

City of Sand Point Council Meeting



Workshop: Tuesday, June 4, 2015 – 2:00 p.m.

Meeting: Tuesday, June 4, 2015 – 7:00 p.m.

CALL TO ORDER

ROLL CALL

CITY OF SAND POINT

(packet will be available on website June 1,
2015 www.sandpointak.com)



MAYOR

Mayor Glen Gardner Jr. - Office Exp. 2017

COUNCIL MEMBERS

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

SAND POINT CITY COUNCIL MEETING AGENDA CITY CHAMBERS

Regular Meeting

Thursday, June 4, 2015 7:00 pm

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

CONSENT AGENDA:

1. Minutes: Minutes of Regular Meeting on May 12, 2015

REPORTS:

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

HEARINGS, ORDINANCES AND RESOLUTIONS:

1. Ordinance 2015-03: FY16 City of Sand Point Budget – 2nd Reading
2. Resolution 15-13: Authorizing Alaska USA Deposit Account

OLD BUSINESS:

NEW BUSINESS

1. City Administrator Contract
2. Manager of Public Safety Contract
3. Marine Sync Harbor Utility Management Proposal
4. BDO FY15 Audit Proposal

PUBLIC COMMENTS

COUNCIL COMMENTS

ADJOURNMENT

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

POSTED 05/29/15

SAND POINT CITY COUNCIL
Regular Meeting Minutes

Tuesday, May 12, 2015

CALL TO ORDER:

The regular meeting of the Sand Point City Council was held Tuesday, May 12, 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 - Excused
Allan Starnes	Seat B	Present via Teleconference
Shirley Brown	Seat C	Present
Jack Foster Jr.	Seat D	Present via Teleconference
Marita Gundersen	Seat E	Present
Rayette McGlashan	Seat F	Present

A quorum was established.

Staff in attendance:

Andy Varner, Administrator
Shannon Sommer, City Clerk
Krista Galvin, Finance Officer
David Stokes, Public Works Director

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 with the addition of #8 Long-Term Disability Quote, #9 Travelift Repair Quote and #10 M/V Dolphin Damages Settlement Agreement & Repairs under New Business; and postponing #4 City Administrator Contract and #5 Manager of Public Safety Contract until the June 2015 agenda.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

APPROVAL OF CONSENT AGENDA:

1. Minutes of May 12, 2015 Meeting Minutes.

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

MOTION: Councilperson Rayette McGlashan made a motion to approve the consent agenda.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

REPORTS:

Finance Officer- Krista Galvin

Finance Officer Krista Galvin reported that as of March 2015, we received \$88,220.14 in Raw Fish Tax, \$103,569.93 in Sales Tax. She included a bank balance and expenditure and revenue guidelines.

Administrator - Andy Varner

Administrator Andy Varner reported there will be funding available in June to start the design process of the City dock.

Water/Sewer/Solid Waste Master Planning

He is applying for a USDA grant to do a pre-planning/pre-engineering report for Drinking Water, Wastewater, and Solid Waste. He sent out an RFP for cost estimates.

King Crab Rehabilitation Project

There is a partnership between the University, NOAA, ADF&G, some CDQs, processors, and other groups to rehabilitate the king crab stocks around Kodiak and the Pribilofs. They are interested in a King Crab Rehabilitation project in Sand Point.

Finance

He will research different options for an “investment” for a one year CD, other than AMLIP.

Mayor - Glen Gardner Jr.

Mayor Glen Gardner Jr. reported he contacted Melvin Smith with the Aleut Corporation about the Rock Quarry and it has been surveyed, B and C floats water leak has been fixed and the city building roof repair is almost complete.

Department of Public Safety - Chief John Lucking Jr.

Police Chief John Lucking Jr.’s report is in the packet.

Public Works Director – David Stokes

Public Works Director David Stokes reported they swept and graded roads, plowed snow, worked on the crusher in the shop, worked in the rock pit, helped load Western Marine’s barge, fueled all City buildings, tuned up waste oil furnishings. Equipment Operator John Jacobsen completed a Hazwoper Refresher course; they picked up trash bags during City Clean-up day, and are currently down 1 employee.

Landfill

They continue to haul trash away from dumpsters and picked up trash bags during City Clean-up day.

Recycling Center

They received the last parts for the barrel crusher.

Water and Sewer

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

Harbor Master - Richard Kochuten Sr.

Harbor Master Richard Kochuten Sr. report is in the packet.

Student Representative – Colten Mack

Student Representative Colten Mack reported Student Council taught NYO, they had prom, staff appreciation is coming up, and they have elected next school year’s student council. Justina Parami and he attended NYO at the Alaska Airlines Center, they had the Sports Banquet, students participated during Clean-up Day, and he hosted Jump Start and Spring League basketball. Some upcoming events will be Beach Day, the Spring Concert and school is out May 21, 2015.

Councilperson Rayette McGlashan commented she liked the older students interacting with the younger students during events.

HEARINGS, ORDINANCES, AND RESOLUTIONS:

1. Mayor’s Proclamation: M.V. Day

Mayor Gardner presented Marta Varga with a Proclamation that May 13, 2015 be “Marta Varga Day.” He also presented Mrs. Varga with a key to the City. Mrs. Varga then made a speech who she recommends to take over her position for the summer and to advertise for the position come August 2015; she stated she hopes the library keeps moving in a positive direction.

2. Ordinance 2015-03: FY16 Budget – 1st Reading

Councilperson Rayette McGlashan asked if the Rock Crusher was added to the budget. Mayor Gardner stated Finance Officer Galvin has been working with our Accountant Irina Morozova about making new accounts for BDS, and it was added under the Public Works department. If rock operation is successful, Council would have to create a new Enterprise Account, according to Administrator Varner.

MOTION: Councilperson Rayette McGlashan made a motion to put Ordinance 2015-03: FY16 Budget on the floor for 1st reading.

SECOND: Councilperson Shirley Brown seconded the motion.

VOTE: Motion passed unanimously.

OLD BUSINESS:

1. Harbor Mediation

MOTION: Councilperson Shirley Brown made a motion to approve the continuance of the draft to authorize the City Attorney to draft a complaint letter to R&M.

SECOND: Councilperson Rayette McGlashan seconded the motion.

VOTE: Motion passed unanimously.

NEW BUSINESS:

1. Sand Point Clinic Behavioral Health Donation Request

MOTION: Councilperson Marita Gundersen made a motion to donate \$100 to the Sand Point Clinic Behavioral Health Donation Request.

SECOND: Councilperson Rayette McGlashan seconded the motion.

VOTE: Motion passed unanimously.

2. Finance Assistance Contract

Administrator Varner explained the contract and how it helps Finance Officer Galvin and Administrative Assistant Kurtis Gundersen with audit prep and during the upcoming audit, and other financial tasks like re-arranging our chart of accounts.

MOTION: Councilperson Shirley Brown made a motion to approve the Finance Assistance Contract.

SECOND: Councilperson Rayette McGlashan seconded the motion.

VOTE: Motion passed unanimously.

3. Authorizing Job Description: Public Safety Manager

MOTION: Councilperson Rayette McGlashan made a motion to approve authorizing the Job Description for Public Safety Manager.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

4. City Administrator Contract

City Administrator Contract postponed until June's agenda.

5. Manager of Public Safety

Manager of Public Safety Contract postponed until June's agenda.

6. FY16 Employee Rates of Pay

MOTION: Councilperson Rayette McGlashan made a motion to put FY16 Employee Rates of Pay on the floor for discussion.

SECOND: Councilperson Marita Gundersen seconded the motion.

VOTE: Motion passed unanimously.

Councilpersons Allan Starnes and McGlashan stated they would like annual employee reviews to take place and for Administrator Varner to review a merit based pay system.

MOTION: Councilperson Shirley Brown made a motion to approve the FY16 Employee Rates of Pay.

SECOND: Councilperson Marita Gundersen seconded the motion.
VOTE: Motion passed unanimously.

7. Premera Renewal Authorization

MOTION: Councilperson Rayette McGlashan made a motion to approve the Premera Renewal Authorization.
SECOND: Councilperson Marita Gundersen seconded the motion.
VOTE: Motion passed unanimously.

8. Long-Term Disability Quote

MOTION: Councilperson Shirley Brown made a motion to approve the Long-Term Disability Policy.
SECOND: Councilperson Rayette McGlashan seconded the motion.
VOTE: Motion passed unanimously.

9. Travelift Repairs Quote

MOTION: Councilperson Rayette McGlashan made a motion to approve the Travelift Repairs Quote with additional expenses.
SECOND: Councilperson Shirley Brown seconded the motion.
VOTE: Motion passed unanimously.

10. M/V Dolphin Damages Settlement Agreement & Release

MOTION: Councilperson Shirley Brown made a motion to approve the Mayor to sign the proposed M/V Dolphin Damages Settlement Agreement & Release, contingent upon inspection approval from harbor staff.
SECOND: Councilperson Rayette McGlashan seconded the motion.
VOTE: Motion passed unanimously.

PUBLIC COMMENTS: None.

COUNCIL COMMENTS:

Councilperson Jack Foster Jr. commented how great of a job Marta Varga did for the community and congratulated her on her retirement. Councilperson McGlashan asked when the City playground floor was going to be footed and suggested the ground be geotexted first, when installing. Public Works Director Stokes stated they did have geotext material for that work. Councilperson Shirley Brown asked if the Fire Chief position is posted and Councilperson McGlashan suggested the City to send any interested persons to training for the position. Councilperson Marita Gundersen stated Marta Varga will be missed.

ADJOURNMENT:

MOTION: Councilperson Rayette McGlashan made a motion to adjourn.
SECOND: Councilperson Marita Gundersen seconded the motion.

The meeting adjourned at 8:30 PM.

Glen Gardner, Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

REPORTS

FINANCE OFFICER

Report will be available at meeting.

