146,422.13	\$17,104.27	\$53,577.87	73.21%
Active	R 62-211 HARBOR/TRAVELLIFT	\$90,000.00	\$56,405.04	\$5,600.80	\$33,594.96	62.67%
Active	R 62-212 BOAT HARBOR/RENTS	\$60,000.00	\$36,908.15	\$0.00	\$23,091.85	61.51%
Active	R 62-215 HARBOR/WHARFAGE	\$60,000.00	\$15,430.78	\$7,310.56	\$44,569.22	25.72%
Active	R 62-219 HARBOR ELEC SERVICE F	\$0.00	\$4,208.42	\$1,939.50	-\$4,208.42	0.00%
Active	R 62-220 HARBOR/ELEC DEPOSIT	\$0.00	\$14,339.66	\$1,210.65	-\$14,339.66	0.00%
Active	R 62-221 HARBOR/VAN STORAGE	\$18,000.00	\$16,650.69	\$1,676.32	\$1,349.31	92.50%
Active	R 62-222 HARBOR/STALL ELECTRIC	\$20,000.00	\$12,820.39	\$6,823.08	\$7,179.61	64.10%

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

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Current Period: DECEMBER 14-15

		14-15	14-15	DECEMBER	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	\$720.00	\$70.00	\$12,280.00	5.54%
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	\$1,509.57	\$228.37	\$990.43	60.38%
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	\$10,821.76	\$961.59	\$14,178.24	43.29%
Active	R 62-299 GAIN/LOSS DISPOSITION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<u>\$496,500.00</u>	<u>\$329,972.21</u>	<u>\$43,629.74</u>	<u>\$166,527.79</u>	<u>66.46%</u>
	<b>Total HARBOR/PORT OPERATIONS</b>	\$496,500.00	\$329,972.21	\$43,629.74	\$166,527.79	66.46%
<b>REFUSE COLLECTION</b>						
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	\$531.24	\$15.02	\$1,068.76	33.20%
Active	R 65-204 REFUSE COLLECTION	\$140,000.00	\$72,655.99	\$11,604.75	\$67,344.01	51.90%
Active	R 65-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<u>\$141,600.00</u>	<u>\$73,187.23</u>	<u>\$11,619.77</u>	<u>\$68,412.77</u>	<u>51.69%</u>
	<b>Total REFUSE COLLECTION</b>	\$141,600.00	\$73,187.23	\$11,619.77	\$68,412.77	51.69%
<b>SCHOOL LOOP ROAD/DC</b>						
Active	R 68-257 REVENUE--FEDERAL GOV	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
	<b>Total SCHOOL LOOP ROAD/DC</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SCHOOL LOOP ROAD &amp; PAVING PROJ</b>						
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	\$2,685,941.74	\$115,117.24	-\$185,941.74	107.44%
	<b>Total</b>	<u>\$2,574,000.00</u>	<u>\$2,685,941.74</u>	<u>\$115,117.24</u>	<u>-\$111,941.74</u>	<u>104.35%</u>
	<b>Total SCHOOL LOOP ROAD &amp; PAVING PROJ</b>	\$2,574,000.00	\$2,685,941.74	\$115,117.24	-\$111,941.74	104.35%
<b>SCHOOL LOOP ROAD/CITY OF SP</b>						
Active	R 71-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
	<b>Total SCHOOL LOOP ROAD/CITY OF SP</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SCHOOL LOOP ROAD/CSP</b>						
Active	R 78-051 TRANSFER FROM	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
	<b>Total SCHOOL LOOP ROAD/CSP</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>HARBOR CONSTRUCTION</b>						
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%
	<b>Total</b>	<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**  
**\*Revenue Guideline-Alt Code©**

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Current Period: DECEMBER 14-15

	14-15 YTD Budget	14-15 YTD Amt	DECEMBER MTD Amt	14-15 YTD Balance	% of YTD
<b>Total HARBOR CONSTRUCTION</b>	\$0.00	\$498,471.66	\$0.00	-\$498,471.66	0.00%
<b>Report Total</b>	\$7,155,227.00	\$5,450,050.13	\$284,427.35	\$1,705,176.87	76.17%



CITY OF SAND POINT

**\*Fund Summary -  
Budget to Actual©**

DECEMBER 14-15

	14-15 YTD Budget	DECEMBER MTD Amount	14-15 YTD Amount	14-15 YTD Balance	14-15 % YTD Budget
<b>FUND 01 GENERAL FUND</b>					
Revenue	\$3,033,143.00	\$61,323.97	\$1,428,702.96	\$1,604,440.04	47.10%
Expenditure	\$3,026,194.00	\$160,609.29	\$1,248,490.94	\$1,777,703.06	41.26%
		-\$99,285.32	\$180,212.02		
<b>FUND 02 BINGO FUND</b>					
Revenue	\$497,404.00	\$35,680.50	\$305,338.50	\$192,065.50	61.39%
Expenditure	\$497,404.00	\$36,141.22	\$269,712.75	\$227,691.25	54.22%
		-\$460.72	\$35,625.75		
<b>FUND 03 SILVER SALMON DERBY</b>					
Revenue	\$22,000.00	\$0.00	\$16,973.00	\$5,027.00	77.15%
Expenditure	\$25,750.00	\$0.00	\$16,352.94	\$9,397.06	63.51%
		\$0.00	\$620.06		
<b>FUND 10 CLINIC OPERATIONS/MAINTENANCE</b>					
Revenue	\$32,777.00	\$2,731.39	\$16,388.34	\$16,388.66	50.00%
Expenditure	\$32,777.00	\$0.00	\$31,971.00	\$806.00	97.54%
		\$2,731.39	-\$15,582.66		
<b>FUND 13 CITY DOCK WAREHOUSE/DEC</b>					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
<b>FUND 14 WASTEWATER UPGRADE/DEC</b>					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
<b>FUND 23 AIEDA/ENERGY EFFIECIENCY GRANT</b>					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
<b>FUND 61 WATER/SEWER OPERATIONS</b>					
Revenue	\$357,803.00	\$14,324.74	\$95,074.49	\$262,728.51	26.57%
Expenditure	\$357,803.00	\$15,032.25	\$105,562.09	\$252,240.91	29.50%
		-\$707.51	-\$10,487.60		
<b>FUND 62 HARBOR/PORT OPERATIONS</b>					
Revenue	\$496,500.00	\$43,629.74	\$329,972.21	\$166,527.79	66.46%
Expenditure	\$496,500.00	\$42,033.32	\$320,208.07	\$176,291.93	64.49%
		\$1,596.42	\$9,764.14		
<b>FUND 65 REFUSE COLLECTION</b>					
Revenue	\$141,600.00	\$11,619.77	\$73,187.23	\$68,412.77	51.69%
Expenditure	\$154,179.00	\$12,610.87	\$79,238.35	\$74,940.65	51.39%
		-\$991.10	-\$6,051.12		
<b>FUND 68 SCHOOL LOOP ROAD/DC</b>					
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©**

DECEMBER 14-15

	<b>14-15</b>	<b>DECEMBER</b>	<b>14-15</b>	<b>14-15</b>	<b>14-15</b>
	<b>YTD Budget</b>	<b>MTD Amount</b>	<b>YTD Amount</b>	<b>YTD Balance</b>	<b>% YTD Budget</b>
<b>FUND 70 SCHOOL LOOP ROAD &amp; PAVING PROJ</b>					
Revenue	\$2,574,000.00	\$115,117.24	\$2,685,941.74	-\$111,941.74	104.35%
Expenditure	\$2,574,000.00	\$13,341.95	\$2,886,318.19	-\$312,318.19	112.13%
		\$101,775.29	-\$200,376.45		
<b>FUND 79 HARBOR CONSTRUCTION</b>					
Revenue	\$0.00	\$0.00	\$498,471.66	-\$498,471.66	0.00%
Expenditure	\$0.00	\$57,874.10	\$469,045.64	-\$469,045.64	0.00%
		-\$57,874.10	\$29,426.02		
<b>Report Total</b>		-\$53,215.65	\$23,150.16		

**TO:** Mayor Gardner  
City Council Members

**FROM:** Andy Varner  
City Administrator

**DATE:** February 6, 2015

**SUBJ:** Monthly Report for February 2015

Here are a few issues we've been working on since the last report:

### **WATER/SEWER PROJECTS**

- Allen and I have been working with DEC to apply for funding for a couple of water and sewer projects. Russian Town Water Distribution and Lift Station Upgrades are the two projects that we will seek funding for. At this point we're applying for a 1.5% loan, but that \$ would only be used as a match for a grant that we're hoping to secure for one of those projects later this summer.
- ANTHC visited last month and they are in the process of designing a project for the Kelly Avenue outfall line and wastewater treatment. They were approved for \$1.3M in funding for that project, and from what we hear will be under way next year.

### **POPULATION**

- According to the State Department of Labor's latest estimate, the population of Sand Point is 946. It was over 1,000 last year and had been for years. We can protest if we want, but that would involve manual household head counts, requiring a fair amount of work and coordination. A population under 1,000, however, does cut the required match in half for DEC water and sewer projects, from 30% to 15%.

### **DOCK REPLACEMENT**

- The \$9.5M project is uploaded into CAPSIS (the Legislature's capital project request form) and has a State funding request of \$750,000. A \$200,000 local match is offered, and that could come from the City, Borough, EDA, or combination. Our lobbyist's approach was to design the funding plan in this manner, so the rest of the project cost - \$8,550,000 - would be Federal money funneled through the Legislature. That is money that will be accepted by the State but hasn't been divvied up yet. It could also encompass Federal dollars diverted from other projects like the Juneau Access Road and Knik Arm Bridge that Gov. Walker wants to abandon. This is a reasonable approach in that it makes the State request seem all the more reasonable in this constrained budget year.

### **DEPT of PUBLIC SAFETY / EMS**

- EATS is in the process of developing the MOA with the City to accept Medicaid reimbursement for ambulance rides. I had to apply for a business license for the City to be able to accept the Medicaid. That process took a couple of weeks to get through the Juneau bureaucracy, but we are closer to having that MOA.

