

City of Sand Point Council Meeting



Workshop: Tuesday, June 6, 2016 – 2:00 p.m.

Meeting: Tuesday, June 6, 2016 – 7:00 p.m.

CALL TO ORDER

ROLL CALL

CITY OF SAND POINT

(packet will be available on website June 2, 2016
www.sandpointak.com)



MAYOR

Mayor Glen Gardner Jr. - Office Exp. 2017

COUNCIL MEMBERS

Danny Cumberlidge	Seat A - Exp. 2016
Allan Starnes	Seat B - Exp. 2017
Shirley Brown	Seat C - Exp. 2016
Jack Foster Jr.	Seat D - Exp. 2017
Marita Gundersen	Seat E - Exp. 2018
Emil Mobeck	Seat F - Exp. 2018

SAND POINT CITY COUNCIL MEETING AGENDA CITY CHAMBERS

Regular Meeting

Monday, June 6, 2016 7:00 pm

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

CONSENT AGENDA:

1. Minutes: Minutes of Regular Meeting on May 10, 2016

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 2016-01: Amending ATV Traffic Control Code of Ordinances – 2nd Reading
2. Ordinance 2016-03: FY17 Budget – 2nd Reading
3. Resolution 16-03: Authorizing Alaska USA CD Account
4. Resolution 16-04: Adopting FY17 Capital Improvement Project List

OLD BUSINESS:

NEW BUSINESS

1. Teen Center Donation Request
2. QTT Annual Graveyard Clean-up
3. FY17 Employee Rates of Pay
4. BDO FY16 Audit Proposal
5. Approval of Red Dome Quarry Operating Agreement with Shumagin Corp.
6. Remote Alaska Community Energy Efficiency Grant Update

PUBLIC COMMENTS

COUNCIL COMMENTS

ADJOURNMENT

THERE IS A WORKSHOP FOR THIS MEETING AT 3 P.M. – SAME DAY IN CITY CHAMBERS

CALL TO ORDER:

The regular meeting of the Sand Point City Council was held Tuesday, May 10, 2016 in the Sand Point Council Chambers. Mayor Glen Gardner, Jr. called the meeting to order at 7:07 p.m.

ROLL CALL:

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

A quorum was established.

Staff in attendance:

- Andy Varner, Administrator
- Shannon Sommer, City Clerk
- Richard Kochuten, Sr., Harbor Master
- David Stokes, Public Works Director
- John Lucking, Jr., Public Safety Manager

APPROVAL OF AGENDA:

Mayor Glen Gardner, Jr. requested a motion to approve the agenda.
 MOTION: Councilperson Marita Gundersen made a motion to adopt the agenda.
 SECOND: Councilperson Jack Foster, Jr. seconded the motion.
 VOTE: Motion passed unanimously.

APPROVAL OF CONSENT AGENDA:

1. Minutes of May 10, 2016 Regular Meeting Minutes.
 Mayor Glen Gardner, Jr. requested a motion to approve the consent agenda.
 MOTION: Councilperson Jack Foster Jr. made a motion to adopt the consent agenda.
 SECOND: Councilperson Danny Cumberlidge seconded the motion.
 VOTE: Motion passed unanimously.

REPORTS:

Finance Officer- Krista Galvin
 Finance Officer Krista Galvin report included in packet.

Administrator - Andy Varner

Administrator Andy Varner reported DOT Project Manager made a visit to Sand Point and did survey work, they will do the Geotechnical work in early June and they are in the pre-environmental design stage. The annexation petition was submitted to the Local Boundary Commission and they will finish the Technical Review by May 31, 2106. The City and Danny Seybert will not know about the States assistance with the airport certification until they finalize the budget. The City received \$232,000 in fish tax and the Council can discuss depositing that into an Alaska USA CD account in June. The U.S. Dept. of Energy has chosen Sand Point as one of the selected communities who will work with Alaska-based technical assistance providers to develop project plans to meet or exceed their pledged 15% energy reduction. AECOM agreed to update our comprehensive plain in the harbor settlement, with the settlement we will update our land use map, official zoning map, and property ownership documents.

Mayor - Glen Gardner, Jr.

Mayor Gardner reported the City was given the okay to crush more rock, and will have a proposed operations agreement with the Shumagin Corp. at the next meeting.

Department of Public Safety - Chief John Lucking, Jr.

Manager of Public Safety John Lucking, Jr. reported there is statistical information included in report, the Police Department will make an offer to a Police Officer applicant. Sergeant Michael Chiesa was in Dutch Harbor for a Tsunami workshop. There was EMS training for 2 weeks.

Public Works Director – David Stokes

Public Works Director David Stokes reported they made 2 new housing foundations, they helped Fish & Game by hooking up water and sewer to their new duplex and helped them get containers out. The Public Works department has been helping the Harbor with any kind of work that is needed done.

Water and Sewer

Water/Sewer Supervisor report included in packet.

Harbor Master - Richard Kochuten, Sr.

Harbor Master Richard Kochuten, Sr.'s reported they delivered waste oils to Public Works, the harbor crew hauled, stored, and launched a total of 27 boats. They have been pressure washing bird and otter dung off the floats. They replaced a hydraulic steering knuckle on the big Travelift. They are making regular dump runs. The harbor crew is short staffed.

HEARINGS, ORDINANCES, AND RESOLUTIONS:

1. Ordinance 2016-01: Amending ATV Traffic Control Code of Ordinance – 1st Reading

Administrator Varner stated

MOTION: Councilperson Jack Foster, Jr. made a motion to put Ordinance 2016-01: Amending ATV Traffic Control Code of Ordinance on the floor for 1st reading.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

2. Ordinance 2016-03: FY17 Budget – 1st Reading

MOTION: Councilperson Marita Gundersen made a motion to put Ordinance 2016-03: FY17 Budget on the floor for 1st reading.

SECOND: Councilperson Emil Mobeck seconded the motion.

VOTE: Motion passed unanimously.

OLD BUSINESS: None.

NEW BUSINESS:

1. QTT Annual Culture Camp Donation Request

MOTION: Councilperson Jack Foster, Jr. made a motion to donate the same as last year, \$3,000 to the QTT Annual Culture Camp.

SECOND: Councilperson Danny Cumberlidge seconded the motion.

VOTE: Motion passed unanimously.

2. 2016-2017 Health Insurance Renewal

MOTION: Councilperson Danny Cumberlidge made a motion to approve the 2016-2017 Health Insurance Renewal.

SECOND: Councilperson Jack Foster, Jr. seconded the motion.

VOTE: Motion passed unanimously.

PUBLIC COMMENTS: None.

COUNCIL COMMENTS:

Councilperson Jack Foster, Jr. thanked the department heads and administration for keeping costs down.

ADJOURNMENT:

MOTION: Councilperson Danny Cumberlidge made a motion to adjourn.

SECOND: Councilperson Jack Foster, Jr. seconded the motion.

The meeting adjourned at 7:25 PM.

Glen Gardner, Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

REPORTS

FINANCE OFFICER

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

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
June	89,371.73	217,340.55	July	98,195.23	156,655.84	121,976.31	110,509.71
July	128,368.96	139,818.08	August	68,242.04	137,107.36	48,575.15	94,822.69
August	78,457.48	117,033.81	September	71,393.24	53,307.44	64,362.76	62,297.79
September	80,983.80	79,043.91	October	74,240.08	41,610.64	32,213.32	76,878.70
October	46,603.74	74,929.24	November	5,675.98	22,386.53	7,214.11	3,770.50
November	8,421.65	10,518.19	December	1,305.30	5,337.01	372.97	735.79
December	6.03	92.61	January	39,379.85	43,650.07	25,670.23	21,798.52
January	70,721.63	61,025.94	February	33,190.81	53,363.98	37,309.68	47,098.16
February	91,693.11	80,458.14	March	78,691.30	65,073.23	88,220.14	69,354.74
March	79,640.86	103,148.90	April	24,930.11	36,514.38	15,613.35	23,493.50
April	25,898.74	29,908.61	May	16,846.94	21,292.12	25,246.23	
May	<u>59,813.76</u>	<u>26,019.65</u>	June	<u>129,015.93</u>	<u>64,462.43</u>	<u>68,319.25</u>	<u>-</u>
Total	759,981.49	939,337.63		641,106.81	700,761.03	535,093.50	510,760.10

Sales Tax Revenue

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
June	73,942.45	96,304.83	July	101,206.98	82,934.73	104,201.30	88,780.27
July	76,586.24	98,121.00	August	76,571.79	73,136.15	88,102.34	92,491.15
August	59,031.08	77,436.07	September	194,900.07	75,647.72	116,436.20	95,569.47
September	66,560.56	89,882.29	October	85,720.47	69,251.83	81,510.79	71,821.64
October	55,806.67	93,787.49	November	90,575.50	46,816.20	43,535.59	35,841.10
November	37,712.73	34,431.36	December	44,723.29	52,116.25	44,980.97	48,357.80
December	46,246.45	59,315.91	January	62,428.48	80,977.40	66,575.33	60,942.89
January	51,438.40	72,690.48	February	57,547.22	84,035.36	69,895.86	60,702.43
February	66,045.08	68,392.21	March	75,307.36	126,325.95	105,731.28	81,364.98
March	109,345.24	83,181.02	April	65,117.67	86,407.71	58,562.79	53,394.08
April	59,248.18	72,659.25	May	58,775.64	70,189.92	52,976.00	
May	<u>50,158.53</u>	<u>56,084.05</u>	June	<u>80,381.46</u>	<u>98,758.26</u>	<u>96,824.06</u>	<u>-</u>
Total	752,121.61	902,285.96		993,255.93	946,597.48	929,332.51	689,265.81
					TDX Fines	(150,000.00)	
						779,332.51	

City of Sand Point
Bank Balance

Date

		Balance	
		Date	
Bank	Account Number	End of APRIL	
Key Bank	50-20-500-0025757	1,897,426.24	0.00
Wells Fargo - General	4121344139	414,741.18	0.00
Wells Fargo - Bingo Fund	4121344147	254,276.61	0.00
Wells Fargo - Silver Salmon Fund	4121344154	26,131.34	0.00
AlaskaUsa Federal Credit Union CD	1957756	402,548.01	0.00

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

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Current Period: APRIL 15-16

	15-16 YTD Budget	15-16 YTD Amt	APRIL MTD Amt	15-16 YTD Balance	% of YTD
GENERAL FUND					
LEGISLATIVE	\$138,000.00	\$122,168.30	\$14,886.76	\$15,831.70	88.53%
ADMINISTRATION	\$995,754.00	\$862,585.87	\$45,240.31	\$133,168.13	86.63%
PARKS AND RECREATION	\$28,000.00	\$20,340.65	\$1,599.13	\$7,659.35	72.65%
ANIMAL CONTROL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
PUBLIC SAFETY	\$602,750.00	\$414,492.87	\$32,846.69	\$188,257.13	68.77%
PUBLIC WORKS	\$646,910.00	\$472,761.58	\$47,372.26	\$174,148.42	73.08%
FACILITIES	\$371,850.00	\$177,248.33	\$36,031.54	\$194,601.67	47.67%
<i>Total GENERAL FUND</i>	<u>\$2,783,264.00</u>	<u>\$2,069,597.60</u>	<u>\$177,976.69</u>	<u>\$713,666.40</u>	<u>74.36%</u>
BINGO FUND					
ADMINISTRATION	\$474,100.00	\$554,034.93	\$47,351.15	-\$79,934.93	116.86%
<i>Total BINGO FUND</i>	<u>\$474,100.00</u>	<u>\$554,034.93</u>	<u>\$47,351.15</u>	<u>-\$79,934.93</u>	<u>116.86%</u>
SILVER SALMON DERBY					
FIRE	\$19,250.00	\$17,431.28	\$0.00	\$1,818.72	90.55%
OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total SILVER SALMON DERBY</i>	<u>\$19,250.00</u>	<u>\$17,431.28</u>	<u>\$0.00</u>	<u>\$1,818.72</u>	<u>90.55%</u>
CLINIC OPERATIONS/MAINTENANCE					
ADMINISTRATION	\$32,777.00	\$0.00	\$0.00	\$32,777.00	0.00%
<i>Total CLINIC OPERATIONS/MAINTENANCE</i>	<u>\$32,777.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$32,777.00</u>	<u>0.00%</u>
WATER/SEWER OPERATIONS					
WATER/SEWER	\$284,600.00	\$200,544.55	\$14,999.78	\$84,055.45	70.47%
<i>Total WATER/SEWER OPERATIONS</i>	<u>\$284,600.00</u>	<u>\$200,544.55</u>	<u>\$14,999.78</u>	<u>\$84,055.45</u>	<u>70.47%</u>
HARBOR/PORT OPERATIONS					
HARBOR	\$557,487.00	\$482,638.70	\$43,548.05	\$74,848.30	86.57%
<i>Total HARBOR/PORT OPERATIONS</i>	<u>\$557,487.00</u>	<u>\$482,638.70</u>	<u>\$43,548.05</u>	<u>\$74,848.30</u>	<u>86.57%</u>
REFUSE COLLECTION					
PUBLIC WORKS	\$156,094.00	\$112,311.44	\$9,766.77	\$43,782.56	71.95%
<i>Total REFUSE COLLECTION</i>	<u>\$156,094.00</u>	<u>\$112,311.44</u>	<u>\$9,766.77</u>	<u>\$43,782.56</u>	<u>71.95%</u>
SCHOOL LOOP ROAD & PAVING PROJ					
ADMINISTRATION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total SCHOOL LOOP ROAD & PAVING PROJ</i>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
HARBOR CONSTRUCTION					
HARBOR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total HARBOR CONSTRUCTION</i>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
Report Total	<u>\$4,307,572.00</u>	<u>\$3,436,558.50</u>	<u>\$293,642.44</u>	<u>\$871,013.50</u>	<u>79.78%</u>