TO: Mayor Gardner
City Council Members

FROM: Andy Varner
City Administrator

DATE: May 29, 2015

SUBJ: Monthly Report for June 2015

Sorry I couldn't be there with you. Here are a few issues we've been working on since the last report:

WATER/SEWER/SOLID WASTE MASTER PLANNING

- I applied for a USDA grant to do a pre-planning/pre-engineering report for Drinking Water, Wastewater, and Solid Waste. This would essentially be a Master Plan of our needs and facilities, and could be timely as we potentially lose the knowledgeable services of Dave Stokes and Allen Hill over the next year. It would help us prepare for future capital needs and plan for any growth areas, replacement schedules, etc. The grant requires a 25% local match. I discussed this with ANTHC, but they don't have any planning money at this time to contribute. I will also talk to the Tribes to see if they could contribute any environmental (IGAP) monies. Based on the responses to the engineering RFP I sent out, the cost will be about \$60,000, for a match of \$15,000. I included these items in the draft Water/Sewer budget.

AUDIT

- The audit is tentatively scheduled for the end of August, if the Council approves BDO's proposal. Irina will come out before that time to assist with audit preparations. She will also perform sales tax audits of two businesses while she is here in August.

KING CRAB REHABILITATION PROJECT

- There is a partnership between the University, NOAA, ADF&G, some CDQs, processors, and other groups to rehabilitate the king crab stocks around Kodiak and the Pribilofs, and they have an interest in working with Sand Point for their next project. They have asked what our involvement or commitment would be at this time, and I said I would invest some of my time in their meetings, and in the development of the State's shellfish culture policy. Beyond that, we have no funding commitments and we'll have to see where this goes. They've invited us in June to the Seward hatchery where they are rearing juvenile king crabs, ready to be shipped to Kodiak and released into their habitat next month.

RED COVE DOME QUARRY

- The City wrote a letter to The Aleut Corp expressing our interest in potentially purchasing the Red Cove Dome quarry from TAC and the Shumagin Corp, as discussed last month. There won't be anything to report on this until August I assume.

HARBOR

- Attorney Brooks Chandler sent a complaint letter to R&M, requesting a trial jury in Sand Point to settle the billets issue. This was approved by Council last month. The letter was sent last week, and as of this writing no response. The action is meant to spur a settlement and avoid a local trial.
- Magone was supposed to fly to Sand Point last Friday to look at the floats issues in the harbor, where one corner is lifting up and some of the billets seem to have shifted and created unevenness.

MERIT BASED PAY

- This concept drew interest from the Board last meeting. I've been doing some research and I'll have some examples for consideration during a summer or fall meeting, to weigh the pros and cons against the longevity/step increase system we have now.

JULY COUNCIL MEETING DATE

- Due to salmon conflicts again in July, I propose we look at Thursday, July 16 as a possible meeting date. July 14th was the original date, but there is an opener on 14-15th.



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 Cumberlidge, City Councilperson, City of Sand Point
Mr. Allan Starnes, City Councilperson, City of Sand Point
Ms. Shirley Brown, City Councilperson, City of Sand Point
Mr. Jack Foster Jr, City Councilperson, City of Sand Point
Ms. Marita Gundersen, City Councilperson, City of Sand Point
Ms. Rayette McGlashan, City Councilperson, City of Sand Point

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

Date: June 1st, 2015

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

Police Department

Director of Public Safety/ Chief of Police/ Emergency Manager

- John H. Lucking, Jr.

Police Officers

- Officer Eric Tupper
- Officer Alvin Osterback, Jr.
- Officer Michael Chiesa

Administrative Assistant

- Denise Mobeck/Day Dispatcher

Dispatchers

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

Police Division Activity

MAY 2015

5 cases were generated

- 1 Reckless driving, car theft, burglary, DWLR
- 1 House fire
- 1 Assault
- 1 MICS
- 1 DWLS

There were 2 persons jailed

- 1 Assault
- 1 DWLS

There were 44 calls to 911

- 5 ambulance requests
- 4 bar fights
- 4 noise complaints
- 4 drunken disturbances
- 5 fire – (same incident)
- 2 misc
- 10 Medic on Call requests (MOC)
- 10 misdial or 911 hang ups

Officer Calls for Service

- 2 welfare checks
- 2 courtesy transports
- 1 criminal mischief
- 1 harassment complaint

Other Officer Activities/Responses

- multiple bar checks
- multiple trespassing notifications
- house alarm investigation
- minor in need of aid, impaired by drugs
- search for wanted person
- several instances of providing assistance to the Office of Children's Services OCS

14 traffic stops

- 7 verbal warning for speed
- 2 written warning for speed
- 1 warning for stop sign violation
- 3 verbal warning for equipment violation
- 1 warning for speed and stop sign violation

EMS Division

Chief of EMS Division:

- Denise Mobeck, EMS Coordinator

EMS Activity:

Rescue1 transported 1 patient to the airport for a medical evacuation. (medevac)

Rescue1 transported 4 patients to clinic

Rescue1 responded to 1 call where the patient refused service

Other Activities:

- Training and EMS business meeting was held with members of the service
- A schedule for responders was established for upcoming months

Fire Division

Chief of Fire Division:

- Vacant, administrative duties being fulfilled by DPS Director.

Activity:

- Recruitment efforts continue as the department seeks to fill the vacant fire chief position.
- Certification was approved and awarded to the City and the Department from the State Fire Marshal's Office

Fire Response:

The Department responded with all equipment and personnel to a residential fire on Nagai Street. While the firefighting effort successfully prevented the spread of the fire and extinguished it, the home was unfortunately a total loss. The cause of the fire was determined to be accidental.

In the days following the fire all equipment was cleaned, repaired and replaced on our apparatus ready for future response.

The Department would like to extend its gratitude to the many community members who responded to the scene of the fire and who unselfishly provided assistance. Without the time and effort of those individuals, the damage from the fire could have been considerably more significant.

May 2015 Public Works Report

Shop

- Graded Roads
- Swept Roads
- Worked on Big Crusher in Quarry & Little Crusher in shop
- Worked in Rock Pit
- Fueled Buildings
- Put New Travel Motor on 200 Track Hoe
- Replaced Windshield in 988B
- NC did a Tune Up on 988
- All Employees back on board

Landfill

- Hauled trash away from dumpsters
- Serviced Incinerator
- Moved a dumpster to & from City Bldg for construction debris
- Moved construction debris from Chiefs house & Moses old house to landfill with trash truck

Recycling

Increased glass

Water & Sewer

See attached

May 2015 W&S

Shut offs and notices:

- Installed two lockable valve boxes in the Meadows.
- Began digging to find a water service line for another customer and install a shut off valve and lockable valve box.

Lift Stations:

- Pumped out Mud Bay L/S and Jumps L/S
- Rebuilt the Mud Bay lift station grinder pump by taking the electric motor from another used pump and installing it on Mud Bay pump.

Sewer plants:

- Pumped out one vacuum truck load from Russian Town plant

Ordered a few hand tools, brass fittings and water and sewer repair parts to make sure we can fix things without ordering before the new fiscal year.

Ordered three chlorine drums and one polymer drum to take us a few months into the new fiscal year.

Little Sanak water line

- We have all the parts needed to install the line and services.
- We have the telephone locates we need to dig the ditch. We made sketches with measurements to refer to if the paint marks get damaged by traffic and the weather.

Fuel use at the water plant increased dramatically in April. Ken found a leaking fuel pump on one of the boilers. We found the hot water tank is heated to 186 degrees by the boilers. There is no thermostat or zone valve. Ken turned off the hot water tank circulating pump to save electricity and fuel. We can turn the circulating pump on whenever we need hot water. We got permission to turn off some ventilation fans and lower the thermostat in the polymer room. Our daily fuel consumption has dropped about 6 gallons so far.

Sent out a Request for Quote to Alaska Pump and Cascade Machinery for pumps, railing, and control panels for the Jumps L/S and the Mud Bay L/S. Included were dimensions of the existing lift stations. We also explained the problem with the disposable wipes and other wipes and rags, and included pictures. We included the daily flow, in gallons, into each lift station and the size of the force mains leaving the lift stations and the height (in feet) that the discharge has to be pumped from each lift station. We asked that they consider auto-reversing pumps to help keep the pumps from getting bound up or pumps with flush valves for the same reason and asked for several options or for what the bidder thought would be the most effective and reliable equipment for each lift station. So far, we have heard back from Alaska Pump that chopper pumps would be more effective than the grinder pumps we use. We will work with the Steven Evavold our Remote Maintenance Worker when he gets back from vacation on June 3 to try to come up with the most practical equipment for the upgrades.

Cleared grease blockage from manholes above and below Gabe McGlashan's. We also cleaned grease from Gabe's sewer service, a clean out near Gabe's house, fixed a broken sewer line service connection just below Gabe's and jetted grease blockages from the main between the two manholes.

Sand Point Harbor report

06-01-2015

All is well at the harbor.

All the equipment is being serviced on a regular basis.

In May the crew moved approximately 35 boats, hauled and launched.

Work continues on the floats, apparently some billets are getting dislodged and have been stored.

Magone Marine is trying to get to Sand Point to inspect the floats.

Still waiting on Albert Spiros to install the fire valve on the float in the new harbor, so then the City can sign off on the damage done by Tridents, M/V Dolphin.

That is all I have to report at this time.

Richard Kochuten Sr.
Harbor Master Sand Point

HEARINGS, ORDINANCES AND RESOLUTIONS

City of Sand Point



ORDINANCE 2015-03

AN ORDINANCE OF THE CITY OF SAND POINT, ALASKA, ADOPTING THE
OPERATING BUDGET FOR FY-2016.

