

# City of Sand Point Council Meeting



**Workshop: Tuesday, February 14, 2017 – 2:00 p.m.**

**Meeting: Tuesday, February 14, 2017 – 7:00 p.m.**

# CALL TO ORDER

# ROLL CALL

# CITY OF SAND POINT

(packet will be available on website February 10,  
2017 [www.sandpointak.com](http://www.sandpointak.com))



## MAYOR

Mayor Glen Gardner Jr. - Office Exp. 2017

## COUNCIL MEMBERS

Danny Cumberlidge	Seat A - Exp. 2019
Allan Starnes	Seat B - Exp. 2017
Shirley Brown	Seat C - Exp. 2019
Jack Foster Jr.	Seat D - Exp. 2017
Marita Gundersen	Seat E - Exp. 2018
Emil Mobeck	Seat F - Exp. 2018

## SAND POINT CITY COUNCIL MEETING AGENDA CITY CHAMBERS

**Regular Meeting**

**Tuesday, February 14, 2017 7:00 pm**

**CALL TO ORDER  
ROLL CALL  
APPROVAL OF AGENDA**

### CONSENT AGENDA:

1. Minutes: Minutes of Regular Meeting on January 10, 2017

### 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. Resolution 17-01: Shared Fish Tax

### OLD BUSINESS:

### NEW BUSINESS:

1. Chief of Police Contract: Roger Bacon
2. GCI Space & Power Antenna Installation Agreement

**PUBLIC COMMENTS  
COUNCIL COMMENTS  
ADJOURNMENT**

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

POSTED: 02/08/17

**CALL TO ORDER:**

The regular meeting of the Sand Point City Council was held Tuesday, January 10, 2017 in the Sand Point Council Chambers. Mayor Glen Gardner, Jr. called the meeting to order at 7:00 p.m.

**ROLL CALL:**

Glen Gardner, Jr.	Mayor	Present
Danny Cumberlidge	Seat A	Present
Allan Starnes	Seat B	Present
Shirley Brown	Seat C	Present
Jack Foster, Jr.	Seat D	Present
Marita Gundersen	Seat E	Present
Emil Mobeck	Seat F	Present

A quorum was established.

**Staff in attendance:**

- Andy Varner, Administrator
- Shannon Sommer, City Clerk
- Krista Galvin, Finance Officer
- Richard Kochuten, Sr., Harbor Master
- John Lucking, Jr., DPS Manager via teleconference

**APPROVAL OF AGENDA:**

Mayor Glen Gardner, Jr. requested a motion to approve the agenda.

MOTION: Councilperson Marita Gundersen made a motion to adopt the agenda with the addition of #2 AEBSB Donation Request, under New Business.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

**APPROVAL OF CONSENT AGENDA:**

- 1. Minutes of October 11, 2016 Regular Meeting.

Mayor Glen Gardner, Jr. requested a motion to approve the consent agenda.

MOTION: Councilperson Shirley Brown made a motion to adopt the consent agenda.

SECOND: Councilperson Emil Mobeck seconded the motion.

VOTE: Motion passed unanimously.

**REPORTS:**

Finance Officer- Krista Galvin

Finance Officer Krista Galvin reported for the month of November 2016 Raw Fish Tax was \$6,757.09 and Sales Tax was \$35,987.57. She included all reports for the months of September 2016, October 2016 and November 2016.

Administrator - Andy Varner

Administrator Andy Varner reported DOT, the City and PenAir have started to have monthly status meetings on recertifying the airport. The replacement ARFF truck will arrive in Sand Point on the 1<sup>st</sup> or 2<sup>nd</sup> ferry of 2017. DOT had completed most of the manuals and wildlife assessment, they also had talked to a couple local residents to train and provide ARFF capabilities. The Local Boundary Commission’s next step was to write a preliminary report based on petition and comments received, due in March. The City submitted a letter to the NPFMC related to the GoA Trawl Bycatch Management program, and the Administrator testified on behalf of the City, in the end the Council took no action on the item. The City signed the agreement with TDX and EAT to proceed with the

installation of the electric boiler at the clinic, which the plan calls for SPG to sell excess wind electric heat to the clinic and school for \$0.06/kWh.

Department of Public Safety - Chief John Lucking, Jr.

Manager of Public Safety John Lucking, Jr. on the phone reported there is statistical information included in the packet and feel free to ask any questions.

Public Works Director – David Stokes

Mayor Glen Gardner, Jr. gave an update for Public Works Director David Stokes who recently returned from leave.

Water and Sewer

Water/Sewer Supervisor Allen Hill's report included in packet.

Harbor Master - Richard Kochuten, Sr.

Harbor Master Richard Kochuten, Sr. reported freight boats are back to a weekly schedule. Machinery are maintained on a regular basis. They have been hauling building material around town for some individuals. Fleetwelding Service completed and installed 9 ladders along the East wall, the 10<sup>th</sup> ladder will be installed when the crew fixes some repairs on the wall. The crew have been checking the F/V Barren Islands on a daily basis, and the needed information to impound and sell had been posted on it and around town.

Mayor Gardner asked Harbor Master Kochuten about the work on the electrical pedestals. Harbor Master Kochuten replied Henry Nielsen will work on them the next morning with 1-2 crew members. Administrator Varner asked if he spoke with Puffin Electric, Harbor Master Kochuten replied the warranty expired and he received the proper pedestal numbers.

**HEARINGS, ORDINANCES, AND RESOLUTIONS:**

1. Ordinance 2017-01: Adopting Dept. of Public Safety Fees & Fines Schedule – 2<sup>nd</sup> Reading

MOTION: Councilperson Shirley Brown made a motion to put Ordinance 2016-04: Adopting Dept. of Public Safety Fees & Fines Schedule on the floor for 2<sup>nd</sup> reading.

SECOND: Councilperson Allan Starnes seconded the motion.

VOTE: Motion passed unanimously.

The Council discussed increasing the fines for two ordinances. Administrator Varner stated ordinances 12.20.060 (a) furnishing alcohol to prohibited persons and 12.04.060 marijuana possession or consumption at less than 21 years of age need to be amended at this time to avoid brought back at a later meeting.

MOTION: Councilperson Marita Gundersen made a motion to adopt Ordinance 2016-04: Adopting Dept. of Public Safety Fees & Fines Schedule with the 2 additions.

SECOND: Councilperson Allan Starnes seconded the motion.

VOTE: Motion passed unanimously.

2. Ordinance 2017-02: Amendment to “Legal Guardian” – 2<sup>nd</sup> Reading

MOTION: Councilperson Jack Foster Jr. made a motion to put Ordinance 2016-05: Amendment to “Legal Guardian” on the floor for 2<sup>nd</sup> reading.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

MOTION: Councilperson Marita Gundersen made a motion to adopt Ordinance 2016-05: Amendment to “Legal Guardian.”

SECOND: Councilperson Emil Mobeck seconded the motion.

VOTE: Motion passed unanimously.

**OLD BUSINESS:** None.

**NEW BUSINESS:**

1. SWAMC Sponsorship

The City will send 3 Council members to the 2017 SWAMC Annual Membership Meeting.

MOTION: Councilperson Shirley Brown made a motion to approve a \$750 Coffee Break sponsorship for the 2017 SWAMC Annual Membership Meeting.

SECOND: Councilperson Jack Foster Jr. seconded the motion.

VOTE: Motion passed unanimously.

2. AEBSD Donation Request

MOTION: Councilperson Marita Gundersen made a motion to approve the AEBSD Donation Request of \$2,000.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

**PUBLIC COMMENTS:** None.

**COUNCIL COMMENTS:**

Councilperson Allan Starnes stated we hope the community pushes forward with the half-way house or program for individuals to receive help for an addiction. Dave Dillard stated there are a couple ways to receive help such as a sponsor, call a 1-800 number, or call in for meetings. Councilperson Shirley Brown expressed her thanks for the chance to attend AML.

**EXECUTIVE SESSION:**

MOTION: Councilperson Danny Cumberlidge made a motion to go into Executive Session at 7:45 PM.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

MOTION: Councilperson Shirley Brown made a motion to bring the regular meeting back to order at 8:10 PM.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

No action taken during the Executive Session.

**ADJOURNMENT:**

MOTION: Councilperson Jack Foster Jr. made a motion to adjourn.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

The meeting adjourned at 8:15 PM.

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

ATTEST:

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

# REPORTS



# FINANCE OFFICER

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

	<u>FY12</u>		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
June	217,340.55	July	98,195.23	156,655.84	121,976.31	110,509.71	129,882.77
July	139,818.08	August	68,242.04	137,107.36	48,575.15	94,822.69	42,576.34
August	117,033.81	September	71,393.24	53,307.44	64,362.76	62,297.79	63,622.18
September	79,043.91	October	74,240.08	41,610.64	32,213.32	76,878.70	59,854.60
October	74,929.24	November	5,675.98	22,386.53	7,214.11	3,770.50	6,757.09
November	10,518.19	December	1,305.30	5,337.01	372.97	735.79	-
December	92.61	January	39,379.85	43,650.07	25,670.23	21,798.52	-
January	61,025.94	February	33,190.81	53,363.98	37,309.68	47,098.16	-
February	80,458.14	March	78,691.30	65,073.23	88,220.14	69,354.74	-
March	103,148.90	April	24,930.11	36,514.38	15,613.35	23,493.50	-
April	29,908.61	May	16,846.94	21,292.12	25,246.23	16,091.74	-
May	26,019.65	June	129,015.93	64,462.43	68,319.25	78,884.08	-
	<b>939,337.63</b>	<b>Total</b>	<b>641,106.81</b>	<b>700,761.03</b>	<b>535,093.50</b>	<b>605,735.92</b>	<b>302,692.98</b>

**Sales Tax Revenue**

	<u>FY12</u>		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
June	96,304.83	July	101,206.98	82,934.73	104,201.30	88,780.27	75,255.42
July	98,121.00	August	76,571.79	73,136.15	88,102.34	92,491.15	64,147.25
August	77,436.07	September	194,900.07	75,647.72	116,436.20	95,569.47	80,332.82
September	89,882.29	October	85,720.47	69,251.83	81,510.79	71,821.64	62,727.84
October	93,787.49	November	90,575.50	46,816.20	43,535.59	35,841.10	36,741.45
November	34,431.36	December	44,723.29	52,116.25	44,980.97	48,357.80	37,647.73
December	59,315.91	January	62,428.48	80,977.40	66,575.33	60,942.89	-
January	72,690.48	February	57,547.22	84,035.36	69,895.86	60,702.43	-
February	68,392.21	March	75,307.36	126,325.95	105,731.28	81,364.98	-
March	83,181.02	April	65,117.67	86,407.71	58,562.79	53,394.08	-
April	72,659.25	May	58,775.64	70,189.92	52,976.00	44,528.77	-
May	56,084.05	June	80,381.46	98,758.26	96,824.06	80,350.37	-
	<b>902,285.96</b>	<b>Total</b>	<b>993,255.93</b>	<b>946,597.48</b>	<b>929,332.51</b>	<b>814,144.95</b>	<b>356,852.51</b>
				TDX Fines	(150,000.00)		
					779,332.51		