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

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Current Period: APRIL 15-16

		15-16	15-16	APRIL	15-16	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
GENERAL FUND						
Active	R 01-024 INTEREST INCOME	\$0.00	\$3,059.70	\$648.91	-\$3,059.70	0.00%
Active	R 01-200 INTEREST/RESTRICTED	\$2,000.00	\$457.07	\$0.00	\$1,542.93	22.85%
Active	R 01-201 INTEREST INCOME	\$0.00	\$18.00	\$0.00	-\$18.00	0.00%
Active	R 01-202 FINES AND PENALTYS	\$500.00	\$231.44	\$195.00	\$268.56	46.29%
Active	R 01-203 OTHER REVENUE	\$45,000.00	\$43,279.19	\$374.00	\$1,720.81	96.18%
Active	R 01-205 4% SALES TAX	\$850,000.00	\$728,463.13	\$81,364.98	\$121,536.87	85.70%
Active	R 01-213 RAW FISH TAX	\$600,000.00	\$555,585.85	\$69,354.74	\$44,414.15	92.60%
Active	R 01-214 FINE-LATE SALES TAX	\$1,000.00	\$1,705.93	\$36.20	-\$705.93	170.59%
Active	R 01-217 7% B & B Tax	\$16,500.00	\$9,923.87	\$1,355.89	\$6,576.13	60.14%
Active	R 01-225 PAYMENT IN LIEU OF TAX	\$150,000.00	\$0.00	\$0.00	\$150,000.00	0.00%
Active	R 01-226 EVENT COSTS	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	R 01-229 EASTER EGG HUNT	\$0.00	\$2,017.00	\$400.00	-\$2,017.00	0.00%
Active	R 01-230 DONATIONS	\$0.00	\$3,640.00	\$450.00	-\$3,640.00	0.00%
Active	R 01-231 INSURANCE REFUND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-232 EMS FUND	\$0.00	\$200.00	\$0.00	-\$200.00	0.00%
Active	R 01-233 BUSINESS LIC. FEE	\$2,500.00	\$4,025.00	\$25.00	-\$1,525.00	161.00%
Active	R 01-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-235 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-236 SAND POINT SWEATSHIR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-238 ANCHORAGE OFFICE	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	R 01-240 GRANT REVENUE RASMU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-241 GRANT REVENUE APEI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-242 ROAD MAINTENANCE REV	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-250 STATE REVENUE SHARIN	\$138,000.00	\$134,653.00	\$0.00	\$3,347.00	97.57%
Active	R 01-256 REVENUE--STATE OF ALA	\$7,500.00	\$0.00	\$0.00	\$7,500.00	0.00%
Active	R 01-260 STATE BUSINESS LICENS	\$4,600.00	\$0.00	\$0.00	\$4,600.00	0.00%
Active	R 01-265 STATE PROCESSORS TAX	\$35,000.00	\$34,947.40	\$0.00	\$52.60	99.85%
Active	R 01-266 EXT FISH TAX SHARING	\$250,000.00	\$270,014.29	\$232,111.69	-\$20,014.29	108.01%
Active	R 01-285 EQUIPMENT RENTAL	\$15,000.00	\$12,138.00	\$2,540.00	\$2,862.00	80.92%
Active	R 01-291 BUILDING RENTALS	\$135,000.00	\$113,397.30	\$2,400.00	\$21,602.70	84.00%
Active	R 01-293 LIBRARY GRANT	\$6,650.00	\$0.00	\$0.00	\$6,650.00	0.00%
Active	R 01-297 POLICE MISC REVENUE	\$35,000.00	\$5,467.65	\$0.00	\$29,532.35	15.62%
Active	R 01-298 EMS MISC REVENUE	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
Active	R 01-299 GAIN/LOSS DISPOSITION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$2,319,250.00	\$1,923,223.82	\$391,256.41	\$396,026.18	82.92%
	Total GENERAL FUND	\$2,319,250.00	\$1,923,223.82	\$391,256.41	\$396,026.18	82.92%
BINGO FUND						
Active	R 02-051 TRANSFER OUT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-052 TRANSFER TO OTHER FU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-202 FINES AND PENALTYS	\$0.00	\$3,814.00	\$0.00	-\$3,814.00	0.00%
Active	R 02-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-235 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-294 BINGO REVENUE	\$45,000.00	\$42,993.75	\$4,208.00	\$2,006.25	95.54%
Active	R 02-295 PULL TAB REVENUE	\$470,000.00	\$596,415.20	\$47,284.00	-\$126,415.20	126.90%
Active	R 02-863 CONCESSIONS	\$300.00	\$0.00	\$0.00	\$300.00	0.00%
	Total	\$515,300.00	\$643,222.95	\$51,492.00	-\$127,922.95	124.82%
	Total BINGO FUND	\$515,300.00	\$643,222.95	\$51,492.00	-\$127,922.95	124.82%
SILVER SALMON DERBY						

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

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Current Period: APRIL 15-16

		15-16	15-16	APRIL	15-16	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
Active	R 03-004 SILVER SALMON DERBY	\$18,250.00	\$24,014.12	\$0.00	-\$5,764.12	131.58%
Active	R 03-230 DONATIONS	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
Active	R 03-292 SILVER SALMON DERBY	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$19,250.00	\$24,014.12	\$0.00	-\$4,764.12	124.75%
	Total SILVER SALMON DERBY	\$19,250.00	\$24,014.12	\$0.00	-\$4,764.12	124.75%
CLINIC OPERATIONS/MAINTENANCE						
Active	R 10-257 REVENUE--FEDERAL GOV	\$32,777.00	\$27,313.90	\$2,731.39	\$5,463.10	83.33%
	Total	\$32,777.00	\$27,313.90	\$2,731.39	\$5,463.10	83.33%
	Total CLINIC OPERATIONS/MAINTENANCE	\$32,777.00	\$27,313.90	\$2,731.39	\$5,463.10	83.33%
WATER/SEWER OPERATIONS						
Active	R 61-052 TRANSFER TO OTHER FU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 61-202 FINES AND PENALTYS	\$2,000.00	\$3,052.49	\$408.59	-\$1,052.49	152.62%
Active	R 61-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 61-206 WATER/SEWER REVENUE	\$180,000.00	\$171,802.72	\$13,486.11	\$8,197.28	95.45%
Active	R 61-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 61-235 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$182,000.00	\$174,855.21	\$13,894.70	\$7,144.79	96.07%
	Total WATER/SEWER OPERATIONS	\$182,000.00	\$174,855.21	\$13,894.70	\$7,144.79	96.07%
HARBOR/PORT OPERATIONS						
Active	R 62-201 INTEREST INCOME	\$4,000.00	\$4,063.49	\$636.47	-\$63.49	101.59%
Active	R 62-203 OTHER REVENUE	\$0.00	\$5,700.00	\$0.00	-\$5,700.00	0.00%
Active	R 62-210 HARBOR/MOORAGE	\$200,000.00	\$182,726.67	\$9,864.93	\$17,273.33	91.36%
Active	R 62-211 HARBOR/TRAVELLIFT	\$90,000.00	\$70,371.58	\$3,307.36	\$19,628.42	78.19%
Active	R 62-212 BOAT HARBOR/RENTS	\$100,000.00	\$71,407.00	\$2,500.00	\$28,593.00	71.41%
Active	R 62-215 HARBOR/WHARFAGE	\$65,000.00	\$25,934.02	\$0.00	\$39,065.98	39.90%
Active	R 62-219 HARBOR ELEC SERVICE F	\$8,000.00	\$6,328.12	\$887.22	\$1,671.88	79.10%
Active	R 62-220 HARBOR/ELEC DEPOSIT	\$2,500.00	\$764.14	\$0.00	\$1,735.86	30.57%
Active	R 62-221 HARBOR/VAN STORAGE	\$18,000.00	\$17,718.58	\$0.00	\$281.42	98.44%
Active	R 62-222 HARBOR/STALL ELECTRIC	\$35,000.00	\$27,225.59	\$505.54	\$7,774.41	77.79%
Active	R 62-223 HARBOR/ELECTRICITY	\$4,000.00	\$1,070.88	\$275.28	\$2,929.12	26.77%
Active	R 62-224 GEARSHED LOCKER REN	\$13,000.00	\$16,685.40	\$1,500.00	-\$3,685.40	128.35%
Active	R 62-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 62-237 HARBOR STORAGE	\$3,200.00	\$4,783.25	\$173.71	-\$1,583.25	149.48%
Active	R 62-285 EQUIPMENT RENTAL	\$25,000.00	\$28,683.78	\$2,409.40	-\$3,683.78	114.74%
Active	R 62-299 GAIN/LOSS DISPOSITION	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$567,700.00	\$463,462.50	\$22,059.91	\$104,237.50	81.64%
	Total HARBOR/PORT OPERATIONS	\$567,700.00	\$463,462.50	\$22,059.91	\$104,237.50	81.64%
REFUSE COLLECTION						
Active	R 65-052 TRANSFER TO OTHER FU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 65-202 FINES AND PENALTYS	\$1,200.00	\$1,808.17	\$223.25	-\$608.17	150.68%
Active	R 65-204 REFUSE COLLECTION	\$140,000.00	\$127,460.52	\$7,227.44	\$12,539.48	91.04%
Active	R 65-234 SB 46 PERS RELIEF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 65-235 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total	\$141,200.00	\$129,268.69	\$7,450.69	\$11,931.31	91.55%
	Total REFUSE COLLECTION	\$141,200.00	\$129,268.69	\$7,450.69	\$11,931.31	91.55%
SCHOOL LOOP ROAD & PAVING PROJ						

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

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Current Period: APRIL 15-16

		15-16	15-16	APRIL	15-16	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	YTD
Active	R 70-256 REVENUE--STATE OF ALA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 70-262 STATE OF ALASKA/SAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total SCHOOL LOOP ROAD & PAVING PROJ		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
HARBOR CONSTRUCTION						
Active	R 79-256 REVENUE--STATE OF ALA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 79-258 REVENUE--ALEUTIANS EA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total HARBOR CONSTRUCTION		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Report Total		\$3,777,477.00	\$3,385,361.19	\$488,885.10	\$392,115.81	89.62%

CITY OF SAND POINT

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***Fund Summary -
Budget to Actual©**