BE IT ORDAINED BY THE SAND POINT CITY COUNCIL:

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

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

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

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

BUDGET SUMMARY:

<u>FUND</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Fund	\$ 2,751,601	\$ 2,798,014
Bingo	\$ 515,300	\$ 474,100
Silver Salmon Derby	\$ 19,250	\$ 19,250
Clinic Operations	\$ 32,777	\$ 32,777
Water & Sewer Operations	\$ 344,600	\$ 344,600
Harbor	\$ 567,700	\$ 562,487
Refuse Collection	\$ 156,094	\$ 156,094
TOTAL	\$ 4,387,322	\$ 4,387,322

**PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF
THE SAND POINT CITY COUNCIL this 4th day of June, 2015.**

ATTEST:

Glen Gardner, Jr., Mayor

Shannon Sommer, City Clerk

Introduction and 1st Reading May 12, 2015
2nd Reading and Adoption June 4, 2015

**CITY OF SAND POINT
FY16 DRAFT Budget**

	FY15 Budget	FY16 DRAFT Budget		
			<u>\$ Change</u>	<u>% Change</u>
Revenue:				
01-General Fund	3,033,908	2,751,601	(282,307)	-10%
02-Bingo	497,404	515,300	17,896	3%
03-Silver Salmon Derby	22,000	19,250	(2,750)	-14%
10-Clinic Operations	32,777	32,777	-	0%
61-Water and Sewer Operations	357,803	344,600	(13,203)	-4%
62-Harbor	496,500	567,700	71,200	14%
65-Refuse Collection	154,279	156,094	1,815	1%
Total revenue	<u>4,594,671</u>	<u>4,387,322</u>	<u>(207,349)</u>	<u>-8%</u>
Expenditures:				
01-General Fund	3,030,158	2,798,014	(232,144)	-8%
02-Bingo	497,404	474,100	(23,304)	-5%
03-Silver Salmon Derby	25,750	19,250	(6,500)	-34%
10-Clinic Operations	32,777	32,777	-	0%
61-Water and Sewer Operations	357,803	344,600	(13,203)	-4%
62-Harbor	496,500	562,487	65,987	13%
65-Refuse Collection	154,279	156,094	1,815	1%
Total expenditures	<u>4,594,671</u>	<u>4,387,322</u>	<u>(207,348)</u>	<u>-5%</u>
Projected Surplus/(Deficit)	0	(0)	(1)	

CITY OF SAND POINT - GENERAL FUND REVENUE

	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
Revenue:			
051-Transfer From Reserves	490,267	432,351	(57,916)
200-Interest Restricted (AMLIP + CD)	500	2,000	1,500
202-Fines and Penalties	1,000	500	(500)
203-Other Income	40,000	45,000	5,000
205-4% Sales Tax	900,000	850,000	(50,000)
213-2% Raw Fish Tax	800,000	600,000	(200,000)
214-Fine-Late Sales Tax	1,000	1,000	-
217-7% B&B Tax	15,000	16,500	1,500
225-PILT	150,000	150,000	-
226-Event Costs	4,500	4,500	-
233-Business License Fee	2,500	2,500	-
238-Anchorage Office	20,000	20,000	-
250-DCRA Revenue Sharing	144,641	138,000	(6,641)
256-State of Alaska/EMPG	7,500	7,500	-
260-State Business License	-	4,600	4,600
265-DCRA Fish Tax	45,000	35,000	(10,000)
266-DOR Ext. Fish Tax Sharing	260,000	250,000	(10,000)
285-Equipment Rental	15,000	15,000	-
291-Building Rentals	125,000	135,000	10,000
293-Library Grant	10,500	6,650	(3,850)
297-Police Misc	1,000	35,000	34,000
298-EMS Misc	500	500	-
Total Revenue	<u>3,033,908</u>	<u>2,751,601</u>	<u>(282,307)</u>

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-1			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
Expenditures:			
100-Legislative			
300-Salaries	39,600	36,000	(3,600)
350-Fringe benefits	96,000	87,000	(9,000)
400-Travel and per diem	12,000	12,000	-
530-Dues and fees	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total legislative	<u>150,600</u>	<u>138,000</u>	<u>(12,600)</u>
200-Administration:			
052-Transfer To Other Funds	229,086	132,494	(96,592)
300-Salaries	220,262	239,600	19,338
301-Contractual	38,000	25,000	(13,000)
350-Fringe benefits	66,080	71,880	5,800
400-Travel and per diem	28,000	25,000	(3,000)
425-Telephone	14,000	14,000	-
450-Postage	6,000	5,000	(1,000)
475-Supplies	8,000	8,000	-
500-Equipment	15,000	17,000	2,000
501-Equipment maintenance	4,000	4,000	-
530-Dues and fees	4,000	5,000	1,000
5XX- Airport Leases	3,200	3,200	-
545-Anchorage Office	10,000	10,000	-
549-Sales Tax Audit	10,000	10,000	-
550-Audit	40,000	32,000	(8,000)
551-Legal	40,000	20,000	(20,000)
552-Prop & Liability Insurance	140,000	140,000	-
553-Bond Payment	180,580	183,180	2,600
555-Bank Service Charge	12,000	10,000	(2,000)
576-Fuel	1,200	1,200	-
602-Freight	3,000	3,000	-
625-Elections	2,000	1,500	(500)
627-Employee Exp	-	-	-
810-Donations	20,000	18,000	(2,000)
825-Hospitality	3,000	3,000	-
853-Library Grant	3,700	3,700	-
226-Event Costs	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total administration	<u>1,111,108</u>	<u>995,754</u>	<u>(115,354)</u>

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-2			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
Expenditures, continued:			
250-Parks and recreation:			
300-Salaries	37,436	25,000	(12,436)
350-Fringe benefits	3,743	3,000	(743)
810-Donations (SPLL)	-	-	-
Total parks and recreation	<u>41,179</u>	<u>28,000</u>	<u>(13,179)</u>
275-Animal Control			
300-Salaries	-	-	-
350-Fringe benefits	-	-	-
400-Travel/Perdiem	-	-	-
475-Supplies	-	-	-
500-Equipment	-	-	-
501-Equipment Maint	-	-	-
575-Utilities	-	-	-
576-Fuel	-	-	-
602-Freight	-	-	-
Sub-total animal control	<u>-</u>	<u>-</u>	<u>-</u>
300-Public safety:			
010-Police:			
300-Salaries	360,000	325,000	(35,000)
303-911 Dispatchers	20,000	25,000	5,000
350-Fringe benefits	126,000	105,000	(21,000)
400-Travel and per diem	15,000	12,000	(3,000)
425-Telephone	8,500	9,000	500
475-Supplies	5,000	5,000	-
477-Police Dog	2,500	-	(2,500)
500-Equipment	35,000	30,000	(5,000)
501-Equipment Maint	8,500	8,500	-
530-Dues and fees	2,500	2,500	-
576-Fuel	20,000	20,000	-
602-Freight	500	500	-
820-Relocation cost	4,000	4,000	-
Sub-total police	<u>607,500</u>	<u>546,500</u>	<u>(61,000)</u>

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-3			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
Expenditures, continued:			<u>Change</u>
020-Emergency Services			
296-Volunteer Stipend	7,500	7,500	-
301-Contractual	5,000	5,000	-
400-Travel/Perdiem	500	500	-
425-Telephone	3,000	3,500	500
475-Supplies	2,000	2,000	-
500-Equipment	4,000	2,500	(1,500)
501-Equipment Maintenance	2,500	2,500	-
502-Equipment Fuel	1,000	1,000	-
530-Dues/Fees	750	500	(250)
575-Utilities	500	500	-
602-Freight	500	500	-
Sub-total EMS	<u>27,250</u>	<u>26,000</u>	<u>(1,250)</u>
090-Fire			
300-Salaries	12,000	12,000	-
350-Fringe	4,000	2,000	(2,000)
425-Telephone	1,000	1,000	-
460-Fireboat	1,500	1,500	-
475-Supplies	2,500	2,000	(500)
500-Equipment	2,500	2,500	-
501-Equipment Maintenance	2,500	3,500	1,000
502-Equipment Fuel	1,000	1,000	-
530-Dues/Fees	500	500	-
575-Utilities	3,500	3,500	-
602-Freight	500	500	-
Sub-total fire	<u>31,500</u>	<u>30,000</u>	<u>(1,500)</u>
Total Public Safety	<u>666,250</u>	<u>602,500</u>	<u>(63,750)</u>
500-Public works:			
000-General:			
300-Salaries	292,036	306,600	14,564
301-Contractual	10,000	5,000	(5,000)
350-Fringe benefits	137,253	107,310	(29,943)
400-Travel/Perdiem	2,500	3,000	500
425-Telephone	2,000	3,000	1,000
475-Supplies	20,000	25,000	5,000
500-Equipment	55,000	60,000	5,000

501-Equipment maintenance	50,000	55,000	5,000
502-Equipment fuel	15,000	20,000	5,000
530-Dues and fees	1,000	500	(500)
572-Street lights	15,000	20,000	5,000
575-Utilities	1,500	1,500	-
576-Fuel	15,000	20,000	5,000
600-Repairs	5,000	7,500	2,500
602-Freight	10,000	12,500	2,500
Total general public works	631,289	646,910	15,621
800-Facilities			
000-General			
300-Salaries	118,992	84,000	(34,992)
350-Fringe benefits	49,976	33,600	(16,376)
Total facilities	168,968	117,600	(51,368)

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-4			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
040-New Clinic			
475-Supplies	1,000	1,000	-
600-Repairs	8,000	4,000	(4,000)
602-Freight	<u>1,000</u>	<u>500</u>	<u>(500)</u>
Total new clinic	<u>10,000</u>	<u>5,500</u>	<u>(4,500)</u>
050-Municipal Building			
475-Supplies	10,000	15,000	5,000
500-Equipment	1,000	2,500	1,500
501-Equipment Maintenance	2,500	2,500	-
530-Dues/Fees	1,500	500	(1,000)
575-Utilities	10,000	10,000	-
576-Fuel	50,000	50,000	-
600-Repairs	90,000	80,000	(10,000)
601-Boardwalk Repairs	10,000	5,000	(5,000)
602-Freight	<u>15,000</u>	<u>25,000</u>	<u>10,000</u>
Total municipal building	<u>190,000</u>	<u>190,500</u>	<u>500</u>
055-Teen Center			
575-Utilities	3,500	5,500	2,000
576-Fuel	4,000	4,000	-
600-Repairs	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total teen center	<u>10,000</u>	<u>12,000</u>	<u>2,000</u>
060-4Plex			
475-Supplies	1,000	1,000	-
500-Equipment	1,000	1,000	-
575-Utilities	3,000	3,000	-
576-Fuel	15,000	15,000	-
600-Repairs	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total 4plex	<u>21,000</u>	<u>21,000</u>	<u>-</u>
070-City Housing			
475-Supplies	500	500	-
500-Equipment	1,500	1,500	-