City of Sand Point  
Bank Balance

Date

	Balance	
Bank	End of DECEMBER	Date
Key Bank	2,026,779.56	2/10/2017
Wells Fargo - General	566,296.56	143,283.08
Wells Fargo - Bingo Fund	123,451.86	135,782.37
Wells Fargo - Silver Salmon Fund	37,185.53	37,185.53
AlaskaUsa Federal Credit Union CD	605,955.59	606,416.20

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

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Current Period: DECEMBER 16-17

	16-17 YTD Budget	16-17 YTD Amt	DECEMBER MTD Amt	16-17 YTD Balance	% of YTD
<b>GENERAL FUND</b>					
LEGISLATIVE	\$131,800.00	\$77,861.36	\$17,654.59	\$53,938.64	59.08%
ADMINISTRATION	\$973,560.00	\$476,752.74	\$80,712.10	\$496,807.26	48.97%
PARKS AND RECREATION	\$25,500.00	\$11,665.86	\$2,903.78	\$13,834.14	45.75%
PUBLIC SAFETY	\$528,000.00	\$282,687.34	\$48,445.12	\$245,312.66	53.54%
PUBLIC WORKS	\$614,600.00	\$224,991.86	\$45,505.04	\$389,608.14	36.61%
FACILITIES	\$326,350.00	\$93,982.15	\$19,592.48	\$232,367.85	28.80%
<i>Total GENERAL FUND</i>	\$2,599,810.00	\$1,167,941.31	\$214,813.11	\$1,431,868.69	44.92%
<b>BINGO FUND</b>					
ADMINISTRATION	\$513,600.00	\$374,963.74	\$36,900.75	\$138,636.26	73.01%
<i>Total BINGO FUND</i>	\$513,600.00	\$374,963.74	\$36,900.75	\$138,636.26	73.01%
<b>SILVER SALMON DERBY</b>					
FIRE	\$18,750.00	\$28,333.35	\$0.00	-\$9,583.35	151.11%
<i>Total SILVER SALMON DERBY</i>	\$18,750.00	\$28,333.35	\$0.00	-\$9,583.35	151.11%
<b>CLINIC OPERATIONS/MAINTENANCE</b>					
ADMINISTRATION	\$32,777.00	\$0.00	\$0.00	\$32,777.00	0.00%
<i>Total CLINIC OPERATIONS/MAINTENANCE</i>	\$32,777.00	\$0.00	\$0.00	\$32,777.00	0.00%
<b>ROCK CRUSHER ENTERPRISE FUND</b>					
PUBLIC WORKS	\$0.00	\$598.79	\$24.99	-\$598.79	0.00%
<i>Total ROCK CRUSHER ENTERPRISE FUND</i>	\$0.00	\$598.79	\$24.99	-\$598.79	0.00%
<b>WATER/SEWER OPERATIONS</b>					
WATER/SEWER	\$284,000.00	\$127,903.86	\$29,292.04	\$156,096.14	45.04%
<i>Total WATER/SEWER OPERATIONS</i>	\$284,000.00	\$127,903.86	\$29,292.04	\$156,096.14	45.04%
<b>HARBOR/PORT OPERATIONS</b>					
HARBOR	\$556,750.00	\$251,694.18	\$75,293.05	\$305,055.82	45.21%
<i>Total HARBOR/PORT OPERATIONS</i>	\$556,750.00	\$251,694.18	\$75,293.05	\$305,055.82	45.21%
<b>REFUSE COLLECTION</b>					
PUBLIC WORKS	\$145,850.00	\$70,445.53	\$15,096.61	\$75,404.47	48.30%
<i>Total REFUSE COLLECTION</i>	\$145,850.00	\$70,445.53	\$15,096.61	\$75,404.47	48.30%
<b>Report Total</b>	\$4,151,537.00	\$2,021,880.76	\$371,420.55	\$2,129,656.24	48.70%

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

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Current Period: DECEMBER 16-17

		16-17	16-17	DECEMBER	16-17	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
<b>GENERAL FUND</b>						
Active	R 01-201 INTEREST INCOME	\$4,500.00	\$5,976.86	\$1,123.86	-\$1,476.86	132.82%
Active	R 01-202 FINES AND PENALTYS	\$0.00	\$369.72	\$10.41	-\$369.72	0.00%
Active	R 01-203 OTHER REVENUE	\$45,000.00	\$25,839.87	\$9,851.99	\$19,160.13	57.42%
Active	R 01-205 4% SALES TAX	\$850,000.00	\$399,240.66	\$36,741.45	\$450,759.34	46.97%
Active	R 01-213 RAW FISH TAX	\$620,000.00	\$381,577.06	\$6,757.09	\$238,422.94	61.54%
Active	R 01-214 FINE-LATE SALES TAX	\$1,000.00	\$214.33	\$0.00	\$785.67	21.43%
Active	R 01-217 7% B & B Tax	\$16,500.00	\$6,680.64	\$997.62	\$9,819.36	40.49%
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 01-230 DONATIONS	\$0.00	\$2,600.00	\$2,000.00	-\$2,600.00	0.00%
Active	R 01-231 INSURANCE REFUND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-233 BUSINESS LIC. FEE	\$4,000.00	\$0.00	\$0.00	\$4,000.00	0.00%
Active	R 01-234 SB 46 PERS RELIEF	\$30,000.00	\$0.00	\$0.00	\$30,000.00	0.00%
Active	R 01-238 ANCHORAGE OFFICE	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	R 01-250 STATE REVENUE SHARIN	\$87,060.00	\$89,751.00	\$0.00	-\$2,691.00	103.09%
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	\$3,500.00	\$0.00	\$0.00	\$3,500.00	0.00%
Active	R 01-265 STATE PROCESSORS TAX	\$35,000.00	\$35,222.12	\$35,222.12	-\$222.12	100.63%
Active	R 01-266 EXT FISH TAX SHARING	\$250,000.00	\$200,420.90	\$200,420.90	\$49,579.10	80.17%
Active	R 01-285 EQUIPMENT RENTAL	\$15,000.00	\$40,273.32	\$1,190.00	-\$25,273.32	268.49%
Active	R 01-291 BUILDING RENTALS	\$135,000.00	\$91,800.25	\$15,201.13	\$43,199.75	68.00%
Active	R 01-293 LIBRARY GRANT	\$4,200.00	\$0.00	\$0.00	\$4,200.00	0.00%
Active	R 01-297 POLICE MISC REVENUE	\$60,000.00	\$4,825.00	\$150.00	\$55,175.00	8.04%
Active	R 01-298 EMS MISC REVENUE	\$500.00	\$5,759.00	\$4,352.00	-\$5,259.00	1151.80%
	<b>Total</b>	<u>\$2,343,260.00</u>	<u>\$1,290,550.73</u>	<u>\$314,018.57</u>	<u>\$1,052,709.27</u>	<u>55.08%</u>
	<b>Total GENERAL FUND</b>	\$2,343,260.00	\$1,290,550.73	\$314,018.57	\$1,052,709.27	55.08%
<b>BINGO FUND</b>						
Active	R 02-294 BINGO REVENUE	\$45,000.00	\$33,179.75	\$5,502.00	\$11,820.25	73.73%
Active	R 02-295 PULL TAB REVENUE	\$500,000.00	\$394,349.20	\$31,531.00	\$105,650.80	78.87%
	<b>Total</b>	<u>\$545,000.00</u>	<u>\$427,528.95</u>	<u>\$37,033.00</u>	<u>\$117,471.05</u>	<u>78.45%</u>
	<b>Total BINGO FUND</b>	\$545,000.00	\$427,528.95	\$37,033.00	\$117,471.05	78.45%
<b>SILVER SALMON DERBY</b>						
Active	R 03-230 DONATIONS	\$500.00	\$3,550.00	\$0.00	-\$3,050.00	710.00%
Active	R 03-292 SILVER SALMON DERBY	\$22,000.00	\$29,370.18	\$0.00	-\$7,370.18	133.50%
	<b>Total</b>	<u>\$22,500.00</u>	<u>\$32,920.18</u>	<u>\$0.00</u>	<u>-\$10,420.18</u>	<u>146.31%</u>
	<b>Total SILVER SALMON DERBY</b>	\$22,500.00	\$32,920.18	\$0.00	-\$10,420.18	146.31%
<b>CLINIC OPERATIONS/MAINTENANCE</b>						
Active	R 10-257 REVENUE--FEDERAL GOV	\$32,777.00	\$19,115.61	\$5,462.78	\$13,661.39	58.32%
	<b>Total</b>	<u>\$32,777.00</u>	<u>\$19,115.61</u>	<u>\$5,462.78</u>	<u>\$13,661.39</u>	<u>58.32%</u>
	<b>Total CLINIC OPERATIONS/MAINTENANCE</b>	\$32,777.00	\$19,115.61	\$5,462.78	\$13,661.39	58.32%
<b>WATER/SEWER OPERATIONS</b>						
Active	R 61-202 FINES AND PENALTYS	\$2,500.00	\$798.24	\$22.36	\$1,701.76	31.93%
Active	R 61-206 WATER/SEWER REVENUE	\$180,000.00	\$104,347.74	\$13,822.44	\$75,652.26	57.97%
Active	R 61-235 TRANSFER IN	\$52,500.00	\$0.00	\$0.00	\$52,500.00	0.00%

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

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Current Period: DECEMBER 16-17

		16-17	16-17	DECEMBER	16-17	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
Active	R 61-243 USDA GRANT REVENUE	\$49,000.00	\$23,734.00	\$0.00	\$25,266.00	48.44%
	<b>Total</b>	<b>\$284,000.00</b>	<b>\$128,879.98</b>	<b>\$13,844.80</b>	<b>\$155,120.02</b>	<b>45.38%</b>
	<b>Total WATER/SEWER OPERATIONS</b>	<b>\$284,000.00</b>	<b>\$128,879.98</b>	<b>\$13,844.80</b>	<b>\$155,120.02</b>	<b>45.38%</b>
<b>HARBOR/PORT OPERATIONS</b>						
Active	R 62-201 INTEREST INCOME	\$4,000.00	\$2,502.13	\$262.82	\$1,497.87	62.55%
Active	R 62-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-210 HARBOR/MOORAGE	\$210,000.00	\$152,459.85	\$17,988.10	\$57,540.15	72.60%
Active	R 62-211 HARBOR/TRAVELLIFT	\$90,000.00	\$62,852.00	\$4,085.00	\$27,148.00	69.84%
Active	R 62-212 BOAT HARBOR/RENTS	\$100,000.00	\$30,825.60	\$14,031.40	\$69,174.40	30.83%
Active	R 62-215 HARBOR/WHARFAGE	\$65,000.00	\$24,793.81	\$15,100.41	\$40,206.19	38.14%
Active	R 62-219 HARBOR ELEC SERVICE F	\$8,000.00	\$4,752.94	\$495.79	\$3,247.06	59.41%
Active	R 62-220 HARBOR/ELEC DEPOSIT	\$2,000.00	\$0.38	\$0.00	\$1,999.62	0.02%
Active	R 62-221 HARBOR/VAN STORAGE	\$20,000.00	\$15,475.00	\$0.00	\$4,525.00	77.38%
Active	R 62-222 HARBOR/STALL ELECTRIC	\$35,000.00	\$12,547.95	\$408.36	\$22,452.05	35.85%
Active	R 62-223 HARBOR/ELECTRICITY	\$4,000.00	\$1,534.13	\$304.89	\$2,465.87	38.35%
Active	R 62-224 GEARSHED LOCKER REN	\$15,000.00	\$1,500.00	\$0.00	\$13,500.00	10.00%
Active	R 62-235 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-237 HARBOR STORAGE	\$5,000.00	\$1,279.24	\$0.00	\$3,720.76	25.58%
Active	R 62-285 EQUIPMENT RENTAL	\$25,000.00	\$13,720.46	\$322.80	\$11,279.54	54.88%
	<b>Total</b>	<b>\$583,000.00</b>	<b>\$324,243.49</b>	<b>\$52,999.57</b>	<b>\$258,756.51</b>	<b>55.62%</b>
	<b>Total HARBOR/PORT OPERATIONS</b>	<b>\$583,000.00</b>	<b>\$324,243.49</b>	<b>\$52,999.57</b>	<b>\$258,756.51</b>	<b>55.62%</b>
<b>REFUSE COLLECTION</b>						
Active	R 65-202 FINES AND PENALTYS	\$1,500.00	\$456.27	\$15.40	\$1,043.73	30.42%
Active	R 65-204 REFUSE COLLECTION	\$145,000.00	\$79,230.32	\$11,331.49	\$65,769.68	54.64%
Active	R 65-235 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total</b>	<b>\$146,500.00</b>	<b>\$79,686.59</b>	<b>\$11,346.89</b>	<b>\$66,813.41</b>	<b>54.39%</b>
	<b>Total REFUSE COLLECTION</b>	<b>\$146,500.00</b>	<b>\$79,686.59</b>	<b>\$11,346.89</b>	<b>\$66,813.41</b>	<b>54.39%</b>
	<b>Report Total</b>	<b>\$3,957,037.00</b>	<b>\$2,302,925.53</b>	<b>\$434,705.61</b>	<b>\$1,654,111.47</b>	<b>58.20%</b>

