

City of Sand Point Council Meeting



Workshop: Tuesday, January 12, 2016 – 2:00 p.m.

Meeting: Tuesday, January 12, 2016 – 7:00 p.m.

CALL TO ORDER

ROLL CALL

CITY OF SAND POINT

(packet will be available on website January 8, 2016
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
Emil Mobeck	Seat F - Exp. 2018

SAND POINT CITY COUNCIL MEETING AGENDA CITY CHAMBERS

Regular Meeting

Tuesday, January 12, 2015 7:00 pm

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

CONSENT AGENDA:

1. Minutes: Minutes of Regular Meeting on October 13, 2015
Minutes of Regular Meeting on December 8, 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 2016-01: ATV Regulations – 1st Reading
2. Ordinance 2016-02: Sales Tax Clarification – 1st Reading
3. Resolution 16-01: Shared Fisheries Business Tax Application

OLD BUSINESS:

1. URS and R&M Harbor Settlements

NEW BUSINESS

1. Tax and Licensing Database Software
2. Student Council Request to Amend Airport Road Speed Limit

PUBLIC COMMENTS

COUNCIL COMMENTS

ADJOURNMENT

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

POSTED 01/06/16

CONSENT AGENDA

CALL TO ORDER:

The regular meeting of the Sand Point City Council was held Tuesday, October 13, 2015, in the Sand Point Council Chambers. Mayor Glen Gardner, Jr. called the meeting to order at 7:06 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

A quorum was established.

Staff in attendance:

Andy Varner, Administrator via teleconference
Shannon Sommer, City Clerk
Krista Galvin, Finance Officer
David Stokes, Public Works Director
John Lucking, Jr., Public Safety Manager
Richard Kochuten, Sr., Harbor Master

APPROVAL OF AGENDA:

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

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

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

CERTIFICATION OF ELECTION/OATH OF OFFICE

Mayor Glen Gardner, Jr. requested a motion to approve the Certification of Election/Oath of Office.

MOTION: Councilperson Jack Foster, Jr. made a motion to adopt the Certification of Election/Oath of Office.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

APPROVAL OF CONSENT AGENDA:

1. September 8, 2015 Meeting Minutes.

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

MOTION: Councilperson Jack Foster, Jr. made a motion to approve the consent agenda with the corrections needed.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

REPORTS:

Finance Officer- Krista Galvin

Finance Officer Krista Galvin reported that as of August 2015, we received \$94,822.69 in Raw Fish Tax, \$92,491.15 in Sales Tax. She included a bank balance and expenditure and revenue guidelines.

Administrator - Andy Varner

Administrator Andy Varner reported the dock replacement RFP closed October 1 with submitted proposals from AECOM, R&M Consultants, HDR and PND. PenAir showed interest for a Saab 2000 aircraft service to Sand Point,

requiring the airport be certified under FAA regulations; one notable certification is to provide an Aircraft Rescue Fire Fighting service. The firefighter would need to be on standby and require an AARF truck for each flight arrival/departure. BDO is awaiting information from PERS on-behalf funding. CPA Irina Morozova finished the sales tax audit, the report is due by the end of the year; she is waiting for information requested to Alaska Commercial, Co. TelAlaska is scheduled to re-wire the City hall this month. He requested the Council consider a celebration next year for our 50th Anniversary.

Mayor - Glen Gardner, Jr

Mayor Glen Gardner, Jr. gave a quick update about public works. He stated we are moving forward with the Red Dome Quarry. He stated there will be no November council meeting. The ATV discussion will be added to the December meeting.

Public Works Director – David Stokes

Public Works Director David Stokes reported they graded and swept roads, worked on little crusher in shop and crushed 600 yards. They hauled 10 loads of fill for ADF&G. They changed the bed and brake lines on the flatbed, fixed the sand truck electrical and the blower on fuel truck. They pulled the AC fuel tank out of the ground. They serviced the 325 excavator and changed the cat grader exhaust. They worked on the cop car electrical system and hauled 3 loads of fill from the Manager of Public Safety's house. 8 water/sewer notices were given out and all have been paid. Building Maintenance Kenneth Spjut had been working on the furnaces.

Landfill

They serviced and changed tires on the skid-steer and hauled 4 vehicles to the landfill.

Recycling Center

They have received the new garbage cans and ordered parts for the glass crusher.

Water and Sewer

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

Department of Public Safety - Chief John Lucking, Jr.

Manager of Public Safety John Lucking, Jr. reported there is statistical information included in his report. New employee, Police Officer Efen Thao, was hired under a grant for three years. Manager Lucking thanked the officers on patrol for the recent arrests of narcotics with the intent to sell. The Police department is close to signing a MOA with the EAT's for income for ambulance runs, the money will be distributed back to the EMS volunteers. The officers are continuing to patrol for animals.

Harbor Master - Richard Kochuten, Sr.

Harbor Master Richard Kochuten Sr. reported they finished changing chains on the Travelift and replaced the main electrical cable battery and thanked Public Works Director Stokes. They greased the Gehl, boat lifts and flat bed. The harbor crew continues to keep the floats clear of garbage. During September they hauled out 29 boats, stored 22 for winter and expect 10 or more. They stored tables and tents from the Silver Salmon Derby. They blocked off power skiffs with sheet pile so the public are not able to gain access to them with vehicles, they will do the same with boats in storage when finished hauling out. A Kendrick Equipment tech will arrive later in the month. A broken water line on C float needs to be repaired, in the meantime water has been shut off to B & C floats. The crane on the east wall is now available for the public use, for a fee of \$100/yr., an instructional video is available and an agreement needs to be signed beforehand.

Student Representative – Colten Mack

Student Representative Colten Mack reported the upcoming school events, they are working with the clinic during Red Ribbon week, the student council will perform a skit, and then the clinic will show a video. There will be a Halloween costume dance October 30th. They are upgrading the student store. They continue to decorate the school. Students recently traveled for basketball and cross country.

HEARINGS, ORDINANCES, AND RESOLUTIONS:

- 1. Resolution 15-15: Authorizing Alaska USA CD Account

MOTION: Councilperson Shirley Brown made a motion to adopt Resolution 15-15: Authorizing Alaska USA CD Account for \$200,000.

SECOND: Councilperson Emil Mobeck seconded the motion.

VOTE: Motion passed unanimously.

OLD BUSINESS:

- 1. GCI Fiber Install

GCI's Whitt Wilson called in and explained to the council a new proposal which is to use a pneumatic bore for a road crossing, which will involve a trench across the Sand Point road, but no cut at the crossing, using a ram to tunnel underneath the roadway.

MOTION: Councilperson Jack Foster, Jr. made a motion to approve the GCI Fiber Install.

SECOND: Councilperson Allan Starnes seconded the motion.

VOTE: Motion passed unanimously.

NEW BUSINESS:

- 1. QTT Annual Christmas Potluck Donation Request

MOTION: Councilperson Jack Foster, Jr. made a motion to donate the same as last year, \$750 to the QTT Annual Christmas Potluck.

SECOND: Councilperson Shirley Brown seconded the motion.

VOTE: Motion passed unanimously.

- 2. 2016 Leases

MOTION: Councilperson Jack Foster, Jr. made a motion to approve the 2016 Leases with the addition of making the gear shed leases to be renewed every 3 years. Councilperson Shirley Brown asked if there was a waiting list for the gear shed lockers. Harbor Master Richard Kochuten, Sr. replied there is a waiting list and he directs everyone to City Clerk Shannon Sommer.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

- 3. Christmas Bonuses

MOTION: Councilperson Danny Cumberlidge made a motion to approve the Christmas Bonuses.

SECOND: Councilperson Allan Starnes seconded the motion.

VOTE: Motion passed unanimously.

PUBLIC COMMENTS: None.

COUNCIL COMMENTS:

Councilperson Jack Foster, Jr., thanked the public safety department. Councilperson Shirley Brown expressed that bingo and pull tab players want bingo to be open more. Councilperson Emil Mobeck thanked the public for their votes and the public safety department too.

ADJOURNMENT:

MOTION: Councilperson Marita Gundersen made a motion to adjourn.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

The meeting adjourned at 7:54 PM.

Glen Gardner, Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

CALL TO ORDER:

The regular meeting of the Sand Point City Council was held Tuesday, December 8, 2015, in the Sand Point Council Chambers. Mayor Glen Gardner, Jr. called the meeting to order at 7:03 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	Absent - excused
Marita Gundersen	Seat E	Present

A quorum was established.

Staff in attendance:

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

APPROVAL OF AGENDA:

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

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

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

APPROVAL OF CONSENT AGENDA:

The October 13, 2015 Consent Agenda will be available during the January 12, 2015 meeting.

REPORTS:

Finance Officer- Krista Galvin

Finance Officer Krista Galvin reported Finance Officer Krista Galvin reported that as of October 2015, we received \$76,878.70 in Raw Fish Tax, \$71,821.64 in Sales Tax. She included expenditure and revenue guidelines. She is working on revising the chart of accounts and will have October, November and December's financial reports done for the January meeting.

Mayor Glen Gardner, Jr. stated there will be a Sales Tax software program to consider on the agenda for January which includes business licenses and leases.

Administrator - Andy Varner

Administrator Andy Varner reported PND was awarded the design contract for the dock replacement, and they have a tight timeline to get the design, environmental and permitting done for construction bidding next September. The Marijuana Control Board must begin accepting applications by February 24, 2016 and issue the first licenses in May for registered commercialized marijuana facilities, he will continue to pursue this subject. The City sent a letter of support to NPFMC Beth Stewart. He is considering partnering with Adak and Unalaska seeking municipal tax from the tramper that sits in the Humboldt Harbor, so he will work with the city attorney on a letter to send to Fisherman's Finest. A new Water/Sewer Operator, Logan Grothe, was hired and will start at the end of November.

Councilperson Shirley Brown asked if the Water & Sewer Supervisor position is posted. Administrator Varner replied it is posted and Allen Hill is still interested in spending more time working for the City.

Mayor - Glen Gardner, Jr

Mayor Glen Gardner, Jr. reported Councilperson Danny Cumberlidge, Administrator Varner and himself attended the Pacific Marine Expo, which had a high attendance this year. He will follow up with Dick Jacobsen about the Red Dome Quarry. At the Kelly Avenue outfall line, we are currently working on easements, and will have a meeting to address the issue.

Department of Public Safety - Chief John Lucking, Jr.

Manager of Public Safety John Lucking, Jr. reported there is statistical information included in his report; they are currently busy with major investigations involving narcotics being transported in town. They invested a lot of time in training, sent an officer out of town and are looking for a new officer in the next couple months. They are having regular EMS meetings, making sure they have EMT's and will have more training in January or February.

Public Works Director – David Stokes

Mayor Gardner gave a quick update on behalf of David.

Harbor Master - Richard Kochuten, Sr.

Harbor Master Richard Kochuten Sr. reported they doing regular maintenance on the equipment, there are a total of 89 boats on dry storage, and they hauled and stored more than 60 boats this fall. Lumber is on order to block the boats. He spoke with Dave Marshall with Kendrick Equipment about tires for the Travelift and is waiting on parts to fix the hydraulics. The freight boat will continue making weekly visits in January.

Student Representative – Colten Mack

Student Representative Colten Mack reported they are preparing for winter formal in January, they are working on the Trident circles for the wall, they continue to update the student store, and they are organizing the raffles/event schedule. He will bring a Student Council resolution to the next meeting. The culinary class prepared Thanksgiving dinners and delivered to elders. There will be an antidrug potluck for a basketball potluck. The wrestling team went to Unalaska with King Cove. Basketball began December 2, 2015.

HEARINGS, ORDINANCES, AND RESOLUTIONS: None.

OLD BUSINESS:

1. ATV Code and Helmet Discussion

There will be a draft ordinance available at the next meeting, including minor changes and deletions.

NEW BUSINESS:

1. KSDP Donation Request

MOTION: Councilperson Danny Cumberlidge made a motion to donate \$1000 to KSDP.

SECOND: Councilperson Emil Mobeck seconded the motion.

VOTE: Motion passed unanimously.

2. Airport requirements for Certification: DOT & PenAir invited

Representatives from DOT and Cold Bay called in and Matthew Macri with PenAir attended the workshop, they spoke with the council about recertifying the airport for the new Saab aircraft. DOT listed off some of the requirements needed to re-certify the airport, including: the wind direction cone will need a light on it, the gates and fences would need to be redone, there needs to be 2 trained staff and a new AARF truck. We currently do not have an AARF truck but DOT would supply one, possibly from Homer. City administration needs to meet with DOT and PenAir about additional costs, for example, who would pay for the training and paying the trained staff. The on-call staff would need to do daily inspections, meet the plane; keep detailed records and the trained main person would need a standby. Administrator Varner stated there needs to be ETT certification, and work with PenAir about staff duties and maybe we can make a deal with an employee from PenAir and the Manager of Public Safety to help cut the costs to the City.