578-Hamik Rental	12,000	-	(12,000)
576-Fuel	5,000	5,000	-
600-Repairs	10,000	10,000	-
602-Freight/Speed	500	500	-
071-475 Leased Property/Supplies	3,000	2,500	(500)
071-575 Leased Property/Utilities	5,000	5,000	-
071-576 Leased Property/Fuel	10,000	10,000	-
071-600 Leased Property/Repairs	3,000	3,000	-
071-602 Leased Property/Freight	3,000	1,500	(1,500)
Total city houses	53,500	39,500	(14,000)
085-Ratnet Building			
575-Utilities	500	750	250
Total ratnet building	500	750	250
Total General Fund	3,029,394	2,798,014	(194,129)

BINGO FUND 02			
	<u>FY15</u>	<u>FY16</u>	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
Revenue:			
Transfer from GF	42,104		(42,104)
202-Fines and Penalties	-	-	-
294-Bingo	45,000	45,000	-
295-Pull tab	410,000	470,000	60,000
861-Bingo Supplies	-	-	-
863-Concessions	<u>300</u>	<u>300</u>	<u>-</u>
Total revenues	<u>497,404</u>	<u>515,300</u>	<u>60,000</u>
Expenditures: Pulltabs			
052-Transfer to General Fund	-	-	-
300-Salaries	35,575	20,000	(15,575)
350-Fringe (Employee) Benefits	7,827	4,000	(3,827)
425-Telephone	500	1,000	500
475-Supplies	750	750	-
500-Equipment	1,000	500	(500)
530-Dues and fees	600	600	-
555-Bank service charges	1,500	2,000	500
602-Freight	200	350	150
856-Pull-tab tax	2,500	4,000	1,500
860-Pull-tab prizes	350,000	385,000	35,000
862-Pull tab purchases	10,000	12,000	2,000
863-Concessions	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>410,452</u>	<u>430,200</u>	<u>19,748</u>
Expenditures:			
005-Bingo Expenses			
052-Transfer to General Fund	-	-	-
300-Salaries	35,575	18,000	(17,575)
350-Fringe (Employee) Benefits	7,827	3,600	(4,227)
425-Telephone	500	500	-
475-Supplies	750	500	(250)
500-Equipment	1,000	500	(500)
530-Dues and fees	600	600	-
555-Bank service charges	1,500	-	(1,500)
602-Freight	200	200	-
855-Door prize	8,000	4,000	(4,000)
859-Bingo prizes	30,000	15,000	(15,000)
861-Bingo supplies	<u>1,000</u>	<u>1,000</u>	<u>-</u>

Total expenditures	<u>86,952</u>	<u>43,900</u>	<u>(43,052)</u>
Total Fund Expenditures	<u>497,404</u>	<u>474,100</u>	<u>(23,304)</u>

DRAFT

SILVER SALMON DERBY FUND 03			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Difference</u>
Revenue:			
03-004-Revenues	22,000	18,250	(3,750)
03-230-Donations	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total revenue	<u>22,000</u>	<u>19,250</u>	<u>(2,750)</u>
Expenditures:			
475-Supplies	16,500	15,000	(1,500)
530-Dues/Fees	250	250	-
577-Prizes	3,000	2,000	(1,000)
810-Donations	6,000	2,000	(4,000)
863-Concessions	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>25,750</u>	<u>19,250</u>	<u>(6,500)</u>

CLINIC FUND 10			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
Revenue			
257-Revenue Federal	<u>32,777</u>	<u>32,777</u>	<u>-</u>
Total revenue	<u>32,777</u>	<u>32,777</u>	<u>-</u>
Expenditures:			
301-Contractual	<u>32,777</u>	<u>32,777</u>	<u>-</u>
552-Insurance	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>32,777</u>	<u>32,777</u>	<u>-</u>

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WATER & SEWER FUND 61			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
Revenue:			
052-Transfer from GF	174,303	117,600	(56,703)
202-Fines and Penalties	3,500	2,000	(1,500)
203-Other Rev	-	-	-
206-User Fees water/sewer	180,000	180,000	-
USDA Grant	-	45,000	45,000
Total revenues	<u>357,803</u>	<u>344,600</u>	<u>(58,203)</u>
Expenditures:			
300-Salaries	80,711	88,000	7,289
350-Fringe (Employee) Benefits	33,092	17,600	(15,492)
Contractual (USDA)	-	60,000	60,000
400-Travel and per diem	2,500	10,000	7,500
425-Telephone	4,000	4,000	-
475-Supplies	30,000	25,000	(5,000)
500-Equipment	35,000	30,000	(5,000)
501-Equipment maintenance	20,000	15,000	(5,000)
502-Equipment Fuel	1,500	1,500	-
530-Dues and fees	2,000	2,500	500
531-Test fees	4,000	4,000	-
531-Overpayments on account	-	-	-
575-Utilities	100,000	44,500	(55,500)
576-Fuel	30,000	27,500	(2,500)
600-Repairs	5,000	5,000	-
602-Freight	10,000	10,000	-
Total expenditures	<u>357,803</u>	<u>344,600</u>	<u>(13,203)</u>

BOAT HARBOR FUND 62			
	FY15	FY16	
	Budget	Budget	
			Change
Revenue:			
201-Interest	3,000	4,000	1,000
203-Other Revenue	-	-	-
210-Moorage	200,000	200,000	-
211-Haulout (Travel Lift)	90,000	90,000	-
212-Harbor Leases	60,000	100,000	40,000
215-Wharfage	60,000	65,000	5,000
219-Elec Service Fee		8,000	
220-Electric Deposit		2,500	
221-Van Storage	18,000	18,000	-
223-Electricity-Uplands	5,000	4,000	(1,000)
222-Electricity Stalls	20,000	35,000	15,000
224-Locker Storage	13,000	13,000	-
237-Harbor Storage	2,500	3,200	700
285-Equipment Rental	25,000	25,000	-
Total revenue	496,500	567,700	60,700
Expenditures:			
300-Salaries	263,500	272,405	8,905
301-Contractual	1,000	30,000	29,000
350-Fringe (Employee) Benefits	126,500	122,582	(3,918)
400-Travel and Per Diem	3,500	3,000	(500)
425-Telephone	3,500	4,000	500
475-Supplies	10,000	10,000	-
500-Equipment	15,000	22,500	7,500
501-Equipment Maintenance	10,000	20,000	10,000
502-Equipment Fuel	5,000	5,000	-
530-Dues and fees	1,000	500	(500)
557-Overpayments	-	-	-
575-Utilities	30,000	35,000	5,000
576-Fuel	12,500	12,500	-
600-Repairs	10,000	20,000	10,000
602-Freight	5,000	5,000	-
Total expenditures	496,500	562,487	65,987

REFUSE COLLECTION FUND 65			
	FY15	FY16	
	<u>Budget</u>	<u>Budget</u>	
			<u>Change</u>
Revenue:			
052-Transfer from GF	12,679	14,894	2,215
202-Fines and Penalties	1,600	1,200	(400)
204-User Fees refuse	<u>140,000</u>	<u>140,000</u>	-
Total revenue	<u>154,279</u>	<u>156,094</u>	<u>1,815</u>
Expenditures: Refuse			
300-Salaries	81,154	84,460	3,306
350-Fringe (Employee) Benefits	33,275	33,784	509
400-Travel/Perdiem	2,000	2,000	-
475-Supplies	3,000	3,000	-
500-Equipment	3,000	3,000	-
501-Equipment maintenance	10,000	8,000	(2,000)
502-Equipment fuel	10,000	10,000	-
530-Dues and fees	500	500	-
576-Fuel	3,000	3,000	-
602-Freight	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures ops	<u>147,929</u>	<u>149,744</u>	<u>1,815</u>
Expenditures: Recycle Center			
300-Salaries	-	-	-
350-Fringe (Employee) Benefits	-	-	-
475-Supplies	500	500	-
575-Utilities	5,000	5,000	-
576-Fuel	250	250	-
600-Repairs	500	500	-
602-Freight	<u>100</u>	<u>100</u>	<u>-</u>
Total expenditures ops	<u>6,350</u>	<u>6,350</u>	<u>-</u>
Total expenditures ops(combined)	154,279	156,094	1,815

City of Sand Point



RESOLUTION 15-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND POINT AUTHORIZING THE OPENING OF A CERTIFICATE OF DEPOSIT (CD) ACCOUNT WITH ALASKA USA

WHEREAS, the City Council of the City of Sand Point wishes to open a Certificate of Deposit account with Alaska USA Federal Credit Union; and

WHEREAS, the City Council authorizes the City Administrator to open the account on behalf of the City; and

WHEREAS, the authorized signers of the account will include the Mayor, Finance Officer, and City Administrator; and

WHEREAS, the City Council authorizes the initial deposit into the account at \$_____.

NOW, THEREFORE BE IT RESOLVED, that the Sand Point City Council authorizes the opening of a new CD account with Alaska USA Federal Credit Union.

PASSED AND APPROVED this 4th day of June, 2015.

CITY OF SAND POINT

Glen Gardner, Jr, Mayor

ATTEST:

Shannon Sommer, City Clerk

OLD BUSINESS

None at this time.

NEW BUSINESS

RECEIVED

MAY 20 2015

Glen G.
City of Sand Point

Sand Point Teen Center

C/O Unga Tribal Council
PO Box 508
Sand Point, AK 99661

May 20, 2015

Dear Mayor Glen Gardner and Council Members:

This is a funding request for \$3,000 to go towards the operations of the Sand Point Teen Center. Thank you for providing the location for the Teen Center and the \$3,000 cash contribution for operations last year. The Teen Center has been operating for 6 years already, which would not be possible without your support.

All Sand Point teens grade 7 through age 20 can participate, the monthly total of teens attending is around 300.

As always fund raising is an ongoing challenge in order to keep the Teen Center operating. So far I have received donations from Unga Tribal Council, Pauloff Harbor Tribal Council, Qagan Tayagungin Tribal Council, Shumagin Native Corporation and Trident Seafoods. Our youth is the future of the City of Sand Point and building productive young adults is important and I feel providing a good and safe environment for teens to socialize will have a positive effect on them.