### **MARIJUANA LAW**

- You'll see that City Attorney Brooks Chandler prepared a memo for the City regarding some of the implications of the recently passed "Marijuana Law." The Legislature and state departments are still crafting rules and regulations around the initiative, but the attorneys recommend adopting a few changes to our code and personnel policies before the Law becomes effective on February 24, 2015. Small amounts of marijuana for

personal use become lawful on that date. Over the spring and summer the Council will have to determine what actions we want to take regarding the commercial side of marijuana. The State will promulgate its regulations for commercial marijuana by November 24, 2015.

**ALEUTIAN ISLANDS NATIONAL MARINE SANCTUARY**

- The application to nominate and designate the sanctuary was denied by NOAA and termed insufficient. The proposers may try something again in the future, but a lot of groups in the Aleutians moved quickly on this to stomp it down.

11 cases were generated in January 2015

- 1 warrant
- 2 Driving without valid license
- 1 Theft
- 1 MICS
- 1 DUI
- 1 DV Assault
- 1 Criminal Mischief
- 1 Burglary
- 1 Driving while license revoked
- 1 DUI, Reckless Driving, Refusal, Resisting Arrest

There were 5 persons jailed

- 1 warrant
- 1 MICS
- 2 DUI
- 1 DV assault

There were 29 calls to 911

- 12 hang up or mis-dials
- 1 ambulance (2 calls-same incident)
- 2 assault
- 2 criminal mischief
- 1 possible break in
- 5 MOC requests
- 2 misc MOC needing info
- 2 criminal complaint
- 1 REDDI report

Officer Calls for Service

- 1 noise complaint
- 1 drunken disturbance
- 1 civil dispute
- 1 burglary/theft
- 1 vehicle vandalism

Other Officer Activity

- 1 prisoner transport to airport
- 1 ambulance assistance
- 1 courtesy transport
- 2 walk through at school
- 3 transport person to clinic
- 5 paper service
- 3 suspicious vehicle
- 1 misc officer information to person
- 1 welfare check
- 30 bar/tavern check

30 traffic stops

- 9 warning stop sign violation
- 2 4 wheeler citation DWOL
- 1 4 wheeler warning DWOL
- 1 DWOL and speed
- 14 warning for speed
- 1 citation for speeding
- 2 driving without brake or tail lights

# January 2015 Public Works Report

## **Shop**

Swept roads  
Graded roads  
Worked on Mack Dump Truck  
Removed old playground at school  
Replaced alternator & batteries in loader  
Fixed back of police vehicle  
Burnt alder pile by landfill  
Cleaned shop  
Fueled City's buildings  
Graded snow  
Hauled rubber mulch to City playground  
Fixed tsunami siren

## **Landfill**

Cleaned around dumpsters 2x's  
Straightened up steel piles  
Serviced Equipment in December  
Lots of Trident trash

## **Recycling**

Continues to do good

### Trident L/S

- Talked with Xylem support in Boca Raton, Florida and Charlotte, North Carolina. Found out the alarm keeping pump 2 from running was that it was running backwards. Checked wiring and rotation and amperage. Found no problems, so I disabled the alarm. There is a possibility that one of the CT's(current transformers) on the pump power wires is not working properly. The computer looks at the CT voltage to figure out how much current the motor is pulling and if a CT quits working the computer will detect a problem, but not the problem. Will check further when we have a good weather day.

### Shut-offs

- We shut off 3 of the services with the highest bills owed. One customer made a payment plan.
- We need to find a 4<sup>th</sup> shut off, but it looks like water, sewer, power and telephone were all run in the same ditch making it a little dangerous to dig. Hoping to get information on where to dig to help us save time.
- We will continue shutting off water service to the 4 customers with the highest bills each month. It won't take long to finish, except in cases where we have to dig to find the shut off valves.

### School pump house

- Problems with the air compressor that maintains the proper water level in the pressure tank. We changed the high temperature shut off switch to get it running. Had to adjust water pump start/stop pressures. Adjusted on/off pressure for air compressor. Noticed water use about 4 times above normal for 3 days. Figured it was someone filling the pool because it stopped. No water on ground around any of the houses supplied from the school pump house.
- Investigating problem with one water pump making very loud noise when running. Hope to get it fixed soon.

### Water plant

- Vasily replaced O-rings on one 8 inch valve that was leaking around the stem.
- Vasily tightened the bolts on one of the filter sight glasses to stop a leak.
- Vasily tightened the bolts on a leaking flange on the 8 inch line to stop a leak.
- Still looking at ways to decrease fuel oil use. Adjusting the flap on the outlet water line has stopped the wind from blowing into the plant.
- Vasily cleaned and calibrated the turbidimeters.

### Intake pump house

- Pump 3 now has a leak around the threads where it connects to the flange.
- Pump 4 is still very noisy. Alaska Pump thinks it was installed crooked. Thinking about loosening all 4 bolts and seeing if the pump swings straight – then we can add shims to keep it level when it is tightened up. The top of the motor has a flat area about 2 inches in diameter – not a very precise place to check for level, but it is the only place available.

Replaced shut off valve that was leaking when closed just outside one residence. Looked like damage after the cold winter a couple of years ago. Cause was poor insulation and a poor installation job.

Closed the covers on the Russian Town sewer plant to keep ravens out – response to customer complaint.

Worked with our RMW(remote maintenance worker) Steve Evavold. He probably has a report submitted to the City. Mostly, we helped Brad Blackstone and Andy Varner with information on water and sewer problems that need upgrades.

One lift station pump failed in 2014. The problem was that the grinder was clogged with hand or diaper wipes and the control panel was purchased for a larger horsepower pump. That allowed the motor to draw too much current and burn out a winding. We, mostly Vasily, have been pumping the Jumps and Mud Bay lift stations monthly to remove things like wipes from the wet wells. This has worked to stop the once every three month pump failures. We still need to upgrade these two lift stations for a lot of reasons.

We got a coliform bacteria positive result from the water sample taken January 20<sup>th</sup> at the Harbor Masters. It was not positive for fecal coliform. We took 4 additional samples as required by ADEC and none of them was positive. We removed the screen from the sample faucet and cleaned it out. There was something that looked like little pieces of rust. A positive result on a routine bacteria sample is usually caused by contamination from the faucet, the collector or something falling in the sample. We are trained to disinfect the faucet before taking the sample, but contamination is so rare that we usually don't. The chlorine residual was .61 parts per million at the faucet when the sample was taken. We are required to keep a chlorine residual above .20 parts per million. We have to take a total of 5 samples in February to make sure there is not a problem.

Replaced fuse in Tsunami warning battery box and 4 twelve volt batteries. The Friday 12 noon (ish) warning has worked since then - two Fridays two short warnings.



# Sand Point Small Boat Harbor

02-05-2015

As of today all is going fine at the harbor. All the equipment is being maintained, greased and oiled.

One of the harbor crew is on vacation, for the month of February.

Have been in contact with Dave Marshall (Kendrick Equipment) and he informs me that they will have a person come to Sand Point in early March 2015 to do an inspection of the Travelift-150 AMO.

This is all I have to report at this time.

Thank you,

Richard Kochuten Sr.  
Harbor Master

**STUDENT  
REPRESENTATIVE**

# HEARINGS, ORDINANCES AND RESOLUTIONS

# City of Sand Point



## ORDINANCE 2015-02

### AN ORDINANCE AMENDING TITLE 12 OF THE SAND POINT MUNICIPAL CODE TO ADOPT A NEW CHAPTER 12.04 ESTABLISHING REGULATIONS GOVERNING MARIJUANA USE IN THE CITY OF SAND POINT

WHEREAS, the State of Alaska had legalized personal use of marijuana; and

WHEREAS, marijuana, as an intoxicant, is rightfully regulated by the City of Sand Point for the health and safety of its residents;

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

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

**Section 2. Amendment of Title 12.** Title 12 of the Sand Point Municipal Code is hereby amended by adoption of a new Chapter 12.04, titled Marijuana Regulation, to read as follows:

#### **Chapter 12.04. MARIJUANA REGULATION**

- 12.04.010 **Definitions.**
- 12.04.020 **Local regulatory authority.**
- 12.04.030 **Violations and remedies.**
- 12.04.040 **Marijuana use in public prohibited.**
- 12.04.050 **Marijuana use in vehicles prohibited.**
- 12.04.060 **Marijuana possession and use under the age of 21 prohibited.**

#### **12.04.010. Definitions.**

“Marijuana” means all parts of the plant of the genus cannabis whether grown or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds, or its resin, including marijuana concentrate.

“Public place” means in or upon any city-owned property, as well as any place that the public or substantial numbers of persons are able to congregate or are regularly invited to enter or be upon,

regardless of whether the property is privately or publically owned. Examples include, but are not limited to, streets, sidewalks, parking areas, public parks, shorelines, waterways and tidelands, restaurants, bars, clubs, hallways, lobbies and common areas of hotels and multi-unit buildings,

**12.04.020. Local Regulatory Authority.**

The city council is designated as the “local regulatory authority” as that term is used in Alaska Statutes Chapter 17.38 and any implementing legislation or rule-making.

**12.04.030 Violations and remedies.**

- (a) It is unlawful for any person who operates any restaurant, eatery, bar, hotel or other lodging, or retail establishment to permit marijuana use in violation of this chapter.
- (b) It is unlawful for any person to consume or use marijuana in violation of this chapter.
- (c) Any person aggrieved by a violation of this chapter or the city may bring a civil action against a person who violates this chapter and may recover a civil penalty not to exceed three hundred dollars per violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy.
- (d) Unless another penalty is expressly provided by this section, a violation of any provision of this chapter constitutes a minor offense and is punishable by a fine of \$100, plus any surcharge required to be imposed by AS 12.55.039.

**12.04.040. Marijuana use in public places prohibited.**

Use or consumption of marijuana in a public place is prohibited. This section is not intended to restrict a property owner from further restricting use of marijuana.

**12.04.050. Marijuana use in or on motor vehicles prohibited.**

Marijuana use in or on motor vehicles, on the deck or in the wheelhouse of a watercraft, or in an aircraft is prohibited.