Paul Gundersen, Jr. asked if about his currant airport maintenance contract with DOT if new employees were hired due to certification. Mayor Gardner explained it is still up for discussion, and maybe the city employees could be the fallback and the contract still in consideration. Councilperson Allan Starnes stated the City was thinking of Mr. Gundersen's position, and asked Mr. Gundersen if he would be interested in the being the relief guy considering he summer fishes, Mr. Gundersen replied he would like to work on something.

3. Contract for Lobbying Services

Administrator Varner stated it would be useful to contract former DOT Commissioner Mark Hickey again to help with funding for the dock, finishing the harbor floats, and other assistance with government relations, and Mr. Hickey agreed to a fee of \$10,000.

MOTION: Councilperson Marita Gundersen made a motion approve Mark Hickey's 1 year contract for \$10,000.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

PUBLIC COMMENTS:

Richard Kochuten, Sr. asked if DOT would do yearly training for the airport, instead of the City. Mayor Gardner replied it is still in discussion.

COUNCIL COMMENTS:

Councilperson Emil Mobeck expressed the new aircraft transportation would be very beneficial to the City.

ADJOURNMENT:

MOTION: Councilperson Shirley Brown made a motion to adjourn.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

The meeting adjourned at 7:46 PM.

Glen Gardner, Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

REPORTS

FINANCE OFFICER

No report given at this time.

TO: Mayor Gardner
City Council Members

FROM: Andy Varner
City Administrator

DATE: January 5, 2016

SUBJ: Monthly Report for January 2016

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

AIRPORT CERTIFICATION

- Mayor Gardner and I met with Danny Seybert of PenAir at the end of December to discuss ways in which the City and company can work together to make sure airport certification happens by May. It is in both parties' interests, but more so for PenAir, to make it happen. I met with PenAir and the DOT Aviation Commissioner on Friday to see about additional operational resources for the City, related to previous arrangements that PenAir had made with DOT about making sure our airport was re-certified for just this purpose. Councilmember Cumberlidge and I toured the new Saab 2000 aircraft at a PenAir open house, and I believe the Mayor did as well after our later meeting with Mr Seybert. It's a nice plane and will be a definite benefit for the region.

ANNEXATION

- Over the past month I have been working on an annexation petition through the Local Boundary Commission (LBC) to potentially expand Sand Point city boundaries. The current boundaries were drawn up in 1994, and the expansion we've been exploring is on the map under the FYI section. The boundary lines at this stage are arbitrarily chosen and we can discuss the appropriate area. The main purpose for the boundary expansion is to potentially receive more revenue through raw fish tax and the State's shared fish tax program, along with any potential future development (ie mining). This is a common practice across the state. The flipside of an annexation, of course, is providing more public services in the expanded territory. But since there is no population base in the proposed area the expenditure impacts should be minimal to the City. Since we would propose to encompass a lot of water area, the petition would be done through "Legislative Review," rather than through a local vote. That means the Legislature would approve or reject the petition during the first week of their 2017 session, best case scenario. Basically, if the Council is in favor I would like to have the petition done by March, along with an approved City Council resolution, to start the LBC process and schedule public hearings. We will have to appropriate a small amount of money for GIS services to describe the exact boundary coordinates. That should be in the \$500-\$800 range.

FISHERIES

- I've done quite a bit of research to see if the transactions between the factory trawlers that offload flatfish to the trampers in Humboldt Harbor for several months a year are subject to municipal taxation. The city attorney and I are currently evaluating that, and due to this issue and the possible proposed boundary changes thru annexation, we may need to amend our tax code slightly to capture some of these transactions. That is the purpose of the sales tax ordinance on this month's agenda. Any tax changes, however, would **not** affect Sand Point fishermen or processors already paying a tax.

WATER/SEWER MASTER PLAN

- The engineering firm CRW is out visiting this week to assess our water/sewer and solid waste systems. They are putting together our “master plan” of facilities and needs for these areas going forward. I’d like to see part of the solid waste plan give a better idea of landfill life and closure costs. Their work is being paid for by a USDA grant, with the City providing a 25% match.

DOCK REPLACEMENT

- PND and DOT were still negotiating their fee proposal when I talked to them last week, but all indications are that they will start on the analysis and design soon. Their tentative schedule is to begin the geotechnical exploration and site survey within a week or two, so expect to see some PND engineers near the dock drilling boreholes. I should be able to provide their full schedule in next month’s report, it wasn’t ready yet.

TELALASKA/WIRELESS

- TelAlaska came back and finished up the majority of the re-wiring job in the building after tying up some loose ends.
- TelAlaska are also scheduled to finally “turn up” the 3G data service on January 12. I spoke to AT&T and they expect the service to be open to their customers too, hopefully sooner rather than later but it’s something I’ll follow up on in Anchorage.

SALES TAX COMPLIANCE REPORT

- Irina finished the sales tax report (ie audit), included in the FYI section. She found just a few discrepancies between the two companies’ reports and our own calculations. One of her recommendations was to alter our sales tax form to make the calculations more user friendly for businesses and our staff. We are doing that, as well as pursuing the tax and licensing software up for discussion this month.

HEALTH INSURANCE

- Eleven employees have opted out of the City’s health insurance plan. With a difference between the monthly insurance premium (\$1035) per employee and the monthly stipend (\$480) in lieu of insurance being \$555, this will save the City approximately \$6000 each month.



JOHN H. LUCKING, JR
CHIEF OF POLICE

SAND POINT DEPARTMENT of PUBLIC SAFETY

Post Office Box 423
Sand Point, Alaska 99661
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MEMORANDUM

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

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

Date: January 8th, 2016

Ref: Department of Public Safety's Monthly Report for December 2015

Police Department

Director of Public Safety / Emergency Manager

- John H. Lucking, Jr.

Police Officers

- Sergeant Michael Chiesa
- Eric Tupper, Police Officer
- Efen Thao, Police Officer

Administrative Assistant

- Denise Mobeck/Day Dispatcher

Dispatchers

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

Police Division Activity

DECEMBER 2015

16 cases were generated

- 5 MICS
- 2 VCOR
- 1 DWLR/VCOR
- 2 Thefts
- 2 DV Assault
- 1 Vehicle theft
- 1 Suicide attempt
- 1 Motor vehicle accident
- 1 Criminal Mischief/assault

There were 8 persons jailed

- 2 VCOR
- 1 criminal mischief/assault
- 3 MICS
- 1 DWLR/VCOR
- 1 DV assault

There were 39 calls to 911

- 11 MOC requests (3 of same call)
- 2 vehicle thefts
- 1 suicide attempt
- 2 DV assaults
- 11 hang up or mis-dials
- 3 drunken disturbances
- 1 suspicious activity at vacant residence
- 1 REDDI report
- 1 welfare check
- 2 bar fight
- 1 noise complaint
- 1 blocked roadway
- 1 drunken disturbance removal
- 1 debris cleanup from storm

Officer Calls for Service

- 1 vehicle accident investigation
- 2 public assist
- 1 removal of drunk person in ditch
- 3 drunken disturbance removal
- 1 animal control assist
- several drug intel information calls

Other Officer Activity

- 6 paper service
- 3 transport persons to clinic
- 2 prisoner transport to airport
- 3 courtesy transports
- Bar checks
- Welfare checks
- 3 search warrants that resulted in arrests for Misconduct involving controlled substances

5 traffic stops
2 warning equipment violation
3 warning for speed

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 Director and supported by DPS and DPW staff.

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 maintaining agency certifications

PUBLIC WORKS DIRECTOR

No report given at this time.

Robert E. Galovin Small Boat harbor 1-7-16

Happy New Year!

Hauled and stored 4 boats in December.

91 boats in storage to date.

Crew building bilge blocks, going well.

Hauled used oils to public works.

Have sent the unusable tires back to Kendrick Equipment, Dave Marshall has notified me that they arrived. He will let me know when the Travelift replacement parts for the machine are mailed. We are waiting for some hydraulic components.

FYI - The coastal freighters are now arriving on a weekly basis.

Guys keeping busy with boats. Moving and storing gear, etc.

To date, still no State ferry schedule.

Thank You,

Richard Kochuten, Sr.
Harbor Master

**STUDENT
REPRESENTATIVE**

HEARINGS, ORDINANCES AND RESOLUTIONS

Memo

To: Mayor Gardner
From: Andy Varner, Administrator
cc: City Council
Date: January 5, 2016
Re: ATV Ordinance Change

The attached draft ordinance includes the December discussion points the Council made regarding our ATV ordinances. The draft ordinance was placed around town earlier than usual so community members could have time to voice any concerns to Council members ahead of this meeting.

The proposed changes are relatively minor, and I'll note a couple of them below based on the attorney's comments:

- ATV definition: I made a few minor changes and added back in that the term includes those vehicles defined as off-highway vehicles.
- .063(a): The change is to the form, not substance.
- .063(c): Tried to say the same with fewer words.
- .063(e): The change is to the substance, I've basically inverted the language so that it says what cannot be done rather than what can be done. The primary reason why this structure is preferable is that the city does not want to represent that an activity is lawful because the activity may violate other laws under certain facts. By saying when minors can't use ATVs on the roads rather than when they can you reduce the risk that the ordinance is seen as condoning activity that might otherwise be unlawful.

City of Sand Point



ORDINANCE 2016-01

AN ORDINANCE OF THE SAND POINT CITY COUNCIL AMENDING CODE OF ORDINANCES OF THE CITY OF SAND POINT CHAPTER 12.30 – TRAFFIC CONTROL AS IT RELATES TO ATV USE

BE IT ENACTED by the City Council of the City of Sand Point:

Section 1. Form. This is a Code ordinance.

Section 2. Amendment of Section 12.30.030. Chapter 12.30, Section .030 of the Code of Ordinances of the City of Sand Point, Alaska, is hereby amended to read as follows [deleted language is struck, added language is underlined]:

§ 12.30.030. DEFINITIONS.

Definitions. Unless the context clearly indicates a different meaning was intended, the following words and phrases used in this chapter shall have the meanings set out in this section.

ALL-TERRAIN VEHICLE and ATV. ~~Includes off highway vehicles, snowmobiles, and motor vehicles commonly known as "three wheelers" and "four wheelers."~~ A motorized all-terrain vehicle primarily designed for off-road use. The term includes "four wheelers," "three wheelers," snowmobiles, golf carts, tractors, six- and eight-wheeled vehicles such as an ARGO, UTV (side-by-side), a Max, and six-wheeled vehicles that are configured the same as a "four wheeler" or "three wheeler" as well as Off-Highway Vehicles.

HIGHWAY. The entire width between the boundary lines of every way that is publicly maintained when a part of it is open to the public for vehicular travel, including, but not limited to, all city streets and alleys, but not including vehicular ways or areas.

MOTOR VEHICLE. A vehicle which is self-propelled except a vehicle moved by human or animal power.

MOTORCYCLE. A vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground. The term does not include a tractor.

MOTOR-DRIVEN CYCLE. A motorcycle, motor scooter, motorized bicycle or similar conveyance with a motor attached and having an engine with 50 or less cubic centimeters of displacement.

OFF-HIGHWAY VEHICLE. A motor vehicle designed or adapted for cross-country operation over unimproved terrain, ice or snow and which has been declared by its owner at the time of registration and determined by the Alaska Department of Public Safety to be unsuitable for general highway use, although the vehicle may make incidental use of a highway as provided by Alaska Uniform Vehicle Code or this chapter; it includes snowmobiles but does not include implements of husbandry and special mobile equipment.

SNOWMOBILE. A motor vehicle designed to travel over ice or snow, and supported in part by skis, belts, cleats or low-pressure tires.

VEHICULAR WAY OR AREA. A way, path or area, other than a highway or private property, which is designated by official traffic control devices or customary usage and which is open to the public for purposes of pedestrian or vehicular travel, and which way or area may be restricted in use to pedestrians, bicycles or other specific types of vehicles as determined by the city or other governmental agency having jurisdiction over the way, path or area.

Section 3. Repeal of Subsection 12.30.062(d). The Code of Ordinances of the City of Sand Point, Alaska, is hereby amended by the repeal of Subsection 12.30.062(d).

Section 4. Repeal of Section 12.30.040. The Code of Ordinances of the City of Sand Point, Alaska, is hereby amended by the repeal of Section 12.30.040.

Section 5. Repeal of Section 12.30.050. The Code of Ordinances of the City of Sand Point, Alaska, is hereby amended by the repeal of Section 12.30.050.

Section 6. Amendment of Section 12.30.063. Chapter 12.30, Section .063 of the Code of Ordinances of the City of Sand Point, Alaska, is hereby amended to read as follows [deleted language is ~~struck~~, added language is underlined]:

§ 12.30.063. REGULATIONS CONCERNING OPERATION OF ALL-TERRAIN VEHICLES UPON THE PUBLIC STREETS AND ROADWAYS OF THE CITY OF SAND POINT.