Thank you in advance for your support.

Sincerely,



Tina Anderson

Teen Center Committee Member

City of Sand Point



EMPLOYMENT AGREEMENT BETWEEN

CITY OF SAND POINT

&

Andrew Varner

THIS AGREEMENT is made by and between the City of Sand Point (hereinafter "CITY") and Andrew Varner (hereinafter "ADMINISTRATOR"). The term "parties" refers to the CITY and ADMINISTRATOR. This AGREEMENT is the initial AGREEMENT between the parties.

WHEREAS, the CITY wishes to employ Andrew Varner as ADMINISTRATOR of the City of Sand Point; and,

WHEREAS, Andrew Varner wishes to accept the offer to become ADMINISTRATOR of the City of Sand Point under the terms and conditions recited in this Agreement; and,

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

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

1. DUTIES

CITY agrees to employ Andrew Varner as ADMINISTRATOR of the CITY. ADMINISTRATOR shall perform such duties as specified by law and ordinance, and such other proper duties as assigned or delegated by the CITY COUNCIL in Sand Point (hereinafter "CITY COUNCIL").

2. TERM

This Agreement is for the period beginning 07/01/2015 and continuing through 10/31/2017 (twenty eight months).

3. TERMINATION BY CITY

The CITY may terminate the employment of ADMINISTRATOR without cause, by a two-thirds (2/3) vote of the CITY COUNCIL, at any time during the term of this Agreement by directing written notice of termination to ADMINISTRATOR by certified or registered mail, return receipt requested, or by hand delivery. In the event of termination without cause while ADMINISTRATOR is ready, willing and able to perform the duties of ADMINISTRATOR, City shall pay ADMINISTRATOR a sum equal to four (4) months of ADMINISTRATOR's salary and shall continue all of the Administrator's benefits for a period of four (4) months plus all provisions of Section 8 - ANNUAL LEAVE AND OTHER BENEFITS - as detailed.

The CITY may terminate employment of the ADMINISTRATOR for breach of contract at any time during the term of this Agreement, by directing written notice of termination to ADMINISTRATOR by certified or registered mail, return receipt requested, or by hand delivery, including in said notice of termination, a statement of reasons for the termination. Upon termination for cause, the ADMINISTRATOR shall not be entitled to any termination pay, except legally accrued and unused annual leave to the date of termination.

4. TERMINATION BY ADMINISTRATOR

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

5. COMPENSATION

For all services rendered during the term of employment under this Agreement, CITY shall pay ADMINISTRATOR a monthly salary of \$8,000. The parties understand that the duties of the ADMINISTRATOR are administrative requiring ADMINISTRATOR to be on duty not only during regular office business hours but also during evenings and weekends as services are required or desirable. Overtime hours and additional services are non-compensable beyond the salary described above, except in accordance with the administrative leave provisions contained in Section 8.

6. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The ADMINISTRATOR shall be part of the Public Employees Retirement System (PERS) system as a Tier IV employee.

7. INSURANCE

The ADMINISTRATOR will receive the same Health insurance benefits as other employees of the CITY. Due to extensive travel requirements and possible

associated risks, CITY will pay for ADMINISTRATOR's life insurance policy, not to exceed \$600 annually.

8. ANNUAL LEAVE AND OTHER BENEFITS

CITY shall provide ADMINISTRATOR with annual leave to be accrued at the rate of 24.0 hours (3 days) per month. At the time of termination of employment, ADMINISTRATOR shall receive a payment, at the current annual compensation rate, for all accrued, but unused, annual leave. Accrued annual leave may not exceed 400 hours and any accrual above this amount will not be allowed. In recognition of the necessity of the ADMINISTRATOR having to attend various meetings not within normal working hours, ADMINISTRATOR shall receive 80 hours (10 days) of paid "administrative leave" during this contract period. This administrative leave shall not accrue if unused, and will not be cashed out. ADMINISTRATOR receives no sick leave and must use either annual or administrative leave when sick.

9. EVALUATIONS

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

10. EXPENSES

Upon presentation of proper evidence of travel or unusual expenditures related to the office duties of ADMINISTRATOR, CITY shall reimburse ADMINISTRATOR for such expenses in accordance with its normal procedures for such reimbursement.

11. MEMBERSHIP DUES, CONFERENCES AND TRAINING

- a. CITY shall pay the membership dues of ADMINISTRATOR in the following organizations:
 - (1) Alaska Municipal Management Association (AMMA)
- b. CITY shall pay all reasonable costs for actual attendance of ADMINISTRATOR at the following annual conferences:
 - (1) Alaska Municipal Management Association
 - (2) Alaska Municipal League (AML)
- c. Upon request by ADMINISTRATOR and approval by CITY COUNCIL, CITY shall pay all costs relating to training programs and seminars which serve to continue the professional development of ADMINISTRATOR as that development relates to present or anticipated duties of ADMINISTRATOR.

12. EXTENT OF SERVICES

ADMINISTRATOR shall devote all of his time, attention, knowledge and energies, as is necessary, to perform his duties as ADMINISTRATOR.

ADMINISTRATOR shall not engage in any other occupational and/or business activities, directly or indirectly, whether or not pursued for pecuniary advantage.

13. BENEFICIARIES

In the event of death, this Agreement shall inure to the benefit of the heirs at law and the executors of the ADMINISTRATOR.

14. BINDING EFFECT

This Agreement shall be binding on the successors, assigns and heirs or each of the parties.

15. ENTIRE AGREEMENT

This instrument contains the entire Agreement of the parties. It may not be changed orally but only by agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

16. HEADINGS

The headings of paragraphs in the Agreement are inserted for convenience only and shall not affect the construction of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the _____ day of _____, 2015.

CITY OF SAND POINT

Glen Gardner, Jr., Mayor

ADMINISTRATOR

Andrew Varner, Administrator

City of Sand Point



CONTRACT AGREEMENT BETWEEN

CITY OF SAND POINT

&

John Lucking, Jr.

THIS AGREEMENT, made and entered into this 1st day of June, 2015 between the City of Sand Point, a municipality organized under the laws of the State of Alaska, hereinafter "City", and *John Lucking, Jr.*, hereinafter "Contractor".

WHEREAS, City desires to utilize the services of Contractor as the Manager of the Department of Public Safety, and

WHEREAS, Contractor desires to accept said contract;

THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION I. DUTIES

City agrees to contract the Contractor of the Department of Public Safety for the City to perform the functions and duties specified in the "Contract Job Description" attached hereto and to perform all legally permissible duties and functions the Mayor and City Administrator may assign.

SECTION II. TERMS

A. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Mayor and City Council to terminate the services of Contractor at any time, subject only to the provisions set forth in Section III, Paragraph A of this Agreement.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Contractor to resign from the position of Manager of the Department

of Public Safety, subject only to the provisions set forth in Section III, Paragraph B of this Agreement.

SECTION III. TERMINATION

A. If the City terminates the services of Contractor before October 30, 2017 but Contractor is willing and able to perform the duties of the position, City agrees to pay Contractor a lump sum cash payment equal to one (1) month aggregate salary. However, this stipulation does not apply if Contractor is terminated because of conviction for any illegal act involving personal gain or for any felony.

B. In the event Contractor voluntarily resigns his position before the expiration of this Agreement, Contractor shall provide the City with thirty (30) days written notice of his resignation. The severance pay provision of Paragraph A shall not apply in the event of voluntary resignation.

SECTION IV. SALARY

City agrees to pay Contractor for services rendered under this Agreement monthly compensation of \$8,290, payable by invoice. This salary shall be reviewed at contract renewal and adjustments may be made at that time if mutually acceptable to both parties. Annual evaluation by the Mayor and City Administrator will occur each year.

SECTION V. FRINGE BENEFITS.

Sick leave, annual leave (vacation), retirement, health and life insurance benefits and other fringe benefits are not provided to a contractor.

SECTION VI. RELOCATION EXPENSES:

N/A

SECTION VII. RELEASE FROM LIABILITY.

City holds Contractor harmless for any judgments against the City incurred as a result of his conduct on City Business, and for costs and attorneys' fees incurred in defense of such actions. Provided, however, the City may hold Contractor legally responsible for judgments, attorney's fees and costs incurred as a result of Contractor's willful disregard of his duties or gross negligence in the performance of those duties.

SECTION VIII. GENERAL PROVISIONS.

A. The text herein constitutes the entire Agreement between the parties.

- B. In the event of the death of Contractor, this Agreement shall be considered null and void.
- C. If any provision of this Agreement is held to be unenforceable, the remainder or proportion thereof is deemed severable and shall remain in full force and effect.
- D. Requests for travel to meetings and training sessions shall be made to the Mayor and/or City Administrator and the City shall not be responsible to pay for travel or associated costs unless approved in advance by the Mayor.
- E. Contractor's management position shall not be subject to overtime.
- F. As a provision of this contract, Contractor will have 25 annual days of leave, to be used however he sees fit but with prior authorization from the Mayor or City Administrator.
In addition to the 25 days there will be 10 days available for leave time to accommodate a health issue for the contract period.
- G. Contractor may take time to commercial fish in the summer with a Leave Without Pay provision, agreed upon in advance by the Contractor and Mayor or City Administrator.
- G. This Agreement shall commence on the 1st day of June, 2015 and terminate on October 30, 2017.

WITNESS the City of Sand Point has caused this Agreement to be signed and executed in its behalf by the Mayor and Contractor this _____ day of _____, 2015.

CITY OF SAND POINT

CONTRACTOR

Glen Gardner, Jr., Mayor

John Lucking, Jr.