CITY OF SAND POINT

02/10/17 8:58 AM

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

DECEMBER 16-17

	16-17	DECEMBER	16-17	16-17	16-17
	YTD Budget	MTD Amount	YTD Amount	YTD Balance	% YTD Budget
<b>FUND 01 GENERAL FUND</b>					
Revenue	\$2,343,260.00	\$314,018.57	\$1,290,550.73	\$1,052,709.27	55.08%
Expenditure	\$2,599,810.00	\$214,813.11	\$1,167,941.31	\$1,431,868.69	44.92%
		\$99,205.46	\$122,609.42		
<b>FUND 02 BINGO FUND</b>					
Revenue	\$545,000.00	\$37,033.00	\$427,528.95	\$117,471.05	78.45%
Expenditure	\$513,600.00	\$36,900.75	\$374,963.74	\$138,636.26	73.01%
		\$132.25	\$52,565.21		
<b>FUND 03 SILVER SALMON DERBY</b>					
Revenue	\$22,500.00	\$0.00	\$32,920.18	-\$10,420.18	146.31%
Expenditure	\$18,750.00	\$0.00	\$28,333.35	-\$9,583.35	151.11%
		\$0.00	\$4,586.83		
<b>FUND 10 CLINIC OPERATIONS/MAINTENANCE</b>					
Revenue	\$32,777.00	\$5,462.78	\$19,115.61	\$13,661.39	58.32%
Expenditure	\$32,777.00	\$0.00	\$0.00	\$32,777.00	0.00%
		\$5,462.78	\$19,115.61		
<b>FUND 61 WATER/SEWER OPERATIONS</b>					
Revenue	\$284,000.00	\$13,844.80	\$128,879.98	\$155,120.02	45.38%
Expenditure	\$284,000.00	\$29,292.04	\$127,903.86	\$156,096.14	45.04%
		-\$15,447.24	\$976.12		
<b>FUND 62 HARBOR/PORT OPERATIONS</b>					
Revenue	\$583,000.00	\$52,999.57	\$324,243.49	\$258,756.51	55.62%
Expenditure	\$556,750.00	\$75,293.05	\$251,694.18	\$305,055.82	45.21%
		-\$22,293.48	\$72,549.31		
<b>FUND 65 REFUSE COLLECTION</b>					
Revenue	\$146,500.00	\$11,346.89	\$79,686.59	\$66,813.41	54.39%
Expenditure	\$145,850.00	\$15,096.61	\$70,445.53	\$75,404.47	48.30%
		-\$3,749.72	\$9,241.06		
<b>Report Total</b>		\$63,310.05	\$281,643.56		

**TO:** Mayor Gardner  
City Council Members

**FROM:** Andy Varner  
City Administrator

**DATE:** February 8, 2017

**SUBJ:** Monthly Report for February 2017



Here is a brief list of items we've been working on since the last report.

### **DOCK REPLACEMENT**

- We've been holding bi-weekly meetings with PND and DOT over the dock replacement. The project schedule is now delayed a bit as they altered the design to account for bigger piles, due to some geotech findings. That, of course, drove up the costs, and also extended some of the permitting process. I've included the latest schedule and cost estimate under FYI. Things are on course for construction bidding later this fall. The cost is now about \$1-1.2M more than the original pre-design estimate. However, the delay could turn out to be a decent thing because it would allow us (or the State, really) to request a STIP Amendment in federal funding and request that additional money. It's a new day at the Federal level, obviously, so we'll just wait and see.

### **AIRPORT**

- DOT, the City, and Pen Air are also having regular meetings and we have nothing new to report with certification. Things are still on track for a summer start, provided the targeted individuals get their ARFF training in the spring.
- You'll see under FYI that I included a "clean-up plan" to DOT regarding those two lots we lease from DOT Statewide Aviation at the airport. They weren't too happy with the condition of those properties, and the Mayor, Councilmember Mobeck and I surveyed the scene last month to determine what is still there and what needs to go. There is still work to be done and we should give our sub-leaser notice that the remaining items need to be removed this spring.

### **ANNEXATION**

- Nothing new to report here, aside from I provided some additional information to the Local Boundary Commission (LBC) staff regarding our petition so they could write their preliminary report, which is due next month. I think they also reached out to other entities like the Shumagin Corporation to get their thoughts. I attended the most recent Borough meeting last week, and it sounded like the Assembly did not intend to weigh in on the petition.

### **CLINIC FUNDING**

- The IHS and Alaska Native Health Board had a meeting last week to discuss increased Village Built Clinic funding. They didn't come to an agreement, but according to EAT they're going to take up the issue again next month. We could be in line for a decent increase, \$20,000 annually or more, if IHS accepts the proposal.

### **OXFORD HOUSE**

- Last month Councilmember Starnes inquired about the "halfway house" that was being discussed with EAT and other groups, like AHA. I asked Jennifer Harrison for an update on the Oxford House model, and here is her reply:



- *I am sorry for the slow response and also for not updating you earlier about the Oxford House. Our Behavioral Health & Wellness Department and then our Board decided to officially STOP working towards this idea at this time. Main reason ..... there are not enough community members with years of experience in recovery to help mentor newly sober/clean community members. We decided to focus all our attention on getting an Intensive Outpatient Program going. This will enable us to provide 9 hours per week of individual counseling, group counseling via video teleconference, medically-assisted treatment and detox. Once we can create some community members with more experience in recovery, then we would encourage them and support them in starting the Oxford House on their own.*

### **HARBOR**

- You can see a letter under FYI of our latest attempt to rid the community, and the harbor, of the decrepit *Barren Islands* boat. As you'll recall, the City impounded the vessel and attempted to sell it. But the sole interested bidder would take it and haul it off *if* the title was free and clear, with no liens against. The biggest, and only lien, we've found is from the State, who said a couple times they would not release the lien. However, we had a more in-depth discussion with the State Commerce employee working these issues, and she requested a joint letter from the City and potential buyer explaining our situation. I think if we must we can "go nuclear" in the end and have House Speaker Rep Edgmon, DCCED Commissioner Hladick, or even the Governor intervene on behalf of the community. I consider that a last resort and hope this letter solves the issue.

### **NEW HARBOR FLOAT**

- The Borough allocated \$100,000 in this year's budget to finalize the design of the float system in the big boat harbor. The engineering consultant advised that the current design (65%) of Float A is sufficient enough to go to bid with, so they just revised the cost estimate instead. That figure is now up to \$6.5M. The AEB Federal lobbyist Brad Gilman requested projects from the Borough that are "shovel ready," or close to it, for inclusion in the President's infrastructure package, whenever that takes shape. AEB will include this project along with two others. I've asked the Borough planner if the \$100,000 can be directed towards updating any necessary permits, plans, or environmental analysis, if necessary, to make the project more shovel ready. They are researching that option to see if it makes the most sense in order to line up funding.

### **JUNEAU**

- I'm going to Juneau for a couple days at the end of the month for the AML winter meeting, and to meet with DOT, our legislators, and folks from the Department of Commerce to discuss concerns I have with the LBC. AML will feature the Governor, Senator Murkowski, and a 4 hour session on the heroin/opioid epidemic. It will be a busy couple days.



JOHN H. LUCKING, JR  
CHIEF OF POLICE

# SAND POINT DEPARTMENT of PUBLIC SAFETY

Post Office Box 423  
Sand Point, Alaska 99661  
EMAIL: [sppd@arctic.net](mailto:sppd@arctic.net)



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

## MEMORANDUM

To: Honorable Glen Gardner, Mayor, City of Sand Point  
Mr. Andy Varner, City Administrator, City of Sand Point  
Mr. Danny Cumberlidge, City Councilperson, City of Sand Point  
Mr. Allan Starnes, City Councilperson, City of Sand Point  
Ms. Shirley Brown, City Councilperson, City of Sand Point  
Mr. Jack Foster Jr, City Councilperson, City of Sand Point  
Ms. Marita Gundersen, City Councilperson, City of Sand Point  
Mr. Emil Mobeck, City Councilperson, City of Sand Point

From: John H. Lucking, Jr., Public Safety Manager

Date: February 9, 2017

Ref: Department of Public Safety's Monthly Report for January 2017

### Police Department

#### **Public Safety Manager**

- John H. Lucking, Jr.

#### **Police Officers**

- Efen Thao, Police Officer (Community Oriented Policing Grant Position)
- Cody Sanders, Police Officer
- Eric Tupper, Police Officer

Currently heavily recruiting for additional police officers and Police Chief positions

#### **Administrative Assistant**

- Denise Mobeck/Day Dispatcher

#### **Dispatchers**

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

# **Police Division Activity**

JANUARY 2017

6 cases were generated

- 1 Protective custody
- 1 Death investigation
- 1 Assault 4 DV
- 1 Moving Vehicle accident
- 1 Sea lion bite
- 1 Violating Conditions of Release

There were 3 persons jailed

- 1 Assault 4 DV
- 1 Protective custody
- 1 Violating Conditions of Release

There were 45 calls to 911

- 13 MOC (additional MOC requests on dispatch's personal phone line)
- 2 ambulances needed
- 9 mis-dial or hang up
- 5 DV Assault
- 1 person laying on ground outside
- 1 open door at the school after hours
- 2 light pole sparking
- 3 officer needed for miscellaneous
- 1 bar fight
- 1 assault
- 1 threatening phone calls/texts
- 4 drunken disturbances
- 1 welfare check
- 1 Motor vehicle accident

Other Officer Activity

- Courtesy transports
- Car in ditch

2 traffic stops

- Warning for speed
- Warning for passenger having no helmet on a 4-wheeler

## **EMS Division**

**Chief of EMS Division:**

- Denise Mobeck, EMS Coordinator

**EMS Activity:**

Rescue1 transported 2 patients to clinic

## **Fire Division**

### **Chief of Fire Division:**

- Vacant, administrative duties being fulfilled by DPS Manager and supported by DPS and DPW personnel.