**12.04.060. Marijuana possession and use under the age of 21 prohibited.**

Possession and consumption of marijuana by persons less than 21 years of age are prohibited.

**Section 3. Effective Date.** This ordinance shall be effective immediately.

ENACTED THIS \_\_\_\_ day of \_\_\_\_\_, 2014.

**CITY OF SAND POINT**

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Glen Gardner Jr., Mayor

**ATTEST:**

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Shannon Sommer, City Clerk

DRAFT

## MEMORANDUM

To: Andy Varner  
City Manager

From: Boyd, Chandler & Falconer, LLP  
Patrick Munson



Date: February 2, 2015

Re: Marijuana Ordinance

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We have prepared a draft ordinance prohibiting marijuana use in public places and use and possession by minors.

We believe it best to proceed with the understanding that a significant body of state or local regulation will develop. We also believe that all municipalities should designate a local regulatory authority because state law recognizes that designated authority as the local government's liaison with ABC. Therefore, we have created a new chapter for Sand Point's code that will contain marijuana regulations. We have also designated the city council as the regulatory authority. Any other city office or body can serve as the authority if the council does not believe itself to be the most appropriate authority.

For the purpose of prohibiting public use, the definition of "public place" is stated broadly, and includes *all* city property even if the space is not open to the public. Examples of public places are provided to give guidance for enforcement as well as notice to potential offenders. The Council should consider whether this definition is both clear to the layperson and adequate to cover places of concern.

The ordinance also prohibits marijuana use in a motor vehicle or in the wheelhouse or on the deck of watercraft. The City's authority to regulate health and welfare enables this prohibition even if it is beyond the scope of the public use prohibition authority provided by state statute.

State law limits public use fines to \$100. We have set the fine at \$100. As drafted, no court appearance is required.

The fine for using marijuana in a vehicle or watercraft (which is different from the criminal offense of operating under the influence) is currently set at \$100. Because of the particular public safety issues associated with intoxicant use in automobiles and boats, we believe that state law allows setting a fine in excess of \$100 for this offense should the City wish to do so.

Fining an establishment may prove to be a better enforcement mechanism for some public use violations, such as use in bars. State law allows fines in excess of \$100 for an establishment that permits patrons to use marijuana on the premises. We have set the fine at \$100. That amount can be amended as the City sees fit, but cannot exceed \$500.

Please let us know if you have any questions regarding the proposed ordinances or would like to discuss further ordinances relating to marijuana use or cultivation. Please keep in mind that

**possession of up to 1 ounce of marijuana becomes legal February 24 so this ordinance needs to move quickly through the council. Our earlier comprehensive memo identified other aspects of marijuana legalization that may be of interest to the city.**



## City of Sand Point



### RESOLUTION 15-05

#### **A RESOLUTION OF THE CITY OF SAND POINT DECLARING UPGRADES OF THE “RUSSIAN TOWN” WATER DISTRIBUTION SYSTEM AND COMMUNITY LIFT STATIONS TOP CAPITAL IMPROVEMENT PRIORITIES FOR THE COMMUNITY FOR FY2016**

**WHEREAS**, properly functioning water and sewer infrastructure is critical to the health and welfare of the citizens of Sand Point; and

**WHEREAS**, failure of aging water and sewer systems would result in serious health hazards and be detrimental to the community as a whole; and

**WHEREAS**, the City Council and the general public recognize the importance of water and sewer infrastructure development and improvements and have made upgrading these systems a top priority for several years; and

**WHEREAS**, it is not within the fiscal means of system users to provide the extensive requisite capital through user fees to provide for these necessary improvements without grant and other financial assistance; and

**WHEREAS**, the community would be adversely affected by further deterioration and use in excess of design capacities of existing facilities; and

**WHEREAS**, the City has worked with the Alaska Department of Environmental Conservation and the Alaska Native Tribal Health Consortium to identify two “Fix It First” projects that need immediate upgrades; and

**WHEREAS**, the City and our cooperating agencies has some level of feasibility study and design engineering cost estimates for both projects; and

**WHEREAS**, the city of Sand Point is eligible to participate in the ADEC Municipal Matching Grants program to provide funding assistance.

**THEREFORE BE IT RESOLVED**, the City of Sand Point declares upgrades of the “Russian Town” water distribution system and community lift stations top capital improvement priorities

for the community for fy2016.

**PASSED AND APPROVED** on the 10<sup>th</sup> day of February, 2015 by a duly constituted quorum of the Sand Point City Council.

**CITY OF SAND POINT**

\_\_\_\_\_  
Glen Gardner Jr., Mayor

ATTEST:

\_\_\_\_\_  
Shannon Sommer, City Clerk

DRAFT

## City of Sand Point



### RESOLUTION 15-06

**A RESOLUTION SUPPORTING THE REINSTATEMENT OF A FULL \$60 MILLION INTO THE REVENUE SHARING FUND ON A YEARLY BASIS WITH A ONE-YEAR APPROPRIATION OF \$8 MILLION TO THE FUND WITH AN EFFECTIVE DATE PRIOR TO JUNE 30, 2015**

**WHEREAS**, all of Alaska's boroughs and cities are appreciative of the Governor and Legislature for the continuation of the Revenue Sharing program; and

**WHEREAS**, since 2008, municipalities have received a total of \$60 million per year to be divided among all boroughs, cities, and unorganized communities in the State; and

**WHEREAS**, this money is a small share of the resource funding that is provided to the State; and

**WHEREAS**, \$60 million is also a small part of the total state-wide budget for the year; and

**WHEREAS**, municipalities are political subdivisions of the State of Alaska; and

**WHEREAS**, boroughs and cities can only raise their own revenue through increased taxes and/or fees, something the City of Sand Point has done recently with a voter-approved sales tax increase; and

**WHEREAS**, in the past 2014 Legislative Session, the amount deposited into the Revenue Sharing fund dropped to \$52 million; and

**WHEREAS**, the larger municipalities use these funds to keep taxes as low as possible; and

**WHEREAS**, the smaller municipalities use these funds to provide basic services, such as public safety, fire protection, harbor upkeep, fuel and maintenance in the case of Sand Point.

**NOW, THEREFORE BE IT RESOLVED** that the City of Sand Point requests the Alaska State Legislature to reinstate the amount of \$60 million on an annual basis into the Revenue Sharing Fund; and

**BE IT FURTHER RESOLVED** that the City request the Alaska State Legislature appropriate an additional \$8 million to the fund with an effective date prior to June 30, 2015.

**CITY OF SAND POINT**

\_\_\_\_\_  
Glen Gardner Jr., Mayor

ATTEST:

\_\_\_\_\_  
Shannon Sommer, City Clerk

DRAFT

# OLD BUSINESS

# CITY BUILDING ROOF

**Included in Mayor's Report.**

# MAINTENANCE VEHICLE

**Included in Mayor's Report.**

# NEW BUSINESS

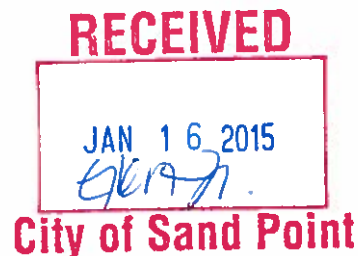




QAGAN TAYAGUNGIN TRIBE  
P.O. BOX 447  
SAND POINT, ALASKA 99661  
PHONE (907) 383-5616  
FAX (907) 383-5814

January 13, 2015

City of Sand Point  
P.O. Box 249  
Sand Point, AK 99661



Dear Mayor Glen,

The Qagan Tayagungin Tribe is happy to announce in partnership with Best Beginnings and the Aleutian Peninsula Broadcasting we've been able to expand the Sand Point Dolly Parton's Imagination Library to serve Cold Bay as well. This wonderful program provides one free age appropriate book to each registered child age 0-5 years old living in Sand Point. Currently, we have 100% of eligible children enrolled in this program!

Research has shown that the single most important thing that a parent can do to help their child acquire language, prepare their child for school, and instill a love of learning in their child, is to read to them (Russ et al., 2007). In 2014, the Sand Point Imagination Library put 459 books in the hands of the young children in Sand Point. We invite you to help support the development of literacy and love for reading in the youth of Sand Point and Cold Bay through support of this program. Please consider adopting a month to support this program. An investment of \$110.00 will provide one book to each enrolled child for 1 month. For the month you adopt, each book delivered to the youth of Sand Point and Cold Bay will say **Thank you to our sponsor, The City of Sand Point.**

While we'd love for each month to have its own sponsor, we would greatly appreciate any donation you could make to support this program. \$30 will sponsor one child for one year, but any amount helps us keep this program operating. Donation checks can be made out to the Qagan Tayagungin Tribe, with Imagination Library in the memo.

Thank you for your time, and consideration of this request to support the love of reading for our youth.

Sincerely,

Tiffany Jackson  
Executive Director

**City of Sand Point  
Equipment Rental Rates**

Type Of Equipment	Year	Rates: (160 hrs.max) Monthly	Rates: 40 hrs.max Weekly	Rates: (8 hrs max) Daily	Rates: (hr meter) Hourly
<b>Trucks</b>					
F-700 Diesel Truck	1993	\$12,000.00	\$3,000.00	\$600.00	\$75.00
Western Star Dump Truck	1993	\$12,000.00	\$3,000.00	\$600.00	\$75.00
International Dump Truck	1990	\$12,000.00	\$3,000.00	\$600.00	\$75.00
Mack Concrete Truck	1986	\$15,200.00	\$3,800.00	\$930.00	\$95.00
Kenworth W900 Tractor w/Fruhauf Lowboy	1981	\$15,200.00 Incl	\$3,800.00 Incl	\$930.00 Incl	\$95.00 Incl
<b>Dozers</b>					
Caterpillar D6MXL	2001	\$21,600.00	\$5,400.00	\$1,080.00	\$135.00
<b>Loaders</b>					
Volvo L90D	2002	\$21,600.00	\$5,400.00	\$1,080.00	\$135.00
Caterpillar 988B	1980	\$21,600.00	\$5,400.00	\$1,080.00	\$135.00
<b>Excavators/Backhoes</b>					
BobCat 325	2008	\$15,200.00	\$3,800.00	\$930.00	\$95.00
Case 580SK	1994	\$10,400.00	\$2,600.00	\$520.00	\$65.00
Hitachi 200XL	2002	\$21,120.00	\$5,280.00	\$1,056.00	\$132.00
<b>Graders</b>					
Caterpillar 140H	2004	\$44,800.00	11,200.00	\$2,240.00	\$280.00
<b>Fork Lifts/Cranes</b>					
Gehl DL-8	2002	\$12,800.00	\$1,800.00	\$480.00	\$80.00
Grove RT630 40T	1989	\$72,000.00	18,000.00	\$3,600.00	\$450.00
<b>Miscellaneous</b>					
Hyster Double Drum Cmpt	1994	\$10,400.00	\$2,600.00	\$520.00	\$65.00
Miller BobCat Welder (Gas)	2004	NA	\$683.00	\$150.00	\$65.00
Tilt Bed Trailers	1990	NA	\$375.00	\$100.00	NA
Plate Compactors	2008	NA	\$280.00	\$75.00	NA
Electric Jack Hammer	2001	NA	\$280.00	\$75.00	NA
Power Head/Auger	2005	\$290.00	\$90.00	\$30.00	NA

**Notes:**

1. City Operator (Extra) @ \$80.00 per hour.
2. City can fuel equipment by appointment. -Local Fuel Price + 20% Surcharge.