APRIL 15-16

	15-16	APRIL	15-16	15-16	15-16
	YTD Budget	MTD Amount	YTD Amount	YTD Balance	% YTD Budget
FUND 01 GENERAL FUND					
Revenue	\$2,319,250.00	\$391,256.41	\$1,923,223.82	\$396,026.18	82.92%
Expenditure	\$2,783,264.00	\$177,976.69	\$2,069,597.60	\$713,666.40	74.36%
		\$213,279.72	-\$146,373.78		
FUND 02 BINGO FUND					
Revenue	\$515,300.00	\$51,492.00	\$643,222.95	-\$127,922.95	124.82%
Expenditure	\$474,100.00	\$47,351.15	\$554,034.93	-\$79,934.93	116.86%
		\$4,140.85	\$89,188.02		
FUND 03 SILVER SALMON DERBY					
Revenue	\$19,250.00	\$0.00	\$24,014.12	-\$4,764.12	124.75%
Expenditure	\$19,250.00	\$0.00	\$17,431.28	\$1,818.72	90.55%
		\$0.00	\$6,582.84		
FUND 10 CLINIC OPERATIONS/MAINTENANCE					
Revenue	\$32,777.00	\$2,731.39	\$27,313.90	\$5,463.10	83.33%
Expenditure	\$32,777.00	\$0.00	\$0.00	\$32,777.00	0.00%
		\$2,731.39	\$27,313.90		
FUND 61 WATER/SEWER OPERATIONS					
Revenue	\$182,000.00	\$13,894.70	\$174,855.21	\$7,144.79	96.07%
Expenditure	\$284,600.00	\$14,999.78	\$200,544.55	\$84,055.45	70.47%
		-\$1,105.08	-\$25,689.34		
FUND 62 HARBOR/PORT OPERATIONS					
Revenue	\$567,700.00	\$22,059.91	\$463,462.50	\$104,237.50	81.64%
Expenditure	\$557,487.00	\$43,548.05	\$482,638.70	\$74,848.30	86.57%
		-\$21,488.14	-\$19,176.20		
FUND 65 REFUSE COLLECTION					
Revenue	\$141,200.00	\$7,450.69	\$129,268.69	\$11,931.31	91.55%
Expenditure	\$156,094.00	\$9,766.77	\$112,311.44	\$43,782.56	71.95%
		-\$2,316.08	\$16,957.25		
FUND 70 SCHOOL LOOP ROAD & PAVING PROJ					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Expenditure	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
FUND 79 HARBOR CONSTRUCTION					
Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Expenditure	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$0.00	\$0.00		
Report Total		\$195,242.66	-\$51,197.31		

TO: Mayor Gardner
City Council Members

FROM: Andy Varner
City Administrator

DATE: June 3, 2016

SUBJ: Monthly Report for June 2016



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

ANNEXATION

- Nothing new to report, as of Friday May 27 I hadn't yet heard from LBC staff on our petition.

NEW HARBOR

- Thanks to the AEB Assembly for approving \$100,000 toward completing the float design in the new harbor (see FYI). If the design budget comes in under that number I would like to request the Borough help with the next item, if necessary...

COMP PLAN UPDATE

- I met with AECOM a couple weeks ago about updating our comprehensive plan and associated maps, such as land use, property ownership, and others. We will take our time with updating the plan as we concurrently pursue annexation this year. I think the two processes would complement each other. Jon Isaacs did the work on the plan last time (in 2004) and is back working on this project again. Some of our homework over the summer will be to revisit the goals and objectives of the previous comp plan and economic development strategy to see what is or isn't relevant today and in the next 10 years. I expect to dive deeper into this at the August meeting.

BROADBAND

- The "A-Team," consisting of various Aleutian groups (TAC, APIA, APICDA, AHA, AEB, EAT) are planning to advertise an RFP in June for a feasibility/funding study on bringing fiber optic telecomm services to the Aleutians. I am active with this group and pleased they are putting a focus on this issue.



JOHN H. LUCKING, JR
CHIEF OF POLICE

SAND POINT DEPARTMENT of PUBLIC SAFETY

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Sand Point, Alaska 99661
EMAIL: sppd@arctic.net



TEL: (907)383-3700
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MEMORANDUM

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

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

Date: June 1st, 2016

Ref: Department of Public Safety's Monthly Report for May 2016

Police Department

Public Safety Manager

- John H. Lucking, Jr.

Police Officers

- Efen Thao, Police Officer (Community Oriented Policing Grant Position)
- Michael Chiesa, Sergeant
- Open Officer Position, (currently recruiting)
- Open Officer Position, (currently recruiting)

Administrative Assistant

- Denise Mobeck/Day Dispatcher

Dispatchers

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

Police Division Activity

May 2016

3 investigative case files were generated:

- 2 for Assault/domestic violence
- 1 for an Arrest Warrant

There were 3 persons jailed:

- 1 on an arrest warrant
- 2 for assault/domestic violence

There were 31 calls to 911:

- 8 MOC requests (Medic on call)
- 1 Ambulance requests
- 4 Hang ups, 1 pocket dial and 1 mis-dial
- 2 Bar fights
- 2 Removal of intoxicated persons from licensed premises
- 1 Transport request
- 1 Suspicious person
- 3 calls reporting fights
- 2 calls for an officer response, undefined
- 1 reported ongoing assault
- 1 Domestic Violence call
- 1 call reporting juveniles trespassing
- 1 call asking for intervention for a couple arguing
- 1 Drunk driver report

Other Officer Activity:

- Courtesy transports
- Numerous bar checks
- Paper services
- Security checks on fishing vessels
- Community event attendances
- Fingerprint services provided at police station
- Animal control for dogs at large
- Traffic stops

EMS Division

Chief of EMS Division:

- Denise Mobeck, EMS Coordinator

EMS Activity:

Rescue1 transported 1 patient to clinic

Training:

Eastern Aleutian Tribes/EMS ETT classes certified 18 new Emergency Trauma Technicians.

A First Aid/CPR class held mid-May provided basic first aid and CPR to several other students and fishing captains/crew.

Fire Division

Chief of Fire Division:

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

Activity:

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

May 2016 Public Works Report

Shop

- Work on AHA foundations and driveways
- Fix shop garage door
- Change out bobcat boom pin and bushing
- Change broom on sweeper and starter solenoid
- Haul rock for borough drive way
- Change out roller tires
- Weld and work on roller
- Change trash truck tires
- Hauled rock from school to Chiefs and Emils house
- Grade roads
- Work on harbor crane
- Repair guide wire for radio station
- Helped harbor work freight boats
- Filled pot holes on upper loop
- Picked up garbage for clean up day

Landfill

- Clean up around dumpsters
- Installed new plugs and wires landfill explorer
- Hauled dumpster to William Gilberts

Recycling

- Recycling center is running fine

W&S May 2016

1. Fixed leak at Wilbur McGlashan's. Parts are ordered to replace PVC pipe and run new service lines to the two houses served at the site of the repair.
2. Fixed leak at Nate Julian's. Had to install a temporary 1" line on the surface. Parts are ordered to connect line to 8" main in Little Sanak.
3. Cleared blockage in sewer line off Johnson Avenue. Parts are on order to replace the Asbestos-Concrete pipe above ground and to replace two asbestos concrete cleanouts. One clean out is broken below ground.
4. Made two large orders from USA BlueBook and HD Fowler to get enough parts on hand to complete most of our summer work – adding shut off valves to houses with high past due accounts, repairing broken sewer line near Jon Bruneau's. Also replacing some service lines that are galvanized pipe.
5. Slowed intake water pumps to make them run longer each day. The idea is to maintain chlorine levels in town during the summer when chlorine demand increases, due to warm weather affecting the source water, and causes chlorine levels to drop when the pumps are off. We only run one pump at a time. The last two years we have had to fight to keep chlorine levels above .2 parts per million as required by regulation. We usually keep the level about .6 parts per million. The worst time period has been the last two weeks of August.

Sand Point Boat Harbor

06-01-2016

Worked on the Travelift, fixed a flat, greased and oiled the machine.

Hauled, stored and launched 37 boats.

Made a dump run or two.

Freight boats running on a regular scale.

Tustumena to start running on a two-week schedule starting on 06-02-16.

Public works crew repairing the Grove crane.

Randy Dushkin is working part-time at harbor.

Dave Dillard is the new Nightwatchman, Sam Brandal's replacement, welcome aboard Dave, happy retirement Sam.

That's all from the Sand Point boat basin.

Richard Kochuten, Sr.

Harbor Master

HEARINGS, ORDINANCES AND RESOLUTIONS

City of Sand Point



ORDINANCE 2016-01

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

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

Section 1. Form. This is a Code ordinance.

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

§ 12.30.030. DEFINITIONS.

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

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

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

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

Introduction and 1st Reading May 10, 2016
Adoption and 2nd Reading June 6, 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) at least 14 years of age and duly licensed with a State of Alaska drivers instruction permit and completed a City-approved safety education certification course;
or

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

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

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

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

(e) *Hours of Operation.* All-terrain vehicles shall be permitted to operate on the public streets and roadways of the City of Sand Point only during the following times: Unless under licensed adult supervision or adhering to the exceptions listed below, All-terrain vehicles only may be operated on public streets and roadways by persons 14 to 17 years of age from 6:00 a.m. to 10:00 p.m. Sunday through Thursday, and 6:00 a.m. to 12:00 a.m. Friday and Saturday. Operation of all-terrain vehicles at all other times is prohibited ~~except in an emergency or when other~~ circumstances exist which justify an exception because operation of the all-terrain vehicle was necessary or unavoidable. Exceptions are limited to non-recreational use of all-terrain vehicles and may only be allowed when:

- (1) On an errand at the written direction of his or her parent or guardian without any detour or stop (written direction must be signed, timed, and dated by the parent or guardian and must indicate the specific errand);
- (2) Involved in an emergency; or
- (3) Engaged in an employment activity, or going to or returning from an employment activity, without detour or stop.

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

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

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

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

Glen Gardner, Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

Introduction and 1st Reading May 10, 2016
Adoption and 2nd Reading June 6, 2016

City of Sand Point



ORDINANCE 2016-03

AN ORDINANCE OF THE CITY OF SAND POINT, ALASKA, ADOPTING THE OPERATING BUDGET FOR FY-2017.

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	\$ 2,540,260	\$ 2,602,610
Bingo	\$ 545,300	\$ 513,600
Silver Salmon Derby	\$ 22,500	\$ 18,750
Clinic Operations	\$ 32,777	\$ 32,777
Water & Sewer Operations	\$ 284,000	\$ 284,000
Harbor	\$ 583,000	\$ 556,750
Refuse Collection	\$ 146,500	\$ 145,850
TOTAL	\$ 4,154,337	\$ 4,154,337

**PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF
THE SAND POINT CITY COUNCIL this 6th day of June, 2016.**

ATTEST:

Glen Gardner, Jr., Mayor

Shannon Sommer, City Clerk

Introduction and 1st Reading May 10, 2016
Adoption and 2nd Reading June 6, 2016

**CITY OF SAND POINT
FY17 DRAFT Budget**

	FY16 FINAL Budget	FY17 DRAFT Budget	<u>\$ Change</u>	<u>% Change</u>
Revenue:				
01-General Fund	2,751,601	2,540,260	(211,341)	-8%
02-Bingo	515,300	545,300	30,000	6%
03-Silver Salmon Derby	19,250	22,500	3,250	17%
10-Clinic Operations	32,777	32,777	-	0%
61-Water and Sewer Operations	344,600	284,000	(60,600)	-18%
62-Harbor	567,700	583,000	15,300	3%
65-Refuse Collection	156,094	146,500	(9,594)	-6%
<i>Total revenue</i>	4,387,322	4,154,337	(232,985)	-5%
Expenditures:				
01-General Fund	2,798,014	2,602,610	(195,404)	-7%
02-Bingo	473,500	513,600	40,100	8%
03-Silver Salmon Derby	19,250	18,750	(500)	-3%
10-Clinic Operations	32,777	32,777	-	0%
61-Water and Sewer Operations	344,600	284,000	(60,600)	-18%
62-Harbor	562,487	556,750	(5,737)	-1%
65-Refuse Collection	156,094	145,850	(10,244)	-7%
<i>Total expenditures</i>	4,386,722	4,154,337	(232,385)	-5%
Projected Surplus/(Deficit)		-		