All-terrain vehicles may operate on the public streets and roadways of the City of Sand Point, subject to the following conditions:

(a) *License.* The person operating the all-terrain vehicle must be: ~~a duly licensed driver in the State of Alaska and at least 16 years of age, except that persons who are 14 years of age before the effective date of this section shall be authorized to operate all-terrain vehicles within the City of Sand Point, provided said persons are duly licensed with a State of Alaska drivers instruction permit.~~

(1) a duly licensed driver in the State of Alaska and at least 16 years of age;

(2) at least 14 years of age and duly licensed with a State of Alaska drivers instruction permit; or

(3) under the direct supervision of the operator's licensed parent or guardian.

(b) *Safety Equipment.* The all-terrain vehicle must be equipped with the appropriate safety equipment, including headlights, taillights, mufflers, fenders, and brakes all in operating order and which meet or exceed state or local regulations. Headlights must be illuminated between one-half hour after sunset and one-half hour before sunrise, and at any other time when, because of insufficient light or other atmospheric conditions, persons or vehicles on the highway are not clearly discernable at a distance of 1,000 feet.

(c) *Protective Equipment.* ~~An operator and passenger~~ Operators and passengers under the age of 18 ~~and any passenger~~ must wear protective headgear and an eye-protective device that meet the requirements of 13 AAC 04.350.

(d) *Traffic Laws.* The operator of an all-terrain vehicle must observe all state and city traffic laws and codes which pertain to the operation of motor vehicles upon a highway.

(e) *Hours of Operation.* Persons over 14 years of age but under 18 years of age are prohibited from using all-terrain vehicles on the public streets and roadways of the City of Sand Point from 10:00 p.m. until 6:00 a.m. the following morning on Sundays through Thursdays and from 12:00 a.m. until 6:00 a.m. on Saturdays and Sundays.

~~—— (1) All terrain vehicles shall be permitted to operate on the public streets and roadways of the City of Sand Point only during the following times: All terrain vehicles may be operated on public streets and roadways by persons 14 to 17 years of age from 6:00 a.m. to 10:00 p.m. Sunday through Thursday, and 6:00 a.m. to 12:00 a.m. Friday and Saturday.~~

~~—— (2) Operation of all terrain vehicles at all other times is prohibited except in an emergency or when other circumstances exist which justify an exception because operation of the all terrain vehicle was necessary or unavoidable. Exceptions are limited to non-recreational use of all terrain vehicles.~~

Section 7. Amendment of Subsection 12.30.067(a). Section 12.30.067, Subsection (a) of the Code of Ordinances of the City of Sand Point, Alaska, is hereby amended to read as follows [deleted language is ~~struck~~, added language is underlined]:

(a) A police officer may issue a citation to the operator or owner of an all-terrain vehicle, which is not in safe mechanical condition or properly equipped as required by Title 28 of the Alaska Statutes, Title 13 of the Alaska Administrative Code, or the safety provisions of this chapter. A citation issued under this section shall specify the repair or adjustment to be made.

Section 8. Effective Date. This ordinance shall be effective upon adoption.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE SAND POINT CITY COUNCIL THIS _____ DAY OF _____, 2016.

CITY OF SAND POINT

Glen Gardner Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

DRAFT

OLD BUSINESS

Memo

To: Mayor Gardner
From: Andy Varner, Administrator
cc: City Council
Date: January 5, 2016
Re: URS and R&M Settlements

The small boat harbor was completed 2 years ago this March. Since the contractors pulled out we obviously had issues with some of the floats, but those seem to have been rectified when Magone installed more billets and straightened them out this past July. He did that with the assistance of URS providing engineer oversight and inspection support for three days, which they did without fee.

Last year we approached URS/AECOM (the engineer of record) and R&M (construction management firm) about mediation to resolve our different claims against them. URS tentatively agreed, but had a previous offer on the table from March 2015 of either \$12,000 in cash or \$36,000 in professional services as a “good faith gesture.” (see FYI for their letter)

R&M, on the other hand, declined mediation. They instead agreed to “write off” over \$12,000 in outstanding invoiced services since our last payment. We had refused to pay those claims due to our dissatisfaction with the project.

If we want to close the book on that project this is a way to move forward by writing off R&M’s invoices and accepting one of the offers from URS. If we decided to accept the URS offer of professional services, it could be used to finish the design of the float in the New Harbor. Alternatively, if we don’t feel confident working with their engineers again, it could be used on an update to the City’s comprehensive plan, which URS completed in 2004.

City of Sand Point



ORDINANCE 2016-02

AN ORDINANCE OF THE SAND POINT CITY COUNCIL AMENDING CODE OF ORDINANCES OF THE CITY OF SAND POINT CHAPTER 6.10 TO ADD A CLARIFYING SECTION DESCRIBING THE PLACE OF SALE AND TO ADD AN EXEMPTION FOR CERTAIN SALES OF PROCESSED SEAFOOD

BE IT ENACTED by the City Council of the City of Sand Point:

Section 1. Legislative Findings. The City Council finds that Chapter 6.10 does not contain language describing when a sale of goods or services occurs within the city. This ordinance is adopted to provide that specific language. This is not done to change or expand existing code provisions. Rather it is done to clarify the application of current code provisions which levy a general sales tax on sales made within the City. This could be done by the Mayor under Section 6.10.210 subject to revision or repeal by the City Council but the city council believes it is preferable to make this change by ordinance. The City Council hereby finds that Section 3 of this ordinance reflects the intent of how the city sales tax ordinance applies and has applied to sales of goods, services and rentals since adoption of Ordinance 93-4.

Section 2. Classification. This is a Code ordinance.

Section 3. Amendment of Chapter 6.10. Chapter 6.10 of the Code of Ordinances of the City of Sand Point, Alaska, is hereby amended by addition of a new section 6.10.120 to read as follows :

6.10.120 Place of sale, rental or service.

(a) Unless otherwise provided in this Chapter, a taxable sale of tangible or intangible property occurs if any significant element of the making or performance of the sale agreement occurs within the City during the tax year, including, but not limited to, the offer to sell or buy and its receipt, the acceptance of the offer or the agreement to buy or sell, the delivery of any part of the property to either the buyer or to any person transporting the property to the buyer, transfer of title and possession to the buyer or to any person transporting the property to the buyer and the payment or partial payment for the property.

(b) Unless otherwise provided in this Chapter, a taxable rental occurs if any significant element of the making or performance of the rental agreement occurs within the City during the tax year, including, but not limited to, the completion of the execution of the rental agreement, the making of an oral rental agreement, the delivery of the fully executed rental agreement, the transfer or relinquishment of possession of the rented space or property to the lessee or renter, the possession or use of the rented space or property regardless of when the rental agreement was made or the use or possession of the space or property began and shall be taxable for the portion of the rental period that occurs during the tax year.

(c) Unless otherwise provided in this Chapter, a taxable sale or performance of a service occurs when any significant element of the sale or performance of the service occurs within the City during the tax year, including the offer and acceptance, the delivery to the purchaser or to the person who is to provide a service of a ticket, coupon or other instrument entitling a holder to a service, the commencement of the performance of a service, the completion of the performance of a service, and the performance of any part of a service. The sale within the City of a service is taxable without regard to where the service is or is to be performed. Unless otherwise provided by law, the entire value of an unsegregated service is taxable if any part of the service is performed within the City during the tax year. The performance of a service is not taxable if the tax under this chapter was paid on the sale of the service. If a service sold outside the City is to be performed in part or in whole inside the City, the person providing the service is the seller under this chapter and shall be liable for the collection and remittance of the tax.

Section 4. Amendment of Section 6.10.050. Section 6.10.050 of the Sand Point Code of Ordinances is hereby amended by adding a new subsection (t) to read as follows:

(t) Sales of processed seafood products made by a seller who has; (1) collected a raw seafood tax on the purchase of the same seafood prior to processing; and (2) has entered into a payment in lieu of taxes agreement with the city.

Section 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE SAND POINT CITY COUNCIL THIS _____ DAY OF _____, 2016.

CITY OF SAND POINT

Glen Gardner Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

DRAFT

City of Sand Point



RESOLUTION 16-01

A RESOLUTION OF THE CITY OF SAND POINT ADOPTING THE ALTERNATIVE ALLOCATION METHOD FOR THE FY16 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 FY16 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 2014 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 FY16 funding available within the FMA3: Alaska Peninsula Fisheries Management Area in agreement with all other municipalities in this area participating in the FY16 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 2014 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 12th DAY OF JANUARY 2016.

CITY OF SAND POINT

Glen Gardner Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

OLD BUSINESS

Memo

To: Mayor Gardner
From: Andy Varner, Administrator
cc: City Council
Date: January 5, 2016
Re: URS and R&M Settlements

The small boat harbor was completed 2 years ago this March. Since the contractors pulled out we obviously had issues with some of the floats, but those seem to have been rectified when Magone installed more billets and straightened them out this past July. He did that with the assistance of URS providing engineer oversight and inspection support for three days, which they did without fee.

Last year we approached URS/AECOM (the engineer of record) and R&M (construction management firm) about mediation to resolve our different claims against them. URS tentatively agreed, but had a previous offer on the table from March 2015 of either \$12,000 in cash or \$36,000 in professional services as a “good faith gesture.” (see FYI for their letter)

R&M, on the other hand, declined mediation. They instead agreed to “write off” over \$12,000 in outstanding invoiced services since our last payment. We had refused to pay those claims due to our dissatisfaction with the project.

If we want to close the book on that project this is a way to move forward by writing off R&M’s invoices and accepting one of the offers from URS. If we decided to accept the URS offer of professional services, it could be used to finish the design of the float in the New Harbor. Alternatively, if we don’t feel confident working with their engineers again, it could be used on an update to the City’s comprehensive plan, which URS completed in 2004.



December 29, 2015

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

Re: Sand Point Harbor Project

Dear Laura:

Having completed a follow up inspection the previous summer with AECOM's assistance which was much appreciated, Sand Point is now prepared to finally resolve the billet issue without mediation. Previously the City was offered alternatives of either a cash payment of \$12,000 or \$36,000 worth of professional services. The City prefers _____ and recognizes that \$1,395 in professional services reflected in the final URS invoice dated December 25, 2015 should be included in this calculation. Therefore the City accepts this proposal. We will proceed to instruct the city attorney to document this arrangement including a full release of AECOM.

Very truly yours,

CITY OF SAND POINT

BY:

Andy Varner
City Administrator

Cc: Mayor Glen Gardner, Jr.
Brooks Chandler, City Attorney

NEW BUSINESS

Memo

To: Mayor Gardner
From: Andy Varner, Administrator
cc: City Council
Date: January 5, 2016
Re: Tax and Licensing Database Program Proposal

One of the recommendations from our recent sales tax compliance report was for the City to consider purchasing and implementing sales tax software that will assist the Clerk in keeping track of sales tax, penalties and interest to make her job more efficient. This finding was not news to us; it's something we've been discussing for years. Currently all of this financial information is copied and recorded on the same Excel spreadsheet we've used for the past decade or more. Our hope is that this will save staff time between Shannon, Krista and Curtis, and allow us to be more accurate with calculating and collecting penalty payments and interest due, among other things.

Shannon and Krista reached out to Banyon, our fund accounting software provider, to see if they could design such a program to assist with sales tax compliance, as well as permits, leases, and licensing fees. All cities our size or larger use such a program, and this proposal is much cheaper than others we compared (normally in the \$20,000 and up range).

90% of the cost of this program is a one-time setup fee. I recommend approval.



PROPOSAL

Date: 12/02/15
 Expires: 03/02/16



For: CITY OF SAND POINT
 10 MAIN STREET
 SAND POINT AK 99661

Phone: 907-383-2696
 Fax: 907-383-2698
 Email: sptcity@arctic.net

Banyon Contact	Title	Email/Phone	Comment	Invoice #
Chris Olson	Sales Manager	Chriso@banyon.com		

Description	Amount
Property Management: Permits/Licenses/Violations	\$3,495.00
Custom Sales Tax Tracking Module	\$4,000.00
Property Management Annual Support	\$865.00
Training 1 day (online 6 hours)	\$400.00

For on-site training, please include travel expenses if site over 400 miles from home office training center.	Sub-total	\$8,760.00
	Tax	\$0.00
	Total	\$8,760.00

Banyon Data Systems, Inc. hereby proposes to provide the above stated product and service in accordance with the above specifications. All Product and service are guaranteed as specified. No returns will be accepted after 90 days from signed proposal date. If returned before 90 days then a restocking fee of 20% will be charged on software only. Training will not be refunded if already completed and annual support will be prorated from date on proposal.