Sales Quote

Bill To:
Sand Point, City of 249 Main Street Sand Point AK 99661 USA
Ship To:
Sand Point, City of 249 Main Street Sand Point AK 99661 USA

Quote Info:
Quote Number: 3388
Quote Date: 05/26/15
Valid Through: 06/26/15
Payment Terms: Net 30
Ref: Demo
Quote Total:
\$ 5,299.85
Customer #: 2006370
Customer Contact: Andy Varner
Phone: 907-274-7561
Fax: 907-383-5611
Email: av arner@sandpointak.org

Line #	Part #	Material/Description	Qty	Unit Price	Amount
1	MS0202.000	Communication Base Station (Cellular). Complete, ready to install assembly, provided in non-metallic, lockable, outdoor rated (NEMA 4X) enclosure. All internal components pre-mounted and wired for field wiring. Omni directional GSM antenna pre-installed. LAN bulkhead connector pre-mounted for in-field connection to LAN antenna (not included). Use only LMR-400 cable (not included). Mounting bracket included.	1	3,700.000	3,700.00
2	CA2000.020	20' LMR-400 Ultra Low Loss Coax Cable with N Male Connectors	1	39.990	39.99
3	CA2002.000	900 MHz 6 dBi Omnidirectional LAN Antenna w/Integral N-Female connector	1	135.000	135.00
4	RM0100.000	Remote Utility Monitoring (RUM) transponder. Complete, ready to install assembly, provided in non-metallic, weatherproof, 3-piece enclosure with internal antenna. 3.5mm removable screw terminals provided for field wiring and connection to support monitoring and control functionality. Transponder includes (4) designated inputs for connecting pulse-output utility meters (electric/gas/water). Meter not included.	5	199.990	999.95
5	EP2000.000	Class 2 (12V) Power Supply - Input: 100-240VAC (0.55A) Output: +12V	5	24.990	124.95
6	ES3000.000	Ground Fault Current Transformer with 36" leads	5	24.990	124.95

MarineSync Corporation
P.O. Box 80174
San Diego, CA 92138
www.MarineSync.com

Toll: 888.988.SYNC
Phone: 619.269.7000
Fax: 619.298.7828
Email: info@marinesync.com





Sales Quote

Bill To:
Sand Point, City of 249 Main Street Sand Point AK 99661 USA
Ship To:
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Phone: 907-274-7561
Fax: 907-383-5611
Email: av arner@sandpointak.org

Line #	Part #	Material/Description	Qty	Unit Price	Amount
7	NS2001.001	SaaS (Software as a Service and Support) - 1 Year - Includes network service, system support, system setup, online training, 24/7 reporting and web-based access through MarineSync's RUM cloud-based (internet) web portal.	1	0.010	0.01

SaaS (Software as Service and Support) @ N/C for demo/trial period. Trial/Demo period not to exceed (45) forty-five days.

MarineSync Corporation will guarantee satisfaction of the hardware and services throughout the demo/trial. The (45) day trial/demo shall commence upon installation sign-off and activation. If the customer is unsatisfied or wishes to discontinue the demo/trial, hardware may be returned to MarineSync for a refund. Written notice to terminate the trial must be received within the (45) day demo/trial period or it will be assumed that customer is satisfied and the trial period shall expire.

Installation support provided by MarineSync to the contracted installer of customer's choice. A 5% restocking fee is applied on returns.

Signature _____ Date _____

Acceptance of Buyer of Seller's Quote is expressly and exclusively limited to the terms, conditions and limitations contained herein and in the Quote, which terms and conditions supersede all prior statements, proposals, negotiations, representations and agreements and shall constitute the entire agreement between Seller and Buyer.

Subtotal	\$ 5,124.85
Tax	
Freight	\$ 175.00
Total Amount	\$ 5,299.85

MarineSync Corporation
P.O. Box 80174
San Diego, CA 92138
www.MarineSync.com

Toll: 888.988.SYNC
Phone: 619.269.7000
Fax: 619.298.7828
Email: info@marinesync.com





Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

May 28, 2015

Honorable Mayor and City Council
City of Sand Point
P.O. Box 249
Sand Point, AK 99661

Agreement to Provide Services

This agreement to provide services (the "Agreement") is intended to describe the nature and scope of our services.

Objective and Scope of the Audit

As agreed, BDO USA, LLP ("BDO" or "we") will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of City of Sand Point ("the City") as of and for the year ended June 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. The City does not intend to present the required Management's Discussion and Analysis in the financial statements.

Also, we have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Individual and combining fund statements and schedules
2. Schedule of expenditures of federal awards
3. Schedule of state financial assistance.

Responsibilities of BDO

We will conduct our audit in accordance with generally accepted auditing standards (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of all of the City's transactions for the period. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material

misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

Our audit will also be conducted in accordance with the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133; the provisions of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits (State Audit Guide), and will include tests of accounting records, a determination of major programs in accordance with OMB Circular A-133 and the State Audit Guide, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. OMB Circular A-133 and the State Audit Guide require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB's compliance supplement and the State Audit Guide for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. As required by the Single Audit Act Amendments of 1996, OMB Circular A-133, and the State Audit Guide our audit will include tests of transactions related to major federal and state award programs for compliance with applicable laws and regulations and the provisions of contracts and agreements. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133 and the State Audit Guide.

Also, an audit is not designed to detect errors or fraud or violations of laws or governmental regulations that are immaterial to the financial statements or to major programs. However, we will inform you of any material errors or fraud that come to our attention. We will also inform you of possible illegal acts that come to our attention unless they are clearly inconsequential. We will also include such matters in the reports required for a Single Audit. In addition, during the course of our audit, financial statement misstatements may be identified, either through our audit procedures or through communication by your employees to us, and we will bring these misstatements to your attention as proposed adjustments. At the conclusion of our engagement we will communicate to those charged with governance (as defined below) all uncorrected misstatements.

The term "those charged with governance" is defined as the persons with responsibility for overseeing the strategic direction of the City and obligations related to the accountability of the City, including overseeing the financial reporting process. For your audit, we agree that the City Council meets that definition.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, we will communicate to you and those charged with governance in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements we identify during our audit. We will also inform you of other matters involving internal control, if any, as required by OMB Circular A-133 and the State Audit Guide.

Our responsibility also includes reporting on the City's:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and issuance of an opinion on whether the City complied with laws, regulations, and the provisions of contracts or grant agreements that

could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, and/or the State Audit Guide.

We will perform test of controls, as required by OMB Circular A-133 and the State Audit Guide, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal and state award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133 and the State Audit Guide.

We are also responsible for communicating with those charged with governance what our responsibilities are under GAAS, an overview of the planned scope and timing of the audit, and significant findings from the audit.

Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that you and those charged with governance acknowledge and understand that you and those charged with governance have responsibility (1) for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; (2) for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and (3) to provide us with access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133 and the State Audit Guide, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is also responsible for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133 and the preparation of the schedule of state financial assistance in accordance with the State Audit Guide. You acknowledge and understand your responsibility for the preparation of all supplementary information, including the schedule of expenditures of federal awards and the schedule of state financial assistance, in accordance with the applicable criteria. You also agree to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. You also agree to present the supplementary

information with the audited financial statements, or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and our report thereon.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Responsibilities of BDO section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Management is responsible for recording proposed audit adjustments in the financial statements, after evaluating their propriety based on a review of both the applicable authoritative literature and the underlying supporting evidence from the City's files; or otherwise concluding and confirming in a representation letter (as further described below) provided to us at the conclusion of our audit that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole. Additionally, as required by OMB Circular A-133 and the State Audit Guide, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

As required by GAAS, we will request certain written representations from management at the close of our audit to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the City agrees, subject to prevailing laws and regulations, to release and indemnify BDO, its Permitted Assignees (as defined herein under "Assignment"), and each of their respective employees from any liability and costs relating to our services rendered under this Agreement attributable to any knowing misrepresentations by management.

At the conclusion of the engagement, we will complete the appropriate sections of and electronically certify the Data Collection Form that summarizes our audit findings. We will provide a final copy of our reports in a PDF file to the City; however, it is management's responsibility to upload the PDF version of the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) and complete the appropriate sections of the Data Collection Form. Management is responsible for electronically certifying the Data Collection Form and electronically submitting the completed Data Collection Form to the Federal Audit Clearinghouse. It is

management's responsibility to provide the reporting package to pass-through entities, if required. The Data Collection Form and the reporting package must be submitted electronically within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit.

Expected Form and Content of the Auditor's Report

At the conclusion of our audit, we will submit to you a report containing our opinion as to whether the financial statements, taken as a whole, are fairly presented based on accounting principles generally accepted in the United States of America. If, during the course of our work, it appears for any reason that we will not be in a position to render an unqualified opinion on the financial statements or the Single Audit compliance, we will discuss this with you. It is possible, that because of unexpected circumstances, we may determine that we cannot render a report or otherwise complete the engagement. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the governing board, management, specific legislative or regulatory bodies, federal awarding agencies and, if applicable, pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Client Reacceptance Matters

BDO is accepting the City as a client in reliance on information obtained during the course of our client acceptance procedures. Michelle Drew has been assigned the role of engagement partner and is responsible for directing the engagement and issuing the appropriate report on the City's financial statements.

Email Communication

In connection with this engagement, we may communicate with you or others via email. As emails can be intercepted, disclosed, used, and/or otherwise communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot ensure that emails from us will be properly delivered and read only by the addressee. Therefore, we disclaim and waive any liability for interception or unintentional disclosure of email transmissions, or for the unauthorized use or failed delivery of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage arising from the use of email, including any punitive, consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure of confidential information.

Ownership of Working Papers

The working papers prepared in conjunction with our audit are the property of BDO, constitute confidential information, and will be retained by us in accordance with BDO's policies and procedures.

However, pursuant to authority given by law or regulation, we may be requested to make certain working papers available to the City's oversight agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such working papers will be provided under the supervision of BDO personnel and at a location designated by BDO. Furthermore, upon request, we

may provide photocopies of selected working papers to the aforementioned parties. These parties may intend or decide to distribute the photocopies of information contained therein to others, including other governmental agencies.

Reproduction of Audit Report

If the City plans any reproduction or publication of our report, or any portion of it, a copy of the entire document in its final form should be submitted to us in sufficient time for our review and written approval before printing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Posting of Audit Report and Financial Statements on Your Website

You agree that, if you plan to post an electronic version of the financial statements and audit report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and audit report on your website and the signed version of the financial statements and audit report provided to management by BDO. You also agree to indemnify BDO from any and all claims that may arise from any differences between the electronic and signed versions.