CITY OF SAND POINT - GENERAL FUND REVENUE

	FY16 <u>Budget</u>	FY17 <u>Budget</u>	<u>Change</u>
Revenue:			
051-Transfer From Reserves	432,351	182,000	(250,351)
200-Interest Restricted (AMLIP + CD)	2,000	4,500	2,500
202-Fines and Penalties	500		(500)
203-Other Income	45,000	45,000	-
205-4% Sales Tax	850,000	850,000	-
207- Gravel Sales		15,000	15,000
213-2% Raw Fish Tax	600,000	620,000	20,000
214-Fine-Late Sales Tax	1,000	1,000	-
217-7% B&B Tax	16,500	16,500	-
225-PILT	150,000	150,000	-
226-Event Costs	4,500	4,500	-
233-Business License Fee	2,500	4,000	1,500
234-State PERS On-Behalf Relief		30,000	30,000
238-Anchorage Office	20,000	20,000	-
250-DCRA Revenue Sharing	138,000	87,060	(50,940)
256-State of Alaska/EMPG	7,500	7,500	-
260-State Business License	4,600	3,500	(1,100)
265-DCRA Shared Fish Tax	35,000	35,000	-
266-DOR Shared Fish Tax	250,000	250,000	-
285-Equipment Rental	15,000	15,000	-
291-Building Rentals	135,000	135,000	-
293-Library Grant	6,650	4,200	(2,450)
297-Police Misc	35,000	60,000	25,000
298-EMS Misc	500	500	-
Total Revenue	<u>2,751,601</u>	<u>2,540,260</u>	<u>(211,341)</u>

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-1

	FY16 Budget	FY17 Budget	Change
Expenditures:			
100-Legislative			
300-Salaries	36,000	42,000	6,000
350-Fringe benefits	87,000	73,800	(13,200)
400-Travel and per diem	12,000	12,000	-
530-Dues and fees	3,000	4,000	1,000
Total legislative	138,000	131,800	(6,200)
200-Administration:			
052-Transfer To Other Funds	132,494	52,500	(79,994)
300-Salaries	239,600	252,800	13,200
301-Contractual	25,000	38,000	13,000
350-Fringe benefits	71,880	52,800	(19,080)
355-Health insurance reimbursement		74,880	74,880
400-Travel and per diem	25,000	20,000	(5,000)
425-Telephone	14,000	14,000	-
450-Postage	5,000	5,000	-
475-Supplies	8,000	10,000	2,000
500-Equipment	17,000	5,000	(12,000)
501-Equipment maintenance	4,000	4,000	-
530-Dues and fees	5,000	10,000	5,000
532- Airport Leases	3,200	3,200	-
545-Anchorage Office	10,000	10,000	-
549-Sales Tax Audit	10,000	-	(10,000)
550-Audit	32,000	32,000	-
551-Legal	20,000	16,000	(4,000)
552-Prop & Liability Insurance	140,000	130,000	(10,000)
553-Bond Payment	183,180	180,580	(2,600)
555-Bank Service Charge	10,000	10,000	-
576-Fuel	1,200	4,000	2,800
602-Freight	3,000	3,500	500
625-Elections	1,500	800	(700)
627-Employee Exp	-	800	800
810-Donations	18,000	15,000	(3,000)
825-Hospitality	3,000	5,000	2,000
853-Library Grant	3,700	2,500	(1,200)
226-Event Costs	10,000	22,000	12,000
Total administration	995,754	974,360	(21,394)

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-2			
	<u>FY16</u>	<u>FY17</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Expenditures, continued:			
250-Parks and recreation:			
300-Salaries	25,000	23,000	(2,000)
350-Fringe benefits	3,000	2,500	(500)
810-Donations (SPLL)	-	-	-
Total parks and recreation	<u>28,000</u>	<u>25,500</u>	<u>(2,500)</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	325,000	285,000	(40,000)
303-911 Dispatchers	25,000	25,000	-
350-Fringe benefits	105,000	95,000	(10,000)
400-Travel and per diem	12,000	8,000	(4,000)
425-Telephone	9,000	9,000	-
475-Supplies	5,000	5,000	-
477-Police Dog	-	-	-
500-Equipment	30,000	30,000	-
501-Equipment Maint	8,500	8,500	-
530-Dues and fees	2,500	2,500	-
576-Fuel	20,000	16,000	(4,000)
602-Freight	500	500	-
820-Relocation cost	4,000	4,000	-
Sub-total police	<u>546,500</u>	<u>488,500</u>	<u>(58,000)</u>

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-3

	FY16 <u>Budget</u>	FY17 <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	3,500	3,500	-
475-Supplies	2,000	2,000	-
500-Equipment	2,500	2,500	-
501-Equipment Maintenance	2,500	2,500	-
502-Equipment Fuel	1,000	1,000	-
530-Dues/Fees	500	500	-
575-Utilities	500	500	-
602-Freight	500	500	-
Sub-total EMS	<u>26,000</u>	<u>26,000</u>	<u>-</u>
090-Fire			
300-Salaries	12,000	-	(12,000)
350-Fringe	2,000	2,000	-
425-Telephone	1,000	1,000	-
460-Fireboat	1,500	1,500	-
475-Supplies	2,000	1,000	(1,000)
500-Equipment	2,500	2,500	-
501-Equipment Maintenance	3,500	3,500	-
502-Equipment Fuel	1,000	1,000	-
530-Dues/Fees	500	500	-
575-Utilities	3,500	2,000	(1,500)
602-Freight	500	500	-
Sub-total fire	<u>30,000</u>	<u>15,500</u>	<u>(14,500)</u>
Total Public Safety	<u>602,500</u>	<u>530,000</u>	<u>(72,500)</u>
500-Public works:			
000-General:			
300-Salaries	306,600	316,000	9,400
301-Contractual	5,000	5,000	-
350-Fringe benefits	107,310	70,600	(36,710)
400-Travel/Perdiem	3,000	3,000	-
425-Telephone	3,000	3,000	-
475-Supplies	25,000	20,000	(5,000)

500-Equipment	60,000	60,000	-
501-Equipment maintenance	55,000	55,000	-
502-Equipment fuel	20,000	20,000	-
530-Dues and fees	500	500	-
572-Street lights	20,000	20,000	-
575-Utilities	1,500	1,500	-
576-Fuel	20,000	20,000	-
600-Repairs	7,500	7,500	-
602-Freight	12,500	12,500	-
Total general public works	646,910	614,600	(32,310)
800-Facilities			
000-General			
300-Salaries	84,000	84,000	-
350-Fringe benefits	33,600	33,600	-
Total facilities	117,600	117,600	-

CITY OF SAND POINT: GENERAL FUND EXPENDITURES 01-4			
	<u>FY16</u>	<u>FY17</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
040-New Clinic			
475-Supplies	1,000	500	(500)
600-Repairs	4,000	2,000	(2,000)
602-Freight	500	500	-
Total new clinic	5,500	3,000	(2,500)
050-Municipal Building			
475-Supplies	15,000	15,000	-
500-Equipment	2,500	2,500	-
501-Equipment Maintenance	2,500	1,500	(1,000)
530-Dues/Fees	500	500	-
575-Utilities	10,000	10,000	-
576-Fuel	50,000	50,000	-
600-Repairs	80,000	55,000	(25,000)
601-Boardwalk Repairs	5,000	-	(5,000)
602-Freight	25,000	10,000	(15,000)
Total municipal building	190,500	144,500	(46,000)
055-Teen Center			
575-Utilities	5,500	4,000	(1,500)
576-Fuel	4,000	4,000	-
600-Repairs	2,500	1,500	(1,000)
Total teen center	12,000	9,500	(2,500)
060-4Plex			
475-Supplies	1,000	1,000	-
500-Equipment	1,000	1,500	500
575-Utilities	3,000	3,000	-
576-Fuel	15,000	12,000	(3,000)
600-Repairs	1,000	1,000	-
Total 4plex	21,000	18,500	(2,500)
070-City Housing			
475-Supplies	500	500	-
500-Equipment	1,500	500	(1,000)

578-Hamik Rental	-	-	-
576-Fuel	5,000	5,000	-
600-Repairs	10,000	5,000	(5,000)
602-Freight/Speed	500	1,000	500
071-475 Leased Property/Supplies	2,500	1,000	(1,500)
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	1,500	1,500	-
Total city houses	39,500	32,500	(7,000)
085-Ratnet Building			
575-Utilities	750	750	-
Total ratnet building	750	750	-
Total General Fund	2,798,014	2,602,610	(137,404)

BINGO FUND 02			
	<u>FY16</u>	<u>FY17</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Revenue:			
Transfer from GF			-
202-Fines and Penalties	-	-	-
294-Bingo	45,000	45,000	-
295-Pull tab	470,000	500,000	30,000
861-Bingo Supplies	-	-	-
863-Concessions	300	300	-
Total revenues	<u>515,300</u>	<u>545,300</u>	<u>30,000</u>
Expenditures: Pulltabs			
052-Transfer to General Fund	-	-	-
300-Salaries	20,000	25,000	5,000
350-Fringe (Employee) Benefits	4,000	4,000	-
425-Telephone	1,000	1,000	-
475-Supplies	750	750	-
500-Equipment	500	500	-
530-Dues and fees	600	4,000	3,400
555-Bank service charges	2,000	2,500	500
602-Freight	350	350	-
856-Pull-tab tax	4,000	4,000	-
860-Pull-tab prizes	385,000	400,000	15,000
862-Pull tab purchases	12,000	12,000	-
863-Concessions	-	-	-
Total expenditures	<u>430,200</u>	<u>454,100</u>	<u>23,900</u>
Expenditures:			
005-Bingo Expenses			
052-Transfer to General Fund	-	-	-
300-Salaries	18,000	15,300	(2,700)
350-Fringe (Employee) Benefits	3,600	2,500	(1,100)
425-Telephone	500	500	-
475-Supplies	500	500	-
500-Equipment	500	500	-
555-Bank service charges	-	-	-
602-Freight	200	200	-
855-Door prize	4,000	4,000	-
859-Bingo prizes	15,000	35,000	20,000
861-Bingo supplies	1,000	1,000	-

Total expenditures	<u>43,300</u>	<u>59,500</u>	<u>16,200</u>
Total Fund Expenditures	<u>473,500</u>	<u>513,600</u>	<u>40,100</u>

SILVER SALMON DERBY FUND 03

	FY16 <u>Budget</u>	FY17 <u>Budget</u>	
			<u>Difference</u>
Revenue:			
03-004-Revenues	18,250	22,000	3,750
03-230-Donations	<u>1,000</u>	<u>500</u>	<u>(500)</u>
Total revenue	<u>19,250</u>	<u>22,500</u>	<u>3,250</u>
Expenditures:			
475-Supplies	15,000	10,000	(5,000)
530-Dues/Fees	250	250	-
577-Prizes	2,000	1,000	(1,000)
810-Donations	2,000	7,500	5,500
863-Concessions	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>19,250</u>	<u>18,750</u>	<u>(500)</u>

CLINIC FUND 10			
	FY16	FY17	
	Budget	Budget	
			Change
Revenue			
257-Revenue Federal	<u>32,777</u>	<u>32,777</u>	-
Total revenue	<u>32,777</u>	<u>32,777</u>	-
Expenditures:			
301-Contractual	<u>32,777</u>	<u>32,777</u>	-
552-Insurance	<u>-</u>	<u>-</u>	-
Total expenditures	<u>32,777</u>	<u>32,777</u>	-

WATER & SEWER FUND 61			
	<u>FY16</u>	<u>FY17</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Revenue:			
052-Transfer from GF	117,600	52,500	(65,100)
202-Fines and Penalties	2,000	2,500	500
203-Other Rev	-	-	-
206-User Fees water/sewer	180,000	180,000	-
USDA Grant	<u>45,000</u>	<u>49,000</u>	4,000
Total revenues	<u>344,600</u>	<u>284,000</u>	<u>(64,600)</u>
Expenditures:			
300-Salaries	88,000	91,000	3,000
350-Fringe (Employee) Benefits	17,600	25,000	7,400
Contractual (USDA)	60,000	2,500	(57,500)
400-Travel and per diem	10,000	8,000	(2,000)
425-Telephone	4,000	4,000	-
475-Supplies	25,000	55,000	30,000
500-Equipment	30,000	8,000	(22,000)
501-Equipment maintenance	15,000	18,000	3,000
502-Equipment Fuel	1,500	1,500	-
530-Dues and fees	2,500	2,500	-
531-Test fees	4,000	1,000	(3,000)
557-Overpayments on account	-	5,000	5,000
575-Utilities	44,500	25,500	(19,000)
576-Fuel	27,500	22,000	(5,500)
600-Repairs	5,000	5,000	-
602-Freight	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>344,600</u>	<u>284,000</u>	<u>(60,600)</u>