I accept this proposal from Banyon Data Systems: _____

Acceptance Date: _____ Title/Position: _____

Banyon Authorized Signature: Chris Olson

SAND POINT SCHOOL STUDENT COUNCIL RESOLUTION

End of Airport Rd. Speed Limit Resolution Submitted by Sand Point School Student Council

- 1. Be it resolved by the Sand Point City Council;**
- 2. Whereas,** the current speed limit of the final hill going toward the Airport in Sand Point, Alaska is 45 miles per hour (mph);
- 3. Whereas,** because of limited visibility, the 45 mph speed limit is hazardous to vehicles coming out of the Peter Pan working area and vehicles going down this road;
- 4. Whereas,** it is dangerous to drive at 45 mph on a curved downhill when weather conditions are bad, especially when the roads have become icy;
- 5. Whereas,** “On average, there are over 5,870,000 vehicle crashes each year. Twenty-three percent (23%) of these crashes—nearly 1,312,000—are weather-related” (4);
- 6. Whereas,** a lower speed limit at the end of Airport Rd. in Sand Point, Alaska would lower the risk of crashes;
- 7. Therefore, be it resolved by the Sand Point City Council that the end of Airport Rd. speed limit in Sand Point, Alaska, gets lowered by at least 10 mph from 45 mph.**

Works Cited

Anonymous. "How Do Weather Events Impact Roads?" Road Weather Management Program. Federal Highway Administration. 20 Oct. 2015. Web.

Petition

This resolution is supported by:

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45. _____

PUBLIC COMMENTS

COUNCIL COMMENTS

ADJOURNMENT

FYI



P.O. Box 196613 • Anchorage, Alaska 99519 • www.alaskausa.org

STATEMENT OF ACCOUNT

ACCOUNT 1957756
 STATEMENT PERIOD
 FROM 12-01-15
 THROUGH 12-31-15
 PAGE 1

CITY OF SAND POINT, ALASKA
 PO BOX 249
 SAND POINT AK 99661-0249

Privacy Notice

Federal law requires Alaska USA to tell you how the credit union collects, shares, and protects your personal information. Alaska USA's privacy policy has not changed and you may review the policy and practices with respect to your personal information at alaskausa.org/privacy. The Member Service Center will mail you a free copy upon request if you call (800) 525-9094.

Tax Information for Your Account
 You can view your Alaska USA tax information online with UltraBranch. Simply select the Account Services tab when you log in. Tax information is archived for up to seven years.

ACCOUNT SUMMARY

SHARE ACCOUNTS		DIVIDENDS YEAR-TO-DATE	WITHHOLDING YEAR-TO-DATE	PREVIOUS BALANCE	NEW BALANCE
10	SHARE SAV	0.00	0.00	0.00	0.00
80	CERTIFICATE	1,002.58	0.00	200,849.91	201,002.58
81	CERTIFICATE	353.29	0.00	200,201.11	200,353.29
TOTAL SHARE ACCOUNTS					401,355.87

SHARE SAV - 10

Effective	Posted	TRANSACTION DESCRIPTION	AMOUNT	BALANCE	EXPANDED TRANSACTION DESCRIPTION
		PREVIOUS BALANCE		0.00	
		NEW BALANCE		0.00	
		DIVIDEND YEAR TO DATE	0.00		

CERTIFICATE - 80 (MATURITY DATE 12-11-2016) DIV RATE 0.895%

Effective	Posted	TRANSACTION DESCRIPTION	AMOUNT	BALANCE	EXPANDED TRANSACTION DESCRIPTION
		PREVIOUS BALANCE		200849.91	
12-31	12-31	DEPOSIT DIVIDEND 0.895%	152.67	201002.58	ANNUAL PERCENTAGE YIELD EARNED 0.90% FROM 12/01/15 THROUGH 12/31/15 BASED ON AVERAGE DAILY BALANCE OF 200,849.91
		NEW BALANCE		201002.58	
		DIVIDEND YEAR TO DATE	1002.58		

CERTIFICATE - 81 (MATURITY DATE 04-21-2017) DIV RATE 0.895%

Effective	Posted	TRANSACTION DESCRIPTION	AMOUNT	BALANCE	EXPANDED TRANSACTION DESCRIPTION
		PREVIOUS BALANCE		200201.11	
12-31	12-31	DEPOSIT DIVIDEND 0.895%	152.18	200353.29	ANNUAL PERCENTAGE YIELD EARNED 0.90% FROM 12/01/15 THROUGH 12/31/15 BASED ON AVERAGE DAILY BALANCE OF 200,201.11
		NEW BALANCE		200353.29	



P.O. Box 196613 • Anchorage, Alaska 99519 • www.alaskausa.org

STATEMENT OF ACCOUNT

ACCOUNT 1957756
STATEMENT PERIOD
FROM 12-01-15
THROUGH 12-31-15
PAGE 2

CERTIFICATE - 81 (MATURITY DATE 04-21-2017) DIV RATE 0.895% (CONTINUED)

Effective	Posted	TRANSACTION DESCRIPTION	AMOUNT	BALANCE	EXPANDED TRANSACTION DESCRIPTION
		DIVIDEND YEAR TO DATE	353.29		
END OF STATEMENT					

ALASKA USA FEDERAL CREDIT UNION

PLEASE USE ALASKA USA'S ULTRABRANCH SERVICE
TO CONFIRM AUTOMATIC TRANSFERS AND DEPOSITS

alaskausa.org • (888) 258-7228 or (907) 258-7228

FOR OTHER QUESTIONS, CALL THE MEMBER SERVICE CENTER
(800) 525-9094 or (907) 563-4567 • TTY/Hearing Impaired (800) 742-7084
7 days a week • 6 a.m. – 10 p.m. Alaska time • 7 a.m. – 11 p.m. Pacific time

TO PROVIDE WRITTEN NOTICE REGARDING ERRORS OR QUESTIONS, SEND INQUIRIES TO:

Alaska USA Federal Credit Union
P.O. Box 196613
Anchorage, Alaska 99519-6613

- INCLUDE:
1. Your name and account number.
 2. The transaction involved, including the date and check number, if applicable.
 3. The dollar amount of the check, transaction, or suspected error.
 4. A detailed description of the question, error, or other problem.

- **In Case of Errors or Questions About Your Share Accounts:** Call us at the above number or write us at the above address as soon as you can if you think your statement is wrong or if you need more information about a transaction on the statement. You must notify Alaska USA of errors or other problems IN WRITING no later than sixty (60) days after the FIRST statement of account containing an error or problem is made available to you. However, if the error or problem involves more than one unauthorized signature or alteration by the same individual, you must notify Alaska USA IN WRITING no later than thirty (30) days after the FIRST statement containing the FIRST unauthorized transaction is made available to you. If you do not notify the credit union IN WRITING within these established time frames, you will have waived your right to assert any claim against Alaska USA for errors, unauthorized transactions or signatures, alterations or other problems; and Alaska USA shall not be liable for these or any related payments or charges made from or to your account.
- **In Case of Errors or Questions About Your Electronic Transfers:** Call us at the above number or write us at the above address as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt.

	Consumer Accounts	Non-Consumer (Business) Accounts
We must hear from you:	No later than sixty (60) days after the FIRST statement on which the error or problem occurred is made available to you.	No later than one (1) business day after the effective date of the transaction.

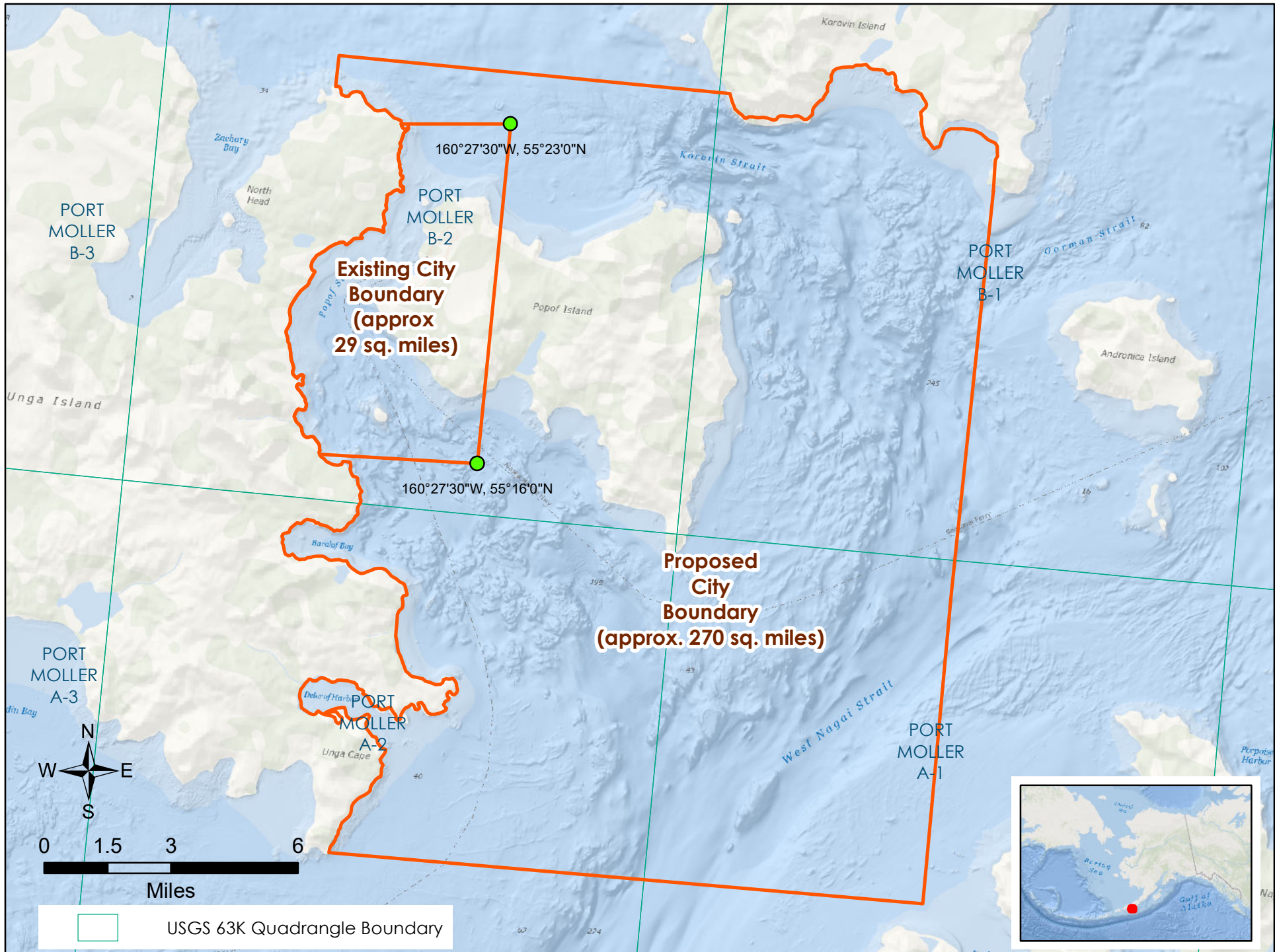
We will investigate your complaint and will correct any error promptly. If we take more than ten (10) business days to do this, we will credit your account for the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. (Business days are Monday through Friday, excluding Federal holidays.)

- **In Case of Errors or Questions About Your Credit Line Loan Bill and Statement:** If you think your bill and statement is wrong, or if you need more information about a transaction on your bill and statement, WRITE us on a separate sheet at the above address as soon as you can. We must hear from you no later than sixty (60) days after the FIRST bill and statement on which the error or problem appeared is made available to you. You may call us, but doing so will not preserve your rights.

You do not have to pay any amount in question while we are investigating your claim, but you are still obligated to pay the parts of your bill that are not in question. During the investigation, we cannot report you as delinquent or take any action to collect the amount in question.

IMPORTANT INFORMATION REGARDING CREDIT LINE LOAN BILL AND STATEMENT

- **Outstanding Loan Balance:** The outstanding loan balance is the unpaid loan balance at the close of each calendar day after all payments and advances for the day have been posted to the account.
- **Finance Charges:** Finance charges are calculated whenever any change in the outstanding loan balance occurs by multiplying the outstanding loan balance by the annual percentage rate (calculated as daily factor) times the number of days the loan balance was outstanding since the last computation of finance charges. Finance charges are collected upon receipt of payments.
- **Late Fees:** Loans in default seven (7) days or more will be assessed a late fee of 20% of the interest due upon receipt of payment with a minimum of five (5) cents and a maximum of \$25.00. There is no maximum late fee on loans in default three (3) payments or more.
- **Minimum Payment:**
 - Unsecured credit line loans: A minimum scheduled payment is due each billing cycle, whether or not the loan was paid ahead or the balance increased during the cycle. This minimum payment shall be \$10.00 or 3% of the outstanding balance, whichever is greater, plus any amount in excess of the authorized credit limit at the time of billing.
 - Secured credit lines loans: A minimum scheduled payment is due each billing cycle, whether or not the loan was paid ahead or the balance increased during the cycle. The minimum payment shall be \$25.00 or 1.5% of the outstanding balance, whichever is greater, plus any amount in excess of the authorized credit limit at the time of billing.
- **Prepayments:** Credit line loans may be paid in full or prepaid in any amount at any time.