Updated 08/10/2010

# Memo

To: Mayor Gardner, City Council members  
From: Andy Varner, Administrator  
cc:  
Date: January 27, 2015  
Re: Health plan – Medical Waiver

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The design of the Medical Waiver form is based on various things I've researched and discussions I've had with other cities, companies, and our health care broker. Along with the form I've also included a section of the Personnel Policies & Procedures Manual that could be amended to mention the waiver.

Basically it boils down to this:

It currently costs the City **\$1020/month** per employee for their premium (see Premera invoice), equating to **\$12,240 per employee per year**. That is an **18% increase** per employee from this plan year compared to last plan year; I would anticipate we will see a similar increase for the next FY too.

The "Medical Waiver" proposal is a one time, lump sum *taxable* payment of \$6,000 per plan year. The employee opts out of the health plan only if they have coverage elsewhere, and the City gives them a payment to help them cover their other premium or associated medical expenses. We can call this "medical earnings." This lump sum payment is still less than 50% of what we would be paying for the employee's premium over the course of a year.

I've talked with PERS and the \$6000 is not considered wages so it would not be eligible for PERS contributions by the City. But, it would be considered taxable earnings. The City of Adak does something similar, but it offers no group health insurance and instead gives its employees \$500/month as a medical stipend. I am not suggesting we go that route.

This is not a perfect solution, but we need to look at ways of cost control. Health care costs are only going up, up, and up, and this is one way to help us contain the runaway costs and still not leave employees "out to dry". One disclaimer, however, is that with Obamacare health plan rules are always changing, so the landscape of regulations can shift almost anytime. But, so far this would fall within the law, according to our health insurance broker and what I have seen others do.

City of Sand Point Health Plan – Medical Waiver

**Medical Waiver** - Payment for opting out of the health plan is a single lump-sum *taxable* payment of **\$6,000** at the beginning of each plan year (July 1). This is a pre-payment of \$500 per month for the ensuing plan year. Employees eligible for City health coverage may select the Waiver for each plan year renewal. Medical Earnings will be included with regular earnings in a single payment on a scheduled pay date. By selecting this option during enrollment or through the course of the plan year you are attesting that you have medical coverage available from another provider or source.

Receipt of “City of Sand Point Medical Waiver” earnings is a pro-rated lump-sum payment amount based on the number of qualifying months remaining in the calendar year at \$500 per month. This advance payment of the Medical Waiver is subject to pro-rated repayment if termination of employment occurs within one year or due to opting back into the plan due to a qualifying life event. Employees who select this option understand that upon termination or a qualifying life event, any unearned portion of the Medical Waive lump-sum amount paid to the employee will be deducted from his/her final paycheck and/or regular payroll check and the employee authorizes the City to deduct such amount.

Signed:

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---

Employee Name

Attest:

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Shannon Sommer, City Clerk

Date

## Section 5-E Disclosure of Benefits

**Policy:** It is the policy of the City to provide its employees with various welfare and pension benefits. Information and summaries intended to explain these benefit plans will be furnished to all plan participants and beneficiaries on a timely and continuing basis by each individual plan administrator. The City reserves the right to modify, amend, or terminate its welfare and pension benefits as they apply to all current, former, and retired employees. The Administrator of each benefit plan has the discretionary authority to determine eligibility for benefits and to interpret the plan's terms.

### **Comment:**

(1) The City offers certain benefits to eligible employees, including health, life, and disability insurance and retirement plans. Eligibility will depend upon the specific requirements of each benefit plan. The City also provides a number of other benefits such as annual leave, sick leave and holidays.

(2) All benefits provided by the City are described in official documents provided by the individual plan administrator. In addition, these documents are the only official and binding materials concerning the City's welfare and pension benefits. All summaries and communications, both written and verbal, must refer to them as binding in cases of questions or disputes.

(3) The Mayor serves as Administrator of the City's welfare and pension plans. The Administrator is responsible for all communications and disclosures concerning City benefits and for compliance with all applicable laws and regulations. In addition, the Administrator is available, when appropriate, to answer questions concerning the benefit plans.

(4) Participant contributions to benefit plans normally will be deducted from the employee's paycheck.

(5) Employees, spouses, and dependents covered by the City's health benefit plan will be notified, when appropriate, that they have the opportunity to continue their health care coverage, at their own expense, in certain specified situations including layoff, termination, reduction in hours of employment, and separation or divorce.

(6) Full-time eligible employees may opt out of the City's health plan by signing a Medical Waiver. Employees will receive a lump-sum "Medical Earnings" payment in exchange for opting out of the health plan.





BLUE CROSS BLUE SHIELD OF ALASKA

INVOICE NUMBER: 150120001120

P.O. Box 91060  
Seattle, WA 98111

**Group Invoice Detail**  
CITY OF SAND POINT - APS - ACTIVE -- 9000939  
ATTN: KRISTA GALVIN  
PO BOX 249  
SAND POINT AK 99661  
INVOICE PERIOD: FEBRUARY 01 - 28, 2015

Subscriber	ID Number	Contract Type	Medical #	Enrolled	Amt. Due	Contract Type	Vision #	Enrolled	Amt. Due	Contract Type	Dental #	Enrolled	Amt. Due	Total Due
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**CURRENT PERIOD -- SUBGROUP 0001: CITY OF SAND POINT - APS - ACTIVE**

STANDARD SA

AK HERITAGE SELECT AV06

AK HERITAGE SELECT AV06

CLASS: ALL EMPLOYEES	ID Number	Subscriber	Medical #	Enrolled	Amt. Due	Contract Type	Vision #	Enrolled	Amt. Due	Contract Type	Dental #	Enrolled	Amt. Due	Total Due
ALFORD SR, EUGENE G	600960361	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
BRANDAL, SAM O	600960362	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
BROWN, SHIRLEY A	600960363	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
CUMBERLIDGE, DANNY L	101363554	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
FOSTER JR, JACK R	600960366	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GALVIN, KRISTA D	600960367	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GARDNER JR, GLEN	101721165	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GILBERT JR, KNUTE	600960370	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GILBERT, ANDREW P	600960369	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GUNDERSEN, BRANDON A	600960372	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GUNDERSEN, KURTIS R	600960373	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GUNDERSEN, LAIV M	600960374	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
GUNDERSEN, MARIITA U	600960371	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
JACOBSEN, JOHN G	600960375	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
JOHANSEN, WADE G	600960377	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
JOHANSEN, JULIUS K	600960378	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
KARLSEN, PAUL E	600960379	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
KOCHUTEN SR, RICHARD S	600960380	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
KRONE, JEREMY K	600960381	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
LIVINGSTON, MICHAEL	101404065	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
MCGLAGHAN, RAYETTE I	101429055	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
MOBECK, DENISE J	101689777	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
MOSKALENKO, VASILYI N	101656814	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
OSTERBACK, WALTER	600960385	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
SOMMER, SHANNON R	600960388	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
SPENCER, AARON G	101470109	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
SPJUT, KENNETH K	101618251	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
STARINES, JESSE A	101345462	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
TUPPER, ERIC C	101624077	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
VARNER, ANDREW J	101656786	Subscr-iber Only		1	\$957.25	Subscr-iber Only		1	\$9.31	Subscr-iber Only		1	\$48.15	\$1,014.71
<b>CLASS TOTAL:</b>				<b>30</b>	<b>\$28,717.50</b>			<b>30</b>	<b>\$279.30</b>			<b>30</b>	<b>\$1,444.50</b>	<b>\$30,441.30</b>
<b>PRODUCT COMBINATION TOTAL</b>				<b>30</b>	<b>\$28,717.50</b>			<b>30</b>	<b>\$279.30</b>			<b>30</b>	<b>\$1,444.50</b>	<b>\$30,441.30</b>

# SWAMC CONFERENCE



# PUBLIC COMMENTS

# EXECUTIVE SESSION

# COUNCIL COMMENTS

# ADJOURNMENT

**FYI**

January 29, 2015

**City of Sand Point  
P.O. Box 249  
Sand Point, AK 99661**

Dear Glen Gardner,

ON behalf of the SWAMC Board of Directors and Staff, thank you for your sponsorship, which provides valuable support to the 2015 Southwest Alaska Municipal Conference. Your partnership and investment in SWAMC helps us carry out many of our duties, which will include:

- Stakeholder-driven energy and infrastructure solutions;
- Member engagement and empirical needs assessment across a diverse region;
- Advocacy for Southwest Alaska business interests and community issues;
- Fisheries analysis, research, and monitoring of regulatory environment;
- Human capital and STEM education/workforce development;
- Networking - Annual Conference, monthly newsletters, committees, & information sharing;
- ...and much, much more.

We have a big year ahead with many challenges, so let's work together to keep Southwest Alaska's economy strong. Please contact us any time if we can offer assistance.