### **Activity:**

- Recruitment efforts continue as the department seeks to fill the vacant fire chief position.
- All monthly incident reports were filed with the State Fire Marshal's Office meeting obligations and maintaining agency certification.

# January 2017 Public Works Report

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## **Shop**

- Hauled 16 loads of 3"minus for AHA
- Hauled 5 loads of D1 to AHA from Western Marine
- Worked on stove oil truck
- Fixed window on 580
- Fuel buildings
- Plowed and sanded roads
- Serviced the Volvo loader
- Serviced the 400 used motor oil heater at city shop
- Repair sand truck spinner
- Pushed piles on Shumagin pad
- Dug 2 graves in grave yard
- Work on recycle center heater
- Repair chains on equipment
- Repair blinkers on the CAT grader

## **Landfill**

- Clean up around dumpsters
- Fix mirror on trash truck

## **Recycling**

- Recycling center is running fine

## January 2017 W&S

### Lift Stations:

- Lost another pump in the Trident L/S. This one had not seized up, but the motor leads were grounded. We also lost the Multismart computer control and monitoring system. We got the rebuilt pump back and put in the lift station. Pump is now being run manually.
- The force main froze up from the harbor lift station. We have been using the vacuum lift truck to remove water from it a couple of times a week. We are hoping it will though now that the drain has been cleared.

### Water Plant

- The HACH CL17 chlorine monitor failed. Had to order a new for a little over \$3000. We'll send this one in for rebuild as soon as we get the new one. We tried all the procedures in the manual to get it working.

Robert E. Galovin Small Boat Harbor Report  
02-09-2017

Dump runs on regular basis.

Machinery being serviced on weekly schedule.

Hauled used oils to City shop.

Discarded waste water gathered from used oil containers.

Hauled and launched two boats.

Crew worked on street lights.

A local hire worked on bad breakers on float pedestals, seem to be working well so far.

Ordered new lifting straps for the boat lift. Cables on order for big lift 150 AMO.

Ordered more lumber from Unalaska Building Supply to have on hand.

That is all I have to report.

Richard Kochuten Sr.  
Harbor Master

**STUDENT  
REPRESENTATIVE**



# HEARINGS, ORDINANCES AND RESOLUTIONS

**RESOLUTION 17-01:  
SHARED FISH TAX**

# Memo

To: Mayor Gardner  
From: Andy Varner, Administrator  
cc: City Council  
Date: February 9, 2017  
Re: Shared Fisheries Business Tax Application

---

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from business activities. Because it takes a lot of time and effort, not to mention guesswork, to determine these effects, our City and the other municipalities within the Borough and surrounding areas always submit an “Alternative Method” to calculate what our portion should be resulting from industry effects. As with other years, it simply takes a council resolution from each affected municipality in a Fisheries Management Area to constitute an application for this program.

# City of Sand Point



## RESOLUTION 17-01

**A RESOLUTION OF THE CITY OF SAND POINT ADOPTING THE ALTERNATIVE ALLOCATION METHOD FOR THE FY17 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE ALASKA PENINSULA FISHERIES MANAGEMENT AREA (FMA 3)**

**WHEREAS**, AS 29.60.450 requires that for a municipality to participate in the FY17 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community and Economic Development that the municipality suffered significant effects during the calendar year 2015 from fisheries business activities; and,

**WHEREAS**, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community and Economic Development; and,

**WHEREAS**, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

**WHEREAS**, the City of Sand Point proposes to use an alternative allocation method for allocation of the FY17 funding available within the FMA3: Alaska Peninsula Fisheries Management Area in agreement with all other municipalities in this area participating in the FY17 Shared Fisheries Business Tax Program;

**NOW THEREFORE, BE IT RESOLVED THAT:** the City of Sand Point, by this resolution, certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2015 fisheries business activity in the FMA 3: Alaska Peninsula Fisheries Management Area.

**ALTERNATIVE ALLOCATION METHOD:** All municipalities share equally 40% of the allocation; the remaining 60% of the funding is shared among the communities on a per capita basis. Whereby the Aleutians East Borough population is reduced by the population of the cities of Cold Bay, False Pass, King Cove, Sand Point and Akutan and with the mutually agreed upon population count for the Lake and Peninsula Borough (100).

**PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL FOR THE CITY OF SAND POINT ON THIS 14th DAY OF FEBRUARY 2017.**

**CITY OF SAND POINT**

---

Glen Gardner Jr., Mayor

**ATTEST:**

---

Shannon Sommer, City Clerk

DRAFT

**GCI SPACE & POWER  
ANTENNA INSTALLATION  
AGREEMENT**

# Memo

To: Mayor Gardner  
From: Andy Varner, Administrator  
cc: City Council  
Date: February 9, 2017  
Re: GCI Clinic Antennae Space & Power Agreement

---

GCI approached us a couple months ago about affixing a wireless antennae to the clinic to provide wireless hotspot internet access to the school and AEBSD building. As you'll recall, GCI ran fiber to the clinic from the earth station last year. This project is contingent upon them winning the AEBSD E-rate bid (providing internet to the regional schools). However, they wanted to get this proposed agreement in front of the Council now so if they DO win the bid in May, they have installation complete and service up and running on July 1. They are going through this process with all four communities in the district. If the school district does go with GCI, the company will present a building permit to us at that time with formal dimensions and use.

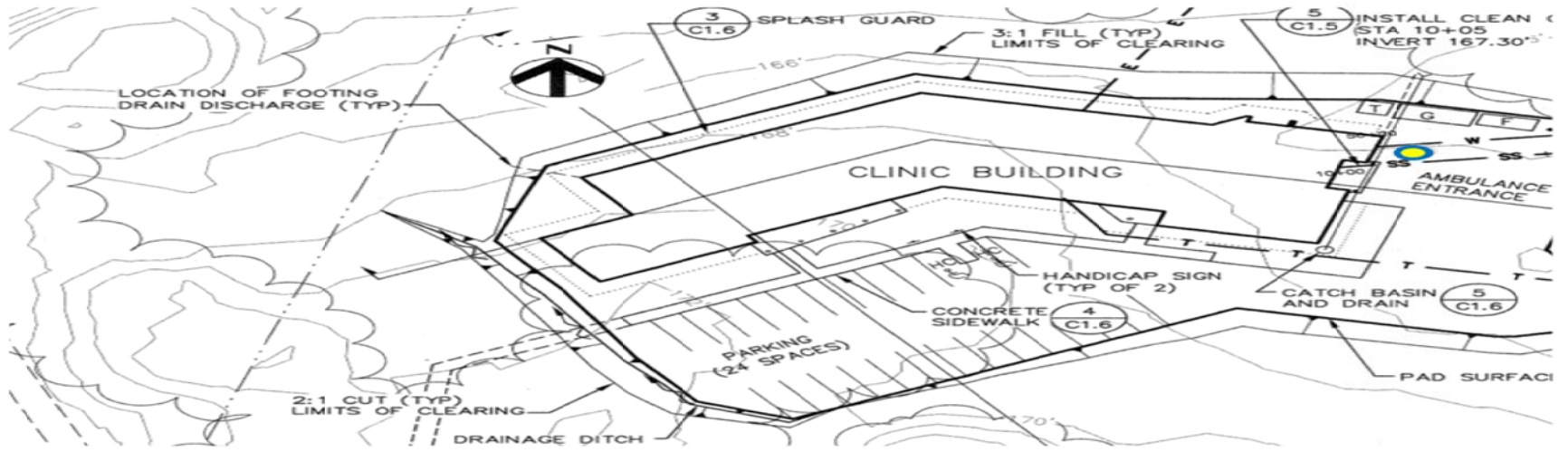
Here is a short description of the project from one of the GCI project managers:

*The wireless antenna requested to be placed at the clinic that looks both at the school and the district office can be located anywhere in that general area at the far back right corner (as you look at the building facing the front door). It is the yellow dot with blue circle on the third drawing. Instead of penetrating the roof and all the responsibility that comes with that, it is preferred by GCI to mount the antenna on a pole (4" in diameter) that is alongside or behind the building and attached with a few brackets to the building's side for added strength.*

*There is a maintenance/utility room on the other side of the wall in the corner of the clinic that serves the functionality well for this project. The cabling would be simple and go to the existing equipment room where the current communication equipment GCI already has in the clinic resides.*

*We offer \$150.00 per month for this request of space and access to the building, and would pay it annually (\$1,800) in advance if acceptable to the City.*

My recommendation is to review at this meeting and consider adoption in March in case there are any further questions or concerns that need answering by GCI. I just received the latest version of the draft agreement last week and would like to have a more in-depth review of it myself before recommending approval.







**SPACE AND POWER COLLOCATION AGREEMENT  
[GCI AS LESSEE]**

THIS SPACE AND POWER COLLOCATION AGREEMENT (“Agreement”) is entered into between the City of Sand Point (“Grantor”), and GCI COMMUNICATION CORP., (“GCI”), as grantee for the purpose of granting a license to GCI to enable it to collocate certain telecommunication equipment, as more particularly described in Exhibit A, on Grantor’s premises located at the Sand Point Health Clinic (the “Premises”). This Agreement is effective upon execution by both parties.

**1. TERM AND LICENSE**

The initial term of this Agreement is 5 years (“Term”), commencing as of   , 201      with    3, 5-year extensions (individually, an “Extension” and collectively, the “Extensions”) at the sole option of GCI, so long as GCI is not in violation of any terms or conditions as set forth in this Agreement. The Extensions will be automatic unless (a) GCI notifies Grantor at least 90 days prior to the expiration of the then-current term of its intent not to renew this Agreement or (b) Grantor notifies GCI in writing of a default, and GCI fails to timely cure that default in accordance with Section 13. At the conclusion, of the original Term or final Extension, if any, this Agreement will continue year-to-year unless either party has given notice of termination. Notice of termination to be given no later than 30 days before the expiration of the then-current term.

Grantor grants GCI a license to use space, which the parties will mutually agree upon, within the Premises. The space provided pursuant to this Agreement must be appropriate and adequate as determined by GCI. If no such space is provided by Grantor, this Agreement will be deemed void *ab initio*. Grantor may change the location of the space provided upon 60 days’ written notice and provided that the new location is appropriate and adequate as determined by GCI. Grantor will be responsible for all costs of GCI in moving to the new space.

**2. SPACE AND POWER CHARGES**

The initial charge for the Premises will be   150   Dollars (\$    ) per month, payable on the 1st day of each month to cover the space, power, and heat needed for collocating. In the event that GCI elects to extend this Agreement, the charge for each subsequent term will be determined at the beginning of the period by adjusting the then-current monthly charge to reflect the percentage change of the Consumer Price Index for All Urban Consumers (CPI-U), published by the U.S. Department of Labor, Bureau of Labor Statistics for Anchorage, Alaska from its level at the beginning to its level at the end of the then-current Agreement term. Payment may be made by check, bank draft, or money order made payable to   the City of Sand Point  , or may be offset against any charges that are due from Grantor to GCI. All unpaid charges and fees will accrue interest at 5 percent per annum beginning 30 days after payment is due.