City of Sand Point
Sand Point, Alaska
Sales Tax Compliance Report
2014

VIP Taxes & Consulting, LLC

Certified Public Accountants

1029 W 16th Avenue
Anchorage, AK 99501
Tel: (907) 770-1331

VIP Taxes & Consulting, LLC

Certified Public Accountants

1029 W 16th Avenue
Anchorage, AK 99501
Tel: (907) 677-3678

December 28, 2015

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

Dear Andy:

This document reflects my work performed in order to assist City of Sand Point with monitoring compliance with its sales tax ordinances. This engagement was conducted in accordance with the standards established by American Institute of Public Accountants for consulting services.

This report is intended solely for the information and use of City of Sand Point management and is not intended to be and should not be used by anyone other than this specified party.

It is my understanding that the City selected the following businesses for the 2014 sales tax compliance audit:

- Alaska Commercial Value Center
- Sand Point Services, LLC

Alaska Commercial Value Center

Alaska Commercial Value Center (AC) is the Canadian company and the largest retailer in rural Alaska, with 33 combination food, general merchandise and Quickstop stores. AC operates a store in Sand Point, Alaska. The Company's fiscal year end is January 31. As agreed with management, the compliance work was performed for the period of January 1, 2014 through December 31, 2014.

The Company prepares audited financial statements, however the financial statements were not used for the sales tax compliance. The Company reflected all international operations as a lump sum amount without separate reporting for individual locations.

Mr. Andy Varner
City Administrator
City of Sand Point
December 28, 2015
Page 2

The Company uses Point of Sale system (POS) to record sales where each transaction is coded as taxable, non-taxable or food stamps. The system is automated and keeps track of taxable and tax-exempt sales. The data gets transferred from POS into accounting software.

The Company has a centralized accounting department where all the data gets reconciled and consolidated financial statements are prepared. The Company reports its sales tax on a monthly bases. The tax reports are prepared based on data generated by POS. As part of my work, I compared reported sales to the monthly reports generated by POS and reconciliation to the general ledger prepared by Pam Pronyk, the North West Company Controller, International Operations. I recalculated sales tax totals based on POS data.

For the test work, I randomly selected transaction from POS details, obtained copies of daily records from POS and reviewed for being properly coded as taxable and tax-exempt sales. If selected transaction was coded as "food stamps", I also checked that alcohol purchase was properly excluded from tax-exempt sales.

I inquired Pam Pronyk about the policies that are in place to identify the entities that are exempt from sales tax. All of the Tax exempt customers have their number on file and some have a "these can charge to this account" list. The cashier enters the purchaser's information in the system.

Based on the work performed, it appears that the company has systems and procedures in place to properly reflect taxable and non-taxable sales and to produce adequate sales tax reports.

However, I noticed some discrepancies between POS and general ledger which are reflected in my report. Also, I noticed that some inventory items were not properly coded. I requested that list of transactions from Pam Pronyk, and it was very small. Pam assured me that the corrections have been made. I recommend that the Company should use better controls to code inventory items as taxable and tax-exempt.

While reconciling gross revenue to the sales tax reports, I noticed that there is a discrepancy in gross revenue (including sales tax), non-taxable receipts and adjusted gross receipts lines on the report. I believe this discrepancy is due to the inadequate sales tax report format provided by the City. In the Company's accounting software, sales tax is not reflected in the revenue accounts. Instead, it is reported as a liability (funds collected by the Company on behalf of the City). This creates confusion and incorrect preparation for the sales tax form.

The results of my test work are reflected in Attachment A.

Sand Point Services, LLC

Sand Point Services, LLC (SPS) offers a multitude of construction services and 8(a) contracting opportunities. Initially established as a fuel delivery company in the remote Aleutian community of Sand Point, Alaska, SPS diversified into other commercial operations. The only activity that the company has in Sand point is fuel delivery. SPS is a subsidiary of Tanadgusix Corporation (TDX). The Company's fiscal year end is September 30. As agreed with the management, the sales tax compliance work was performed for the

fiscal year ended September 30, 2014.

The Company's accounting department is located in Anchorage. The Company prepares audited financial statements which were used for the sales tax compliance, along with reports generated by the accounting software and reconciliations prepared by William Van Couwenberghe, General Controller - TDX Holdings. The Company reports its sales tax on a monthly bases.

In my test work, I compared reported sales to the monthly reports from the accounting software and reconciliation prepared by the controller and tied the totals to the financial statements. I randomly selected individual transactions from the accounting software, obtained invoices and reviewed for being properly coded as taxable and tax-exempt sales. I recalculated sales tax totals based on the accounting software data.

The Company has very few tax-exempt sales and most of them are for fuel services to the governmental entities.

Based on the work performed, it appears that the Company has systems and procedures in place to properly reflect taxable and non-taxable sales and to produce adequate sales tax reports. However, there were some discrepancies which were discovered by the Company before my test work. I reviewed invoices for the items that were missed and identified proper category (taxed or tax-exempted).

The results of my test work are reflected in Attachment B.

Summary and conclusion

Based on the work performed, it appears that the two businesses selected for the sales tax compliance have systems and procedures in place to properly reflect taxable and non-taxable sales and to produce adequate sales tax reports.

I recommend that the City modifies their sales tax report format to avoid further confusion for the businesses. I suggest that the report includes the following lines:

1. Total gross receipts (excluding sales tax collected)
2. Total non-taxable (exempt) receipts
3. Taxable gross receipts (line 1 minus line 2)
4. Sales tax due (multiply line 3 by .04)
5. Late payment or filing penalties due
6. Late payment of filing Interest due
7. Total sales tax amount due

I believe the suggested format will make the reporting more clear for businesses.

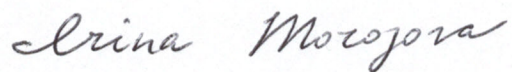
My recommendation is that the City consider purchasing and implementing sales tax software that will assist the City clerk to keep track of sales tax, interest and penalties and will make her job more efficient. Currently, the City clerk utilizes Excel spreadsheets for keeping track of sales tax owed and paid, which limits the ability to generate various reports and makes it difficult to track late payments.

Mr. Andy Varner
City Administrator
City of Sand Point
December 28, 2015
Page 4

I appreciate the opportunity to work with you. If you have any questions, please do not hesitate to contact me.

Very truly yours,

VIP Taxes & Consulting, LLC

A handwritten signature in cursive script that reads "Irina Morozova".

Irina V. Morozova, CPA

CITY OF SAND POINT
Sales Tax Compliance
Alaska Commercial Value Center

	Per Sales Tax Report	Per Accounting Records	Under/(Over) Reported
January 2014			
Total Gross Receipts (Including Sales Tax Collected)	243,198.12	245,625.93	2,427.81
Total Non-Taxable (Exempt) Receipts	28,885.84	18,147.52	(10,738.32)
Adjusted Gross Receipts	214,312.28	227,478.41	13,166.13
Taxable Gross Receipts	206,069.50	218,729.24	12,659.74
Sales Tax Due	<u>8,242.78</u>	<u>8,749.17</u>	<u>506.39</u>
February 2014			
Total Gross Receipts (Including Sales Tax Collected)	216,244.50	226,099.82	9,855.32
Total Non-Taxable (Exempt) Receipts	7,534.18	17,435.76	9,901.58
Adjusted Gross Receipts	208,710.32	208,664.06	(46.26)
Taxable Gross Receipts	200,683.00	200,638.52	(44.48)
Sales Tax Due	<u>8,027.32</u>	<u>8,025.54</u>	<u>(1.78)</u>
March 2014			
Total Gross Receipts (Including Sales Tax Collected)	228,777.78	239,965.85	11,188.07
Total Non-Taxable (Exempt) Receipts	11,924.78	23,112.23	11,187.45
Adjusted Gross Receipts	216,853.00	216,853.62	0.62
Taxable Gross Receipts	208,512.50	208,513.10	0.60
Sales Tax Due	<u>8,340.50</u>	<u>8,340.52</u>	<u>0.02</u>
April 2014			
Total Gross Receipts (Including Sales Tax Collected)	265,045.98	276,913.22	11,867.24
Total Non-Taxable (Exempt) Receipts	9,415.28	21,341.14	11,925.86
Adjusted Gross Receipts	255,630.70	255,572.08	(58.62)
Taxable Gross Receipts	245,798.75	245,742.38	(56.37)
Sales Tax Due	<u>9,831.95</u>	<u>9,829.70</u>	<u>(2.25)</u>
May 2014			
Total Gross Receipts (Including Sales Tax Collected)	296,630.61	309,903.77	13,273.16
Total Non-Taxable (Exempt) Receipts	8,041.53	21,347.14	13,305.61
Adjusted Gross Receipts	288,589.08	288,556.63	(32.45)
Taxable Gross Receipts	277,489.50	277,458.30	(31.20)
Sales Tax Due	<u>11,099.58</u>	<u>11,098.33</u>	<u>(1.25)</u>
June 2014			
Total Gross Receipts (Including Sales Tax Collected)	296,460.05	308,949.48	12,489.43
Total Non-Taxable (Exempt) Receipts	7,147.91	19,684.69	12,536.78
Adjusted Gross Receipts	289,312.14	289,264.79	(47.35)
Taxable Gross Receipts	278,184.75	278,139.22	(45.53)
Sales Tax Due	<u>11,127.39</u>	<u>11,125.57</u>	<u>(1.82)</u>
July 2014			
Total Gross Receipts (Including Sales Tax Collected)	359,083.58	375,172.89	16,089.31
Total Non-Taxable (Exempt) Receipts	5,721.22	21,834.17	16,112.95
Adjusted Gross Receipts	353,362.36	353,338.72	(23.64)
Taxable Gross Receipts	339,771.50	339,748.77	(22.73)
Sales Tax Due	<u>13,590.86</u>	<u>13,589.95</u>	<u>(0.91)</u>

CITY OF SAND POINT
Sales Tax Compliance, Continued
Alaska Commercial Value Center

	Per Sales Tax Report	Per Accounting Records	Under/(Over) Reported
August 2014			
Total Gross Receipts (Including Sales Tax Collected)	347,721.76	363,138.11	15,416.35
Total Non-Taxable (Exempt) Receipts	4,492.12	19,933.70	15,441.58
Adjusted Gross Receipts	343,229.64	343,204.41	(25.23)
Taxable Gross Receipts	330,028.50	330,004.24	(24.26)
Sales Tax Due	<u>13,201.14</u>	<u>13,200.17</u>	<u>(0.97)</u>
September 2014			
Total Gross Receipts (Including Sales Tax Collected)	278,675.83	291,227.72	12,551.89
Total Non-Taxable (Exempt) Receipts	4,458.77	16,971.75	12,512.98
Adjusted Gross Receipts	274,217.06	274,255.97	38.91
Taxable Gross Receipts	263,670.25	263,707.66	37.41
Sales Tax Due	<u>10,546.81</u>	<u>10,548.31</u>	<u>1.50</u>
October 2014			
Total Gross Receipts (Including Sales Tax Collected)	306,798.59	321,259.51	14,460.92
Total Non-Taxable (Exempt) Receipts	1,924.15	16,243.52	14,319.37
Adjusted Gross Receipts	304,874.44	305,015.99	141.55
Taxable Gross Receipts	293,148.50	293,284.61	136.11
Sales Tax Due	<u>11,725.94</u>	<u>11,731.38</u>	<u>5.44</u>
November 2014			
Total Gross Receipts (Including Sales Tax Collected)	219,000.41	220,683.17	1,682.76
Total Non-Taxable (Exempt) Receipts	14,573.85	16,209.81	1,635.96
Adjusted Gross Receipts	204,426.56	204,473.36	46.80
Taxable Gross Receipts	196,564.00	196,609.00	45.00
Sales Tax Due	<u>7,862.56</u>	<u>7,864.36</u>	<u>1.80</u>
December 2014			
Total Gross Receipts (Including Sales Tax Collected)	248,394.26	258,705.25	10,310.99
Total Non-Taxable (Exempt) Receipts	7,010.52	17,327.74	10,317.22
Adjusted Gross Receipts	241,383.74	241,377.51	(6.23)
Taxable Gross Receipts	232,099.75	232,093.76	(5.99)
Sales Tax Due	<u>9,283.99</u>	<u>9,283.75</u>	<u>(0.24)</u>
Total for the Year Ended December 31, 2014			
Total Gross Receipts (Including Sales Tax Collected)	3,306,031.47	3,437,644.72	131,613.25
Total Non-Taxable (Exempt) Receipts	111,130.15	229,589.17	118,459.02
Adjusted Gross Receipts	3,194,901.32	3,208,055.55	13,154.23
Taxable Gross Receipts	3,072,020.50	3,084,668.80	12,648.30
Sales Tax Due	<u>122,880.82</u>	<u>123,386.75</u>	<u>505.93</u>