BOAT HARBOR FUND 62			
	<u>FY16</u>	<u>FY17</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Revenue:			
201-Interest	4,000	4,000	-
203-Other Revenue	-	-	-
210-Moorage	200,000	210,000	10,000
211-Haulout (Travel Lift)	90,000	90,000	-
212-Harbor Leases	100,000	100,000	-
215-Wharfage	65,000	65,000	-
219-Elec Service Fee	8,000	8,000	
220-Electric Deposit	2,500	2,000	
221-Van Storage	18,000	20,000	2,000
223-Electricity-Uplands	4,000	4,000	-
222-Electricity Stalls	35,000	35,000	-
224-Locker Storage	13,000	15,000	2,000
237-Harbor Storage	3,200	5,000	1,800
285-Equipment Rental	25,000	25,000	-
Total revenue	<u>567,700</u>	<u>583,000</u>	<u>15,800</u>
Expenditures:			
300-Salaries	272,405	281,000	8,595
301-Contractual	30,000	15,000	(15,000)
350-Fringe (Employee) Benefits	122,582	113,250	(9,332)
400-Travel and Per Diem	3,000	3,000	-
425-Telephone	4,000	4,000	-
475-Supplies	10,000	7,000	(3,000)
500-Equipment	22,500	15,500	(7,000)
501-Equipment Maintenance	20,000	20,000	-
502-Equipment Fuel	5,000	5,000	-
530-Dues and fees	500	500	-
557-Overpayments	-	-	-
575-Utilities	35,000	60,000	25,000
576-Fuel	12,500	12,500	-
600-Repairs	20,000	15,000	(5,000)
602-Freight	5,000	5,000	-
Total expenditures	<u>562,487</u>	<u>556,750</u>	<u>(5,737)</u>

REFUSE COLLECTION FUND 65			
	<u>FY16 Budget</u>	<u>FY17 Budget</u>	<u>Change</u>
Revenue:			
052-Transfer from GF	14,894		(14,894)
202-Fines and Penalties	1,200	1,500	300
204-User Fees refuse	<u>140,000</u>	<u>145,000</u>	5,000
Total revenue	<u>156,094</u>	<u>146,500</u>	<u>(9,594)</u>
Expenditures: Refuse			
300-Salaries	84,460	87,000	2,540
350-Fringe (Employee) Benefits	33,784	22,000	(11,784)
400-Travel/Perdiem	2,000	2,000	-
475-Supplies	3,000	3,000	-
500-Equipment	3,000	3,000	-
501-Equipment maintenance	8,000	8,000	-
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>	-
Total expenditures ops	<u>149,744</u>	<u>140,500</u>	<u>(9,244)</u>
Expenditures: Recycle Center			
300-Salaries	-	-	-
350-Fringe (Employee) Benefits	-	-	-
475-Supplies	500	500	-
575-Utilities	5,000	4,000	(1,000)
576-Fuel	250	250	-
600-Repairs	500	500	-
602-Freight	<u>100</u>	<u>100</u>	-
Total expenditures ops	<u>6,350</u>	<u>5,350</u>	<u>(1,000)</u>
Total expenditures ops(combined)	156,094	145,850	(10,244)

City of Sand Point



RESOLUTION 16-03

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 6th day of June, 2016.

CITY OF SAND POINT

Glen Gardner, Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

Resolution 16-04: Adopting
FY17 Capital Improvement
Project List

Memo

To: Mayor Gardner
From: Andy Varner, Administrator
cc: City Council
Date: May 27, 2016
Re: FY17 Capital Improvement Priorities

The City hasn't prepared a capital improvement priority list in some years, and now is a good time to revisit some of the projects on our horizon to focus efforts. This list is not absolute, of course, and is only meant as a starting point for the Council's consideration. I do think having 4-6 projects on the list is beneficial, and in future years I would like to have detailed information (descriptions, locations, cost estimates, possible funding sources, etc) for each project.

City of Sand Point



RESOLUTION 16-04

A RESOLUTION OF THE SAND POINT CITY COUNCIL ADOPTING AN FY17 CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the City of Sand Point uses a Capital Improvement Plan (CIP) process to identify, plan, and seek funding for the capital improvement needs of the community; and

WHEREAS, Sand Point is home to the largest commercial fishing vessel fleet in the Aleutian region, which takes a toll on community assets and infrastructure; and

WHEREAS, the City seeks funding from a variety of sources to implement our CIP, including State, Federal, Borough, and foundation organizations; and

WHEREAS, the City uses the planning process to determine where to direct local matching funds.

NOW THEREFORE, BE IT RESOLVED THAT the Sand Point City Council adopts the following projects as Capital Improvement Plan priorities for FY17:

1. New (Big Boat) Harbor Float Design & Construction
2. Water and Wastewater Improvements
3. Police Vehicle
4. Heavy Duty Drum Roller
5. Moving Department of Public Safety to Stand-Alone Facility
6. Harbor Access Road Rehabilitation

**PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL
FOR THE CITY OF SAND POINT ON THIS 6th DAY OF JUNE 2016.**

CITY OF SAND POINT

Glen Gardner, Jr., Mayor

ATTEST:

Shannon Sommer, City Clerk

OLD BUSINESS

None at this time.

NEW BUSINESS

Sand Point Teen Center

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

May 10, 2016

To Mayor Glen Gardner and Council Members:

This is a donation request for \$3000 to go towards the operations of the Sand Point Teen Center. Thank you for leasing the building at no cost to the Teen Center and the \$3,000 cash contribution for operations you have donated in past years.

Sand Point teens are enjoying a safe place to socialize and participate in positive activities and events. The monthly total of teens attending is around 300+.

The teenagers are the future of our community and we want to help build productive young adults for Sand Point's future and feel providing a good, safe environment for teens will have a positive effect on them.

The Teen Center has been operating since 2009 and would not be successful without your continued support. We now have a computer room with a couple Mac computers, all new board games and some new equipment.

Thank you in advance for any support you can contribute.

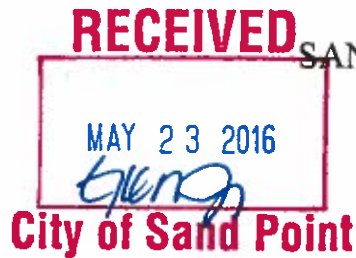
Sincerely,

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

Tina Anderson
Teen Center Committee Member



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



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

May 23, 2016

Dear Mayor Glen Gardner Jr. and Council Member;

We are writing on behalf of the Qagan Tayagungin Tribe. We would like to ask if City of Sand Point would consider providing a donation for our 3rd Annual Graveyard Clean-up.

During the last week of June, the QTT Environmental Department will be conducting a graveyard clean-up in coordination with our Environmental Youth Groups to teach them about invasive species and cleaning up our community. This will be our third year with a graveyard clean-up.

Each year we've done the Graveyard Clean-up, we've gotten positive feedback. We are praised for doing a great job and we are always told how wonderful the graveyard looks. We clear a lot of the alders, bushes, grass and invasive species. We've been asked to do more, but recognize we need more volunteer help and more equipment in order to do more in the limited time we have.

All proceeds will go to the Graveyard Clean-up for supplies and door prizes for both youth and adults. We will be providing children and adults with the opportunity to learn more about our environment, and a better understanding of what we all can do to keep our community clean for future generations. The donation you could make would be greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads "Karis Porcincula".

Karis Porcincula
Environmental Coordinator

A handwritten signature in black ink that reads "Jasmine Maligaya".

Jasmine Maligaya
Environmental Assistant

7/1/2016	CITY OF SAND POINT				3% Pay Increase
DEPT.	EMPLOYEE	Current	Hrly		Yearly
Public Works Director	David Stokes			Contract	75,000.00
Shop Foreman	Paul Karlsen	28.73	29.59		61,551.15
Equipment Operator I	John Jacobsen	20.72	21.34		44,390.53
Equipment Operator I	Vacant	14.97	14.97		-
Equipment Maintenance	Julius Karlsen	23.39	24.09		50,110.74
Laborer	Walter Osterback	17.87	18.41		38,284.69
Laborer	Vacant	14.97	14.97		-
					269,337.10
Water and Sewer	Allen Hill	23.36	24.06		50,046.46
Water and Sewer	Allen Young	18.66	18.66		38,812.80
					88,859.26
Refuse Collection	Brandon Gundersen	20.38	20.99		43,662.11
General Laborer	Wade Johansen	19.80	20.39		42,419.52
Recycle Center	Vacant	-	-		-
					86,081.63
Harbor Master	Richard Kochuten		-	Contract	68,452.80
Harbor Maintenance I	Eugene Alford	18.96	19.53		40,619.90
Harbor Maintenance I	Jeremy Krone	20.18	20.79		43,233.63
Harbor Maintenance I	Vacant	14.97	14.97		31,137.60
Harbor Nightwatchman	Knute Gilbert Jr.	19.53	20.12		41,841.07
Harbor Nightwatchman	Vacant	14.97	14.97		31,137.60
					256,422.61
Dir. Of Public Safety	John Lucking Jr.		-	Contract	84,000.00
Police Officer II	Efen Thao	22.21	22.88		47,582.70
Police Officer II	Vacant	21.57	21.57		44,865.60
Police Officer II	Michael Chiesa	26.25	27.04		56,238.00
Police Secretary	Denise Mobeck	16.36	16.85		35,049.66
					267,735.97
911 Dispatcher	Anne Nielsen	9,600.00		Contract	9,600.00
911 Dispatcher	Alfred Pesterkoff	9,600.00		Contract	9,600.00
					19,200.00
Administrator	Andrew Varner		-	Contract	96,000.00
Finance Officer	Krista Galvin		-	Contract	55,244.80
City Clerk	Shannon Sommer			Contract	49,088.00
Admin. Assistant	Kurtis Gundersen	19.53	20.12		41,841.07
					242,173.87
Bldg. Maint.	Kenneth Spjut			Contract	55,000.00
Bldg. Maint. Laborer	Vacant	16.09	16.09		-
Janitor	Laiv Gundersen	20.72	21.34		44,390.53
					99,390.53
Gaming Auditor	Vacant		-		-
Bingo Asst.	Kathleen Harper	18.41	18.96		19,720.79
Bingo Asst.	Susan McGlashan	17.35	17.87		18,585.32
Bingo Asst.	Lisa Jackson	17.35	17.87		18,585.32
					56,891.43
Animal Control Officer	Vacant		-		-
					-
Fire Chief	Vacant	12,000.00		Contract	12,000.00
					12,000.00
Mayor	Glen Gardner Jr.		-	Elected	36,000.00
					36,000.00
Gym	Kimberly Johansen	16.36	16.85		17,524.83
Librarian	Keomi Chrim	14.97	15.42		16,035.86
					33,560.70
					1,467,653.10

BDO FY16 Audit Proposal

Memo

To: Mayor Gardner
From: Andy Varner, Administrator
cc: City Council
Date: May 27, 2016
Re: BDO Audit Proposal

Krista, Irina, and I agreed that going with BDO again makes sense as we just changed the chart of accounts and the next audit could be a little more confusing. We talked them into sending out only 1-2 people instead of their usual 3, so that will save on some out of pocket expenses.

I recommend approving their proposal.



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

3601 C Street, Suite 600
Anchorage, AK 99503

May 24, 2016

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

Dear Honorable Mayor and City Council:

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" or "you") as of and for the year ending June 30, 2016.

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 basic financial statements. The City does not intend to present the required Management's Discussion and Analysis in the financial statements. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required and will be subjected to certain limited procedures, but will not be audited:

1. Schedule of the City's Information on the Net Pension Liability
2. Schedule of City Contributions
3. General Fund Budget to Actual

Also, the supplementary information accompanying the basic financial statements, as listed below, will be subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the basic financial statements as a whole.

1. Individual and combining fund statements and schedules

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

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

Responsibilities of BDO

We will conduct our audit in accordance with GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement, whether caused by error or fraud. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 error or fraud. 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 and will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion and to render the required report.

Also, an audit is not designed to detect errors or fraud or violations of laws and/or regulations that are immaterial to the financial statements. 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. In addition, during the course of our audit, financial statement misstatements relating to accounts or disclosures 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 audit we will communicate to those charged with governance (as defined below) all uncorrected misstatements. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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 the City, 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. Accordingly, we will express no such opinion. 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 that we identify during our audit.