Sincerely,

A handwritten signature in black ink that reads "Douglas B. Griffin". The signature is written in a cursive, flowing style.

Doug Griffin,  
Executive Director

**BOYD, CHANDLER & FALCONER, LLP**

ATTORNEYS AT LAW  
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911 WEST EIGHTH AVENUE  
ANCHORAGE, ALASKA 99501  
TELEPHONE: (907) 272-8401  
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bcf@bcf.us.com

January 12, 2015

Mr. Andy Varner  
City Administrator  
City of Sand Point  
3380 C Street, Suite 205  
Anchorage, Alaska 99503

Dear Andy:

Enclosed is an overview of issues which flow from the passage of Proposition 2 legalizing personal possession and commercial sales of marijuana in Alaska. We are providing this without charge as a token of our appreciation for the opportunity to provide legal services to Sand Point over the years.

This memorandum sets out what we currently see as the major items requiring decisions by local elected officials. As you know, there is a state legislative and regulatory process that will unfold in unknown ways over the next 9 months. The initial decisions for any local government is whether to engage in that process hoping to impact the outcome, whether to wait for that process to conclude before addressing issues locally or whether to independently take steps to regulate legal marijuana in your community in advance of the state acting. As you can tell from the enclosed memorandum, we believe engaging at the local level is prudent. There are outcomes within control of local officials no matter what rules are adopted by state government. Proposition 2 does provide a wide range of local authority and different communities are likely to walk different paths on regulation and taxation of commercial sales of marijuana.

I am in the process of organizing a group of city and borough attorneys and local law enforcement folks with a goal to generally look out for local government concerns during this session and during the process of creating state regulations. This is not easy to accomplish since views may vary widely. The current goals are; 1) to ensure local government has a seat at the table; 2) to advocate for maximum local flexibility in regulation and taxation; and 3) to promote regulations which are clearly written and practical for local police departments to enforce. However this group at present does not claim to represent any community or even a collective group of communities. We will work through the Alaska Municipal League.

Mr. Andy Varner  
January 12, 2015  
Page 2 of 2

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Given the likely high degree of public interest in this topic, we suggest our memorandum be made available to the public upon request rather than treated as confidential.

Very truly yours,

BOYD, CHANDLER &  
FALCONER, LLP

By: 

Brooks W. Chandler

BWC/lkr  
Enclosure



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**MEMORANDUM**

To: Sand Point City Council

From: Brooks Chandler  
Charles Cacciola

Date: January 12, 2015

Re: Municipal Regulation of Marijuana

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Alaska's Act to Tax and Regulate the Production, Sale and Use of Marijuana (the "Marijuana Law") creates challenges and opportunities for municipalities. The Marijuana Law has two major functions: Ending state-level marijuana prohibition and creating a regulated commercial marijuana industry. The legislature may not substantively amend the Marijuana Law until February 24, 2017.

Local governments have significant authority to regulate, and even prohibit, marijuana commerce, but many questions remain unanswered, and unforeseeable issues will arise. Legal marijuana is a new development nationwide so the absolute limits of local regulation are largely unknown. Given the early stage of this "experiment", courts and the State will likely give deference to reasonable local regulations. This memorandum identifies issues for possible local regulation.

The Marijuana Law becomes effective on February 24, 2015. On that day, possession of small amounts of marijuana for personal use becomes lawful; local government does not have authority to alter this provision of the law.

Commercial marijuana follows a different timeline. The Alcoholic Beverage Control Board<sup>1</sup> ("ABC") has until November 24, 2015 to promulgate regulations for commercial marijuana cultivation, production, testing, and retail sale. ABC must begin accepting applications for marijuana facility permits<sup>2</sup> by February 24, 2016, and issue or deny permits

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<sup>1</sup> The Marijuana Law also permits the legislature to create a Marijuana Control Board independent from ABC.

<sup>2</sup> The Marijuana Law refers to marijuana business permits as "registrations." ABC refers to alcohol licenses as permits and we believe using the term permit is clearer than registration.

within 90 days of application. If the State misses any of these milestones, regulation of and permitting for marijuana facilities passes to local government.

## I. RECOMMENDATIONS

Local government should identify interests and priorities, particularly for marijuana commerce. Once interests and priorities are identified, local government must determine what, if any, marijuana facilities will be permitted, how many and from there develop a comprehensive local policy for marijuana. Broad policy determinations must be made before specific regulations can be created to implement that policy.

Based on our review and analysis of the Marijuana Law we recommend municipalities accomplish the following:

### By February 24, 2015, or soon thereafter:

1. Review employee and workplace policies to ensure that they continue to prohibit marijuana use, possession, and intoxication in the workplace; clarify policies and inform employees of the continued (or changed) policy regarding drug testing and marijuana specifically.
2. Review smoking policies and ordinances to ensure that they cover marijuana smoke. Determine whether the policies and ordinances cover vaporizer use.
3. Adopt underage possession and use minor offense ordinance.
4. Adopt definition of “public” to establish boundaries of prohibited public use.

### Assuming ABC meets all milestones, by November 24, 2015:

1. Designate a local regulatory authority.
2. Determine what marijuana facilities will be permitted, if any, and the maximum number of each type of facility.
3. Adopt standards for marijuana business regulation and permit review.

### Assuming ABC meets all milestones, by February 24, 2016:

1. Make necessary changes to tax ordinances if marijuana commerce will be permitted.

The State believes it will meet each milestone.<sup>3</sup> *In order to assert maximum local authority and obtain permitting revenue, local governments must designate a local marijuana regulatory authority no later than November 24, 2015. **Local governments will receive application fee revenue from ABC only if a local government has designated a local regulatory authority.***

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<sup>3</sup> Governor’s Office, *Marijuana Regulations Will be Issued on Time* (Release No. 14-017, December 30, 2014).

## II. PERSONAL USE UNDER THE MARIJUANA LAW AND *RAVIN*

The Marijuana Law allows personal possession of up to one ounce of marijuana and six cannabis plants.<sup>4</sup> Use and cultivation of marijuana in public are prohibited. Local government cannot modify these provisions. The legislature could add a broader local option, permitting a municipality to prohibit possession of marijuana outside the home (the constitutional right established by *Ravin*), in 2017.<sup>5</sup>

The Alaska Supreme Court previously recognized a personal right to limited marijuana use. Alaska's Constitutional right to privacy, as interpreted by the Alaska Supreme Court in *Ravin v. State*, protects limited marijuana use and cultivation *in the home*.<sup>6</sup> Because this is a constitutional right, no local or state legislation, including ballot measures, can restrict the right. The limited marijuana right established by *Ravin* can only be modified by an amendment to the state constitution or by the Alaska Supreme Court overturning *Ravin*.

In addition to restricting the amount of marijuana a person can possess for personal use, the Marijuana Law restricts personal cultivation of marijuana. Marijuana grown for personal use must not be visible to the public, and the grower must take reasonable precautions to prevent unauthorized access to the plants, and only grow on property the grower is in lawful possession of.<sup>7</sup>

## III. REGULATION OF PERSONAL USE & PERSONAL CULTIVATION

Local governments are keenly aware of the consequences of alcohol use and the complex regulations promoting responsible consumption so as to minimize negative effects on public health, safety, and budgets. These policies and regulations continue to evolve despite alcohol prohibition ending in 1933. Marijuana prohibition ends in February. Eighty years of alcohol regulation offers guidance for local regulation of marijuana, but sound marijuana policy will evolve over time and through experimentation. Nevertheless, local governments should consider several policy areas before marijuana prohibition ends on February 24, 2015.

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<sup>4</sup> The Marijuana Law states that no more than three plants can be flowering at any time. Three flowering plants likely exceeds one ounce of marijuana. However, the Marijuana Law states that a person can possess the marijuana of these plants at the site of cultivations.

<sup>5</sup> Municipalities that seek to restrict personal use beyond what is specified in the Marijuana Law should lobby the legislature to enact a broader "local option" in 2017, when the Marijuana Law can be amended. Under the *Ravin* decision, this "local option" could only prohibit possession of marijuana outside the home.

<sup>6</sup> *Ravin v. State*, 537 P. 2d 494 (Alaska 1975).

<sup>7</sup> Lawful possession does not require ownership. A lease provides lawful possession and a person may also grow with the permission of a person in lawful possession. A landlord, however, may prohibit marijuana cultivation or possession under a lease.

## **A. Minors**

The Marijuana Law ends marijuana prohibition for persons over 21 years of age only. The current criminal penalties for marijuana possession, distribution, and consumption will continue to exist for anyone under 21 (though it is unlikely that the State will continue to prosecute as harshly on this basis).<sup>8</sup>

Local governments may create local regulations, prohibitions, and minor offense penalties for minors in possession of marijuana as well as for adults who provide marijuana to underage persons. Local regulation will be particularly important if the State does not reform the criminal penalties for underage possession of marijuana. In the absence of a local minor offense ordinance, local law enforcement will face the decision of charging a minor with criminal marijuana possession or forgoing enforcement all together. Local ordinances can provide a middle ground, allowing enforcement through fines without the effects and expense of criminal prosecution of local youth.

## **B. Public Employment & Workplace**

The Marijuana Law does not affect an employer's (public or private) right to maintain drug use and drug-free workplace policies.<sup>9</sup> Employees may be terminated or disciplined, in accordance with employer policy, for marijuana use, even if it is medicinal or lawful marijuana use. With some exceptions, employee non-work marijuana use is a discretionary policy concern, though that policy can have legal implications.

Marijuana legalization has the potential to accidentally exempt marijuana from employment and drug-free workplace policies. For example, if a policy states that "Alcohol and illegal drugs may not be possessed or consumed in the workplace," an employee may reasonably believe that marijuana, legal under state law, is no longer included in the policy.<sup>10</sup> Policies should be reviewed, and if necessary clarified, to ensure that marijuana remains excluded from the workplace and efforts should be made to communicate the continued policy of workplace

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<sup>8</sup> Alaska has a specific procedure for prosecuting "minors" in possession of alcohol that allows non-habitual offenders to avoid a criminal record. The legislature could adopt a similar provision for marijuana, but it does not currently exist.