CITY OF SAND POINT
Sales Tax Compliance
Sand Point Services, LLC

	Per Sales Tax Report	Per Accounting Records	Under/(Over) Reported
October 2013			
Total Gross Receipts (Including Sales Tax Collected)	31,316.16	32,735.41	1,419.25
Total Non-Taxable (Exempt) Receipts	3,744.09	5,163.09	1,419.00
Adjusted Gross Receipts	27,572.07	27,572.32	0.25
Taxable Gross Receipts	26,769.00	26,769.25	0.25
Sales Tax Due	<u>803.07</u>	<u>803.08</u>	<u>0.01</u>
November 2013			
Total Gross Receipts (Including Sales Tax Collected)	45,341.99	45,342.08	0.09
Total Non-Taxable (Exempt) Receipts	4,080.19	4,080.19	-
Adjusted Gross Receipts	41,261.80	41,261.89	0.09
Taxable Gross Receipts	40,060.00	40,060.09	0.09
Sales Tax Due	<u>1,201.80</u>	<u>1,201.80</u>	<u>-</u>
December 2013			
Total Gross Receipts (Including Sales Tax Collected)	42,649.69	46,848.22	4,198.53
Total Non-Taxable (Exempt) Receipts	5,477.49	6,274.62	797.13
Adjusted Gross Receipts	37,172.20	40,573.60	3,401.40
Taxable Gross Receipts	35,742.50	39,013.08	3,270.58
Sales Tax Due	<u>1,429.70</u>	<u>1,560.52</u>	<u>130.82</u>
January 2014			
Total Gross Receipts (Including Sales Tax Collected)	51,348.44	51,348.46	0.02
Total Non-Taxable (Exempt) Receipts	9,018.88	9,018.88	-
Adjusted Gross Receipts	42,329.56	42,329.58	0.02
Taxable Gross Receipts	40,701.50	40,701.52	0.02
Sales Tax Due	<u>1,628.06</u>	<u>1,628.06</u>	<u>-</u>
February 2014			
Total Gross Receipts (Including Sales Tax Collected)	58,523.24	58,523.28	0.04
Total Non-Taxable (Exempt) Receipts	5,031.88	5,031.88	-
Adjusted Gross Receipts	53,491.36	53,491.40	0.04
Taxable Gross Receipts	51,434.00	51,434.04	0.04
Sales Tax Due	<u>2,057.36</u>	<u>2,057.36</u>	<u>-</u>
March 2014			
Total Gross Receipts (Including Sales Tax Collected)	40,128.80	40,128.77	(0.03)
Total Non-Taxable (Exempt) Receipts	7,818.08	7,818.08	-
Adjusted Gross Receipts	32,310.72	32,310.69	(0.03)
Taxable Gross Receipts	31,068.00	31,067.97	(0.03)
Sales Tax Due	<u>1,242.72</u>	<u>1,242.72</u>	<u>-</u>
April 2014			
Total Gross Receipts (Including Sales Tax Collected)	44,468.97	44,468.94	(0.03)
Total Non-Taxable (Exempt) Receipts	6,609.33	6,609.33	-
Adjusted Gross Receipts	37,859.64	37,859.61	(0.03)
Taxable Gross Receipts	36,403.50	36,403.47	(0.03)
Sales Tax Due	<u>1,456.14</u>	<u>1,456.14</u>	<u>-</u>

CITY OF SAND POINT
Sales Tax Compliance, Continued
Sand Point Services, LLC

	Per Sales Tax Report	Per Accounting Records	Under/(Over) Reported
May 2014			
Total Gross Receipts (Including Sales Tax Collected)	35,760.28	35,760.15	(0.13)
Total Non-Taxable (Exempt) Receipts	6,305.40	6,305.40	-
Adjusted Gross Receipts	29,454.88	29,454.75	(0.13)
Taxable Gross Receipts	<u>28,322.00</u>	<u>28,321.87</u>	<u>(0.13)</u>
Sales Tax Due	<u>1,132.88</u>	<u>1,132.87</u>	<u>(0.01)</u>
June 2014			
Total Gross Receipts (Including Sales Tax Collected)	17,571.48	17,575.46	3.98
Total Non-Taxable (Exempt) Receipts	-	-	-
Adjusted Gross Receipts	17,571.48	17,575.46	3.98
Taxable Gross Receipts	<u>16,895.50</u>	<u>16,899.48</u>	<u>3.98</u>
Sales Tax Due	<u>675.98</u>	<u>675.98</u>	<u>-</u>
July 2014			
Total Gross Receipts (Including Sales Tax Collected)	22,878.76	22,878.50	(0.26)
Total Non-Taxable (Exempt) Receipts	3,013.98	3,013.98	-
Adjusted Gross Receipts	19,864.78	19,864.52	(0.26)
Taxable Gross Receipts	<u>19,100.75</u>	<u>19,100.49</u>	<u>(0.26)</u>
Sales Tax Due	<u>764.03</u>	<u>764.02</u>	<u>(0.01)</u>
August 2014			
Total Gross Receipts (Including Sales Tax Collected)	22,700.13	22,700.13	-
Total Non-Taxable (Exempt) Receipts	3,063.87	3,063.87	-
Adjusted Gross Receipts	19,636.26	19,636.26	-
Taxable Gross Receipts	<u>18,881.02</u>	<u>18,881.02</u>	<u>-</u>
Sales Tax Due	<u>755.24</u>	<u>755.24</u>	<u>-</u>
September 2014			
Total Gross Receipts (Including Sales Tax Collected)	24,177.18	24,729.23	552.05
Total Non-Taxable (Exempt) Receipts	5,295.72	5,295.72	-
Adjusted Gross Receipts	18,881.46	19,433.51	552.05
Taxable Gross Receipts	<u>18,155.25</u>	<u>18,686.07</u>	<u>530.82</u>
Sales Tax Due	<u>726.21</u>	<u>747.44</u>	<u>21.23</u>
Total for the Year Ended September 30, 2014			
Total Gross Receipts (Including Sales Tax Collected)	436,865.12	443,038.63	6,173.51
Total Non-Taxable (Exempt) Receipts	59,458.91	61,675.04	2,216.13
Adjusted Gross Receipts	377,406.21	382,031.88	3,957.38
Taxable Gross Receipts	<u>363,533.02</u>	<u>367,338.35</u>	<u>3,805.33</u>
Sales Tax Due	<u>13,873.19</u>	<u>14,025.23</u>	<u>152.04</u>



13 March, 2015

City of Sand Point
3380 C Street, Suite 200A
Anchorage, Alaska 99503

Attn: Andy Varner, City Administrator

Subject: Robert E Galovin Small Boat Harbor Renovation Project
Proposal for Construction Administration Services (URS JN 26221050/26221147)
Response to City of Sand Point in regard to URS responsibility of floatation issues

Dear Mr. Varner,

In response to your letters dated September 17, 2014 and February 13, 2015, we offer the following:

We appreciate the City's approach of engaging an independent firm to evaluate the subject issue; however, we take some exception to their findings specifically: 1) the number of additional floatation billets; and 2) the sizing called out for the additional billets.

Addressing these separately:

- 1) **Additional Floatation Billets** – Clearly, additional floatation billets were needed beyond those indicated in the original quantities. The number of billets required for field leveling of the floats is an estimate. The purpose of a unit price contract is to provide an equitable means of compensation for variations in the actual quantities.

This should have been addressed either by the Contractor (PPM) alerting the Construction Manager R&M (CM), or by the CM's onsite inspector observing the condition -- one of the purposes of having an inspector. At that point the CM should have immediately notified URS so that we could evaluate the situation to determine the cause and to then provide the most efficient way to address the matter; this did not occur. Once URS had developed a plan, a Change Order would have been issued. The Contractor may have requested additional compensation for shipping (i.e. additional mobilization) of the 78 additional billets, but furnish and install work associated with the additional floats would have been per the Contract unit prices for payment based on the revised quantities.

This condition (levelness of floats) did not suddenly occur at the end of the project. Contractually, PPM was responsible to level the floats, but they were allowed to leave the job without fulfilling this requirement.

- 2) **Sizing of the Billets** – While we can debate, the sizing of billets is a Contractor coordination issue, the primary impact to the efforts required was lack of notification during project construction. This resulted in the City paying not only for remove, modify (trim) and replace the original work, but to modify the new billets as well.

This issue could have been resolved with PPM if URS had been notified during installation. Neither PPM nor R&M ever informed URS that there was an issue. It was PPM's responsibility to inform the CM and for them to coordinate with the designer. PPM may have requested compensation for modifications to the billets, as did Resolve; however, they bid on the set material sizes and plans, and the CM might have been able to negotiate options. Regardless, if URS had known of the issue, and directed PPM to "cut & coat" the original 20 billets, as Resolve had done, it would have taken about one (1) day to complete. (Reference: Per the Letter from Dan Magone "On the morning of Wednesday May 28th, we hauled 20 more billets to the hotel and cut & coated them with polyurea coating.")

We have estimated the cost for: 1) shipping of 78 additional billets; and 2) modifications to the original 20 billets and at less than \$12,000. Backup for this estimate is based on work performed by Resolve.

As a good faith gesture, URS is willing to provide the City of Sand Point with \$36,000 of professional services to settle this matter. These services could be directed at completion of Float A, originally part of the Galovin Harbor Project. This would allow an opportunity to restore the City's confidence in URS Alaska. We hope you agree that this is a fair and reasonable offer. Alternatively, we are willing to directly compensate the City for \$12,000.

Feel free to contact me if you have any further questions or comments. Please call if you have any questions.

Sincerely,

URS ALASKA, LLC

A handwritten signature in blue ink, appearing to read "Joe Hegna", with a long horizontal flourish extending to the right.

Joe Hegna, VP
Alaska Operations Manager

Check Payment to:
URS CORPORATION
P.O. Box 116183
Atlanta GA 30368-6183

Wire Transfer Payment to:
URS CORPORATION
Bank: Wells Fargo Bank
Account No.: 4520-086471
ABA Routing No.: 121-000-248
Swift Code: WFBIUS6S

Overnight Courier:
URS CORPORATION
Attention: Atlanta Lockbox, Lock Box No. 116183
100 South Crest Drive, Stockbridge, GA 30281



700 G Street, Suite 500, Anchorage, AK 99501
Tel: +1 (907) 562 3366 Fax: +1 (907) 562 1297
www.aecom.com

94-1716908

ATTN : Andrew Varner
CITY OF SAND POINT
3380 C Street
Suite 205
Anchorage, AK 99503

Agreement Number: UR26221147
Agreement Description: ADMIN05

Please reference Invoice Number and Project Number with Remittance

Project Number : 60416417
Invoice Currency : USD
Bill through Date : 16-MAY-15 - 25-DEC-15

Invoice Number: 37681345
Invoice Date: 25-DEC-15
Payment Term:

Sand Point SBH Const. Support

For Professional Services Rendered Through 16-MAY-15 - 25-DEC-15

Labor	\$1,395.00
Non-Labor	\$0.00

TOTAL CURRENT INVOICE

\$1,395.00 USD

Project Number : 60416417 **Bill Through Date** : 16-MAY-15 - 25-DEC-15
Project Name : Sand Point SBH Const. Support **Payment Term** :

Labor Bill Rate

<u>Employee Name/Title</u>	<u>Title/Expenditure</u>	<u>Date</u>	<u>Hours</u>	<u>Bill Rate</u>	<u>Billed Amt</u>
Balzarini, Matthew P (Matt)	EIT	31-JUL-15	1.00	78.00	78.00
Balzarini, Matthew P (Matt)	EIT	07-AUG-15	1.50	78.00	117.00
Balzarini, Matthew P (Matt)	EIT	06-NOV-15	10.00	78.00	780.00
Krumm, Robin D	Project Administrator	04-SEP-15	1.25	80.00	100.00
Krumm, Robin D	Project Administrator	11-SEP-15	0.25	80.00	20.00
Krumm, Robin D	Project Administrator	18-SEP-15	0.25	80.00	20.00
Krumm, Robin D	Project Administrator	25-SEP-15	1.50	80.00	120.00
Krumm, Robin D	Project Administrator	02-OCT-15	0.75	80.00	60.00
Krumm, Robin D	Project Administrator	09-OCT-15	0.25	80.00	20.00
Krumm, Robin D	Project Administrator	23-OCT-15	0.25	80.00	20.00
Krumm, Robin D	Project Administrator	30-OCT-15	0.25	80.00	20.00
Krumm, Robin D	Project Administrator	20-NOV-15	0.50	80.00	40.00
Total Labor Bill Rate			17.75		1,395.00

Project Total : Sand Point SBH Const. Support **1,395.00**

Invoice Summaries

Total Current Amount :	1,395.00
Retention Amount :	0.00
Pre-Tax Amount :	1,395.00
Total Invoice Amount :	1,395.00