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted

accounting principles and to report on the fairness of the supplementary information referred to in the third paragraph of this letter when considered in relation to the basic financial statements as a whole. The objective also includes reporting on the City's:

- Internal control related to the financial statements and compliance with federal statutes, regulations, and the terms and conditions of the federal awards, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

We will perform test of controls, as required by *Government Auditing Standards*, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance. 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 the *Government Auditing Standards*.

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 error or fraud; (3) for identifying and ensuring that the City complies with the laws and regulations applicable to its activities; and (4) 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, additional information we may request for the purpose of the audit, and unrestricted access to persons within the City from whom the auditor determines it is necessary to obtain audit evidence.

Management's responsibilities also include identifying and informing us of significant contractor relationships in which the contractor is responsible for program compliance and for the accuracy and completeness of that information.

Management is responsible for adjusting the financial statements to correct material misstatements relating to accounts or disclosures, 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 the *Government Auditing Standards*, 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.

Management is also 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 City involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a direct and material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable federal statutes, regulations, and the terms and conditions of the federal awards. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of federal statutes, regulations and the terms and conditions of the federal awards, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying to us, previous financial audit attestation engagements, performance audits, or other studies related to our audit objectives. This responsibility includes communicating 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.

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 unmodified opinion on the financial statements or that our report will require an Emphasis of Matter or Other Matter paragraph, 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 purpose of these reports is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of *Government Auditing Standards* (GAS) and are not suitable for any other purpose.

Client Reacceptance Matters

BDO is retaining the City as a client in reliance on information obtained during the course of our continuing client reacceptance procedures. Joy Merriner 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

BDO disclaims and waives, and you release BDO from, any and all liability for the interception or unintentional disclosure of email transmissions or for the unauthorized use or failed delivery of emails transmitted or received by BDO in connection with the services we are being engaged to perform under this Agreement.

External Computing Options

If, at your request, BDO agrees to use certain external commercial services, including but not limited to services for cloud storage, remote control, and/or file sharing options (collectively "External Computing Options"), that are outside of BDO's standard security protocol, you acknowledge that such External Computing Options may be associated with heightened security and privacy risks. Accordingly, BDO disclaims and waives, and you release BDO from, any and all liability arising out of or related to the use of such External Computing Options.

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 a document that includes our report, or any portion of it, and that is assembled differently from any paper or electronic version that we may have assembled and provided to you (e.g., by the addition of financial statements and/or accompanying information that you have produced), 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 the 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 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

Government Auditing Standards requires that we provide you with a copy of our most recent quality control review report. Our latest peer review report accompanies this letter.

Other Services

We are always available to meet with you and other executives 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. We will also be pleased, at your request, to attend city board meetings.

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, 2016, based on the City's accounting records and other information that comes to our attention during the course of our engagement.

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 prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional 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 statements and evaluate the adequacy and results of the services.
- c. Accept responsibility for the results of the 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.

We will prepare a draft of the financial statements and related notes. In accordance with Government Auditing Standards, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing those services.

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 \$29,800 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 shall have the right to assign its rights to perform a portion of the services described above to any of its independent Alliance members, affiliates (including, where applicable, member firms of

the international BDO network), agents, or contractors (a "Permitted Assignee") without the City's prior consent. 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 benefit and use of the City. 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: _____
Andrew Varner, City Administrator

Date: _____



Baker Tilly Virchow Krause, LLP
225 S 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 engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015. 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, audits of carrying broker-dealers and examinations of service organizations (Service Organization Control (SOC) 1 and 2 engagements).

In our opinion, the system of quality control for the accounting and auditing practice of BDO USA, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015, 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
December 2, 2015

QUARRY OPERATING AGREEMENT

THIS AGREEMENT, by and between Shumagin Corporation, an Alaska corporation, whose address is P.O. Box 189, Sand Point, Alaska 99661, hereinafter referred to as “Shumagin” and The City of Sand Point, an Alaskan municipal corporation, whose address is P.O. Box 249, Sand Point, Alaska 99661, hereinafter referred to as “Sand Point”.

WHEREAS: Shumagin is the owner of the surface state of certain properties known as the Red Dome Quarry, the subsurface rights of which are owned by The Aleut Corporation, hereinafter referred to as “TAC” and

WHEREAS: Shumagin has entered into a Materials Management Agreement with TAC, by which Shumagin is authorized to manage, through one or more operators, the mining of armor rock and aggregate rock products (“Materials”) from the Red Cove Dome Quarry which is outlined in red on the attached **Exhibit A**.

WHEREAS: Sand Point desires to enter into an Agreement with Shumagin in order to obtain Materials to perform public works and other projects, and

NOW THEREFORE, Subject to the approval of TAC as mandated under Section 2.3 of the Agreement between Shumagin and TAC, it is agreed:

1. **TERM:** This Contract shall be effective this 1st day of May, 2016, and shall continue in full force and effect if not sooner terminated pursuant to Paragraphs 18 or 23 until April 30, 2021. Sand Point shall have an option to renew this Contract for an additional term of five (5) years. Sand Point shall provide written notice to Shumagin of exercise of the renewal option no later than January 1, 2021.
2. **EXCLUSIVE RIGHTS:** Sand Point shall have the sole and exclusive rights to excavate, extract and remove Materials, including armor rock, and aggregate rock products (“Materials”) from the Quarry. Shumagin shall not rent, sublease, or otherwise allow any other person or entity to remove Materials of any nature from the Quarry without Sand Point’s express written consent. Shumagin and Sand Point agree that money damages would not be a sufficient remedy for any breach of this exclusivity provision, and in addition to all other available remedies, Sand Point shall be entitled to specific performance an injunctive and other equitable relief as a remedy for any such breach.
3. **ROYALTY:** Sand Point shall pay Shumagin a Royalty of \$ 8.30 per bank cubic yard of Materials removed from the Quarry, which amount shall be determined in accordance with the provisions set forth in Section 8, below. Interim royalty payments shall be made on a monthly basis. Interim monthly royalty payments to Shumagin shall be based on estimated

quantities.

3.1 If the Material quantities are reported in estimated volumetric measure by the cubic yard, the bank cubic yards of Material shall be calculated as follow: the number of CQC cubic yards shall be multiplied by 1.35 tons/cubic yard, then divided by 2.23 tons per/bank cubic yard. If the Material quantities are estimated by weight in tons, the bank cubic yards of Material shall be calculated by dividing the CQC weight in tons by 2.23 tons/bank cubic yard.

3.2 Royalties payable to Sand Point shall be computed based on Materials extracted and physically removed from the Quarry. Any material mined and/or extracted by Sand Point that remains at the Quarry at the end of the term shall not be included in the computation of royalty payments.

4. OWNERSHIP AND QUIET ENJOYMENT: Shumagin hereby expressly acknowledges and warrants to Sand Point that (a) Shumagin owns the Quarry surface rights in fee simple; (b) Shumagin has full authority to enter into this agreement and grant Sand Point the rights and interests expressed herein. Shumagin agrees not to take any action in violation of any permits related to the operation of the Quarries, or otherwise take action which in any manner would adversely bear upon Sand Point's ability to extract Materials from the Quarry in accordance with the terms of this Agreement.

5. QUARRY MANAGEMENT PLAN:

5.1 Within thirty (30) days of the Effective Date of this Agreement and prior to commencing any operations in the Quarry under this Agreement, Sand Point shall meet with Shumagin to discuss, develop and prepare a written Quarry Management Plan, which shall remain in effect throughout the term of this Agreement. Thereafter, the parties hereto shall meet, discuss and agree to amendments to the Quarry Management Plan as may be necessary for the mutual benefit to the parties. The Quarry Management Plan and all amendments to this Quarry Management Plan shall be in writing and shall be affixed to this Agreement as additional exhibits and meet the requirements of Section 4 of the Agreement between TAC and Shumagin, a copy of which has been provided to Sand Point.

5.2 Additional copies of all documents required in the preceding paragraph shall be provided to Shumagin for transmittal to TAC for approval in accordance with the provisions of the agreement between Shumagin and TAC. As provided in the TAC Agreement, TAC shall have thirty (30) days after receipt to reject the plan or amendments thereto, and if not rejected within that time said plan or amendments thereto shall be deemed approved.

6. RECLAMATION PLAN: Sand Point will conduct its work in the Quarry in a manner that complies with the Reclamation Plan previously submitted and approved by the Alaska

Department of Natural Resources. Sand Point will not be required to perform any reclamation activities or reclamation erosion control activities, including, but not limited to the building of ponds, seeding, topsoil placement, filling or any other similar reclamation activities, except as provided in Sections 6.2 and 6.3 of this Agreement. However, Sand Point shall perform erosion control during its mining operations.

6.1 Before Sand Point commences removal of product from the Quarry, Sand Point shall submit the necessary paperwork to the Department of Natural Resources to allow Sand Point to operate in the Quarry and follow the requirements in the previously submitted Reclamation Plan. Sand Point shall provide Shumagin with copies of such necessary paperwork reflecting the Department of Natural Resource's approval of Sand Point to operate in the Quarry under the previously submitted Reclamation Plan.

6.2 If an exemption for small operations is to be requested by Sand Point, Sand Point shall file a written Letter of Intent with the Commissioner of Natural Resources in accordance with AS 27.19.050, setting out (a) the total acreage and volume of materials to be mined, (b) total acreage to be reclaimed, and (c) reclamation measures to be used and shall submit the same to Shumagin, which shall in turn submit the same to TAC for its approval. Sand Point shall make any additions or changes as the Commissioner of Natural Resources, TAC or Shumagin shall require. Sand Point shall further file an Annual Reclamation Statement in compliance with AS 27.19.050(c) and 11 AAC 97.510, and shall do so even if no mining operations are performed.

6.3 Sand Point shall attach a copy of the Letter of Intent filed with the Commissioner of Natural Resources or the Department of Natural Resources' approved Reclamation Plan to this Agreement as **Exhibit B**. Sand Point shall also keep and maintain an accurate, complete and updated copy of the Letter of Intent or Reclamation Plan at its field office for the Quarry site in Sand Point and shall make such Plan available for inspection by the Department of Natural Resources at reasonable times in accordance with 11 AAC 97.340, or its successor.

7. MONTHLY REPORTING:

7.1 Sand Point shall prepare and deliver to Shumagin and TAC, not later than one month in arrears, monthly written reports for the Quarry, which report shall include:

7.1.1 The quantity and type of materials removed from the site during the subject period;

7.1.2 The loose volume and type of unprocessed materials extracted from, and stockpiled on, but not removed from the site during the subject period; and

7.1.3 The loose volume and type of processed materials extracted from, and stockpiled on, but not removed from the site during the subject period.

8. SURVEY METHODOLOGY: The quantity of product removed shall be calculated using agreed upon surveyors, which surveyor shall be selected from the list attached hereto as **Exhibit C** or other surveyor approved by TAC and Shumagin, on the basis of two surveys of the Quarry, one taken after the removal of overburden but before the excavation of any material under this agreement (“Before Survey”) and one taken at the end of the Term (“After Survey”). The After Survey shall be completed within 30 days from the date of termination of this contract. However, the period for completion of the After Survey may be extended for a reasonable period if delays are caused by adverse weather conditions or other factor beyond Sand Point’s control. Sand Point shall provide Digital Terrain Model (DTM) data to Shumagin, in either “Soft Desk” format or ASCII point and fault line format, for each such survey based on maximum 25 foot ground short intervals along fault lines. Quantity calculations shall be completed by the surveyor and submitted to Shumagin within thirty (30) days after completion of the After Survey. If this final survey shows that Sand Point owes Shumagin additional royalties, such shall be paid with the survey. If the survey shows that Sand Point has overpaid royalties to Shumagin, Shumagin shall refund such excess payments to Sand Point within thirty (30) days. Shumagin may withhold from such refund any other sums due Shumagin from Sand Point. Unless Shumagin exercises its right to have its own determination of quantity made pursuant to Section 9 below, the quantity of product removed shall be that determined by Sand Point’s surveyor.