Review of Documents for Sale of Debt or Other Securities

The audited financial statements and our report thereon should not be provided or otherwise made available to recipients of any document to be used in connection with the sale of debt or other securities (including securities offerings on the Internet) without first submitting copies of the document to us in sufficient time for our review and written approval. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have full cooperation of, and unrestricted access to, your personnel during the course of the engagement.

You also agree to ensure that any third-party valuation reports that you provide to us to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and (b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel and Internet Access

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to the City employees and/or customers should be provided to us. In addition, we ask that you provide high-speed Internet access to our engagement team, if practicable, while working on the City's premises. This assistance will serve to facilitate the progress of our work and minimize costs to you.

Peer Review Reports

Our latest peer review report accompanies this letter.

Other Services

We are always available to meet with you and/or other City officials at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the City. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas.

In addition to the audit services described above, you have requested that we provide the following non-attest services:

We will assist The City in preparing the financial statements and related footnote disclosures for the year ended June 30, 2015 based on information in the trial balance and other information that comes to our attention during the course of our engagement. We will also assist the City in preparing and submitting the required Form SF-SAC Data Collection Form.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the City in the performance of our services. Any discussions that you have with personnel of BDO regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to the non-attest services described above. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

We will not perform management functions or make management decisions on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its functions and fulfilling its responsibilities.

The City agrees to perform the following functions in connection with our performance of the non-attest services:

- a. Make all management decisions and perform all management functions with respect to the financial statements preparation provided by us.
- b. Assign Andrew Varner, City Administrator, to oversee the financial statement and evaluate the adequacy and results of the services.
- c. Accept responsibility for the results of the financial statement preparation.
- d. Establish and maintain internal controls over financial statement preparation.

The services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. The City must make all decisions with regard to our recommendations. By signing this Agreement, you acknowledge your acceptance of these responsibilities.

Dispute Resolution Procedure

If any dispute, controversy, or claim arises out of, relates to, or results from the performance or breach of this Agreement, excluding claims for non-monetary or equitable relief (collectively, the "Dispute"), either party may, upon written notice to the other party, request non-binding mediation. A recipient party of such notice may waive its option to resolve such Dispute by non-binding mediation by providing written notice to the party requesting mediation and then such

parties hereto shall resolve such Dispute by binding arbitration as described below. Such mediation shall be assisted by a neutral mediator acceptable to both parties and shall require the commercially reasonable efforts of the parties to discuss with each other in good faith their respective positions and different interests to finally resolve such Dispute. If the parties are unable to agree on a mediator within twenty (20) days from delivery of the written notice, either party may invoke the mediation service of the American Arbitration Association (the "AAA").

Each party may disclose any facts to the other party or to the mediator that it, in good faith, considers reasonably necessary to resolve the Dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in any subsequent proceeding between the parties.

Unless waived, such mediation shall conclude after the parties have engaged in good faith settlement negotiations, but nonetheless are unable to resolve the Dispute through the mediation process. The attorneys' fees and costs incurred by each party in such mediation shall be borne solely by such party, except that the fees and expenses of the mediator, if any, shall be borne equally by the parties.

Any Dispute not resolved first by mediation between the parties (or if the mediation process is waived as provided herein) shall be decided by binding arbitration. The arbitration proceeding shall take place in the city in which the BDO office providing the majority of services involved exists, unless the parties agree in writing to a different locale. The arbitration shall be governed by the provisions of the laws of the State of Alaska, which shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that the Arbitration Panel (as defined below) shall permit discovery that is consistent with the scope of discovery typically permitted by the Federal Rules of Civil Procedure and/or is otherwise customary in light of the complexity of the Dispute and the amount in controversy. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below).

The arbitration shall be conducted before a panel of three persons, one selected by each party, and the third selected by the two party-selected arbitrators (the "Arbitration Panel"). The party-selected arbitrators shall be treated as neutrals. The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award, the Arbitration Panel shall issue in writing findings of fact and conclusions of law. The Arbitration Panel shall not have authority to grant an award that is not supported by substantial evidence or that is based on an error of law, and such absence of substantial evidence or such error of law may be reviewed on appeal to vacate an award based on the standard of review otherwise applicable in the Federal Appellate Court responsible for the jurisdiction in which the arbitration is venued, and without regard to any heightened standard of review otherwise applicable to an arbitration decision rendered by the AAA. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. No payment of any award or posting of any bond of any kind whatsoever is required to be made or posted until such Dispute is finally determined.

In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same Dispute would be barred by the applicable statute of limitations or repose. For the purposes of applying the statute of limitations or repose, receipt of a written

demand for arbitration by the AAA shall be deemed the initiation of the legal or equitable proceeding based on such Dispute.

Fees

Our fees for the audit are based upon the time required by the individuals assigned to the engagement, plus direct expenses. The fee for this service are estimated to be \$28,000 plus out of pocket costs (travel, printing, postage, etc.) The fee includes only those services specifically described in this Agreement; any additional services not specified herein will be agreed to in a separate letter. In the event you request us to respond to, or we receive and respond to, a validly issued subpoena, court order, government regulatory inquiry, or other similar request or legal process against the City or its management for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, you agree to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs (including outside lawyer fees) that we incur.

Our fees and costs will be billed periodically, and are payable within 30 days of the invoice date. If we do not receive any notice of dispute within 10 days of your receipt of the invoice, we will conclude that you have seen the invoice and find it acceptable. Invoices that are unpaid 30 days past the invoice date are deemed delinquent and we reserve the right to charge interest on the past due amount at the lesser of (a) 1.0% per month or (b) the maximum amount permissible by applicable law. Interest shall accrue from the date the invoice is delinquent. We reserve the right to suspend our services, withhold delivery of any deliverables, or withdraw from this engagement entirely if any of our invoices are delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for all our costs of collection, including without limitation, attorneys' fees.

If we elect to terminate our services for nonpayment, or for any other reason provided for in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all of our time expended, and to reimburse us for all of our out-of-pocket expenses and internal charges incurred, through the date of termination.

Assignment

BDO may assign its rights to perform a portion of the services described above to any of its independent Alliance members, affiliates, agents, or contractors (a "Permitted Assignee") upon the written consent of the City. If such assignment is made, the City, agrees that, unless it enters into an engagement letter directly with the Permitted Assignee, all of the applicable terms and conditions of this Agreement shall apply to the Permitted Assignee. We agree that we shall not permit the Permitted Assignee to perform any work until it agrees to be bound by the applicable terms and conditions of this Agreement. We further agree that we will remain primarily responsible for the services described above, unless we and the City agree otherwise, and we will properly supervise the work of the Permitted Assignee to ensure that all such services are performed in accordance with applicable professional standards.

Third-Party Use

BDO will perform the professional services provided in connection with this engagement solely for the information and use of the City, the City Council, the State of Alaska, and federal granting agencies and departments. BDO does not anticipate and does not authorize reliance by any other party on its professional services. Any amendment to this provision must be made through a written document signed by the City and BDO.

Miscellaneous

This Agreement is intended to cover only the services specified herein, although we look forward to many more years of pleasant association with the City. This engagement is a separate and discrete event and any future services will be covered by a separate agreement to provide services.

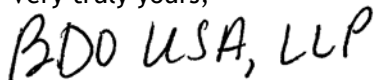
Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and a few of those banks have mandated the use of this service. To the extent applicable, the City hereby authorizes BDO to participate in this electronic confirmation process through the third party's website (e.g., by entering the City's bank account information to initiate the process and then accessing the bank's confirmation response) and agrees that BDO shall have no liability in connection therewith.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretations, but if any provision of this Agreement shall be deemed prohibited, invalid, or otherwise unenforceable for any reason under such applicable laws, regulations, or published interpretations, such provisions shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and such revised provision shall be made a part of this Agreement as if it was specifically set forth herein. Furthermore, the provisions of the foregoing sentence shall not invalidate the remainder of such provision or the other provisions of this Agreement.

This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

We believe the foregoing correctly sets forth our understanding; however, if you have any questions, please let us know. If you find the foregoing arrangements acceptable, please acknowledge this by signing and returning to us a copy of this Agreement and retaining a copy for your files.

Very truly yours,



BDO USA, LLP

Acknowledged:

City of Sand Point

By: _____

Date: _____



Baker Tilly Virchow Krause, LLP
225 5 Sixth St, Ste 2300
Minneapolis, MN 55402-4661
tel 612 876 4500
fax 612 238 8900
bakertilly.com

SYSTEM REVIEW REPORT

To the Partners of BDO USA, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BDO USA, LLP (the firm) applicable to non-SEC issuers in effect for the year ended March 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and audits of carrying broker-dealers.

In our opinion, the system of quality control for the accounting and auditing practice of BDO USA, LLP applicable to non-SEC issuers in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. BDO USA, LLP has received a peer review rating of pass.

Baker Tilly Virchow Krause LLP

Minneapolis, Minnesota
November 27, 2012

PUBLIC COMMENTS

COUNCIL COMMENTS

ADJOURNMENT

FYI

Patrick W. Munson (Alaska Bar No.1205019)
BOYD, CHANDLER & FALCONER, LLP
911 West Eighth Avenue, Suite 302
Anchorage, Alaska 99501
(907) 272-8401
Attorneys for City of Sand Point

IN THE DISTRICT COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT SAND POINT

CITY OF SAND POINT,)
)
 Plaintiff,)
)
 vs.)
)
 R&M CONSULTANTS, INC.)
 JOHN DALEY)
)
) Case No. 3SP-15-____CI
 Defendants.)
 _____)

COMPLAINT

1. Plaintiff City of Sand Point (“City” or “Sand Point”) is an Alaska municipal corporation and is in all ways qualified to bring this action.

2. Defendant R&M Consultants, Inc. (“R&M”) is an Alaskan Corporation with its principal place of business in Anchorage, Alaska.

3. Defendant John Daley (“Daley”) on information and belief, is a resident of Anchorage, Alaska. Daley is licensed as a civil engineer by the State of Alaska.

4. Daley is currently an employee of Defendant R&M. Prior to being employed by R&M, Daley was employed by URS Alaska LLC (“URS”). After Daley left URS for R&M, URS merged with AECOM Technologies (“AECOM”).