Task Billing Summaries

<u>Task Number/Name</u>	<u>Current</u>	<u>Prior</u>	<u>Total</u>
26221147	1,395.00	57,130.93	58,525.93
Task Billing Total :	1,395.00	57,130.93	58,525.93

Billing Summaries

<u>Billing Summary</u>	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Limit</u>	<u>Remain</u>
Billings	1,395.00	57,130.93	58,525.93	65,069.00	6,543.07
Billing Total :	1,395.00	57,130.93	58,525.93		

Outstanding Invoices

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Invoice Balance</u>
37572881	29-MAY-15	1,473.45
Outstanding Total :		1,473.45

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 01-AUG-15 - 07-AUG-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Balzarini, Matthew P (Matt)
 Employee Number : 686846

Project	Task	Type	SAT 01-AUG	SUN 02-AUG	MON 03-AUG	TUE 04-AUG	WED 05-AUG	THUR 06-AUG	FRI 07-AUG	Total
60416417 2131-Sand Point SBH Const. Su	26221147.02000 Construction Support	Regular Hrs	0.00	0.00	0.00	1.50	0.00	0.00	0.00	1.50
Total :			0.00	0.00	0.00	1.50	0.00	0.00	0.00	1.50

Balzarini, Matthew P (Matt)

 Employee Signature

 Approver For Employee Signature

Lusk, Mary S

 Approver Signature

Total Regular Hours: 1.50
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 25-JUL-15 - 31-JUL-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Balzarini, Matthew P (Matt)
 Employee Number : 686846

Project	Task	Type	SAT 25-JUL	SUN 26-JUL	MON 27-JUL	TUE 28-JUL	WED 29-JUL	THUR 30-JUL	FRI 31-JUL	Total
60416417 2131-Sand Point SBH Const. Su	26221147.02000 Construction Support	Regular Hrs	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Total :			0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00

Balzarini, Matthew P (Matt)

 Employee Signature

 Approver For Employee Signature

Greer, Elizabeth

 Approver Signature

Total Regular Hours: 1.00
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 31-OCT-15 - 06-NOV-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Balzarini, Matthew P (Matt)
 Employee Number : 686846

Project	Task	Type	SAT 31-OCT	SUN 01-NOV	MON 02-NOV	TUE 03-NOV	WED 04-NOV	THUR 05-NOV	FRI 06-NOV	Total
60416417 2131-Sand Point SBH Const. Su	26221147.02000 Construction Support	Regular Hrs	0.00	0.00	0.00	3.50	1.00	3.00	2.50	10.00
Total :			0.00	0.00	0.00	3.50	1.00	3.00	2.50	10.00

Balzarini, Matthew P (Matt)

 Employee Signature

 Approver For Employee Signature

Bennett, Katherine

 Approver Signature

Total Regular Hours: 10.00
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 03-OCT-15 - 09-OCT-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 03-OCT	SUN 04-OCT	MON 05-OCT	TUE 06-OCT	WED 07-OCT	THUR 08-OCT	FRI 09-OCT	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.25
Total :			0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.25

Krumm, Robin D

Employee Signature

Total Regular Hours: 0.25
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 05-SEP-15 - 11-SEP-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 05-SEP	SUN 06-SEP	MON 07-SEP	TUE 08-SEP	WED 09-SEP	THUR 10-SEP	FRI 11-SEP	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.25
Total :			0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.25

Krumm, Robin D

Employee Signature

Total Regular Hours: 0.25
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 12-SEP-15 - 18-SEP-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 12-SEP	SUN 13-SEP	MON 14-SEP	TUE 15-SEP	WED 16-SEP	THUR 17-SEP	FRI 18-SEP	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.25
Total :			0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.25

Krumm, Robin D

Employee Signature

Total Regular Hours: 0.25
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 14-NOV-15 - 20-NOV-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 14-NOV	SUN 15-NOV	MON 16-NOV	TUE 17-NOV	WED 18-NOV	THUR 19-NOV	FRI 20-NOV	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Adj Regular Hrs	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Total :			0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.50

Krumm, Robin D

Employee Signature

Total Regular Hours: 0.50
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 17-OCT-15 - 23-OCT-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 17-OCT	SUN 18-OCT	MON 19-OCT	TUE 20-OCT	WED 21-OCT	THUR 22-OCT	FRI 23-OCT	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.25
Total :			0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.25

Krumm, Robin D

Employee Signature

Total Regular Hours: 0.25
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 19-SEP-15 - 25-SEP-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 19-SEP	SUN 20-SEP	MON 21-SEP	TUE 22-SEP	WED 23-SEP	THUR 24-SEP	FRI 25-SEP	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.00	0.00	0.00	0.00	1.50	0.00	0.00	1.50
Total :			0.00	0.00	0.00	0.00	1.50	0.00	0.00	1.50

Krumm, Robin D

Employee Signature

Total Regular Hours: 1.50
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 24-OCT-15 - 30-OCT-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT	SUN	MON	TUE	WED	THUR	FRI	Total
			24-OCT	25-OCT	26-OCT	27-OCT	28-OCT	29-OCT	30-OCT	
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.25
Total :			0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.25

Krumm, Robin D

Employee Signature

Total Regular Hours: 0.25
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 26-SEP-15 - 02-OCT-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 26-SEP	SUN 27-SEP	MON 28-SEP	TUE 29-SEP	WED 30-SEP	THUR 01-OCT	FRI 02-OCT	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.75
Total :			0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.75

Krumm, Robin D

Employee Signature

Total Regular Hours: 0.75
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Bennett, Katherine

Approver Signature

AECOM Technology Corporation
Employee Timesheet

Timecard Period : 29-AUG-15 - 04-SEP-15
 Organization : 41.GRNTOR.USANC1.7689
 Assignment Category : A - Full Time
 Employee Category : Exempt

Employee Name : Krumm, Robin D
 Employee Number : 682720

Project	Task	Type	SAT 29-AUG	SUN 30-AUG	MON 31-AUG	TUE 01-SEP	WED 02-SEP	THUR 03-SEP	FRI 04-SEP	Total
60416417 2131-Sand Point SBH Const. Su	26221147.01000 Project Managment	Regular Hrs	0.00	0.00	0.00	0.00	0.75	0.50	0.00	1.25
Total :			0.00	0.00	0.00	0.00	0.75	0.50	0.00	1.25

Krumm, Robin D

Employee Signature

Total Regular Hours: 1.25
 Total Overtime Hours: 0.00
 Total Non-Worked Hours: 0.00

Approver For Employee Signature

Young, Laura A

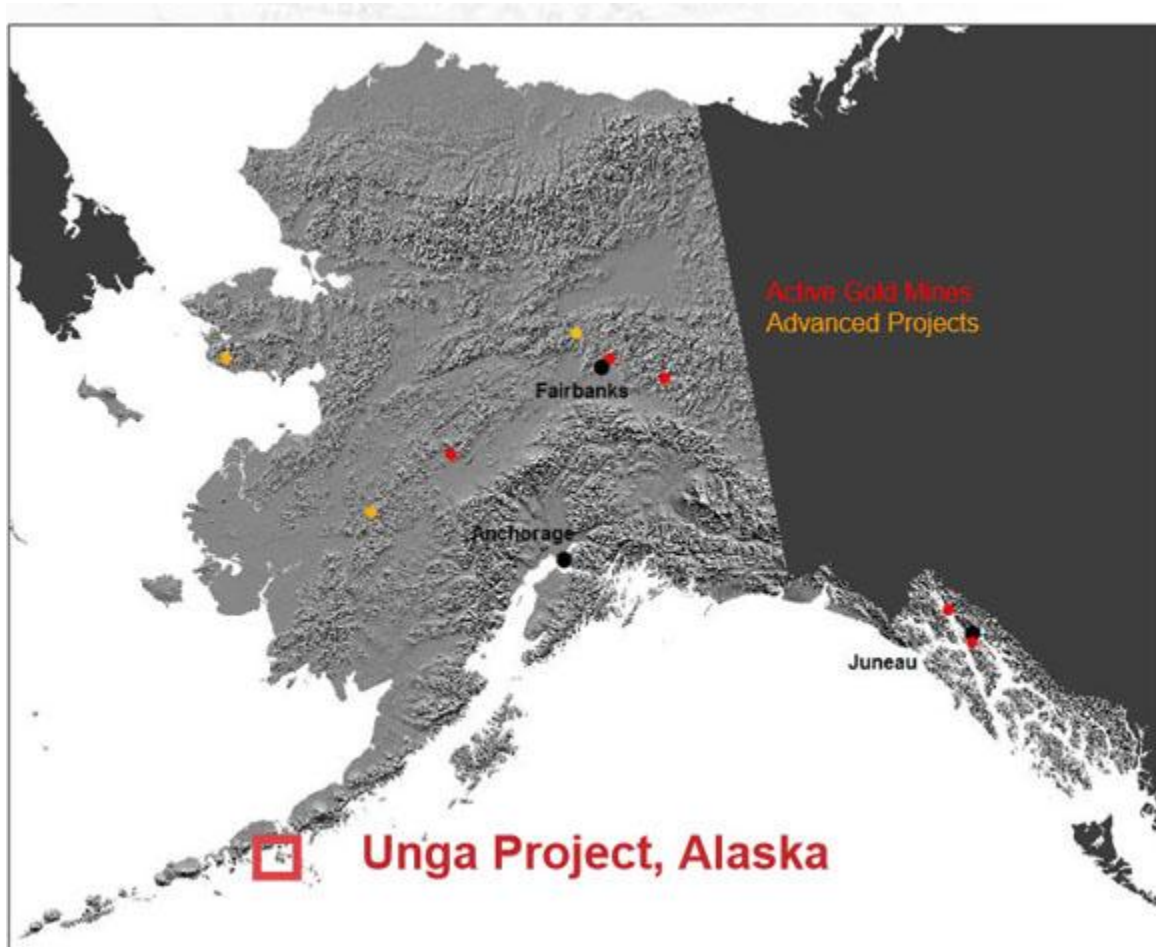
Approver Signature

Redstar Gold's Ken Booth Discovers Formula for Success in the Alaskan Gold Fields

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Source: Peter Byrne of *The Gold Report* (12/17/15)

Redstar Gold Corp. has locked down a district-scale, high-grade gold property off the coast of Alaska. In an interview with [The Gold Report](#), Redstar's CEO, Ken Booth, reveals the secrets of the Unga Project: high-grade gold in the ground, everywhere. Redstar has a focused plan to keep drilling the mineralized property; Booth is looking to add weight to the company's sparkling roster of stockholders and institutional partners.



Courtesy Redstar Gold Corp.

The Gold Report: Why should investors buy stock in junior gold explorers in today's price environment?

Ken Booth: For many years, gold has been buffeted by price cycles. Make no mistake: gold is here to stay and there is always a need for gold explorers. Prudent investors are not waiting for the next rebound. They are looking to invest in experienced explorers with proven success and solid stakes in good properties. Those qualities define [Redstar Gold Corp. \(RGC:TSX.V\)](#). We concentrate on finding the highest grades of gold in North America—and we know where to look.

TGR: Why is high-grade gold attractive at this time?

KB: Grade is always important. The higher the grade, the better the mining economics. Grade is king because it can handle lower gold prices. By way of analogy, in the energy industry low-cost oil production is king. Low costs can survive any market. In the gold industry, high grades can weather any storm. And that's why the gold majors will pay top dollar for high-grade deposits.

Redstar's Unga Project in Alaska and our Newman Todd Project in Ontario both have the potential to be extremely high-grade deposits. Unga is our key project. It is located at the end of the Aleutian Peninsula in the Shumagin Island chain. The Alaskan government and our local partners are quite friendly toward exploration and the logistics are splendid.

TGR: Is the local infrastructure sufficient to support large-scale mining?

KB: There is an all-weather, mile-long, paved airstrip close by in the town of Sand Point, which provides a good base for operations. Diesel power for mining will be standalone, because there are no transmission lines. But that is okay because we are not talking about a large open pit, but a smaller underground mine producing high-grade ore. Historically, Unga is the site of Alaska's first underground gold mine—and as we all know the best place to explore is around a mine. The previous mine was shut down in the 1920s when the technology of the day could not efficiently process the mined ore but that is not before the "old timers" produced about 150,000 ounces of gold at ~1/3 oz/ton gold. We had our eyes on this area for years before gladly getting involved in 2011. Redstar now controls 100% of the ~100 sq mile property.