**3. UTILITIES**

GCI is solely responsible for and must promptly pay all charges for gas, electricity, telephone service, and any other utility used or consumed by GCI on the Premises. Grantor is responsible for providing access to utilities necessary for GCI to operate its equipment. If necessary, GCI may have an electrical current meter installed at the Premises to monitor GCI's electrical usage, and GCI will pay for the cost of such meter, and for the installation, maintenance, and repair of same.

**4. ALLOWED USES**

GCI will have the right to collocate and install the communications equipment listed in Exhibit A on

Grantor's Premises in the space and in the manner as may be set forth in Exhibit B. GCI will have the right to reasonable access to operate and maintain this equipment, and all replacement equipment thereto 24 hours a day/ 7 days a week. All such equipment must be compatible with and not adversely impact the operation and maintenance of Grantor's equipment, or the equipment of any other party authorized to use Grantor's facility.

#### 5. **FIXTURES AND IMPROVEMENTS**

GCI will have the right to remove all fixtures, structures and improvements it makes to the Premises upon termination of this Agreement. GCI will have 180 days from termination to remove its fixtures and improvements from the Premises. GCI may ask Grantor for additional time for such removal if GCI establishes a hardship.

#### 6. **RADIO OR ELECTRONIC INTERFERENCE**

In the event of radio frequency or other electronic interference, the parties agree to work cooperatively to find a mutually satisfactory solution to any interference problem. In the event the problem cannot be resolved, regardless of whether or not the source of the problem can be determined, GCI will have the right to remove its equipment causing the interference upon 60 days' prior written notice and/or cancel this Agreement.

#### 7. **DESTRUCTION OF PREMISES**

If the Premises become unusable due to flood, fire, or other unavoidable cause, Grantor is not obligated to repair or restore the Premises. GCI's sole remedy is to terminate the Agreement.

#### 8. **MUTUAL INDEMNITY**

Each party will indemnify the other from and against any loss, cost, claim, liability, damage, or expense (including reasonable attorney's fees) to third parties caused by negligence or misconduct by the indemnifying party, its agents, employees, or contractors in the performance of this Agreement. In addition, the indemnifying party will, to the extent of its negligence or misconduct, defend any action or suit brought by a third party against the indemnified party for any loss, cost, claim, liability, damage, or expense caused by the indemnifying party's negligence or misconduct, its employees, agents, or contractors, in the performance of this Agreement. No party will have the duty to indemnify another to the extent of the other party's own negligence or misconduct.

#### 9. **INSURANCE**

GCI and Grantor each must, at its own expense, maintain and keep in force during the term of this agreement, adequate insurance with an insurance company registered to do business in Alaska, to protect themselves and their respective agents against comprehensive public liability, and property damage. This insurance must have a combined single limit coverage for bodily injury, including death, and property damage in the amount of at least \$1,000,000.00 per occurrence. GCI will also insure itself and its property from casualty loss. All liability insurance must name the other party as an additional insured party, and all insurance obtained pursuant to this Section must contain a waiver of subrogation endorsement, as required by Section 10, and provide that the other party must be notified at least 30 days prior to any termination or cancellation that adversely affects the other party in such insurance coverage. Each party must provide the other with certificates of insurance coverage required by this Agreement within 30 days of signing this Agreement.

The parties may self-insure against the risks undertaken herein, with the same coverage limits required of the commercial policies referred to above. Upon request, each party must provide the other with a statement that it is self-insuring against these risks and that adequate financial resources are reserved for this purpose.

#### 10. **WAIVER OF SUBROGATION**

To the extent it does not void either party's insurance coverage, the parties release each other and their

respective authorized representatives, from any claims for damage to any person or to the Premises and to the fixtures and personal property that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage. If available, each party must cause each insurance policy obtained by it to provide that the insurance carrier waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy.

**11. TAXES AND ASSESSMENTS**

GCI will not be liable for payment of any real and personal property taxes or assessments that may be levied on the Premises or on Grantor's fixtures, improvements, equipment, or other property on the Premises not belonging to GCI. GCI must pay any sales tax due on any payment made under this Agreement.

**12. ASSIGNMENTS**

GCI may not assign this Agreement, except to an affiliated company, without the prior written consent of Grantor. Any such assignment without the express written consent of Grantor will be null and void. GCI may assign this Agreement to a GCI parent, subsidiary or affiliate under common control without Grantor's consent.

**13. DEFAULT**

In the event that either party considers the other responsible for a breach of this Agreement, the complaining party agrees to give the other written notice by certified mail of the default or breach complained of, and the other party will have 30 days after receipt of such notice, unless circumstances beyond the other party's control prevent such correction within this period, to correct any default or breach of this Agreement. Failing such correction or the prompt and diligent pursuit of a cure to the default or breach, the complaining party may terminate this Agreement.

14. **NOTICES** Any notices to be given under this Agreement by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested, to the recipient at the address indicated below:

**Grantor:**

[Company Name]  
Attn: [First, Last & Title]  
[Address]  
[City, State, Zip]  
Telephone:  
Email:

**GCI:**

GCI Communication Corp.  
Attn.: [First, Last & Title]  
[Address]  
[City, State, Zip]  
Telephone:  
Email:

**With a copy of legal notices to:**

[Company Name]  
Attn: [Title]  
[Address]  
[City, State, Zip]

**With a copy of legal notices to:**

GCI Communication Corp.  
Attn: Corporate Counsel  
2550 Denali St., Suite 1000  
Anchorage, AK 99503

or such other address or to the attention of such other person as the recipient party may specify by prior written notice to the sending party. Such notice will be effective as of the date of its receipt. Unless specified otherwise in writing, the primary contacts for Grantor and GCI will be:

**Grantor Contact:**

[First, Last & Title]

[Address]

[City, State, Zip]

Telephone:

Cell:

Email:

**GCI Contact:**

[First, Last & Title]

[Address]

[City, State, Zip]

Telephone:

Cell:

Email:

**15. CONDEMNATION**

If the whole of the Premises or such portion thereof as may be required for its reasonable use, is taken by virtue of any condemnation or eminent domain proceeding, this Agreement will automatically terminate as of the date of the condemnation, or as of the date possession is taken by the condemning authority, whichever is later. The charges will be apportioned as of the date of the end of possession. In case of the taking of a non-material (in GCI's reasonable opinion) part of the Premises not required by reasonable use of the Premises, then this Agreement will continue in full force and effect and the charges will be equitably reduced based upon the proportion by which the rentable area of the Premises is reduced. This reduction will be effective on the date of the partial taking.

**16. MISCELLANEOUS**

- a) This Agreement extends to and binds the respective heirs, personal representatives, successors, and assigns of the parties to this Agreement.
- b) Nothing in this Agreement is intended to benefit any third party not a signatory hereto.
- c) The laws of the State of Alaska govern this Agreement and any dispute between the parties concerning this Agreement must be raised in the appropriate forum in Anchorage, Alaska.
- d) Any agent or other person executing this Agreement on behalf of a party represents and warrants to the other party that he or she has full power and authority to execute this Agreement on the party's behalf.
- e) Neither party is deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by the party.
- f) No delay or omission on the part of either party in exercising any right will operate as a waiver of such right or any other right. A waiver by either party of a provision of this Agreement will not prejudice the party's rights to demand strict compliance with that provision in the future.
- g) Whenever consent by one party is required in this Agreement, the granting of such consent in any one instance will not constitute continuing consent to subsequent instances where such consent is required.
- h) This Agreement may not be modified, except in writing signed by both parties.
- i) This Agreement contains the entire agreement between the parties and supersedes all previous negotiations, commitments, and communications. It will continue in effect for so long as either party owes any duty or obligation to the other.
- j) This Agreement will not be construed against the party that prepared it.
- k) This Agreement may be executed in counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart by electronic transmission shall be equally effective as physical delivery of an original counterpart.

l) Grantor hereby grants to GCI a continuing right of first refusal to purchase the Premises, and/or, if applicable, the lot containing the area utilized by GCI hereunder when such area is part of a larger parcel. This right shall continue during the Term and any Extension(s), as the case may be. Grantor shall not, at any time prior to the expiration of the Term of this Agreement, or any Extension hereof, (x) sell the Premises or (y) sell, transfer or assign its rights as Grantor under this Agreement, except to an affiliate of GCI, without first giving written notice thereof to GCI, which notice shall clearly state that GCI has 20 business days to respond and which notice is hereinafter referred to as "Notice of Sale." Provided that GCI is not in default under this Agreement which remains uncured after the expiration of the applicable cure period at the time it receives the Notice of Sale, for a period of 20 business days after receipt by GCI of the Notice of Sale, GCI shall have the right to give written notice to Grantor of GCI's exercise of GCI's right to purchase the Premises or Grantor's rights under this Agreement, on the same, terms, price and conditions as set forth in the Notice of Sale, or on any other mutually agreed, terms, price and conditions. If GCI does not exercise the purchase right herein granted within such ten 20 business day period, there shall be a conclusive presumption that GCI has elected not to exercise GCI's right hereunder, and Grantor may sell the Premises or its rights under this Agreement, on the same terms set forth in the Notice of Sale; provided, however, that if (a) Grantor proposes to sell the Premises or its rights under this Agreement, at a purchase price that is less than ninety-five percent (95%) of the purchase price proposed to GCI, or upon other terms which are substantially more favorable to the prospective purchaser, Grantor shall first re-offer such space to GCI at such lower purchase price and/or more favorable terms or (b) Grantor proposes to sell the Premises or its rights hereunder, more than six (6) months after GCI's receipt of the Notice of Sale, Grantor shall first re-offer such Premises or its rights hereunder to GCI, all in accordance with the provisions of this Section. The right under this Section is a continuing right and must be reoffered to GCI each time this provision is triggered, whether or not GCI has exercised its rights hereunder with respect to previous offers.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement.

**GCI COMMUNICATION CORP.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_  
(Title)

Its: \_\_\_\_\_  
(Title)

**EXHIBIT A**  
**(list of telecommunications equipment)**

**EXHIBIT B**  
**(restrictions on manner and use of equipment at the Premises)**

# OLD BUSINESS

None at this time.



# NEW BUSINESS

**CHIEF OF POLICE  
CONTRACT: ROGER  
BACON**

# Memo

To: Mayor Gardner  
From: Andy Varner, Administrator  
cc: City Council  
Date: February 9, 2017  
Re: Police Chief Employment Agreement

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After several months of searching for a candidate, we think we landed on a good one for the community in Roger Bacon. Roger comes with 20+ years of police service to the community of Unalaska/Dutch Harbor, and is a friend and former colleague of current Chief Lucking. Roger comes with impressive credentials and solid references, and everyone the Mayor and I talked to about Mr. Bacon had good things to say. Having worked in a fishing town for so long, he will be very familiar with many of the issues facing Sand Point, and I think he will be able to make a swift transition into our department. We hope, and believe, he will be a strong and valuable asset to Sand Point.

I want to thank John Lucking for his dedicated service to Sand Point, who served as the interim Chief for several years. Being in the law enforcement world is not easy, and John made a lot of positive contributions to the community. I hope Roger can build off of this good work as we strive to make Sand Point a safe and healthy place. Best of luck to John.

# City of Sand Point



## EMPLOYMENT AGREEMENT BETWEEN

### CITY OF SAND POINT

&

*Roger Bacon*

THIS AGREEMENT is made by and between the City of Sand Point (hereinafter "CITY") and Roger Bacon (hereinafter "POLICE CHIEF"). The term "parties" refers to the CITY and POLICE CHIEF. This AGREEMENT is the initial AGREEMENT between the parties.