<sup>9</sup> The Colorado Supreme Court recently heard argument in a case where a person was fired for failing a drug test. The plaintiff, Mr. Coats, argued that, as a certified consumer of medical marijuana, he could not be fired for failing the drug test. Mr. Coats' argument is specifically based upon a Colorado statute that prohibits an employer from terminating an employee based on *legal* off-the-clock conduct. Because the argument is specifically based on a Colorado statute, the decision's persuasive value is lessened for Alaska. Nevertheless, the decision, once issued, will be the leading authority on the subject and likely inform the way the law will head.

<sup>10</sup> Marijuana remains illegal under federal law and thus probably remains within the scope of a policy banning "illegal" drugs. Nevertheless, policies must be clear to employees, who may not understand that marijuana remains illegal under federal law.

marijuana prohibition to employees so that they do not mistakenly believe that state legalization permits consumption or possession at work.<sup>11</sup>

Marijuana-related employment policies present challenges. Unlike alcohol, marijuana intoxication is not easily verifiable. Technology is developing, but current testing standards (as discussed below) poorly differentiate between recent marijuana use and present marijuana intoxication. Many tests cannot determine if an employee is under the influence of marijuana on a Monday morning or had merely consumed marijuana on a Saturday evening. Determining intoxication is the key problem for an employer wishing to respect employee privacy while also maintaining a sober workforce.

The Drug Free Workplace Act (“DFWA”) and other federal laws governing workplace safety, such as OSHA and Department of Transportation regulations, remain unchanged; marijuana remains a schedule I drug under federal law. DFWA applies to all recipients of federal grants. DFWA requires the workplace remains free of drugs; it does not require the workplace remain free of drug users. DFWA does *not* require drug testing or terminating or disciplining employees who use drugs outside of the workplace. In fact, because many provisions of DFWA relate to employee convictions for workplace drug offenses, legalization of marijuana will tend to alleviate some DFWA concerns. Workers in certain safety-sensitive positions, such as those holding a commercial driver license, must remain drug-free, including marijuana-free.

Due to federal law and tort liability, we recommend that employee and workplace drug policies not be substantially changed at this time. Current drug testing procedures and penalties, including for marijuana, should remain in place for the time being, *at least for all safety-sensitive positions*. Law regarding off-working-hours marijuana use will likely develop quickly over the next several years; substantive changes to drug testing policies should be delayed until the law is clarified and better testing for current intoxication (rather than off-work use) is available.

### **C. Public Use and Public Intoxication**

The Marijuana Law prohibits *use* of marijuana in public, allowing a fine of up to \$100 for each violation. Marijuana *intoxication* in public is not prohibited and cannot effectively be prohibited. Local government may wish to adopt an ordinance making public use of marijuana a minor offense so that fine revenue will go to local government.

The Marijuana Law does not define “public”; based upon alcohol laws, public should be understood to mean any place where the public may congregate even if private property. For

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<sup>11</sup> Municipalities may wish to similarly review policies regarding medical marijuana. For example, a policy may prohibit reporting to work under the influence of “alcohol or non-prescription drugs” in the work place. A person prescribed medical marijuana could argue that he or she is permitted to come to work under the influence of marijuana. Whether a municipality wants to permit medicinal marijuana users in non-safety sensitive positions to come to work under the influence of marijuana is a policy question, not a legal one. Nevertheless, the decision should be made after careful consideration, not as an accident of policy wording.

example, restaurants, bars, and commercial establishments open to the public are considered public; common areas in hotels and multi-unit residential buildings may also constitute public areas for consumption purposes. If local government adopts an ordinance making public use a minor offense, the ordinance should also define public.

Public use prohibitions, as well as ordinances prohibiting smoking in certain places, can be used to prohibit “marijuana bars,” including private clubs where members would smoke marijuana.<sup>12</sup> Local government’s authority to protect public health permits broad smoking bans (which presumably may include marijuana smoking). This broad authority arises out of the substantial health risks associated with smoking and second-hand smoke, not the consumption of nicotine (or marijuana). All public consumption of marijuana is banned by statute. Private consumption (outside of the home) by *smoking* may be prohibited by ordinance. But, a private marijuana club may be able to avoid a ban if the marijuana consumed is not smoked.<sup>13</sup>

If a municipality seeks effective enforcement of the public use ban, it should prohibit those responsible for “public” premises (*i.e.*, bars) from knowingly permitting the use or consumption of marijuana on the premises. Fining a bar for allowing its patrons to use marijuana is superior to fining the users as an enforcement mechanism.

Marijuana consumption in private but within public view is not, and cannot be, prohibited. *Limiting* marijuana *smoking* on private property may be possible through nuisance ordinances. Tobacco smoke is increasingly recognized as a nuisance if it unreasonably encroaches onto neighboring property.<sup>14</sup> Alaska precedent suggests a well-crafted ordinance that prohibits marijuana smoke from disturbing the peace and privacy of neighbors would survive judicial scrutiny.<sup>15</sup>

Prohibiting public marijuana intoxication is not practical. Under state law, a “person who appears to be intoxicated in a public place *and to be in need of help*” or incapacitated may be taken into protective custody.<sup>16</sup> This statute includes marijuana intoxication. Intoxicated persons remain subject to all laws relating to disorderly conduct. An ordinance prohibiting public marijuana intoxication, *unless accompanied by risky or legally offensive behavior* (such as driving), would likely be overly vague in definition<sup>17</sup> and not sufficiently related to a legitimate

<sup>12</sup> See, *Frat. Order of Eagles v. Borough of Juneau*, 254 P.3d 348 (Alaska 2011).

<sup>13</sup> Prohibiting public consumption of marijuana edibles is legally and practically problematic. Given public health harms associated with smoke, it is highly regulated. Eating candy does not similarly implicate public health. Practically, it is exceedingly difficult to determine if a person is consuming a marijuana cookie or candy or a drug-free version.

<sup>14</sup> For example, Utah statute says that a person can sue on a nuisance theory if tobacco smoke drifts into any residential unit a person rents, leases, or owns, from another residential or commercial. Utah Stat. 78B-6-1102.

<sup>15</sup> See *Stevens v. Matanuska-Susitna Borough*, 146 P.3d 3 (Alaska 2006).

<sup>16</sup> AS 47.37.170.

<sup>17</sup> Unlike alcohol intoxication, marijuana intoxication does not have accepted symptoms that would justify an investigatory stop.

government interest. To the extent that public marijuana intoxication causes disturbances, the offending conduct can be regulated even though intoxication itself cannot be effectively regulated.

#### **D. Smoking Regulations**

Smoking policies and ordinances should be reviewed and amended to ensure that marijuana smoking, not just tobacco smoking, is covered by the policies and ordinances. To avoid ambiguity and future dispute, any revision of smoking policies and ordinances ought to specify if use of vaporizers (e-cigarettes), for marijuana, tobacco or herbal preparations, is included or excluded in the definition of smoking.

#### **E. Personal Use Cultivation**

The Marijuana Law allows each adult to cultivate up to six cannabis plants, three of which may be flowering at a given time. The Law requires that cultivation occur out of public view, on premises lawfully possessed by the grower,<sup>18</sup> and with reasonable measures to prevent unauthorized access. Municipalities can rely upon fire, building, and land-use codes to further regulate personal cultivation. For example, municipalities can reasonably restrict personal cultivation based upon the total size of the grow permitted in a residence (regardless of the number of adults living there), prohibit odors from being detected off the property, or specify the types of lights used to grow marijuana. Fire, building and land-use codes are a powerful local government mechanism to avoid cultivation problems and resolve them as they arise.

#### **F. Personal Use Manufacturing and Oil**

The Marijuana Law permits possession and cultivation of marijuana for personal use. As part of this cultivation right, a person may “process” the grown marijuana. “Processing” does not entitle a person to manufacture marijuana products, and it may be possible to prohibit *manufacture and possession* of marijuana oil.

Under the Law, possession of most marijuana products (*i.e.*, edibles) is protected and local government may not restrict this right. The Law does not protect the right to create the products. In theory, local government could prohibit the manufacture of marijuana products by persons not possessing a manufacturer’s license. In practice, it is difficult to see what such legislation would accomplish; law enforcement will rarely be in someone’s kitchen to issue citations for making pot brownies and candy. Finding people in possession of marijuana products of course implies that someone manufactured those products, but enforcement based on this fact is tenuous.

If home manufacture of marijuana products is strongly opposed, a municipality *may* be able to ban possession of marijuana products that do not contain sufficient labeling.<sup>19</sup> Such an

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<sup>18</sup> Or with permission of the person with the right to the premises.

<sup>19</sup> The State and many municipalities have recently prohibited “spice” based upon labeling rather than the substance itself.

ordinance may be more effective to inhibit manufacture of marijuana products than an ordinance actually banning their production. Ultimately, homemade marijuana products such as brownies or cookies are unlikely to present the significant concerns presented by the professional production of marijuana products such as candy and chocolates, with their sophisticated packaging that would be expected to appeal to children.

Marijuana oil is a different matter. As a result of vaporizers and e-cigarettes, some marijuana users have turned to marijuana oil. The oil is not inherently problematic; the danger lies in its production. Manufacturing the oil involves heat-distilling highly flammable solvents and has been associated with numerous fires in Colorado and elsewhere. Local government can unquestionably ban the home manufacture of marijuana oil, but banning production rather than possession creates the same enforcement concerns identified above. There is a plausible argument that the Marijuana Law's definition of marijuana "does not include . . . oil . . ." <sup>20</sup> If this argument is correct (we will soon know if the Colorado Supreme Court believes it correct), local government can ban *possession* of marijuana oil as well as its manufacture, as Colorado has done.

#### IV. REGULATION OF MARIJUANA COMMERCE & FACILITIES

The Marijuana Law establishes four types of marijuana facilities: cultivation, testing, manufacturing, and retail stores. A cultivation facility may sell marijuana to other facilities only. Testing facilities determine the safety and potency of marijuana and marijuana products; they may not sell marijuana. Marijuana manufacturing facilities are able to create marijuana products (*i.e.*, edibles) from marijuana; they may also serve as distributors between cultivators and retail stores. Retail stores are the *only* facilities permitted to sell marijuana or marijuana products to consumers. Local government may regulate and permit each facility type separately. Local government may also set the number of permits, or the number of each type of permit, that may be issued to facilities within local boundaries. Local government can entirely prohibit marijuana commerce by council/assembly vote or referendum.