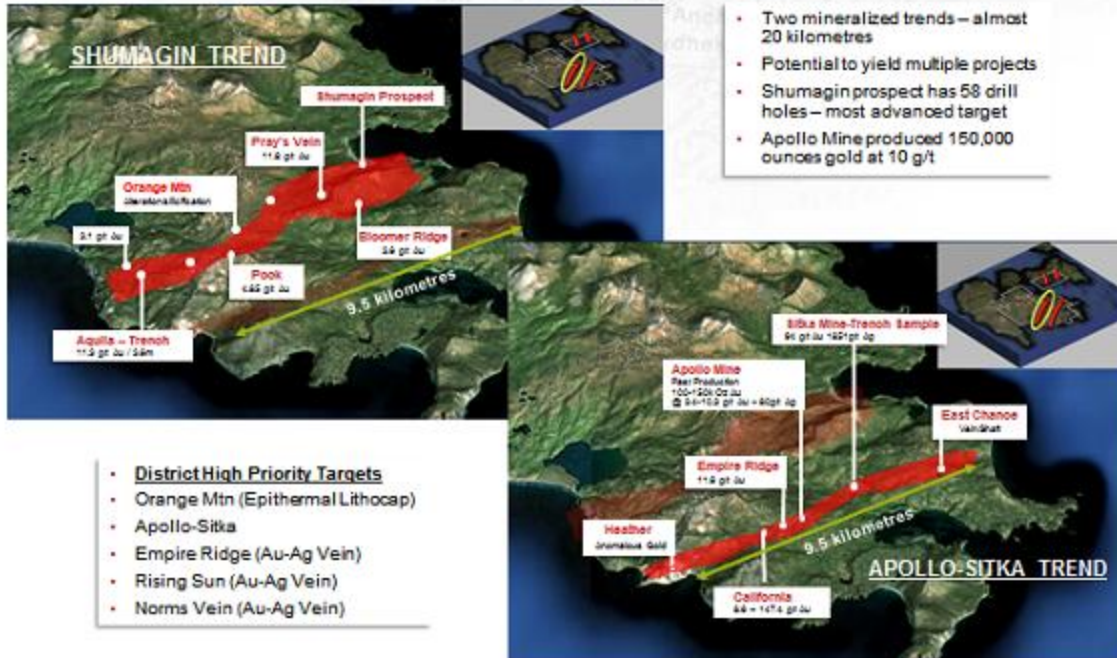


Baralof Bay, Unga Island, Alaska. *Photo courtesy of Redstar Gold Corp.*

TGR: What is the geological profile of the Unga Project?

KB: The Unga Project has two very long mineralized trends totaling approximately 12 miles. The past-producing Apollo-Sitka mine lies along one of those trends. Our diamond drilling in one zone, called the Shumagin, encountered high-grade gold. That exploration delineated sites for further drilling. We completed an eight-hole, 1500-meter (1,500m) diamond drilling program on the Shumagin Gold Zone in May 2015. Assay results contained several high-grade gold and silver intersections, including 202 grams per tonne (202 g/t) gold and 82 g/t silver over 1.9m and 35.3 g/t gold and 209 g/t silver over 2m. Results showed continuity of the Shumagin Gold Zone at depth and along strike. Shumagin and Apollo-Sitka are just two of many mineralized occurrences on the Unga Project.

Unga Island – It is a District



0 | Q4 2015



Courtesy Redstar Gold Corp.

TGR: Is Redstar interested in transitioning to production?

KB: Right now, we are explorers, not producers. Companies have certainly made a smooth transition from exploration to production, but we are happy with prospectivity. We plan to continue drilling the Shumagin Gold Zone, while exploring other targets. Remarkably, we have the entire 100 square mile Unga district to ourselves—no competitors pressuring us—and we have only begun to scratch its surface. A second phase diamond drilling program is planned for 2016. It will test for further depth and strike extensions and other prospective high-grade gold targets located within the Unga gold project.

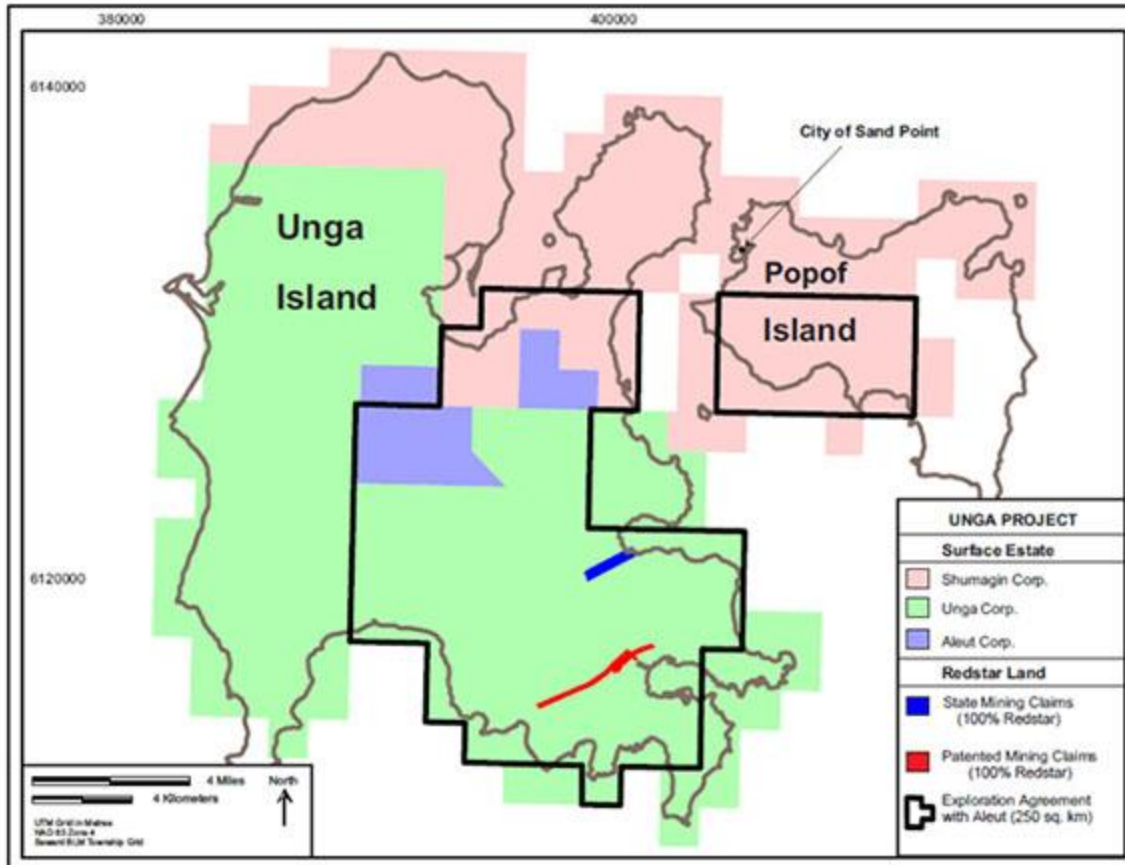


View

of drill pad locations for Summer 2015 Drilling Program on Shumagin Vein System, Unga Island, Alaska. *Photo courtesy of Redstar Gold Corp.*

TGR: What is the land ownership status?

KB: We control 100% of the land via three types of ownership. We have state claims in Redstar's name. We have fully patented claims, which is private land owned 100% by Redstar. We have a five-year option to lease agreement with the Aleut Corporation. It is one of 13 Alaskan native corporations. It holds the rights to the minerals outside of our state claims and patented land. The native corporation's mandate is to produce dividends for its shareholders, so our wealth-generating project dovetails with its strategy of maximizing asset value.



Courtesy Redstar Gold Corp.

TGR: Are there geological analogs to your Unga island property?

KB: From a technical point of view, we are exploring a low sulfidation epithermal style of mineralization. That is analogous to the Kupol property north of Russia's Arctic Circle that Bema Gold explored, developed and sold to Kinross Gold Corp. (K:TSX; KGC:NYSE) in 2010. In Argentina, Andean Resources explored a similar mineralization leading to the Cerro Negro deposit. Based on exploratory results, Goldcorp Inc. (G:TSX; GG:NYSE) bought that deposit for \$3 billion.

Mirroring those successes, Meridian Gold developed a low sulfidation thermal deposit at El Peñón mine in Chile. That project was bought by Yamana Gold Inc. (YRI:TSX; AUU:NYSE; YAU:LSE). These three deposits—Kupol, Cerro Negro and El Peñón—are very high grade and geologically similar to our Unga holdings.

TGR: What will be the technology for extracting the gold?

KB: The beauty about the low sulfidation epithermal mineralization is that for the most part the processing is a tried and proven technology of simply crushing and milling the ore, exuding a gold product at site at a good cost. This is not a complex type of ore nor is it an expensive process.

TGR: What talent and experience does your management team bring to the Unga enterprise?

KB: Our VP of Exploration, Jesse Grady, holds a master's degree in structural geology. He's from Alaska and he is very familiar with these types of deposits. I have a degree in geology and an MBA, with lots of capital markets experience. I have managed junior exploration companies for 17 years, through both good and bad times. Our board has two technically oriented directors, Sean Keenan out of Australia and Rob McLeod out of Vancouver. Rob was responsible for the Underworld discovery in the Yukon that was sold to Kinross, a great play.

A key point is that our managers and directors own 20% of the company. Our executive chairman and largest shareholder is Jacques Vaillancourt, who served as managing director and head of European equity products at BMO Capital Markets Corp.

TGR: Has Mr. Vaillancourt been involved since the inception of the project?

KB: Jacques became involved in 2013 when he recognized the potential of the Unga Project. At that time the company needed an infusion of capital. He put in his own money and brought others to the table to recapitalize Redstar and refocus it on the Alaskan project.

TGR: Do you have institutional investors?

KB: We have attracted an international mix of institutional investors from North America and Europe—holding about 35% of our shares. The shareholders with quoted gold funds include Geologic Resource Partners, Odey Asset Management, Gold 2000, U.S. Global Investors, Gabelli Capital, and Smith & Williamson.

TGR: What is your strategic financing plan going forward?

KB: We are not carrying any debt and our cash balance is \$400,000. We are committed to prudently financing Redstar and the advancement of the Unga Project at the lowest cost of capital through the next several rounds of drilling. The two most obvious forms of financing are equity issues and getting a partner for Unga, but regardless of the method or combination of methods it has to make sense for Redstar and its shareholders. We are vetting new partners with experience in high-grade epithermal gold deposits and the balance sheet to move the Unga Project forward. To that end, we have signed several confidentiality agreements.

TGR: What does all of this mean for investors?

KB: The obvious attraction for investors and partners is that Redstar controls the Unga district, which contains a very high-grade potential. The trend has had successful past production. The jurisdiction is favorable. We now have the best and intimate knowledge of this largely underexplored area. We enjoy a secure shareholder base with 50% of our shares held by insiders and institutions. We are not a one-trick pony: there at least eight targets with good potential. Our management team has experience advancing exploratory projects from the early stages through acquisition.

TGR: What is the next catalyst in Alaska?

KB: We already know that we have the high grade in the Shumagin, and that zone is only one of many zones along our 12 miles of trends. We are prepared to move forward now, whereas a lot of other companies in our industry are a bit curdled. The takeaway for Redstar investors is that we have discovered a style of mineralization and a series of high-grade targets that will work in most gold price environments. Redstar is definitely ahead of most of our peers.



Orange Mountain Prospect, Unga Island, Alaska. *Photo courtesy of Redstar Gold Corp.*

TGR: Redstar is joint ventured in another high-grade gold operation in Canada. What are the particulars of that project?

KB: Our Newman Todd project is in the Red Lake Camp, which is a famous high-grade gold camp in Ontario, Canada. We began that play in 2005. The Newman Todd sports 30 miles of drilling in 165 holes. And 90% of those holes have intersected the mineralized structure and 41% of all the holes have high-grade gold associated with them. Following Redstar's successful drilling we attracted a partner in 2010, Confederation Minerals Ltd. (CMF:TSX.V). The partner spent approximately \$10 million and has now earned 70% of the Newman Todd project. The partners are looking at various ways to move the project forward.

TGR: You have acquired a portfolio of gold properties in Nevada. How do they fit into your long-term plan?

KB: We have 11 exploration projects in Nevada, which is one of the largest gold producing areas in the world. The properties were strategically picked in areas with a history of gold production, or along trends where there is known gold mineralization. We are monetizing the

project by finding joint venture partners. Most of our corporate energy is currently focused on the Unga exploration, so we are content to have our partners advance the Nevada and Ontario projects on their own dimes and for our benefit.

It may be a truism, but investors get the biggest bang for the buck in discovery.

TGR: Thank you for your time, Ken.

Ken Booth is currently a director of Redstar Gold Corp. and is acting as interim president and CEO. He holds a Bachelor of Science degree in geology and an M.B.A. He began his career as a geologist for companies such as Falconbridge, Anaconda and Minnova. Subsequently Booth embarked on a career in banking and investment banking at Scotia Bank, BMO Capital Markets and, lastly, RBC Capital Markets. Since 1998 Booth has been the CEO of several public companies and is currently a director of two public exploration companies

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- 2) Redstar Gold Corp. is a sponsor of Streetwise Reports.
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