WHEREAS, the CITY wishes to employ Roger Bacon as POLICE CHIEF of the City of Sand Point; and,

WHEREAS, Roger Bacon wishes to accept the offer to become POLICE CHIEF of the City of Sand Point under the terms and conditions recited in this Agreement; and,

WHEREAS, the CITY and POLICE CHIEF desire to provide for certain procedures, benefits and requirements regarding the employment of POLICE CHIEF by the CITY;

NOW, THEREFORE, CITY and POLICE CHIEF agree to the following terms and conditions:

1. DUTIES

CITY agrees to employ Roger Bacon as POLICE CHIEF of the CITY. POLICE CHIEF shall perform such duties as specified by law and ordinance, and such other proper duties as assigned or delegated by the Mayor and/or City Administrator. Other duties may include serving as FIRE CHIEF or MANAGER of EMERGENCY SERVICES until suitable replacements are found.

2. TERM

This Agreement is for the period beginning 03/\_\_/2017 and continuing through 03/\_\_/2019 (twenty four months).

3. TERMINATION BY CITY

The POLICE CHIEF serves at the pleasure of the MAYOR. The Mayor of Sand Point may terminate the employment of POLICE CHIEF without cause at any time during the term of this Agreement by directing written notice of termination to POLICE CHIEF by certified or registered mail, return receipt requested, or by hand delivery. CITY COUNCIL confirmation of such termination is not required. In the event of termination without cause while POLICE CHIEF is ready, willing and able to perform the duties of POLICE CHIEF, City shall pay POLICE CHIEF a sum equal to three (3) months of POLICE CHIEF's salary and shall continue all of the POLICE CHIEF's benefits for a period of three (3) months plus all provisions of Section 8 - ANNUAL LEAVE AND OTHER BENEFITS - as detailed.

The Mayor of Sand Point may terminate employment of the POLICE CHIEF for breach of contract at any time during the term of this Agreement, by directing written notice of termination to POLICE CHIEF by certified or registered mail, return receipt requested, or by hand delivery, including in said notice of termination, a statement of reasons for the termination and the date and time at which a pre-termination hearing will be conducted by the Mayor. Said hearing shall be at least three (3) days but not more than seven (7) days after the date written notice of termination is delivered. The Mayor shall place the POLICE CHIEF on paid administrative leave pending completion of the pre-termination hearing. Upon termination for cause, the POLICE CHIEF shall not be entitled to any termination pay, except legally accrued and unused annual leave to the date of termination.

4. TERMINATION BY POLICE CHIEF

POLICE CHIEF may terminate his employment with CITY by giving thirty (30) days written notice of termination to CITY by certified or registered mail, return receipt requested, or by hand delivery. Upon termination by POLICE CHIEF, POLICE CHIEF shall not be entitled to any termination pay, additional compensation or severance pay, except legally accrued and unused annual leave to the date of termination.

5. COMPENSATION

For all services rendered during the term of employment under this Agreement, CITY shall pay POLICE CHIEF a monthly salary of \$8,750. The parties understand that the duties of the POLICE CHIEF are primarily administrative requiring POLICE CHIEF to be on duty not only during regular office business hours but also during evenings and weekends as services are required or desirable. Overtime hours and additional services are non-compensable beyond the salary described above, except in accordance with the administrative leave provisions contained in Section 8.

6. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The POLICE CHIEF shall be part of the Public Employees Retirement System (PERS) system as a Tier II employee.

7. INSURANCE

The POLICE CHIEF will receive the same health insurance and long-term disability benefits as other employees of the CITY.

8. ANNUAL LEAVE AND OTHER BENEFITS

CITY shall provide POLICE CHIEF with annual leave to be accrued at the rate of 32.0 hours (4 days) per month. At the time of termination of employment, POLICE CHIEF shall receive a payment, at the current annual compensation rate, for all accrued, but unused, annual leave. Accrued annual leave may roll over from year to year but not exceed 400 hours, and any accrual above this amount will not be allowed. In recognition of the necessity of the POLICE CHIEF having to attend various meetings not within normal working hours, POLICE CHIEF shall receive 80 hours (10 days) of paid "administrative leave" during this contract period. This administrative leave shall not accrue if unused, and will not be cashed out. POLICE CHIEF receives no sick leave and must use either annual or administrative leave when sick.

9. EVALUATIONS

Mayor and/or City Council or CITY ADMINISTRATOR shall perform an annual evaluation with POLICE CHIEF within 60 days of the beginning of each new calendar year.

10. RELOCATION EXPENSES

CITY agrees to budget and to pay for one way air fare for POLICE CHIEF from Unalaska/Dutch Harbor, Alaska to Sand Point. In addition, CITY shall reimburse POLICE CHIEF for other relocation expenses up to a maximum of \$2,000 if POLICE CHIEF provides CITY with corresponding receipts. If POLICE CHIEF's employment is terminated without cause prior to completion of the two year term of this contract, CITY shall pay for one way air fare for the POLICE CHIEF'S return to Anchorage, Alaska, plus reimburse other relocation expenses up to a maximum of \$2,000 if POLICE CHIEF provides CITY with receipts.

11. HOUSING & ACCOMODATIONS

City shall provide POLICE CHIEF with free housing and water/sewer/garbage services. Employee's home fuel and electricity costs will also be provided.

12. MEMBERSHIP DUES, CONFERENCES AND TRAINING

a. CITY shall pay the membership dues of POLICE CHIEF in up to two professional organizations.

- b. CITY shall pay all reasonable costs for actual attendance of POLICE CHIEF at relevant conferences, trainings, meetings, and workshops if approved by the MAYOR in advance.
  - c. Upon request by POLICE CHIEF and approval by MAYOR, CITY shall pay reasonable costs relating to training programs and seminars which serve to continue the professional development of POLICE CHIEF as that development relates to present or anticipated duties of POLICE CHIEF.
13. EXTENT OF SERVICES  
POLICE CHIEF shall devote all of his time, attention, knowledge and energies, as is necessary, to perform his duties as POLICE CHIEF. POLICE CHIEF shall not engage in any other occupational and/or business activities, directly or indirectly, whether or not pursued for pecuniary advantage.
14. APPLICABILITY OF PERSONNEL POLICY  
CITY'S personnel policies as they may exist from time to time shall govern this Agreement, provided, however, that the provisions of this Agreement shall take precedence in any area specifically addressed by this Agreement.
15. BINDING EFFECT  
This Agreement shall be binding on the successors, assigns and heirs or each of the parties.
16. ENTIRE AGREEMENT  
This instrument contains the entire Agreement of the parties. It may not be changed orally but only by agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.
17. HEADINGS  
The headings of paragraphs in the Agreement are inserted for convenience only and shall not affect the construction of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the \_\_\_\_\_ day  
of \_\_\_\_\_, 2017.

CITY OF SAND POINT

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Glen Gardner, Jr., Mayor

POLICE CHIEF

---

Roger Bacon, POLICE CHIEF

DRAFT



# PUBLIC COMMENTS

# COUNCIL COMMENTS

# ADJOURNMENT

**FYI**

February 7, 2017

Ms. Darcy Stetson  
State of Alaska  
Department of Commerce, Community, and Economic Development  
Division of Economic Development  
Financing Section  
P.O. Box 34159  
Juneau, AK 99803-4159

RE: Request to Release State's Mortgage/Lien  
*F/V Barren Islands*  
SOA Loan No. 10-218-0071678

Dear Ms. Stetson:

The City of Sand Point Alaska and Mr. Ted Morehouse are writing to jointly request that the State of Alaska release an existing lien on the derelict vessel known as the *F/V Barren Islands* (USCG No. 1108021; ADFG No. 29896). The *Barren Islands* has been abandoned by its corporate owner in the Sand Point harbor, where it is at great and imminent risk of sinking if it is not removed. The City has been forced to impound the vessel as a result of thousands of dollars in unpaid and still accruing harbor fees. The City has attempted to auction the vessel, but received only one bid (in the amount of \$1). The prospective buyer, Mr. Morehouse, will neither purchase nor take possession of the vessel unless the State releases its lien. The State's lien amount vastly exceeds the actual value of the vessel, which is approximately \$0. The City and Mr. Morehouse are therefore writing to jointly request that the Department release its lien so that the City can sell the vessel to Mr. Morehouse for the amount of \$1. Further background is provided below.

*The vessel*

The *F/V Barren Islands* is a wooden hulled former tender vessel that is believed to have been built in 1944. Until the vessel was impounded by the City of Sand Point (in December 2016), it was owned by the Barren Islands Fish & Oyster, Co. (hereafter "BIF&O"), an Alaska Corporation that is 100% owned by Mr. Andrew Bakke (registered agent and address: P.O. Box 3162, Homer, AK 99603).

### *The State lien*

According to the Abstract of Title obtained from the National Vessel Documentation Center on November 15, 2016 (*Attachment 1*), Barren Islands Fish & Oyster Co. granted a preferred mortgage on the vessel in the amount of \$250,000 in favor of the Department of Commerce, Community, and Economic Development or about August 8, 2006 (*Attachment 1*, p. 5). It appears that the Department released a portion of this mortgage (\$33,530) on either March 5, 2009 or December 26, 2014, or both (if these filings represent separate transactions). The City and Mr. Morehouse have no first-hand knowledge of the financial arrangement between the Department and BIF&O, the terms of mortgage, its purpose, and are uncertain what amount remains outstanding.

We note, however, that Mr. Bakke, owner of BIF&O, is currently engaged in a *personal* Chapter 13 bankruptcy, an action to which the State of Alaska (but not the City of Sand Point) is a party. A recent State pleading in that case acknowledged that the State's security interest in the vessel does not provide any priority in the bankruptcy case because the vessel is owned by BIF&O; the bankruptcy estate includes only personal assets (*Attachment 2*, p. 2, question 9). In short, the State's security interest in the vessel is of no value in Mr. Bakke's bankruptcy case.

### *Current status of vessel*

Moreover, the lien holds no value because it is securing a worthless asset. The *F/V Barren Islands* has been abandoned in the City of Sand Point's harbor since approximately the summer of 2016. Mr. Bakke has since indicated that he has no interest in taking possession of the vessel, and even indicated that he would forfeit it to the State if only the State would accept it (which the State has apparently declined to do). See *Attachment 3*, p. 3.

As of November 2016, the vessel had accumulated over \$4,100 in unpaid moorage fees owed to the City of Sand Point. This amount does not even include the as-yet unbilled hours of labor that City harbor staff have expended—and continue to expend on a daily basis—pumping water out of the vessel and otherwise securing it. The City previously—at the State's request—directed its own personnel to remove the fluids and products from the vessel because the State apparently believed it was at risk of sinking and creating an environmental hazard within the City's harbor. The City has never been compensated for any of its efforts securing and protecting the asset that is the subject of the State's lien.

### *Impoundment proceedings*

On or about November 22, 2016, the City notified Mr. Bakke of its intent to impound the vessel pursuant to City Code unless Mr. Bakke requested a hearing to challenge the propriety of the impoundment. *Attachment 4*. The City provided copies of this Notice of Intent to all interested parties of record, including the Department, by certified mail. *Attachment 5*. Mr.