Local governments have broad authority to regulate, and even prohibit, commercial marijuana facilities. Local regulation of marijuana commerce has four components: 1) Local government's inherent health, welfare, and tax powers, 2) powers specifically allocated to the "local regulatory authority", 3) local government's authority under the Marijuana Law *if* ABC acts, and 4) local government's authority under the Marijuana Law *if* ABC fails to act.

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<sup>20</sup> Colorado's Attorney General recently made this statute-based argument to in response to a judicial challenge of Colorado's statute prohibiting marijuana oil; a decision has not yet been made. *See Colorado v. Christenson*, 14CR443 (District Court, Mesa County), *Attorney General's Response to Defendant's Motion to Declare § 18-18-406(2)(a)(I), C.R.S. (2014) Unconstitutional* (December 18, 2014). The language of Alaska's statute is identical.



## A. Local Regulation & Taxation

The Marijuana Law does not affect local government's authority to regulate health and welfare or levy taxes. Local governments can regulate marijuana businesses the same as other businesses, including by licensing, taxing, zoning, and safety requirements.

The Marijuana Law states that local government may regulate the "time, place, and manner of a marijuana establishment."<sup>21</sup> Having used such terms, the Law suggests that marijuana businesses should be treated like "adult entertainment" businesses. Much of the conflict regarding zoning of adult entertainment, however, relates to First Amendment protections afforded to adult entertainment. Marijuana commerce, unlike adult entertainment, is not a protected right. Marijuana commerce could have stricter regulation than adult entertainment. Because marijuana commerce is not protected as speech is, regulation does not have to be neutral; local governments *can* regulate the industry differently than other business, so long as there is a rational basis for the difference in regulation. Rational basis is a low threshold; virtually any reasonable regulation is permissible.

Commercial marijuana is subject to municipal sales and use tax. Unlike alcohol, which *cannot* be taxed higher than other taxed goods and services, marijuana can be taxed at higher rates.<sup>22</sup> If a municipality allows marijuana manufacturing, testing, or cultivation facilities, it should examine its sales tax ordinance to ensure that these businesses will be taxed (if taxation is intended). Local governments may assess *additional* fees to marijuana business, as discussed below.

### 1. "Local Regulatory Authority"

The Marijuana law contemplates a "local regulatory authority" for local marijuana regulation. The local regulatory authority is the office or entity designated by the local government to process business applications (whether or not permits are ultimately granted by the local authority or ABC). The local regulatory authority is authorized to set annual operating fees for marijuana facilities and local standards for marijuana facility permitting.

The Marijuana Law does not restrict who or what can serve as the local regulatory authority: it could be the municipal manager, the assembly or council, the department of public safety, an existing board, or a specially created authority. The Marijuana Law does not specify how a local government designates such an authority. If a local government adopts a municipal code chapter for marijuana regulation, designating the regulatory authority in that chapter is appropriate.

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<sup>21</sup> Discriminatory taxation of alcohol is prohibited by AS 04.21.010. No similar provision exists for marijuana.

<sup>22</sup> A marijuana sales tax rate can also serve as benchmark for an elevated sales tax on alcohol.

*In order to receive application fees and comment on facility permit applications, a municipality must designate a local regulatory authority. A municipality should, at a minimum, designate a local regulatory authority by ordinance on or before November 24, 2015.*

## **2. Local Government Authority if ABC Achieves Milestones.**

The Marijuana Law aims to regulate commercial Marijuana similar to regulation of alcohol. To this end, ABC is tasked with creating regulations and accepting and reviewing permit applications. The Marijuana Law sets strict deadlines for ABC to complete its tasks. Assuming ABC achieves each milestone (see below), it will be the primary regulatory authority and is authorized to promulgate regulations relating to:

- License application, renewal, and revocation procedures
- Application fees (likely limited to \$5,000 per application)
- Qualifications for license holders
- Transportation regulations
- Preventing sale to underage persons
- Product advertising
- Product labeling
- Additional product safety standards and restrictions
- Ensuing the safety of cultivation and processing

Although ABC has *primary* authority, local governments may impose stricter regulations in some circumstances as long as those restrictions do not conflict with the Marijuana Law.

When ABC reviews a permit application, it will submit the permit application, along with half the application fee, to the local regulatory authority. The local regulatory authority evaluates the application to determine if the application and applicant comply with local marijuana regulations, including zoning, business licenses, and maximum number or type of licenses permitted.

ABC will have authority to permit all types of marijuana facilities, although ABC will not issue a permit for a facility in a location that has prohibited that type of facility. More important for local governments, ABC, in addition to providing half of the application fee to local government, will *not* issue a permit if the local regulatory authority notifies ABC that the application does not conform to local regulations. ***Local government will only receive these funds and be able to provide this notice if it designates a local regulatory authority.***

## **3. Local Government Regulation Authority if ABC Fails to Achieve Milestones.**

If ABC fails to meet milestones, regulatory authority, including authority to permit marijuana facilities, shifts from ABC to the local regulatory authority *if* the local authority has been authorized by the local governing body to accept such authority. If approved by the

government, the local regulatory authority will have the authority normally designated to it as well as the authority to issue permits if ABC fails to:

- Adopt regulations by November 24, 2015
- Accept permit applications by February 24, 2016
- Issue permits by May 24, 2016
- Issue or deny each particular permit within 90 days of receiving the application

If ABC fails to achieve any of these tasks by the date stated, local government may directly accept applications and issue permits as soon as February 24, 2016.<sup>23</sup> The local regulatory authority may also set the application fee if it accepts applications in place of ABC. Any locally-issued permit will be valid for one year following issuance.

## **B. Franchise Model**

The Marijuana Law allows local government to limit the number of each type of permit. The Law also permits local government to recommend who receives permits should the number be limited. If a municipality wishes to have marijuana facilities while retaining maximum control over their operation, the municipality can control the facility by agreement with the permittee. City-owned liquor stores exist in Kotzebue (where it generates about 15% of the city's cash revenue) as well as in Kiana. However, uncertainties in federal law and the perception of a municipality as a drug dealer, suggest that a franchise-type arrangement is preferable to a city-owned pot shop.

Under this model, a municipality specifies that only a designated number of a given type of permit can be issued and that the recipient shall be identified by the municipality following a bidding process or request for proposal. The municipality can use this process to ensure that only responsible parties are issued marijuana permits. The permit is granted to the winning bidder pursuant to a contractual agreement, allowing the municipality to strictly dictate terms of marijuana commerce and ensure strict compliance. In addition, more revenue may be collected than with taxation alone. Contractual restrictions may be the best way to prevent the sale of marijuana products that would appeal to children (gummy bears, lollipops, chocolates, etc), a significant concern in Colorado and in public discussion of the Marijuana Law. Contractual restrictions may also be used to promote quality control and oversight as well as to encourage local production.

## **V. ADDITIONAL FEDERAL ISSUES**

Marijuana remains illegal under federal law. Following legalization in Colorado and Washington, the Department of Justice issued a guidance setting forth enforcement priorities.<sup>24</sup>

<sup>23</sup> The Marijuana Law requires ABC to adopt regulations by November 24, 2015. If ABC does not, local government may issue permits, but not until February 24, 2016. Local government may act immediately if ABC does not meet the other milestones.

<sup>24</sup> U.S. Department of Justice, *Guidance Regarding Marijuana Enforcement* (August 29, 2013).

The guidance manifests a hands-off approach to general marijuana enforcement in states that legalize it. The DOJ identified the following as areas where marijuana enforcement *will* remain a priority:

- Preventing distribution to minors
- Preventing legal revenue from supporting criminal enterprises
- Preventing interstate transportation
- Preventing lawful activity from being used as a cover for unlawful drug activity
- Preventing violence and the use of firearms in connection with marijuana
- Preventing public lands from being used for cultivation
- Preventing use or possession in federal property

#### **A. Conditions of Federal Agreements**

As previously noted, all recipients of federal grants are obligated to maintain drug-free workplaces. Specific grants and agreements *may* contain additional terms. For example, education grants may require recipients to make certain efforts to combat drug use among students or drug possession in school zones.<sup>25</sup> This particular example is not overly problematic for municipalities as marijuana use remains illegal for all persons under the age of 21 and, presumably, municipalities will not permit marijuana facilities close to schools.<sup>26</sup> Law enforcement and transportation grants and agreements are other areas of concern.

Given the wide breadth of possible terms and conditions, it is impossible to say what agreements, if any, would be impacted by the end of marijuana prohibition on the state level. The DOJ's soft moratorium on marijuana enforcement may or may not apply to municipal-federal agreements if those agreements contain any drug-related terms.

Municipal departments should review their federal grants and agreements to see if the grants or agreements are affected by state marijuana legalization. In particular, school, law enforcement, and airport/port/harbor grants and agreements should be reviewed. If legalized or commercial marijuana implicates any terms, thorough analysis of the terms and local policy will be required. Resolving conflict, if any, may be as simple as developing a policy to give effect to the grant terms and is unlikely to require drastic local regulation (such as prohibiting marijuana commerce). If conflict is unavoidable, it may be possible to receive an exception from the relevant federal agency.

#### **B. Banking**

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<sup>25</sup> Alaska universities face a more significant challenge. Federal aid for higher education does require that colleges and universities have and enforce drug policies for their students. Unlike high school students, some of these students will be able to lawfully possess and consume marijuana.

<sup>26</sup> Similarly, federal Department of Transportation grants likely require certain efforts to combat intoxicated driving. Driving under the influence of marijuana is currently illegal and will remain illegal so such terms are not areas of specific concerns.

Banks have been reluctant to bank marijuana businesses, including credit card transactions, out of concern that the banks will run afoul of federal banking regulations. The lack of banking creates concerns for both marijuana businesses and government as a small business possessing large amounts of untraceable cash is a significant crime target.