9. SHUMAGIN’S OPTION TO PERFORM SURVEY: Shumagin shall have the right, but not the obligation, at its own expense unless otherwise specified herein, to cause the Quarry to be surveyed at the end of the term by a surveyor selected by Shumagin. So long as the volume of excavated product determined by Shumagin’s surveyor does not exceed Sand Point’s quantity determination by more than five percent (5%), Sand Point’s quantity shall be deemed to be the correct quantity for purposes of the volume determination. If, however, Shumagin’s quantity determination exceeds Sand Point’s quantity by more than five percent (5%), then the parties and their respective surveyors shall meet and attempt to resolve any differences between the surveys and agree upon the quantity. In the event an agreement is reached on an amount that exceeds Sand Point’s quantity by more than five percent (5%), Sand Point shall pay for the cost of the second survey. In the event the parties cannot agree, then the parties shall choose a third surveyor, who shall review the surveys and determine the quantity. In the event the quantity, as determined by the third survey exceeds Sand Point’s quantity by more than five percent (5%), Sand Point shall pay the cost of the second and third surveyor. In all other cases, the cost of the third surveyor shall be borne by Shumagin.

10. PHYSICAL SITE CONDITIONS/INSPECTIONS:

10.1 To the fullest extent permitted by law, Shumagin shall indemnify and hold harmless Sand Point and its subcontractors and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, related to environmental remediation of the land and arising out of or resulting from the performance of the mining in an affected area if in fact latent hazardous substances are found.

10.2 If without negligence, fault or responsibility on the part of Sand Point, Sand Point is held liable for the costs of remediation of Hazardous Materials Shumagin shall indemnify Sand Point for all costs and expenses thereby incurred.

10.3 At the end of the term of this agreement or at termination, whichever occurs first, Sand Point and Shumagin shall jointly inspect the Quarry, and Shumagin shall identify any areas in the Quarry which Shumagin contends does not meet Sand Point performance requirements ("Non-Conformities") under this Agreement. Sand Point will either remedy those identified conditions or, may refer the matter to dispute resolution as envisioned in paragraph 26.3. After all such conditions have been either remedied and/or the disputes have been resolved, Shumagin agrees Sand Point shall finally and fully be released of any and all claims, or rights of claim of any nature whatsoever, whether or not known, suspected or claimed which Shumagin ever had, now has, or might have in the future arising out of or relating to Sand Point's performance under this agreement.

11. TOPSOIL AND OVERBURDEN: Topsoil and overburden shall be segregated for future use in Quarry reclamation pursuant to the requirements of 11 AAC 97.200(a)(2) or its successor, and Sand Point shall have no obligation to pay Shumagin for such topsoil and overburden as long as it is not being removed from the Quarry. If, however, topsoil is being removed from the Quarry or sold to a third party, the price and terms of the sale must be agreed upon by Shumagin and Sand Point prior to any removal or sale.

12. BOOKS AND RECORDS OF ACCOUNT/INSPECTION: Sand Point shall maintain accurate and complete records and books of account documenting: (a) the quantity of raw materials removed from the Quarry on a monthly basis and submitted to Shumagin; and (b) the amounts due and payable by Sand Point and the amounts actually paid by Sand Point to Shumagin pursuant to this Agreement.

Such records and books of account shall be preserved for a period of five (5) years after termination of this Agreement and shall be available for inspection by Shumagin and/or TAC at Sand Point's office upon reasonable advance notice to Sand Point. Shumagin and/or TAC may cause such Sand Point's records and books of account to be audited at any time by an accountant selected by Shumagin and/or TAC, at Shumagin's and/or TAC's expense. If any such audit discloses that payments for Materials due to Shumagin were understated, Sand Point shall immediately pay the understated amount to Shumagin, together with simple interest on such

amount at the rate of ten (10%) per annum from the date(s) such understated amount should have been paid by Sand Point.

13. OPERATING REQUIREMENTS:

13.1 Standards of Operations. Sand Point shall properly locate itself and its improvements within the Quarry by survey or such other method as may insure accurate location. Sand Point shall excavate and remove product from the Quarry in compliance with all laws applicable, regulations, ordinances, and orders. Sand Point shall conduct and maintain its operations in a reasonably neat and clean condition, and shall take all prudent precautions to prevent or suppress fires and to prevent erosion or destruction of the land.

13.2 Boundary Lines and Survey Monuments. No boundary mark of the Quarry or any survey line or witness post for any survey corner or monument may be damaged or destroyed. Any violation of this clause shall require Sand Point, at its sole cost and expense, to timely re-establish the line, corner, or monument by a registered surveyor in a manner approved by Shumagin.

13.3 Fire Protection. Sand Point shall take all necessary precautions for the prevention of wild fires and explosions and is responsible for the suppression, and must bear the suppression costs of all destructive or uncontrolled fires and explosions occurring in or outside the Quarries resulting from any of Sand Point's operations under this contract. Sand Point shall comply with all laws, regulations, and ordinances promulgated by governmental agencies responsible for the fire protection in the area.

13.4 Supervision. Sand Point shall maintain adequate supervision at all times when operations are in progress to insure that the provisions of this contract and all applicable federal, state, and local laws and regulations are complied with. A person authorized by Sand Point to assume the responsibilities imposed by this contract shall be present at the Quarry at all times during operations.

13.5 Agents. The provisions of this contract apply with equal force upon any agent, employee, or contractor designated by Sand Point to perform any of the operations under this contract. Sand Point is liable for noncompliance caused by any such agent, employee, or contractor.

13.6 Grave Sites or Archaeological Sites. No grave or archaeological site shall be in any way disturbed, removed, or damaged. Upon encountering any grave or archaeological site, Sand Point shall immediately cease work in the area of the site and shall immediately notify Shumagin.

14. COMPLIANCE WITH APPLICABLE LAWS:

14.1 Sand Point shall comply with all local, State and federal laws, statutes, ordinances, rules, regulations, degrees, injunctions, order and codes now or hereafter applicable to the Quarry and/or Sand Point's operation or management of the Quarries, including without limitation, mining reclamation, Mining Safety and Health (i.e., "MSHA") or Occupational Safety and Health (i.e., "OSHA"). These laws and regulations are, by this reference, made a part of this Contract, and violation of them is cause for termination or suspension of this contract in addition to any penalties prescribed by law. Sand Point shall promptly pay all taxes, fees or assessments imposed by local and/or state taxing authority with respect to Sand Point's operation in, on or about the Quarry.

14.2 Shumagin and/or TAC shall have the right to inspect the Quarry and Sand Point's operations at the Quarry site on four (4) hours advance notice to Sand Point. Sand Point shall immediately make the sites available during regular hours of operation, to conduct the requested inspection.

15. REQUIRED PERMITS: Sand Point shall obtain and maintain, at its expense and throughout the term, all licenses, permits, approvals, consents and certificates from local, State and federal authorities which may be necessary or appropriate for its management and operation of the Quarry.

16. INDEMNITY OF SHUMAGIN, INSURANCE, AND BONDING:

16.1 Sand Point shall defend, indemnify and hold Shumagin, its officers, directors, employees and agents harmless from and against any and all claims, demands, actions, liabilities, and/or damages arising out of/related to Sand Point's Operations or the provisions of this contract, which relate or pertain to claims for personal injury or death, and damages for accidents or fire, explosions, nuisance, or failure to comply with applicable laws and regulations. Sand Point will keep all goods, materials, furniture, fixtures, equipment, machinery, and other property at the Quarries at its sole risk, and will hold Shumagin harmless from any claim of loss or damage to them by any cause.

16.2 Sand Point shall at its expense, procure, maintain, and keep current throughout the term, commercial liability insurance coverage for its management and operation of the Quarries. Such insurance shall: (a) name Sand Point as the insured and Shumagin and TAC as additional insureds; and (b) provide them with the cost of defense and single limits coverage of at least Two Million Dollars (\$2,000,000) per occurrence and in the aggregate for those sums that the named insured and/or an additional insured becomes legally obligated to pay because of bodily injury, death or property damage occurring in, on, about or with respect to the Quarries or any operations thereon or uses thereof.

16.3 Employers Liability/Workers Compensation Insurance. Sand Point shall procure and maintain, at its expense in a form acceptable to the State of Alaska, employer's liability and workers compensation insurance coverage for its operations in, on, about or with respect to the Quarry. Such employer's liability insurance and such workers compensation insurance shall provide coverage in at least the amount to the statutorily required limits.

16.4 General Insurance Requirements. All such insurance: (a) shall be issued by a responsible insurance company that (i) is licensed to do business in Alaska or is a surplus carrier then approved by the State of Alaska and (ii) that has general policyholder ratings of at least B+ in the most current Best Insurance Reports; (b) shall continue in effect until the expiration date or sooner termination of the term; and (c) shall provide by endorsement that no such insurance shall be cancelled or materially changed as respects the interest of Shumagin or TAC, on less than thirty (30) days prior written notice to Shumagin and TAC at their addresses in Section 26.8.

16.5 Sand Point shall provide or require any agent or contractor to provide Worker's Compensation Insurance and such other insurance to cover personnel in such amount and form as is required by Alaska Law.

17. REMOVAL OF EQUIPMENT:

17.1 Sand Point shall, no later than ninety (90) days after completion or termination of this agreement, remove its equipment and other property from the Quarry. After removal, Sand Point must leave the Quarry land in a safe and clean condition that is acceptable to Shumagin. Any access roads to the Quarry constructed by Sand Point are not the property of Sand Point and shall not be considered improvements for the purpose of this section.

17.2 If any of Sand Point's property remains on the premises after the expiration of the period for removal set by Paragraph 17.1, such equipment or personal property shall be deemed abandoned and shall thereafter be the property of Shumagin unless a written mutual agreement by both parties has been made to allow such equipment or property to remain on the premises temporarily.

17.3 Sand Point agrees to execute any and all documents necessary to effectuate the transfer of title to any property deemed abandoned under this agreement.

18. DEFAULT AND SUSPENSION:

18.1 Shumagin may terminate Sand Point's rights under this Agreement if Sand Point materially breaches this Agreement and fails to correct its breach within ten (10) days after

written notice of a breach involving a monetary obligation and within thirty (30) days after written notice of any other breach.

18.2 If Sand Point fails to comply with any of the provisions of this Agreement, Shumagin may, upon not less than ten (10) days advance written notice to Sand Point, shut down Sand Point's operations until corrective action, as specified by Shumagin in its notice, is taken. If this corrective action is not taken after written notice is served upon Sand Point, Shumagin may terminate the Agreement under Section 18.1 of this Agreement. If Sand Point fails to take immediate corrective action when ordered to remedy dangerous conditions or unwarranted damage to natural resources Shumagin may take any such action to prevent danger or additional damage. In that event, Sand Point must pay any reasonable cost incurred by Shumagin as a result of Shumagin taking such corrective action.

19. TAXES: In addition to all other monetary obligations under this Agreement, Sand Point shall pay any and all sales, severance or other taxes attributable to Material removal or other operations under this Agreement and shall pay taxes before they become delinquent and shall defend, indemnify and hold Shumagin harmless from any liability therefore.

20. ASSIGNMENT: Sand Point may not assign all or any part of this Agreement without Shumagin's prior written consent to the assignment, and any purported assignment without such consent is void.

21. PERMITS: Any permits necessary for Material removal or other operations under this Contract must be obtained by Sand Point before commencing Material removal or such operations.

22. PASSAGE OF TITLE: All rights, title, and interest in or to any material included in the contract shall remain in Shumagin until it has been paid for; provided, however, that the right, title, and interest in or to any material which has been paid for but not removed from the Quarry by Sand Point within the period set forth in Section 17 shall vest in Shumagin.

23. TERMINATION: Sand Point shall have the right to terminate this Agreement upon sixty (60) days written notice to Shumagin. Except as otherwise provided in this Agreement, upon termination of this Agreement by Sand Point pursuant to this section, all rights and obligations of the parties hereunder shall cease and any future obligations under this Agreement are null and void. Such termination shall have no effect on the accrued rights of either party hereunder prior to the termination date.

24. FORCE MAJEURE: Neither party shall be liable to the other for any failure or delay of its performance of any of its obligations under this Agreement to the extent caused by the occurrence of a "force majeure event". As used in this Agreement, the term "force majeure

event” means something beyond the reasonable control of either party that cannot be overcome by due diligence, including, but not limited to acts of God or public enemy, acts of the government, fires, floods, epidemics, quarantine restrictions, earthquakes, volcanoes, strikes, fright embargos, unusually severe weather or other events that arise from unforeseeable cause beyond the reasonable control of either party to this Agreement.