Bakke did not respond or request a hearing. The Department responded by letter dated December 5, 2016, stating that it did not “intend to take possession or assume liability of this vessel,” but asserting that its lien would survive the impoundment and any subsequent sale.

On or about December 22, 2016, the City notified Mr. Bakke and other interested parties, including the Department, that because Mr. Bakke had neither requested a hearing nor presented any evidence establishing that cause to impound the vessel did not exist, the City had determined that impoundment was appropriate. *Attachment 6*. The City also notified all parties of its intent to sell the vessel at auction.

#### *Efforts to sell the vessel*

The vessel was offered for public auction for approximately 30 days (more than the minimum of 20 days required by City code), with a bid deadline of January 22, 2017. The City notified all potential lienholders, the former owner, and posted the notice of sale in multiple public locations throughout the City. As required by Sand Point Code 11.50.080(a), the City set a minimum bid of \$4,500, which was the estimated amount of unpaid costs and fees at the time of the impoundment. At the close of the auction period, only one bid was received, in the amount of \$1. Because the bid was below the minimum bid amount, the City was obligated to reject the bid, which it did by letter dated January 27, 2017. *Attachment 7*.

However, the City then initiated an auction with no minimum bid, inviting all known interested parties to provide their highest and best offers for the vessel. This announcement was likewise posted throughout the City. Bidding was open until February 3, 2017. Despite the City’s best efforts, no bids were received.

City residents are, and have been throughout this process, keenly aware of the vessel’s availability for purchase due to its high visibility in the City’s harbor. Yet none have approached the City with an offer except Mr. Morehouse.

#### *Basis for lien release request*

The City has discussed the potential sale of the *Barren Islands* with Mr. Morehouse on several occasions. Mr. Morehouse is an area resident who salvages vessels in rural Alaska both for repair and for parts. Mr. Morehouse has informed the City that he will purchase the vessel for the amount of \$1 only if the State lien is released. Mr. Morehouse is concerned about potential liability that might accrue to him if the lien is not released. He is also unwilling to invest the time and funds that will be necessary to render the vessel safe for transit out of the City’s harbor unless he is assured that the State cannot and will not attempt to foreclose on the vessel later.

Mr. Morehouse has many years of experience buying and selling vessels of all kinds and conditions in rural Alaska. In his opinion, the vessel has a zero value in its current state of

disrepair. The vessel is taking on water and requires daily pumping (currently undertaken by City harbor staff). Its engine and instruments are believed to be inoperable. Mr. Morehouse expects to invest considerable time and funds in making the vessel sea worthy enough to be towed from the harbor. Without such an investment, the vessel will continue to have approximately zero value, and in fact will represent a net negative because the City will be forced to maintain the vessel indefinitely. No other potential buyers are known and, given the efforts the City has undertaken to market and sell the vessel for the past two months, none are expected to materialize.

The City's harbormaster, Richard Kochuten, likewise has extensive experience with vessels of all kinds in Alaska. He has bought and sold numerous boats, both on his own behalf and in conjunction with the City following the impound process. Mr. Kochuten has no personal relationship with Mr. Morehouse, nor any reason to undervalue the *Barren Islands* for sale. In fact, Mr. Kochuten has every reason to attempt to maximize a sale price because his department budget is being directly impacted by the past and ongoing costs of impounding, storing, and attempting to sell the vessel. Despite this interest, Mr. Kochuten agrees that the vessel has essentially no value and should be sold for \$1 to a party who will remove it from the harbor.<sup>1</sup>

The City and Mr. Morehouse understand that the vessel's former owner likely represented the vessel as having a value up to or in excess of \$250,000. Whether the vessel was worth that much when the State accepted a security interest in the vessel is unknown, but there is simply no reasonable dispute that the vessel is not worth that amount now. The State's security interest in this vessel is believed to be worth approximately zero dollars. While the State may therefore have a remedy against Mr. Bakke or his company based on the terms of its mortgage or note, it effectively has no remedy against the worthless and derelict vessel currently threatening to sink in the Sand Point City harbor. Releasing the lien will therefore likely have no effect on the State's ability to recover any amounts owed by Mr. Bakke or BIF&O.

The only effect of the lien at this point is that it is preventing the City from disposing of the vessel to a party who will not accept the vessel unless and until the Department relinquishes its mortgage against the vessel. There are no other active liens on the vessel. The City and Mr.

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<sup>1</sup> Even if the City could sell the vessel for more than \$1, the City would be entitled to recover the costs of impound and storage, unpaid fees and other costs, interest, attorney's fees, etc. before remitting any balance to other interested parties, such as the State. These amounts are estimated to exceed \$10,000 as of today, which far exceeds a realistic sale price that could be obtained for the vessel even if another buyer were available. Therefore, the State's position is not likely to be impacted in any meaningful way if it sacrifices this security interest.



Morehouse therefore request that the Department release its preferred mortgage on the F/V Barren Islands so that Mr. Morehouse can purchase the vessel from the City.

Due to the uncertain safety situation and burdensome actions that are required to maintain and secure the vessel, we ask you to consider this request as soon as possible. We have enclosed a release of lien form that may be returned to the City offices of Sand Point at your earliest convenience.


Please contact the City of Sand Point if you have any additional questions for either of the undersigned Parties to the prospective sale.

Sincerely,




Mr. Ted Morehouse

CITY OF SAND POINT



BY: Glen Gardner, Mayor



BY: Andy Varner, City Administrator



January 2017

### **City of Sand Point Airport Plan of Action to Address Lease Agreement Concerns**

In September 2016 State DOT&PF, Statewide Aviation notified the City of Sand Point that several items needed addressed on two of the State's airport lease lots before the leases could be renewed with the City. Shortly thereafter the Mayor directed the Sublessee and other City employees to start organizing the properties better to comply with DOT's cleanup demands. Over the proceeding several months progress was made but there is still work to be done.

On January 10 2017 the City Administrator, Mayor, and a City Councilmember surveyed the lease properties to assess what actions had been taken to satisfy the Department's demands, and the following bullet points address those concerns of the State. This Action Plan will be shared with the City Council to make sure we stay on track with the cleanup goals.

The list of issues presented in September by Mr. Johann Mueller of DOT are in *italics*, with our responses below them in bullets.

#### *Article III, (C), Prohibited Uses:*

*There are many items on the Premises that need to be removed or stored in accordance with the lease agreements. These items including an unserviceable fire truck, fuel tank, building materials, 'super sacks', barrels (need to be labeled and stored appropriately), fishing pots, tires, and other outside storage of junk, salvage aircraft or vehicle parts, non-operational support equipment, unused or damaged equipment or material, or solid waste or debris.*

- The fire truck, fuel tank, super sacks, fishing pots, aircraft/vehicle parts, and other miscellaneous junk have been removed. The remaining tires, debris and equipment belong to Sublessee Paul Gundersen, and he has been notified that he has until March 3 2017 to remove the remaining items or face dumping fines imposed by the City under its code of ordinances.

#### *Article VI, (A), Maintenance:*

*The hangar is in need of what appears to be long delayed maintenance. There are large portions of the siding missing and more that may be considered hazardous.*

- The City intends to have this building "re-skinned" with new siding in summer 2017. The materials are on order and the Public Works crew will do the work.

*A white plywood structure (with a red roof), and nearby debris including mangled totes also needs to be addressed. Is this property of the City of Sand Point?*

- This structure and the associated debris are gone from the site.

*Article XIII, Assignment or Sublease:*

*A portion of the Premises is being sublet to Mr. Paul Gundersen. No consent to a sublease has been issued. Please submit the sublease documents for leasing's review and consent. (Sublease Guidelines are attached.)*

- The City's sublease with Mr. Paul Gundersen is attached. Once our Action Plan is approved, the City Administrator will apply for a sublease and sublease agreement with Statewide Aviation.

*Please verify if the fuel truck, white (blue cab) box van, and yellow box van are property of the City of Sand Point. The white box van appears to be non-operational and needs to be removed.*

- These trucks belong to the Sublessee. One of them had been removed during our January visit, and he has until March 3 to remove the others or face City fines.

*Article XVI, Fueling:*

*If fuel is stored on the Premises, Article XVI must be adhered to. Please provide a Fuel Spill Prevention and Response Plan if fuel is stored on the Premises.*

- There is no fuel on the premises.

*Storage off/outside of leased Premises:*

*Please verify the ownership of the connex containers and their placement on the Premises. No building permit was found for the placement of and the connexes appear to not be located on a lease lot and will need to be moved to a lease lot or removed from the airport.*

- The containers belong to Mr. Gundersen. The City intends to move one of the connexes within the next 45 days, and Mr. Gundersen has been notified that he has 45 days to move the other containers from the property.





**Cost Breakdown Structure (CBS) Register**

**PND ENGINEERS, INC.**

CBS Position Code	Description	Material Quantity	Unit of Measure	Total Unit Cost	Total Cost
<b>JOB</b>	<b>JOB</b>		1.00 LS	\$11,416,376.17	\$11,416,376.17
<b>1</b>	<b>Sand Point Public Dock - Base Bid</b>		1.00 LS	\$9,060,326.17	\$9,060,326.17
1.1	203(19) Shot Rock Fill		1.00 LS	\$716,950.10	\$716,950.10
1.2	207(1) Class A Armor Rock		1.00 LS	\$267,812.06	\$267,812.06
1.3	207(2) Class B Armor Rock		1.00 LS	\$34,183.19	\$34,183.19
1.4	207(3) Salvaged Class A Armor Rock		1.00 LS	\$171,751.27	\$171,751.27
1.5	207(4) Salvaged Class B Armor Rock		1.00 LS	\$73,607.69	\$73,607.69
1.6	301(1) Aggregate Base Course, Grading D-1		1.00 LS	\$51,017.65	\$51,017.65
1.7	304(1) Subbase, Grading A		1.00 LS	\$31,630.15	\$31,630.15
1.8	501(9) Concrete Dock Structure		1.00 LS	\$1,737,028.25	\$1,737,028.25
1.9	501(10) Concrete In-fill		1.00 LS	\$839,175.34	\$839,175.34
1.10	504(2) Dolphin		1.00 LS	\$113,341.87	\$113,341.87
1.11	504(3) Catwalk		1.00 LS	\$107,598.48	\$107,598.48
1.12	504(4) Bollards		1.00 LS	\$76,847.88	\$76,847.88
1.13	504(5) Ladders		1.00 LS	\$53,978.16	\$53,978.16
1.14	505(4) Pile Anodes		1.00 LS	\$136,585.46	\$136,585.46
1.15	505(1) Furnish Structural Steel Piles		1.00 LS	\$1,418,472.00	\$1,418,472.00
1.16	505(2) Install Structural Steel Piles		1.00 LS	\$262,345.07	\$262,345.07
1.17	535(1) Fender		4.00 EA	\$196,039.43	\$784,157.74
1.18	615(7) Signs		1.00 LS	\$5,000.00	\$5,000.00
1.19	640(1) Mobilization and Demobilization		1.00 LS	\$860,551.27	\$860,551.27
1.20	640(4) Worker Meals and Lodging		1.00 LS	\$288,000.00	\$288,000.00
1.21	641(1) Erosion, Sediment, and Pollution Control Administration		1.00 LS	\$10,000.00	\$10,000.00
1.22	641(3) Temporary Erosion, Sediment and Pollution Control		1.00 LS	\$25,000.00	\$25,000.00
1.23	641(5) Temporary Erosion, Sediment and Pollution Control by Directive		1.00 LS	\$20,000.00	\$20,000.00
1.24	641(6) Withholding		1.00 LS	\$0.00	\$0.00
1.25	642(1) Construction Surveying		1.00 LS	\$97,742.52	\$97,742.52
1.26	644(1) Field Office		1.00 LS	\$15,000.00	\$15,000.00
1.27	644(6) Vehicles		1.00 LS	\$40,000.00	\$40,000.00
1.28	645(1) Training Program	500.00	Hour	\$25.00	\$12,500.00
1.29	649(1) Marine Mammal Observation		1.00 LS	\$190,050.00	\$190,050.00
1.30	662(1) Electrical		1.00 LS	\$620,000.00	\$620,000.00
<b>2</b>	<b>Indirect Project Costs</b>		1.00 LS	\$2,356,050.00	\$2,356,050.00
2.1	Contingency (Assumed 10% of Construction Cost)		1.00 LS	\$900,000.00	\$900,000.00
2.2	Construction Administration, Inspection, Engineering Support		1.00 LS	\$934,050.00	\$934,050.00
2.3	ICAP (4.79% of Cost Including Construction Admin)		1.00 LS	\$522,000.00	\$522,000.00
36					\$11,416,376.17