This issue may resolve itself before marijuana commerce begins in 2016. In February 2014, the DOJ issued a guidance effectively authorizing banks to provide services to marijuana business that are lawful under state law.<sup>27</sup> In August, federal officials stated that 105 banks and credit unions had begun banking marijuana businesses. Given the addition of Oregon and Alaska to states that will have lawful marijuana commerce and the speed with which banking issues have already been addressed, local government should approach this issue with a cautious optimism that it will be resolved before February 2016, the earliest commercial marijuana sales in Alaska could begin. If the issue is not resolved, local governments may wish to require that applicants for marijuana facility permits identify cash safety and security plans as part of their application.

### **C. Transportation**

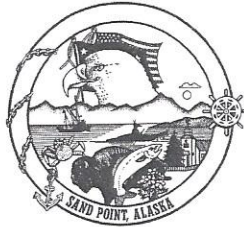
Interstate transportation of marijuana remains a federal enforcement priority. *Intrastate* transportation enforcement is less clear. Aviation, like banking, is heavily regulated by the federal government. Because Washington and Colorado do not have bush communities, this aspect of marijuana commerce is entirely undetermined. A local government could permit retail stores, but those stores may have no ability to obtain product unless it is produced locally (delivery by ship is at least as problematic as the vessel would travel in federal waters). Even if not an enforcement priority, air carriers may be reluctant to face uncertain risks.

The Marijuana Law calls for ABC to adopt regulations for *intrastate* transportation of marijuana and federal transportation issues (except as relates to grants and agreements as identified above) are not likely to directly implicate municipal concerns. Nevertheless, transportation issues should be watched as state and federal regulation develop.

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<sup>27</sup> U.S. Department of Justice, *Guidance Regarding Marijuana Related Financial Crimes* (February 14, 2014).

# City of Sand Point



January 26, 2015

Division of Community and Regional Affairs  
Community Revenue Sharing Program  
Attn: Danielle Lindoff  
P.O. Box 110809  
Juneau, Alaska 99811

RE: FY 2016 Community Revenue Sharing Application

Dear Ms. Lindoff:

Enclosed you will find our FY16 Community Revenue Sharing Application package including the Application Cover and the Budget Form. Also enclosed is a copy of our FY14 audit.

I will forward a copy of our FY16 budget once it is adopted by the Sand Point city council (scheduled for June 2015).

I understand that the estimated Revenue Sharing payment to the city of Sand Point will be **\$137,322.**

If I can provide any further information, please let me know.

Sincerely,

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

Andy Varner  
City Administrator

Cc: Mayor Glen Gardner, Jr.  
Sand Point City Council

**FY 2016  
COMMUNITY REVENUE SHARING PROGRAM  
APPLICATION COVER SHEET**

Sand Point

Name of City	1.30.15
3380 C St.	Date
Mailing Address	907.274.7561
Anchorage, AK 99503	Phone
City, State, Zip Code	907.274.3540
Andy Varner	Fax
Printed Full Name of Designated CRS Contact	avarner@sandpointak.org
	Primary Contact E-Mail

**"Minimum Qualifications"**

	Yes	No	Not Applicable
a. Did your municipality successfully conduct its most recently scheduled local regular election?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Are regular meetings of the governing body held in accordance with local code and a record of the proceedings maintained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
c. Have your municipality's ordinances been codified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
d. If the municipality levies and collects property taxes, has the municipality provided the Taxpayer Notice required by AS 29.45.020?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**"Certification and Assurances"**

The applicant certifies that to the best of my knowledge and belief, the information contained in this application is true and correct and the applicant agrees to comply with the laws and regulations which are used to administer Community Revenue Sharing Program funds.

Andy Varner, Administrator  
Mayor, Manager or Administrator  
Printed Name, Title

Andy Varner  
Mayor, Manager or Administrator  
Signature

# FY 2016 COMMUNITY REVENUE SHARING

## PROPOSED CRS BUDGET FORM

City of Sand Point

\_\_\_\_\_  
Name of City

Please describe below how your city proposes to use its estimated FY 2016 Community Revenue Sharing payment.

FUEL	\$ 20,000
ELECTRICITY	\$ 30,000
INSURANCE	\$ _____
EDUCATION	\$ _____
WATER/SEWER	\$ 30,000
PUBLIC SAFETY	\$ 15,322
FIRE	\$ 12,000
ROAD MAINTENANCE	\$ _____
HARBORS	\$ 30,000
HEALTH	\$ _____
LOCAL TAX RELIEF	\$ _____
GENERAL ADMINISTRATION	\$ _____
OTHER _____	\$ _____
OTHER _____	\$ _____
OTHER _____	\$ _____

**ESTIMATED PAYMENT**

**\$137,322**





THE STATE of ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing

Business License Section

State Office Building, 333 Willoughby Avenue, 9th Floor
PO Box 110806, Juneau, AK 99811-0806
Phone: (907) 465-2550 \* Fax: (907) 465-2974
Email: businesslicense@alaska.gov
Website: http://commerce.alaska.gov/cbpl/bl

NEW ALASKA BUSINESS LICENSE APPLICATION
AS 43.70 and 12 AAC 12

For immediate processing you may file online and print your business license.

1. BUSINESS NAME: City of Sand Point, Alaska
Enter the exact name you will be doing business as. You must operate and advertise only in the exact name listed above.
Previous business license number (if applicable):
MAILING ADDRESS: PO Box 249
PHYSICAL ADDRESS: 249 Main St.
Sand Point AK 99661
City State Zip

2. FEES
BUSINESS LICENSE FEE(S): Select only one business license fee option (regular or senior or disabled veteran).
Regular Fees (You may apply online and print your new business license certificate immediately)
\$50 = 1 year business license expiring 12/31/2015.
\$100 = 2 year business license expiring 12/31/2016.
-OR-
Senior Discount Fee (You may apply online and print your new business license certificate immediately)
To qualify you must be 65 years or older, a sole proprietor and provide your date of birth.
DOB / /
\$25 = 1 year business license expiring 12/31/2015.
\$50 = 2 year business license expiring 12/31/2016.
-OR-
\*NEW\* Disabled Veteran Discount Fee: This new discount fee goes into effective on 10/29/2014. To qualify you must be a sole proprietor and provide a copy of your service connected disability determination letter from Veteran Affairs along with your hardcopy business license application and the appropriate fee.
\$25 = 1 year business license expiring 12/31/2015.
\$50 = 2 year business license expiring 12/31/2016.
Note: per AS 43.70.030(a) only one qualified discount fee (senior -OR- disabled veteran discount) may be applied to a business license fee.

**TOBACCO ENDORSEMENT FEE(S):**

\$100 PER ENDORSEMENT LOCATION (in addition to above appropriate business license fee). Tobacco endorsements will expire on the same date as the business license to which they are attached and are renewable with the business license. One endorsement is required for each location. Provide each location on the Tobacco Endorsements portion of this application.

Number of Tobacco Endorsement locations: \_\_\_\_\_ X \$100 = \$ \_\_\_\_\_.

**FEE TOTALS: Business License \$ \_\_\_\_\_ + Tobacco Endorsements \$ \_\_\_\_\_ = TOTAL \$ \_\_\_\_\_**

*Make check payable to State of Alaska. Once the business license/endorsements have been issued the fees are nonrefundable.*

**3. OWNERSHIP INFORMATION:**

**Ownership Type** (Select which type of organization owns this business license.)

- Sole Proprietor** (One natural individual.)
- Partnership** (Two or more persons: natural individuals and/or entities. If one or more of the partners is an entity then you must, per AS 43.70.020(d), provide the entities' Alaska Entity Number(s) \_\_\_\_\_.)
- Corporation** (i.e. business, professional, religious, non-profit or cooperative corporation) and you must, per AS 43.70.020(d), provide your Alaska Entity Number \_\_\_\_\_
- LLC** and you must, per AS 43.70.020(d), provide your Alaska Entity Number \_\_\_\_\_
- LLP** and you must, per AS 43.70.020(d), provide your Alaska Entity Number \_\_\_\_\_
- LP** and you must, per AS 43.70.020(d), provide your Alaska Entity Number \_\_\_\_\_
- Other (describe)** (i.e. trust, tribe, village, municipality, etc.) Municipality

(For more information regarding Alaska Entity numbers go to <http://commerce.alaska.gov/cbpl/corp>.)

**Name(s) of all Owner(s):**

Clearly print name of Sole Proprietor (one individual owner) OR all partner names if a Partnership OR Entity name if a Corporation, LLC, LLP, or LP. (If necessary please use a separate page to provide the names of all owners.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**4. NAICS CODES:** Effective 10/29/2014 a business license may have multiple lines of business. Choose the NAICS codes that best describes your Primary and Secondary Lines of Business activities. For more information regarding Alaska NAICS Codes go to <http://commerce.alaska.gov/cbpl/bl>.

NOTE: Any line of business subject to professional license, per AS 43.70.020(d), must be listed as the primary and secondary lines of business under AS 43.70.020(a)(2). For additional information about professional licenses go to <http://commerce.alaska.gov/cbpl/pl>.

Primary NAICS Code: 921190 Alaska Professional License Number: \_\_\_\_\_  
 (If applicable based on the NAICS Code.)

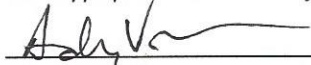
-AND-

Secondary NAICS Code: 921110 Alaska Professional License Number: \_\_\_\_\_  
 (If applicable based on the NAICS Code.)

**5. SIGNATURE:**

By signing this application I declare, under penalty of perjury, that this application is true and complete, including any information provided in the tobacco endorsement section.

PRINT NAME: Andrew Varner TITLE: City Administrator PHONE: (907) 274-7561  
 (Note: Please provide appropriate title based on type of organization, such as: Sole Proprietor, Partner, or President of <owner entity name>, etc.)

SIGNATURE:  DATE: 1.27.2015

*Once the business license/endorsements have been issued the fees are nonrefundable.*

**To avoid processing delays do not leave any applicable area of the business license application incomplete.**

**IMPORTANT: If your business will sell tobacco products you must complete page three to obtain Tobacco Endorsement(s) for each location or outlet where you will be selling tobacco products.**