5. Effective July 1, 2012, Sand Point contracted with URS to provide professional engineering and design services for the expansion and upgrade of the Robert E. Galovin Small Boat Harbor (“the Project”). Daley served as the authorized representative of URS until Daley left URS for R&M.

6. In early 2013 Sand Point solicited proposals for the provision of construction administration and engineering support services for the Project. On March 14, 2013 R&M responded in writing to the City’s request. (“R&M Representations”). Daley signed the R&M Representations on behalf of R&M.

7. The R&M Representations included the following statements:

A. John Daley, PE recently joined R&M and is the engineer of record for the Project.

B. R&M would be responsible for ensuring that the materials and work incorporated into this facility meets the requirements of the construction contract.

C. R&M's inspectors will not only detect faulty construction, but will also be in a position to forestall it by recognizing the causes in advance.

D. R&M will not delay the contractor unnecessarily, or interfere with the contractor's methods, unless it is evident that costly corrections can be avoided by preventing installation or completion of unacceptable work.

8. Effective March 25, 2014, the City awarded a contract to R&M for construction administration services (“the Contract”).

9. The construction contract for the Project required the installation of billets underneath floats. The primary purpose of the billets is to level the floats that were part of the Project at a height above water level that provides sufficient freeboard for the intended use of the floats as part of the small boat harbor.

10. The billets were bid as unit price work with a unit price of \$470 per billet supplied and installed.

11. Paragraph 3.5 of Specification Section 06851 stated “After initial installation and connection of stall floats, the Engineer will examine freeboard and levelness of the completed float system. Floats that are listing will require leveling by installing leveling flotation billets as directed by the Engineer”.

12. On or about January 24, 2014, R&M specifically instructed the contractor on the Project, Pacific Pile & Marine, LLC (“PPM”) to install billets to level floats based on R&M's observation of unlevel floats.

13. On or about February 13, 2014 R&M conducted a substantial completion inspection of the Project on behalf of the City (“the Inspection”). At the time of the Inspection the B and C floats remained unlevel and in need of additional billets. R&M did not communicate to PPM at the time of the Inspection that additional billets would need to be installed before the project was accepted by the City and did not inform URS at the time of the Inspection of a need for additional billets.

14. On or about February 24, 2014 R&M conducted a final inspection of the Project. At the time the final inspection was conducted the B and C floats remained unlevel and in need of additional billets. R&M did not communicate to PPM at the time of final inspection that additional billets would need to be installed before the project was accepted by the City.

15. On or about February 27, 2014 R&M notified URS for the first time the floats B and C were listing. The listing condition required installation of additional billets.

16. On or about February 28, 2014 R&M sent URS freeboard measurements of the floats as installed. These measurements indicated additional billets were required.

17. On or about February 28, 2014 PPM demobilized from the Project.

18. On or about March 18, 2014 URS visited the Project, plotted additional billet locations and told the City PPM should not have been allowed to demobilize from the Project before billet installation had been completed.

19. On or about April 9, 2014 PPM proposed installing the additional billets for \$79,456.

20. In May 2014, the City contracted with Resolve-Magone Marine Services, Inc. (“Magone”) to install the additional billets (“Additional Work”). In the course of doing this work Magone discovered the billet installation work previously performed by PPM was defective. The City authorized Magone to remedy the defective work. (“Repair Work”).

21. The City paid Magone a total of \$135,485 for the Additional Work and the Repair Work. Daley told the City the contract unit price cost to install 78 billets equaled \$36,660.

FIRST CAUSE OF ACTION: BREACH OF CONTRACT

22. The City repeats each and every allegation set forth in paragraphs 1 through 21 above.

22. The failure of R&M to alert PPM, the City and URS of the need for additional billets prior to allowing PPM to leave the site constitutes a breach of contract.

23. The City has been damaged as a result of said breach in an amount in excess of \$50,000 the exact amount to be established at trial.

**SECOND CAUSE OF ACTION: PERSONAL
LIABILITY OF DALEY**

24. The City repeats each and every allegation set forth in paragraphs 1 through 21 above.

25. Daley was the person at R&M that was directly responsible for the failure of R&M to alert the City and URS of the need for additional billets prior to allowing PPM to leave the Project.

26. Daley's actions failed to meet the standards of an Alaskan professional engineer providing construction administration services on this Project.

27. The City has been damaged by Daley's failure to meet the standards

of an Alaskan professional engineer in an amount in excess of \$50,000 the exact amount to be established at trial.

**THIRD CAUSE OF ACTION: UNLAWFUL ACTS AND PRACTICES -
NEGLIGENT MISREPRESENTATION**

28. City incorporates by reference as though fully set forth the allegations in paragraphs 1-21 above.

29. R&M's March 13, 2013 letter supplied false information to City that Daley was the engineer of record for the Project when in fact URS remained the engineer of record for the Project after Daley left URS. This misrepresentation was made in the course of its business, City justifiably relied on the false information in deciding to contract with R&M and R&M failed to exercise reasonable care or competence in obtaining or communicating the information.

30. R&M practices constitute an unlawful trade practice in violation of AS 45.50.471(b).

31. City has been damaged by reason of its reliance on R&M's negligent misrepresentations in an amount in excess of \$50,000 the exact amount to be proven at trial given that City was lead to believe R&M would have the capability of addressing the amount and location of billets needed on site prior to PPM demobilizing from the Project by reason of Mr. Daley's purported status as "engineer of record" for the Project.

31. By reason of R&M's violation of AS 45.50.471 City is entitled to recover three times its actual damages. AS 45.50.531(a).

FOURTH CAUSE OF ACTION: PROFESSIONAL NEGLIGENCE OF R&M

29. The City repeats each and every allegation set forth in paragraphs 1 through 21 above.

30. Defendant R&M failed to provide construction administration services to City which met the standard of a professional engineer providing similar services in the State of Alaska.

31. The City has been damaged by reason of such failure in an amount in excess of \$50,000 the exact amount to be proven at trial.

WHEREFORE, having stated its Complaint, the City prays for the following relief:

1. Despite being entitled to an award in excess of \$100,000.00, City seeks recovery of \$75,000.00 for damages, statutorily authorized amounts and fees. The total amount sought, \$75,000.00, is inclusive of full reasonable attorney's fees. AS 45.50.537(a).

23. For post-judgment interest in the amount of 3.75 percent.

24. For such other and further relief as the court deems just or equitable in these circumstances.

Dated this ____ day of May, 2015.

BOYD, CHANDLER &
FALCONER, LLP

By: _____
Patrick W. Munson
AK Bar No.1205019

City of Sand Point



May 20, 2015

Dear Mayor Mack,

The City of Sand Point has long partnered with the Aleutians East Borough for economic growth and infrastructure development in our community. Along with assisting Sand Point in our goals to improve our town, we have also supported the AEB's efforts to further develop the other five communities in the Borough. We all have unique needs and challenges and a little support from our regional entity can help all of our communities succeed. It is our hope that the investments the Borough have made in Sand Point over the years have also translated into tangible benefits for the residents of the Eastern Aleutians. More fish tax dollars, additional fishing permits, safer roads, better medical services, well-educated students, and improved air service all flow from the Borough and the City working together. These partnerships truly make Sand Point a better place.

As you consider your next budget year, the Sand Point City Council asks that you keep our community's needs in mind as we look to further develop our local economy. We respectfully request a formal grant appropriation of \$200,000 in the Aleutians East Borough's FY 2016 budget to help us meet our goals, and to continue serving the residents of the largest community in the Borough the best we can given the current fiscal realities at the State, Federal and local levels.

A portion of this funding would go toward implementing a remote utility metering system in our newly renovated small boat harbor. This technological upgrade will improve billing and collections for our City, and will also provide real-time electric usage statistics for slip owners and transient users so they can have a better grasp on their energy consumption during the course of the year. It is a solid business enhancement for both parties. The funding would help purchase the pedestal transponder units, software upgrades, and a base station in the harbor house.

Another share of the appropriation would go toward water and wastewater improvements in the community. We have several projects that need attention around town, the most pressing being replacement of older water lines and upgrading our lift stations. The funding would help cover the costs of newer pipes, fittings, wet wells, pumps, labor, and other associated costs. We need to replace a reduced pressure zone vault, which could also figure into the water line upgrades.

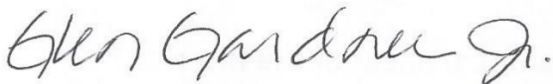
A third need that funding could address is repairs to our landfill incinerator. The City has been burning a good portion of our waste for years, which has helped prolong the landfill life. However,

the incinerator needs some reinforcements and renovation to ensure that we can keep accepting waste at the site and burning it as the unit was originally designed. Funding would help with materials and installation for this crucial component of our solid waste plan.

Finally, the City is in the midst of jump-starting a long dormant rock crushing operation in our community. There are a couple rock quarries in town that the City could operate, and we have started crushing rock on a test basis. However, our crushers and loaders could use some immediate upgrades to help make the operation more efficient and profitable for the City and the quarry owners. If successful, rock crushing could provide a new enterprise in town with employment opportunities, not to mention a local resource that can be used in community projects and for export around the region. Funding could help purchase crushing equipment and loader improvements that will make the equipment safer and the whole operation more lucrative.

Again, I want to reiterate that we appreciate what the Borough and the Assembly have done for our communities over the past few years, and especially in Sand Point. Our recent road paving projects have been a success, and the newly renovated Robert E Galovin Harbor provides a modern facility for our most valuable economic driver: the largest local fishing fleet in the Aleutian region. City Administrator Andy Varner and I will be present at the next Assembly meeting to further explain this request. If you have any questions please let us know. Thank you very much for your consideration.

Best Regards,



Mayor Glen Gardner, Jr.

Cc: Borough Administrator Rick Gifford
AEB Assembly
Administrator Andy Varner
Sand Point City Council



May 28, 2015

Re: USDA Grant Signing Authority

To Whom It May Concern:

Sand Point City Administrator Andy Varner shall have signing authority for our USDA RUS Water and Waste Planning Grant application.

If you need any further confirmation from me please don't hesitate to ask.

Sincerely,

A handwritten signature in cursive script that reads "Glen Gardner Jr.".

Glen Gardner, Jr.
Sand Point Mayor

Cc: Sand Point City Council