25. GENERAL PROVISIONS:

25.1 Entire Agreement. This written Agreement is fully integrated, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all other prior and contemporaneous agreements, contracts, representations, promises, acknowledgments, warranties and covenants, oral or written, by and between the parties with respect to the subject matter of this Agreement.

25.2 Applicable Law. This Agreement and the respective rights and obligations of the parties hereunder shall be construed and interpreted as a contract under the laws of the State of Alaska.

25.3 Dispute Resolution. The parties hereto understand and agree it is in their mutual interest that the performance of this agreement shall proceed with a minimum of difficulty and interference. The parties will at all times proceed in good faith and fair dealing with each other.

25.3.1 Informal Dispute Resolution. In the event disputes arise as to any controversy, matter, or claim arising out of or relating to this Agreement, the parties agree that they will for a period of thirty (30) calendar days after the dispute arises attempt to resolve it by means of discussions between the representatives of the parties through mediation to take place in Anchorage, Alaska. In the event the dispute is not resolved within that period or unless the time is extended by agreement of the parties, then and in that event, the dispute shall be adjudicated upon the filing by either party of a complaint in the Alaska State Courts with venue in Anchorage, Alaska.

25.4 Waivers. The failure by any party to object to a default or exercise any rights or remedies under this Agreement shall not constitute a waiver, either express or implied, of the right to the future exercise of such right or remedy.

25.5 Warranties of Authority. Each party and each natural person who executes this Agreement on behalf of such party acknowledges, warrants and represents for the benefit of the other party to this Agreement: (a) that such person is duly authorized and empowered to execute this Agreement on behalf of such party; (b) that, if a corporation, limited liability company, joint venture, trust, partnership or other entity (i) such party has been duly formed and organized and is in good standing and (ii) all necessary and appropriate resolutions and actions by such party's

board of directors or other policy making authority authorizing such party to enter into, execute and perform this Agreement and the transactions contemplated by this Agreement have been obtained; and (c) that all steps have been taken and acts performed that are conditions precedent to making this Agreement valid, enforceable and binding against such party in accordance with its terms and conditions.

25.6 Independent Counsel. Each party to this Agreement acknowledges that it has enjoyed the advice and representation of competent independent legal, business, tax and financial counsel in negotiating, entering into and executing this Agreement. The fact that this Agreement may have been drafted in whole or in part by one such party's counsel shall not cause any part of this Agreement to be construed against such party.

25.7 Severability. In the event any term or condition of this Agreement is declared by a court of competent Jurisdiction to be void or unenforceable, the remaining terms and conditions shall remain in full force and effect, and be valid and enforceable to the fullest extent permitted by applicable law and enforced as such.

25.8 Notices. Each notice required under this Agreement or by law shall: (a) be in writing (b) contain a clear and concise statement setting forth the subject and substance thereof and the reasons therefore; and (c) be personally delivered, or transmitted by facsimile, or duly mailed by certified mail, return receipt requested, to each party to this Agreement at the below address or such other address or number as that party may have most recently provided in writing to each of the other parties:

Entity

TAC The Aleut Corporation
One Aleut Plaza, Suite 300
4000 Old Seward Highway
Anchorage, AK 99503
(907) 563-4328 (Facsimile)

Shumagin Shumagin Corporation
P.O. Box 189
Sand Point, AK 99661
(907) 383-5356 (Facsimile)

City of Sand Point City of Sand Point
3380 C Street, Suite 205
Anchorage, AK 99503
(907) 274-2540 (Facsimile)

All such notices shall be effective (a) when actually received by the recipient or an authorized representative or agent of the recipient, or (b) five (5) business days after they are sent (not including the date of transmittal), whichever occurs earlier.

25.9 Survival. All of the representations and warranties of the parties shall survive the termination of this Agreement for any reason.

25.10 Attorney Fees and Legal Costs. All of the attorneys' fees and legal costs incurred by the respective parties in negotiating and forming this Agreement shall be borne by the respective parties. All legal costs and attorneys fees actually incurred by any party to this Agreement to enforce any obligations of any other party under this Agreement or any instruments executed in connection herewith shall be paid to the prevailing party by the other party and shall bear interest at the legal rate.

DATED this ____ day of May, 2016, at Sand Point, Alaska.

CONTRACTOR:

OWNER:

CITY OF SAND POINT

SHUMAGIN CORPORATION

By: _____
Its: _____

By: _____
Its: _____

Memo

To: Mayor Gardner
From: Andy Varner, Administrator
cc: City Council
Date: May 27, 2016
Re: RACEE Grant

In late April the U.S. Department of Energy announced 13 recipients of Remote Alaska Communities Energy Efficiency (RACEE) technical assistance, and Sand Point was one of the selected communities. The 13 selected communities will work with Alaska-based technical assistance providers to develop project plans to meet or exceed 15% energy reduction in the community. This technical assistance (TA) is intended to position the communities to successfully obtain loans or compete for funding to fully implement their plans. Later this year during phase III, the communities selected to receive technical assistance will be eligible to compete for up to \$1 million in funding (\$3.4 million total) to implement energy saving measures. This opportunity is focused on energy efficiency; however, building integrated renewable technologies and replacing other inefficient forms of power are eligible. I plan to work with TDX over the course of this grant.

Some of the TA providers are in town this week to conduct energy audits of our community facilities, including City and some non-City owned buildings. They are also here to work on financial modeling to apply for grants and loans if we want to implement the measures, and to calculate payback periods for energy investments in our buildings.

ADJOURNMENT

FYI

Aleutians East Borough--Capital Project List
 Approved FY17 Capital Project Funding-PFE Allocation

Project	Possible Funding Source(s)	Current Funding	Approved FY17 PFE Allocation
False Pass Harbor	Bonds/Leg	\$ 339,265	
Akutan Harbor	Bonds/Leg	\$ -	\$ 100,000
Akutan Harbor Floats	Various	\$ 3,400,000	
King Cove Access Road	Leg	*	\$ 100,000
King Cove School Repairs		\$ 2,785,000	
Nelson Lagoon Erosion	Leg/PFE	\$ 903,000	
Cold Bay Clinic	Leg/Bonds/PFE	\$ 1,637,000	
Akutan Airport Transportation Link	CSA/Leg/Bonds	**	
King Cove Harbor-Stub Breakwater	Leg/Bonds	\$ -	
Sand Point Harbor Floats			
-Design/Eng/Mgmt.	PFE	\$ -	\$ 100,000
-Construction	Leg/Bonds	\$ -	
Cold Bay Dock/Harbor	Leg/Bonds	\$ -	
Nelson Lagoon Dock Repairs			
-Design/Eng	PFE	\$ -	\$ 25,000
False Pass Harbor House			
-Design/Eng	Other	\$ -	
Borough Property Surveys		\$ -	\$ 85,000
AEB Capital Project Contingency Fund			\$ 958,000
Total			\$ 1,368,000

*This project has funding from the following sources: \$2 million State grant; FY16-\$100,000; \$2 million ADOT for construction

**This project includes approx. \$6 million in funding from Borough bonds, State funds and a State grant to the City of Akutan



May 27, 2016

Dan Hull, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501

RE: Comments on C-5, GOA Trawl Bycatch Management

Dear Chairman Hull:

The City of Sand Point is concerned with GOA Trawl Bycatch Management and the effects that rationalizing another Gulf fishery could have on the health and well-being of our community. Our residents benefit directly from the cod and pollock fisheries as the owners, operators and crew on the vessels that harvest these valuable resources.

As I noted in a letter to the Council last November, we are proud to be the homeport to the local groundfish fleet and to vessels based in our harbor, and we strive to provide professional services and be a good partner for the industry. Having that fleet located in our community is important to the city both financially and socially. The trawl fishery, in particular, provides revenues that help sustain local families. This means that our population remains stable, our school is full of children, and folks are spending money in town which helps our local businesses and our tax base.

As you deliberate the intricacies of the of the GOA Trawl Bycatch Management program, I just want to reiterate the uniqueness of this fishery to the Alaska Peninsula communities of Sand Point and King Cove, and to the obvious importance of maintaining jobs in our fishing dependent communities. The following few findings were taken from the *Western Gulf Trawl Bycatch Management Social Impact Assessment*, a 2015 report prepared by Dr. Katherine Reedy for the Aleutians East Borough:

- The resident Western Gulf groundfish trawl fishermen were the first to develop the region's small vessel trawl fishery for both the Western and Central Gulfs.
- Early community-based developers of this groundfish fishery intentionally created a fishery for a multitude of local vessels in order to support more families and fish more consistently throughout the year.
- The majority of the Western Gulf Catcher Vessel fleet resides in the predominately Aleut communities of Sand Point and King Cove.
- The majority of the Western Gulf small vessel trawl fishery is Aleut vessel owners, hired skippers, and crewmen.

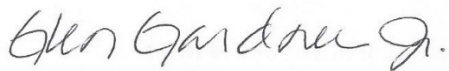
- Local resident Western Gulf fishermen are diversified across all state and most federal commercial fisheries available to them.
- Every fishery is important to Sand Point and King Cove, and the communities would suffer greatly with the loss of any of them.
- King Cove and Sand Point cannot be compared to Dutch Harbor and Kodiak: they are smaller, more vulnerable, locally owned and operated fishing businesses, with only two processors.
- Western Gulf communities are often lost in GOA discussions that center around the fishermen, processors, and support industry of Kodiak.
- The winter fishery for cod and pollock represents between 30% and 80% of the total annual income for hired skippers on trawl vessels. This changing percentage is largely based upon the relative success of the summer salmon fishery and the winter fishery.
- Fishing operations in Sand Point and King Cove largely consist of extended family networks. The compositions of these networks shift slightly between the summer and winter fisheries.

Sand Point is a “fish first” community that revolves solely around the commercial seafood industry, and year-round diversity is key. The same could be said of King Cove. We want to keep the local fleet healthy, and all the jobs that go hand-in-hand with a productive industry. We need to keep revenue and profitable fisheries in our communities, especially as state assistance programs continue to dwindle.

Sand Point is a working town; always has been, and always will. Our people would never ask for a hand-out. All we are seeking is to keep boats active and participating in our community, which translates to supporting local businesses and donating to good causes, keeping kids in our school, and injecting local tax dollars that can further develop our town. Our hope is that families that have always lived in Sand Point, and have a desire to continue, will have the opportunity to stay here and invest in our community for generations to come.

Thank you for considering our comments.

Sincerely,



Glen Gardner, Jr.
Mayor



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

STATEMENT OF ACCOUNT

ACCOUNT 1957756
 STATEMENT PERIOD
 FROM 05-01-16
 THROUGH 05-31-16
 PAGE 1

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

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ACCOUNT SUMMARY

SHARE ACCOUNTS		DIVIDENDS YEAR-TO-DATE	WITHHOLDING YEAR-TO-DATE	PREVIOUS BALANCE	NEW BALANCE
10	SHARE SAV	0.00	0.00	0.00	0.00
80	CERTIFICATE	750.27	0.00	201,599.61	201,752.85
81	CERTIFICATE	747.86	0.00	200,948.40	201,101.15
TOTAL SHARE ACCOUNTS					402,854.00

SHARE SAV - 10

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

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

Effective	Posted	TRANSACTION DESCRIPTION	AMOUNT	BALANCE	EXPANDED TRANSACTION DESCRIPTION
		PREVIOUS BALANCE		201599.61	
05-31	05-31	DEPOSIT DIVIDEND 0.895%	153.24	201752.85	ANNUAL PERCENTAGE YIELD EARNED 0.90% FROM 05/01/16 THROUGH 05/31/16 BASED ON AVERAGE DAILY BALANCE OF 201,599.61
		NEW BALANCE		201752.85	
		DIVIDEND YEAR TO DATE	750.27		

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

Effective	Posted	TRANSACTION DESCRIPTION	AMOUNT	BALANCE	EXPANDED TRANSACTION DESCRIPTION
		PREVIOUS BALANCE		200948.40	
05-31	05-31	DEPOSIT DIVIDEND 0.895%	152.75	201101.15	ANNUAL PERCENTAGE YIELD EARNED 0.90% FROM 05/01/16 THROUGH 05/31/16 BASED ON AVERAGE DAILY BALANCE OF 200,948.40
		NEW BALANCE		201101.15	
		DIVIDEND YEAR TO DATE	747.86		

END OF STATEMENT