# Redstar Gold Outlines 2017 Exploration and Resource Development Program at the Unga Gold Project

📍 [Alaska \(/news-topics/topic/alaska.html\)](/news-topics/topic/alaska.html)

Vancouver, BC / TheNewswire / February 08, 2017 - **Redstar Gold Corp.** (TSX.V: RGC, OTCQB: RGCTF, FRA: RGG) ("Redstar" or the "Company") is pleased to announce, based on the successful expansion of the mineralized zone along trend and at depth achieved in the 2016 Fall Exploration Program, its 2017 Resource Development and Exploration Program at the Unga Gold Project.

"Commencing in April 2017, our busiest exploration season to-date will begin at the Unga Gold Project. During the 2016 Exploration Program, the Company completed various reconnaissance exploration exercises across the Shumagin and Apollo-Sitka Trends, which included mapping, geochemical soil sampling, surface rock sampling, a 1,505-meter drill program at the Shumagin Zone, and the initiation of an updated internal geological model of the Unga Gold Project. Redstar's President & CEO, Peter A. Ball, stated, "Based on the results and success from 2016, Redstar increased the drilled strike length of the Shumagin Gold Zone from approximately 300m to approximately 950m, and is now well-financed, excited, prepared and focused to execute a multi-million-dollar expansive exploration program to highlight the potential of the multiple gold zones with the Unga Gold Project, commencing firstly with the Shumagin Gold Zone."

## Detailed Review of the 2017 Exploration and Resource Development Program:

- Utilizing multiple drill rigs, commence initial 5,000 meters of exploration diamond drilling, focused on step out drill holes to the southwest of the Shumagin Gold Zone. Additional drilling

and other gold zones will be potentially tested based on current geological models, and as assay or geophysical results are received through the spring/summer program.

- Initiate a ground-based geophysical program consisting of an initial detailed "orientation survey" that will test the geophysical responses associated with well-known geological features and high-grade gold mineralization located across the Shumagin Gold Zone (e.g. magnetic field; electromagnetics, Induced Polarization (IP), gravity surveys). The orientation survey is completed to provide a potential geophysical fingerprint that will be used to target additional blind, structurally-controlled gold-bearing breccia bodies localized along structures to the southwest towards Orange Mountain (see Fig 1 below).
- Complete a preliminary metallurgical assessment representing gold-silver bearing mineralization drilled across the Shumagin Gold Zone during 2016. The metallurgical testing will include: bulk mineral analysis (QEMSCAN); coarse gold particle studies; grind calibrations; gravity concentration testing; leach performance testing; and flotation tests.
- Further details on the program will be disclosed, as the Company gets closer to the commencement of the program.

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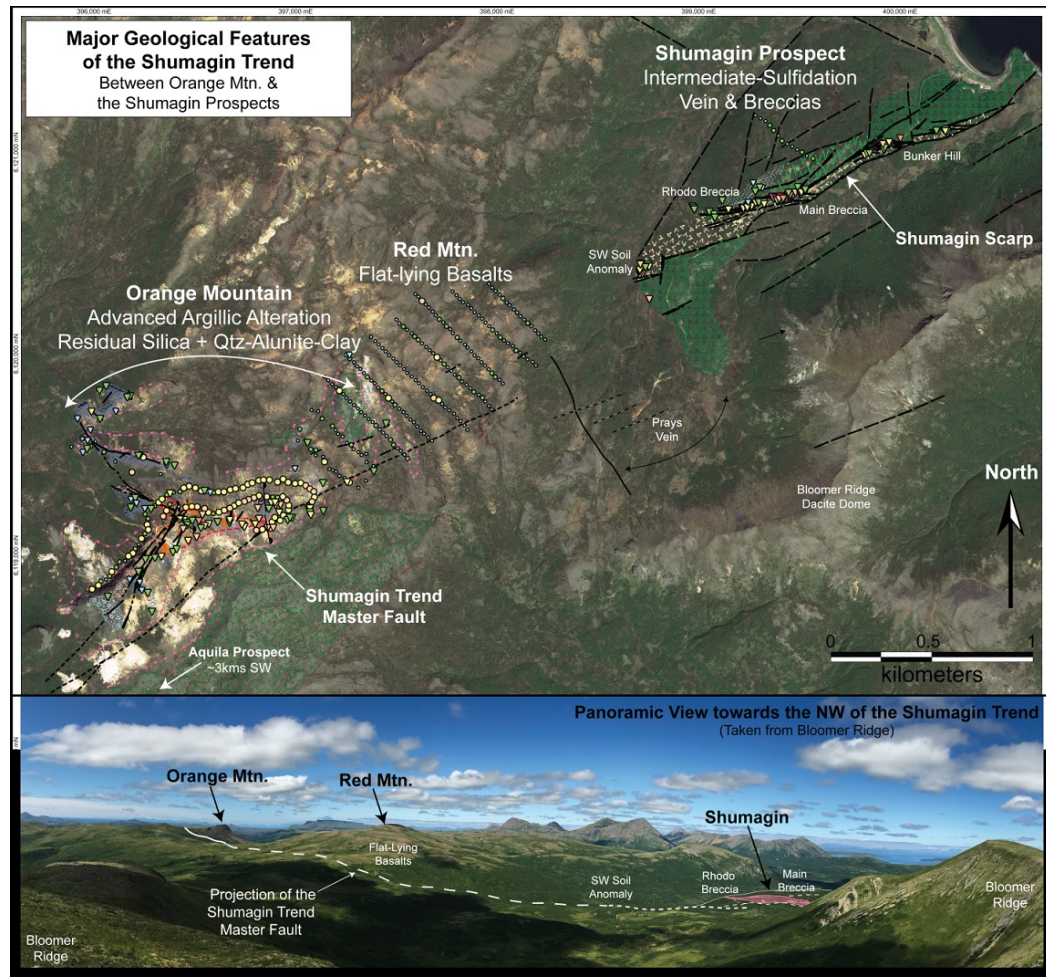

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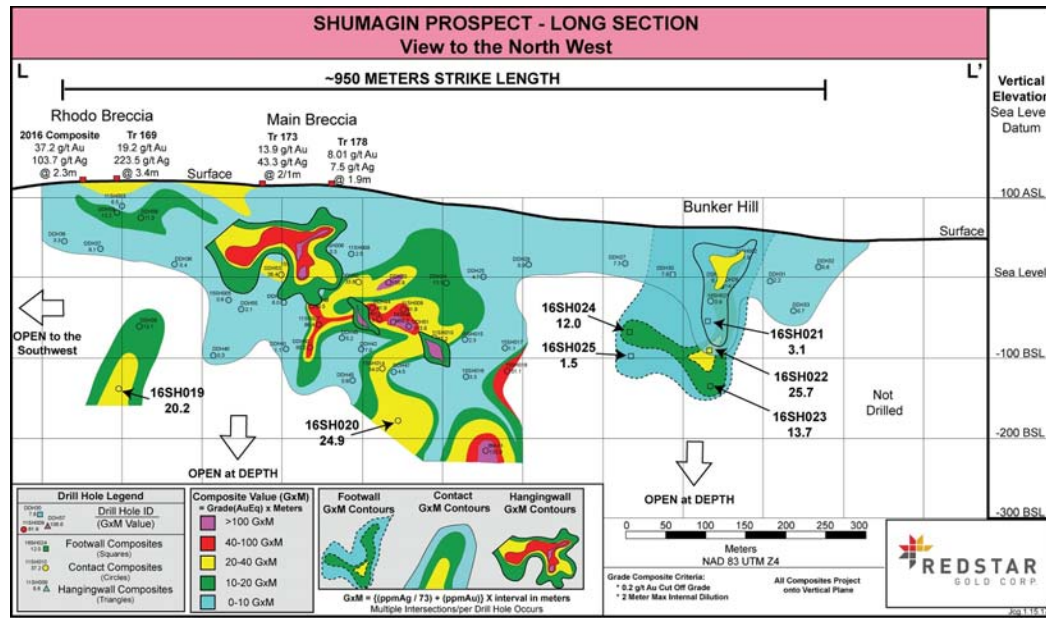


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**Geological Highlights of the Shumagin Gold Zone and Trend**

- The Shumagin Trend is approximately nine (9) kilometers long and is a major regional structure responsible for the localization of epithermal mineralization and associated alteration exposed about its strike length.-Drilling in 2016 validated the Company's structural model and geological interpretation that high-grade gold-silver mineralization localized within the Shumagin Gold Zone occurs within dilation zones associated with major & subsidiary structures that are part of the Shumagin Trend.
- The Shumagin Gold Zone is currently defined over a strike length of approximately 1.2 kms by surface mapping and sampling.
- Results from the 2016 fall drill program at the Shumagin Gold Zone, indicate that high-grade gold-silver mineralization occurs at depth for approximately 950 meters of tested strike length, is vertically extensive (to ~ 330m depths) and remains open at depth across the entire strike length (See Long Section below).



- Hole 16SH019, the deepest and southwestern-most drill hole, encountered a thick section (>50m) of syn-hydrothermal eruption breccias that are cross-cut by one of the thickest stockwork/breccia sections drilled to date along the Shumagin Gold Zone, and is a positive indicator that the hydrothermal system is robust in this area and is open along strike towards the southwest.
- Geological mapping and sampling towards the southwest from Shumagin indicates a very strong expansion potential along strike for an additional three (3) kms towards Orange Mountain, the interpreted hydrothermal center along the Shumagin Trend.

**About the Unga Gold Project**

The 100% controlled Unga Gold Project is an intermediate-sulfidation epithermal district located along the Alaskan Peninsula on adjacent Unga and Popof Islands, approximately 950 km southwest of Anchorage, Alaska. The 240-km<sup>2</sup> property contains numerous volcanic-hosted, structurally-controlled and disseminated gold-silver mineral occurrences localized along at least two (2) regional structures (Shumagin Trend and Apollo-Sitka trends), each measuring approximately 9km long. High-grade gold zones drilled or identified at surface occur within dilation zones along the regional and/or subsidiary structures and are the main exploration target-type for the project. The Shumagin Gold Zone is only one of several